



Brickwork Ratings **Trading Policy**

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TRADING POLICY

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TRADING POLICY

1. Introduction

BWR's Trading Policy describes the protocol for investing in securities by BWR, its employees, and access persons as per the SEBI guidelines on addressing conflict of interest in personal trading. This policy is drafted with reference to Clause 3 of the Code of Conduct, in conjunction with Regulation 13 of CRA Regulations of 1999 and SEBI Master Circular Clause 21.4, dated 3rd July 2023.

2. Objective

The policy outlines the procedures and restrictions for managing conflicts of interest in investment/trading activities at BWR. These guidelines apply to all BWR employees, and access persons, whether acting individually or jointly, in their name, on behalf of their dependents, or as a member of a Hindu Undivided Family (HUF) as defined within this document.

3. Applicability

This policy shall apply to investments/trading in securities by BWR, BWR employees, and access persons connected to BWR, whether acting individually, jointly, on behalf of their dependents, or as a member of a Hindu Undivided Family (HUF).

4. Definition

For the purposes of this document, the terms below shall have the following meanings:

- 4.1. **Securities** for this Policy shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof, except units of a mutual fund (including exchange-traded fund). This Policy does not apply to investments like Insurance, Provident Funds, National Savings Schemes, Kisan Vikas Patra, gold, real estate, etc.
- 4.2. **Immediate Relative** means the following relatives of the designated person: i) a spouse; ii) parent; iii) sibling; iv) child and shall include each of such relatives of the spouse of the designated person, any of whom is either dependent financially

on such designated person or consults such designated person in taking decisions relating to trading in securities.

- 4.3. **Access Persons** The term "Access Persons" includes the Managing Director and Chief Executive Officer of BWR, CRO, all rating employees, Independent Ratings Committee Members, Publication Department, Compliance, Internal Audit and non-rating employees and persons who have access to Ratings Analytical Applications. Consultants may be included as per business/functional requirements.
- 4.4. **Restricted List** refers to a dynamic compilation of clients or securities falling under the following categories: (i) those currently rated by BWR with active ratings, (ii) those undergoing rating procedures, or (iii) those for whom BWR is managing assignments and necessitates confidential information or Unpublished Price Sensitive Information (UPSI) from the client/issuer.
- 4.5. **Unpublished Price Sensitive Information (UPSI)** refers to any information related, directly or indirectly, to a company or its securities that is not made public and which upon becoming public information could have a material impact on the market.

5. Trading/Investment by BWR

BWR shall ensure that there is no existence or appearance of existence of any conflict of interest while investing in any securities. BWR shall not invest in any securities issued by companies rated by BWR. It shall not utilise any Unpublished Price Sensitive Information (UPSI) about any company from its credit ratings business in its investment decision-making process.

6. Trading/Investments by Employees/Access Persons of BWR

The guidelines are provided to ensure the highest standards of internal governance and enhance the credibility of BWR Ratings for various stakeholders. Brickwork Ratings India Private Limited (BWR), Members of Rating Committees and its employees shall adhere to the following guidelines:

- 6.1. The guidelines shall be applicable in case of investment/trading by BWR, Board Members, Members of the Rating Committee, employees of BWR and access persons, as may be defined from time to time through office circulars.

- 6.2. These guidelines shall cover transactions for the purchase or sale of securities, either individually or jointly or in the name of their dependents or as a member of the Hindu Undivided Family (HUF).
- 6.3. To manage potential conflict of interest that may arise due to investment/trading in securities done by BWR or any of the above-mentioned persons:
 - 6.3.1. BWR has adopted adequate systems, procedures, and policies to address any conflicts of interest while investing in securities.
 - 6.3.2. BWR, its employees, and designated access persons, whether individually, jointly, or on behalf of their dependents or as members of a Hindu Undivided Family (HUF), shall not take undue advantage of any price-sensitive information of the clients to whom BWR may have access.

7. Disclosures by Employees/ Access Persons of BWRs

Every employee/access person of BWR must submit to the Compliance Officer a statement of holdings concerning the details of the applicable securities held by employees individually or jointly, or in the name of their dependents or as members of HUF (including the securities held by his/her immediate relative). The individual must submit the mentioned statement in the prescribed format within seven days of joining BWR and subsequently provide their holding statement annually as of March 31st within the following thirty days.

The CEO is required to submit the Holding Statement/s, as previously mentioned, to the Compliance Officer. The report submitted by the CEO is then placed in front of the BWR Board for informational purposes.

Upon the conclusion of every securities transaction, all employees, including access persons, must provide a Transaction Statement to the Compliance Officer within seven calendar days from the transaction date for record-keeping purposes. For securities transactions related to IPOs, Rights Issues, Buy-backs, etc., employees and access persons must provide the Transaction Statement to the Compliance Officer within seven calendar days from the date of securities allotment or upon receipt of the communication regarding the transaction from the company, broker, R&TA, or DP, as applicable.

