

Brickwork Ratings Code of Conduct

All the employees / consultants who are engaged with Brickwork Ratings India Private Limited (herein referred to as Brickwork Ratings or BWR) agree to abide by the following Code of Conduct at all times.

BASIC Code of Conduct

1. Shall observe high standards of integrity, dignity, and fairness in the conduct of business and shall make all efforts to protect the interests of investors. Shall also fulfill obligations in a prompt, ethical and professional manner.
2. Shall at all times exercise due diligence, ensure proper care and exercise independent professional judgment in order to achieve and maintain objectivity and independence in the rating process and shall not indulge in any unfair competition nor entice the clients of other rating agencies by any kind of assurances of higher rating.
3. Shall wherever necessary disclose to the clients possible sources of conflict of duties and interests which could impair its ability to make fair, objective and unbiased ratings. Further shall ensure that no conflict of interest exists between any member of the rating committee participating in the rating analysis and that of the client.
4. Before the employee / consultant undertakes any other work for himself / herself during the term of employment/engagement with BWR that involves subject matter whether related to BWR's activities or not, shall fully disclose the proposed work to BWR. The employee / consultant shall also disclose to BWR, if he is a proprietor, promoter, partner, director of any firm/entity/company or proposes to undertake any such assignment during the term of employment/engagement with BWR. In all these cases the employee / consultant is required to disclose as well as seek permission from BWR to undertake such proposed work / assignment. BWR reserves the right to allow or deny such permissions sought.
5. Shall not render directly or indirectly, any investment advice about any security in the publicly accessible media, as well as, shall not offer any other fee based services to the rated entities beyond credit ratings and research.
6. Shall not make any untrue statement, suppress any material fact or misrepresent any documents, reports, papers or information furnished to SEBI, Stock Exchange or public.
7. Shall keep track of all important changes relating to the client companies and shall develop efficient and responsive systems to yield timely and accurate ratings, also closely monitor all relevant aspects that might affect the credit worthiness of the issuers.
8. Shall ensure that SEBI is promptly informed about any action, legal proceedings etc., initiated alleging any material breach or non-compliance of any law, rules, regulations and directions of SEBI or any other regulatory body.
9. Shall maintain required competence and knowledge bank and abide by the provisions of the act, regulations, circulars, notifications etc. which may be applicable to the activities carried on by BWR.
10. Shall comply with the award of the ombudsman passed under the Securities and Exchange Board of India (ombudsman) regulations 2003.
11. Shall provide complete information and support to the compliance officer for carrying out the duties effectively and objectively.

12. Shall not disclose any privileged information including prior knowledge of rating decisions or any price sensitive information to any person or take any other action which is unethical or unfair to the investors
13. Shall promptly inform the clients of any change in registration status / any penal action taken by SEBI or any material change in financials which may adversely affect the interests of clients / investors. Any instructions received from the client in consequence thereof shall be immediately and strictly adhered to.
14. Shall provide all relevant information about the business in a timely manner to SEBI / any regulatory body and the top management.
15. Shall not be a party to or instrumental for creation of false market, price regain or manipulation or dissemination of any unpublished price sensitive information in respect of securities which are listed or proposed to be listed in a stock exchange, unless required as part of the rating process.

IOSCO RECOMMENDED CODE OF CONDUCT

1. **QUALITY AND INTEGRITY OF THE RATINGPROCESS**

A. Quality of the Rating Process

1. Shall implement and enforce written procedures to ensure that the opinions it disseminates are based on a thorough analysis of all information known to BWR that is relevant to its analysis according to BWR's published rating methodology.
2. Shall use rating methodologies that are rigorous, systematic, and, where possible, result in ratings that can be subjected to some form of objective validation based on historical experience.
3. Shall apply a given methodology in a consistent manner.
4. Shall undertake that Credit ratings shall be assigned by BWR and not by any individual analyst employee / consultant of BWR. The rating shall be approved by the concerned committee of BWR.
5. Shall maintain internal records to support its credit opinions till the rated instrument remains outstanding or until the rating is withdrawn by BWR.
6. Shall take steps to avoid issuing any credit analyses or reports that contain misrepresentations or are otherwise misleading as to the general creditworthiness of an issuer or obligation.
7. Shall assess whether existing methodologies and models for determining credit ratings of structured products are appropriate when the risk characteristics of the assets underlying a structured product change materially. In cases where the complexity or structure of a new type of structured product or the lack of robust data about the assets underlying the structured product raise serious questions as to whether BWR can determine a credible credit rating for the security, shall refrain from issuing a credit rating.

