

VIS

Credit Rating Company Limited

RATING COMMITTEE CODE OF CONDUCT

SCOPE

This Code applies to all Rating Committee members, including:

- Internal members
- External members
- Chairperson of the Rating Committee

All RC members are required to comply with this Code in letter and spirit as a condition of their appointment.

ROLE OF THE RATING COMMITTEE

- The Rating Committee is the sole authority responsible for all rating decisions issued by VIS, including decisions regarding changes in the ratings. *[CRC Regulations 2016: 11(C)(j)]*
- No individual analyst or officer shall unilaterally determine or issue a rating opinion.
- The RC shall ensure that rating outcomes are based on collective, independent, and professional judgment. *[CRC Regulations 2016: 11(C)(m)]*

RATING COMMITTEE-COMPOSITION

VIS shall ensure that:

- The RC consists of at least five members duly approved by the Board of Directors. *[CRC Regulations 2016: 11(C)(e)]*
- At least one-third or two members, whichever is higher, including the Chairman, are external members appointed with prior approval of the Security & Exchange Commission of Pakistan (SECP) to ensure independence and objectivity. *[CRC Regulations 2016: 11(C)(g)]*
- All RC members meet the prescribed fit and proper criteria as per Annexure C attached herewith. *[CRC Regulations 2016: 11(C)(f)]*
- The constitution of the RC should be such that it promotes continuity and discourages bias in the rating process. *[CRC Regulations 2016: 11(A)(h)]*
- Any individual of VIS performing business development or participating in fee negotiations shall not be appointed as a member of the RC. *[CRC Regulations 2016: 12(2)(c)]*
- Remuneration of external RC members, if any, shall be approved by the Board and shall not be linked to the business performance of VIS to ensure independence. *[CRC Regulations 2016: 11(C)(h) & 11(C)(i)]*

RATING COMMITTEE-QUORUM

- The quorum of the RC shall be at least three members including one external member acting as Chairman. *[CRC Regulations 2016: 11(C)(k)]*
- Rating decisions shall be made through majority vote, with dissenting opinions, if any, recorded in writing. *[CRC Regulations 2016: 11(C)(n)]*

- In emergency situations where quorum is not available, the Chairman, in consultation with at least one member, may take a provisional decision which shall be documented and circulated to all members. [CRC Regulations 2016: 11(C)(k)]

CONDUCT

RC Members shall:

- Perform their obligations in a fair, efficient, transparent, and ethical manner and render high standards of services. [CRC Regulations 2016: 11(A)(a)]
- Maintain sufficiently high analytical and monitoring standards and possess requisite skill and expertise. [CRC Regulations 2016: 11(A)(d)]
- Assist investors and users of ratings by ensuring clear communication regarding nature, limitations, and risks associated with ratings. [CRC Regulations 2016: 11(A)(f)]
- Refrain from soliciting or accepting gifts, favors, or inducements from any rated entity or related party. [CRC Regulations 2016: 11(A)(q)]
- Act with due care, skill, diligence, independence, and objectivity in rating deliberations. [CRC Regulations 2016: 11(C)(l); IOSCO CRA Code 1.19]
- Ensure that analysts follow defined rating criteria, methodologies, and procedures consistently. [CRC Regulations 2016: 11(C)(d)]

RESPONSIBILITIES OF RC MEMBERS

RC members shall:

- Review analysts' reports, models, and relevant information prior to assigning ratings. [CRC Regulations 2016: 11(C)(t)]
- Ensure that each rating reflects consideration of all relevant and reliable information. [CRC Regulations 2016: 11(C)(o)]
- Ensure rating decisions are consistent with approved methodologies, procedures, and processes. [CRC Regulations 2016: 11(C)(m)]
- Maintain detailed minutes of RC meetings including rationale for assigning ratings and record of voting and dissent. [CRC Regulations 2016: 11(C)(n)]
- Ensure documentation supporting rating decisions is maintained for regulatory inspection. [CRC Regulations 2016: 11(C)(o)]

RC Members shall not:

- Communicate non-public rating information except where required by law. [CRC Regulations 2016: 10(5)]
- Issue ratings where they lack appropriate information, knowledge, or expertise. [CRC Regulations 2016: 10(7)(e)]
- Make unsubstantiated claims to induce customers regarding capabilities or achievements. [CRC Regulations 2016: 10(7)(g)]

- Engage in fraudulent, misleading, or unethical practices or solicit clients of other CRAs on assurance of favorable ratings. [CRC Regulations 2016: 10(7)(h)]
- Willfully make false statements or conceal material facts in documents furnished to the Commission. [CRC Regulations 2016: 10(7)(j)]
- Make proposals or recommendations regarding activities of rated entities that could impact credit ratings. [CRC Regulations 2016: 10(7)(k)]

CONFLICT OF INTEREST

RC members shall disclose any actual, potential, or perceived conflict of interest prior to participating in rating deliberations.

An RC member shall not participate in rating decisions where he/she:

- Owns securities of the rated entity or related entity (except diversified CIS holdings);
- Has had recent employment or significant business relationship with the rated entity;
- Has an immediate family member employed by the rated entity; or
- Has any relationship that may impair independence or create perceived bias. [CRC Regulations 2016: Annexure-I 3(ii)(a-e)]

RC members shall not hold positions as director, substantial shareholder, or senior management in any entity rated by VIS (subject to regulatory exemptions)

CONFIDENTIALITY

RC Members shall:

- Maintain strict confidentiality of all non-public information obtained during the rating process. [CRC Regulations 2016: 10(7)(d)]
- Not share non-public information with outsiders or irrelevant employees. [CRC Regulations 2016: Annexure-I 3(i)(a)]
- Not use such information for personal benefit or benefit of relatives, associates, or friends. [CRC Regulations 2016: Annexure-I 3(i)(b)]
- Not disclose non-public rating opinions or future rating actions except to the issuer or their authorized agents. [CRC Regulations 2016: Annexure-I 3(i)(c)]
- Not disclose confidential client information to media or other parties without written consent, unless required by law. [CRC Regulations 2016: 11(A)(o); Annexure-I 3(i)(d)]
- Not use confidential information for trading in securities or for any purpose other than CRA business. [CRC Regulations 2016: Annexure-I 3(i)(e)]
- Fully comply with VIS policies on trading in securities and insider information barriers. [CRC Regulations 2016: Annexure-I 3(i)(f); 11(A)(m)]

RECORDKEEPING

VIS shall maintain detailed records of:

- RC deliberations
- Rating rationales
- Voting and dissent notes
- Supporting analytical materials [CRC Regulations 2016: 11(C)(n) & 11(C)(o)]

Records of all rating actions shall be retained for at least ten years. [CRC Regulations 2016: 11(C)(p)]

APPROVALS

The Compliance Officer shall be the competent authority responsible for interpretation and application of this Code.

This Code of Conduct is to be approved by the Board of Directors of VIS Credit Rating Company Limited and has to be reviewed on annual basis by the competent authority and duly approved by the Board.

Policy	Date of Review	Authorized By
Rating Committee Code of Conduct	April 2026	Board of Directors

