

## POLICY FOR SOLICITED/UN-SOLICITED RATINGS & PUBLIC/PRIVATE RATINGS

### Solicited Ratings

Solicited ratings are initiated at the request of a client. VIS undertakes such a rating assignment only after it has entered into a written agreement with the client and every such agreement, inter-alia, includes the following:

- a. Clear definition of rights and liabilities of each party ;
- b. Fee to be charged by VIS;

As part of the agreement, the client also agrees to:

- c. cooperate with VIS in order for it to arrive at and maintain a true and accurate rating of the issuer/issuer's securities and in particular provide VIS with true, complete and timely information for this same purpose;
- d. periodic review of ratings by VIS during the tenor of the rating and the periodicity of review shall be at least once every year. If the client does not co-operate with VIS, the outstanding ratings may be suspended/withdrawn and such action would be promptly notified to the SECP and the public.

### Unsolicited Ratings

In the event where VIS is of the opinion that an "unsolicited rating" of an issuer/issue is warranted to provide important benchmarking in a particular sector for the benefit of market participants, it may initiate the ratings of that particular entity itself, without the signing of contract with the client. A suffix, "p" is added to the rating symbol to identify it as such.

Following its standard methodologies and procedures and utilizing primary and secondary information available in public domain, VIS carries out an internal assessment of the entity and industry in which operates to arrive at the unsolicited rating. The unsolicited rating is however not modified by a plus (+) or a minus (-) sign which otherwise indicates relative standing within a rating category. Outlook is also not assigned to these ratings.

VIS as per policy does not engage in hostile unsolicited ratings and neither shall it engage in the solicited rating assignment of the issuer/issue for a period of two years from the withdrawal/discontinuation of the unsolicited rating.

A 'p' rating is always publicly disclosed.

### Public and Private Ratings

Upon completion of each non-mandatory initial rating exercise, the rating is disclosed to the client only who at this point decides to make its rating 'public' or 'private'.

Provided that the client has opted to make the rating 'public', VIS will disseminate the finalized rating on a non-selective and free of charge basis. Subsequent to client notification, ratings are made 'public' through the English and Urdu press, as also made available on the company's website: <http://www.vis.com.pk> In case the client chooses to keep the rating 'private', VIS will only disclose such rating to the issuer.

VIS undertakes the 'private rating' assignments of issuers in exactly the same manner as a solicited rating (mentioned above). All 'private' ratings are not disseminated and the ratings and related information are kept confidential. Clients are also restricted to make 'selective disclosure' of their 'private' ratings and are bound to inform VIS in case they decide to make any 'private' rating 'public' at any later date so that the rating be publicly announced by VIS first. Whenever a private rating has been assigned by VIS, and its client approaches, during the life of the contract with VIS, to another credit rating company to make public the private rating assigned by such other rating company VIS will also make public the private rating assigned by it. Dissemination of any 'private' rating at a later stage as described above, is governed by VIS's Policy for Announcement of Ratings. The above mentioned disclosure requirements for 'private' ratings are also stipulated in all rating agreements made between VIS and its clients.