B. Monitoring and Updating

8. Shall regularly review the issuer's credit worthiness;

9. Shall Initiate a review of the status of the rating upon becoming aware of any information that might reasonably be expected to result in a rating action (including termination of a rating), consistent with the applicable rating methodology.
10. Shall update on a timely basis the rating, as appropriate, based on the results of such review. Subsequent monitoring shall incorporate all cumulative experience obtained. Changes in ratings criteria and assumptions should be applied where appropriate to both initial ratings and subsequent ratings.

C. Integrity of the Rating Process

11. Shall comply with all applicable laws and regulations governing its activities in each jurisdiction in which it operates.
12. Shall deal fairly and honestly with issuers, investors, other market participants and the public.
13. Shall hold to high standards of Integrity
14. Shall not, either implicitly or explicitly, give any assurance or guarantee of a particular rating prior to a rating assessment. This does not preclude developing prospective assessments used in structured finance and similar transactions.
15. Shall prohibit from making proposals or recommendations regarding the design of structured finance products that BWR rates.
16. Upon becoming aware that another employee / consultant or entity under common control with BWR is or has engaged in conduct that is illegal, unethical or contrary to BWR's code of conduct, Shall report such information immediately to the individual in charge of compliance or an officer of BWR, as appropriate, so proper action may be taken.

2. INDEPENDENCE AND AVOIDANCE OF CONFLICTS OF INTEREST

A. General

1. Shall not forbear or refrain from taking a rating action based on the potential effect (economic, political, or otherwise) of the action on BWR, an issuer, an investor, or other market participant.
2. Shall use care and professional judgment to maintain both the substance and appearance of independence and objectivity
3. Shall undertake that, the determination of a credit rating based on only the factors relevant to the credit assessment and not influenced by other factors.
4. Shall maintain an arm's length relationship between its credit rating activity and any other activity and avoid any conflict of interest.

B. Procedures and Policies

5. Shall adapt to written internal procedures and mechanisms to (1) identify, and (2) eliminate, or manage and disclose, as appropriate, any actual or potential conflicts of interest that may influence the opinions and analyses BWR makes or the judgment and analyses of the individual BWR employees / consultants who have an influence on ratings decisions.
6. Shall disclose the general nature of its compensation arrangements with rated entities.

7. Shall not engage in any securities or derivatives trading presenting conflicts of interest with BWR's

C. Analyst and Employee / Consultant Independence

A. Shall structure reporting lines, compensation arrangements and periodic reviews thereof to eliminate or effectively manage actual and potential conflicts of interest and to ensure that the policies and practices relating thereto do not compromise the objectivity of the rating process.

B. Shall not be compensated or evaluated on the basis of the amount of revenue that BWR derives from issuers that the analyst rates or with which the analyst regularly interacts.

1. Shall not directly get involved in the rating process, initiate, or participate in, discussions regarding fees or payments with any entity.
2. Shall not participate in or otherwise influence the determination of the rating of any particular entity or obligation if the employee /consultant:
 - a. Owns securities or derivatives of the rated entity, other than holdings in diversified collective investment schemes /mutual fund units;
 - b. Owns securities or derivatives of any entity related to a rated entity, the ownership of which may cause or may be perceived as causing a conflict of interest, other than holdings in diversified collective investment schemes / mutual fund units;
 - c. Has had a recent employment or other significant business relationship with the rated entity that may cause or may be perceived as causing a conflict of interest;
 - d. Has an immediate relation (i.e., a spouse, parent, child, or sibling) who currently works for the rated entity; or
 - e. Has, or had, any other relationship with the rated entity or any related entity thereof that may cause or may be perceived as causing a conflict of interest.
3. Analysts and anyone involved in the rating process (or their spouse or minor children) shall not buy or sell or engage in any transaction in any security or derivative based on a security issued, guaranteed, or otherwise supported by any entity within such analyst's area of primary analytical responsibility, other than holdings in diversified collective investment schemes / mutual fund units.
4. Shall not use the company's property for personal gain nor will solicit nor accept money, gifts or other benefits which are not customary in normal social intercourse.
5. As an analyst of BWR who becomes involved in any personal relationship that creates the potential for any real or apparent conflict of interest (including, for example, any personal relationship with an employee / consultant of a rated entity or agent of such entity within his or her area of analytic responsibility), shall be required to disclose such relationship to the Compliance Officer.