8. Prior Approval for Transactions

- 8.1. Each access person must obtain prior written approval from the Compliance Officer in a prescribed format before entering into a securities transaction for the purchase or sale of securities of the companies which have been rated by BWR or whose securities/instruments/facilities have been rated by BWR. This includes all transactions of the access person and his/her immediate relatives, including those through Initial Public Offerings (IPOs).
- 8.2. The Compliance Officer shall ensure that there is no conflict of interest before approving.
- 8.3. The Compliance Officer shall obtain such approval from the Managing Director/CEO of BWR for their own investment. Once the approval is received, the trade must be completed within seven working days. If the trade is not executed or partially executed within this timeframe, the CEO must report the decision for non-execution to the Compliance Officer. If there is a need to execute the transaction further, prior approval for the transaction must be sought once again.
- 8.4. **Specific to Members of the Rating Committee:** Each member of the Rating Committee is required to declare/disclose upfront any interest they may have in the securities, instruments, or facilities of the client/company being rated by BWR. Should any member possess investments in the company undergoing rating assessment, they must recuse themselves from the Committee before the commencement of the meeting.

9. Restricted List

- 9.1. To prevent trading in client securities based on UPSI, BWR shall restrict trading in securities of certain companies and designate such list of companies as a restricted list.
- 9.2. BWR shall put such companies on the restricted list where BWR has a business relationship and/or is privy to UPSI. Separate restricted lists shall be maintained for each business by BWR. The restricted lists shall be maintained by the Compliance Officer.
- 9.3. When a company is on the restricted list relevant to a business group, trading in securities of that company shall be blocked or disallowed at the time of pre-clearance.

10. Structured Digital Database

- 10.1. To prevent BWR shall maintain a Structured Digital Database (SDD) as an intermediary and a fiduciary (as applicable) containing details of the UPSI, including the identities of the individuals sharing and receiving such information. This includes the Permanent Account Number (PAN) or any other legally authorized identifier instead of PAN. The database shall be maintained internally with robust internal controls and audit trails to prevent data tampering.
- 10.2. BWR shall retain the SDD for at least eight (8) years after the completion of the relevant transactions. If SEBI requires information about an investigation or enforcement proceedings, the company will preserve the relevant information in the SDD until the proceedings conclude.

11. Other Restrictions

- 11.1. To All access persons of BWR who buy or sell securities shall not enter into an opposite transaction (contra-trade), i.e. sell or buy during the six months following the prior transaction.
- 11.2. The contra-trade restrictions shall also apply to purchases in the primary market (IPOs). For IPOs, the restriction would begin when the securities are allotted.
- 11.3. Should a contra-trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.
- 11.4. Analysts involved in the rating process shall not have ownership of the securities of the company they rate.
- 11.5. Trading in debt mutual funds schemes rated by BWR shall be restricted to the Rating Committee members, employees up to the level of Director (or any other employee as may be designated) who are involved in ratings of debt mutual funds schemes.

12. General Guidelines

- 12.1. The members of the Rating Committee shall upfront declare/disclose their interest, if any, to the Compliance Officer in the securities/instruments/facilities that are considered for rating by BWR.
- 12.2. Employees shall at all times:
 - 12.2.1. Maintain high standards of integrity in the conduct of their business. BWR has adopted adequate systems, procedures, and policies to address any conflicts of interest while investing in securities.
 - 12.2.2. Ensure fair treatment of their clients and do not discriminate amongst them.
 - 12.2.3. Make appropriate disclosure to the clients of possible sources or potential areas of conflict of interest which would impair the ability to render fair, objective, and unbiased service.
 - 12.2.4. Make appropriate disclosure to the clients of possible sources or potential areas of conflict of interest which would impair the ability to render fair, objective, and unbiased service.
 - 12.2.5. Not enter into any transactions in securities while handling a mandate of issuer or client in respect of such security to avoid any conflict.
 - 12.2.6. Not dealing in securities while in possession of UPSI.
 - 12.2.7. Not in any way, contribute to manipulating the demand for or supply of securities in the market or influence prices of securities.
 - 12.2.8. Not communicate, counsel, or provide directly or indirectly any UPSI to others who can trade on such information.
- 12.3. The members of the Each employee should be free from any interest or influence that might undermine them from dedicating their best efforts and undivided attention to BWR.
Effective measures will be implemented to minimize potential conflicts, including the utilization of information technology barriers to restrict the

flow of information from one department to another when such flow of information is inappropriate.

13. Violation

- 13.1. Any violation of the applicable provisions of the guidelines shall be grounds for disciplinary action. Submission of the information as required of this document in no way authorizes an employee/access person of BWR to continue insider trading or ratify the transactions executed earlier.
- 13.2. The information submitted by the employee of BWR is for the record, and BWR is not responsible if the employee contravenes the provisions of:
 - 13.2.1. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - 13.2.2. Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
 - 13.2.3. Any additional circulars, regulations, or guidelines issued by SEBI periodically.
- 13.3. Employees/ access persons who violate the applicable provisions of this document will be subject to disciplinary action by BWR, which can include wage freeze, penalty, suspension, termination, etc.
- 13.4. Any penal action by BWR shall not preclude SEBI from taking any action in case of violation of any of SEBI's regulations.
- 13.5. It is the policy of BWR to proactively cooperate with all regulators and law enforcement agencies in their investigations, including those involving its employees.
- 13.6. If a breach of the SEBI (Prohibition of Insider Trading) Regulations is detected, the Compliance Officer will notify the Stock Exchanges where the concerned securities are traded.

- 13.7. Any data provided to BWR to comply with this document will be kept confidential and will not be shared, except on a “need-to-know” basis or as required by law.