6. Shall be required to inform whether he/she is joining a client or any of the allied entities which has been analyzed / rated by him / her in the last 6 months.

3. **RESPONSIBILITIES TO THE INVESTING PUBLIC AND ISSUERS**

A. Transparency and Timeliness of Ratings Disclosure

1. Shall indicate with each of its ratings when the rating was last updated and the methodology adopted for rating.
2. Except for “private ratings” provided only to the issuer, shall disclose to the public, on a non-selective basis and free of charge, any rating regarding publicly issued securities, or public issuers themselves, as well as any subsequent decisions to discontinue such a rating, if the rating action is based in whole or in part on material nonpublic information.
3. Shall assist investors in developing a greater understanding of what a credit rating is, and the limits to which credit ratings can be put to use vis-à-vis a particular type of financial product that BWR rates. Shall clearly indicate the attributes and limitations of each credit opinion and the limits to which BWR verifies information provided to it by the issuer or originator of a rated security.
4. Shall explain in the press releases and reports the key elements underlying the rating opinion while issuing the rating or revision of rating.
5. Where feasible and appropriate, prior to issuing or revising a rating, We shall inform the issuer of the critical information and principal considerations upon which a rating will be based and afford the issuer an opportunity to clarify any likely factual misperceptions or other matters that we would wish to be made aware of in order to produce an accurate rating. We shall duly evaluate the response. Where in particular circumstances, has not informed the issuer prior to issuing or revising a rating, shall inform the issuer as soon as practical thereafter and, generally, shall explain the reason for the delay.
6. In order to promote transparency and to enable the market to best judge the performance of the ratings, we, where possible, shall publish sufficient information about the historical default rates of BWR rating categories and whether the default rates of these categories have changed over time, so that interested parties can understand the historical performance of each category and if and how rating categories have changed, and be able to draw quality comparisons among ratings given by different rating agencies. If the nature of the rating or other circumstances make a historical default rate inappropriate, statistically invalid, or otherwise likely to mislead the users of the rating.
7. For each rating, shall disclose whether the issuer participated in the rating process. Each rating not initiated at the request of the issuer shall be identified as such, shall also disclose its policies and procedures regarding unsolicited ratings.
8. Shall fully and publicly disclose any material modification to its methodologies and significant practices, procedures, and processes.

B. The Treatment of Confidential Information

9. Shall adopt procedures and mechanisms to protect the confidential nature of information shared with them by the issuers and use them only for the purpose specified. Shall not disclose or use the information otherwise, unless it is specifically permitted and is consistent with applicable laws or regulations
10. Shall use confidential information only for purposes related to its rating activities.

11. Shall take all reasonable measures to protect all property and records belonging to or in possession of BWR from fraud, theft or misuse.
12. Shall not engage in transactions in securities when they possess confidential information concerning the issuer of such security.
13. In preservation of confidential information, shall familiarize themselves with the internal securities trading policies maintained by BWR, and certify their compliance every quarter of the financial year to the Compliance Officer.
14. Shall not selectively disclose any non-public information about rating opinions or possible future rating actions of BWR, except to the issuer or its designated agents.
15. Shall not share confidential information entrusted to BWR with employees /consultants of any affiliated entities that are not rating agencies. Shall not share confidential information within BWR except on an "as needed" basis.
16. Shall not use or share confidential information for the purpose of trading securities, or for any other purpose except for the conduct of BWR's business.

The provisions of the code of conduct may be amended from time to time as per business requirements and regulatory guidelines.