Policy for dealing with Conflict of Interest in investment / trading by CRISIL Limited, Access Persons and other employees

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I. **Overview**

This document describes the policy, procedures and restrictions to manage Conflict of Interest in investment / trading by CRISIL Limited (“CRISIL”), Access Persons and other employees.

II. **Applicability**

The policy shall apply to investment / trading in securities by CRISIL, Access Persons connected to CRISIL and in case of disclosures to all employees of CRISIL, carried out either individually or jointly for self/immediate relatives.

Off-roll personnel may be included as per business/functional requirement.

III. **Definitions**

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

a) **Securities**

“Securities” for the purpose of this Policy shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof. Units of mutual funds may be excluded for certain categories of employees and CRISIL.

This Policy does not apply to investments in the nature of Insurance, Provident Fund, National Savings Schemes, Kisan Vikas Patra, gold, real estate, etc.

b) **Immediate Relative**

‘Immediate Relative’ means spouse of the person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

c) **Access Persons**

The term “Access Persons” referred to in this document includes the Managing Director and Chief Executive Officer of CRISIL, all Rating employees, Compliance, Internal Audit, Global Data Service and Legal team members and persons who have access to Ratings analytical applications.

Off-roll personnel may be included as per business/functional requirement.

IV. **Trading/Investment by CRISIL**

CRISIL shall ensure that there is no existence or appearance of existence of conflict of interest while making investment in any securities. CRISIL shall not make any investments in securities issued by companies which have credit ratings from CRISIL. It shall not utilize any Unpublished Price Sensitive Information (“UPSI”) about any company from its credit ratings division in its investment decision making process.

V. **Trading/Investments by Employees/Access Persons of CRISIL**

a. **Disclosures**

Upon entering employment with CRISIL and thereafter on an annual basis every Employee/Access Person of CRISIL must submit to the Compliance Officer a Holdings Statement with respect to the details of the applicable securities held by him/her (including the securities held by his/her immediate relative). The Compliance Officer shall make such disclosure to the Chief Executive Officer of CRISIL.
An Employee/Access Person of CRISIL shall within seven days submit his/her Holdings Statement as on the date of joining CRISIL and thereafter submit his/her holding statement annually as on December 31st within the next thirty days.

On completion of any and every transaction of applicable securities, the Employees/Access Person shall furnish the transaction details within seven days from the date of transaction to the Compliance Officer for record.

b. Prior Approval for transactions

1. Each Access Person must obtain prior written approval to enter into a securities transaction. This includes all transactions of the Access Person and his/her immediate relative, including those through initial public offerings (IPOs).
2. An Access Person shall obtain such approval from the Compliance Officer.
3. The Compliance Officer shall obtain such approval from the Chief Executive Officer of CRISIL.
4. On receipt of the approval, the trade must be executed within seven days from the date of approval. If the trade is not executed within seven days, then the Access Person of CRISIL must provide the reason for not executing the transaction and if the requirement for executing the transaction persists take prior approval for the transaction again.
5. Pre-approval is required for all transactions in CRISIL securities, from the Managing Director and Chief Executive Officer of CRISIL Limited. The Managing Director and Chief Executive Officer will require pre-approval from the Compliance Officer for all transactions in CRISIL securities. The approval is valid for seven days.

c. Restricted list

1. In order to prevent trading in client securities based on UPSI, CRISIL shall restrict trading in securities of certain companies and designate such list of companies as a restricted list.
2. CRISIL shall put such companies on the restricted list where CRISIL has a business relationship and is privy to UPSI. Separate restricted lists shall be maintained for each business by CRISIL. The restricted lists shall be maintained by the Compliance Officer.
3. When a company is on the restricted list relevant to a business group, trading in securities of that company shall be blocked or dis-allowed at the time of pre-clearance.
4. All Employees/Access Persons are also prohibited from holding or trading in any securities issued by other Indian credit rating agencies.

d. Other restrictions

1. All Access Persons of CRISIL 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. CRISIL shares received by way of exercise of Employee Stock Option Schemes by Access Persons will not be treated as a trade for the purpose of a Contra Trade.
2. The Contra Trade restrictions shall also apply to purchases in the primary market (Initial Public Offerings or IPOs). In the case of IPOs, the restriction would commence when the securities are actually allotted.
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 SEBI for credit to the Investor Protection and Education Fund administered by the SEBI under the Act.

4. No Access Persons shall take positions in derivative transactions related to the securities of CRISIL at any time.

5. In case the sale of securities is necessitated by the personal emergency of an Employee/Access Person, the holding period may be waived by the Compliance Officer in consultation with the Business Head after recording in writing the Employee's reasons.

6. Analyst involved in the rating / grading process shall not have ownership of the securities of the company they rate.

7. Trading in debt mutual funds schemes rated by CRISIL shall be restricted for 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.

Note: Certain categories of employees (non-access persons) designated by functional role may be required to take prior approval for transactions, be subject to contra-trade restrictions and other requirements.

VI. General Guidelines

1. The members of the Rating / Grading Committee shall upfront declare / disclose their interest, if any, to the Compliance Officer in the securities / instruments / facilities that are considered for rating / grading by the CRISIL.

2. Employees shall
   a. at all times maintain high standards of integrity in the conduct of their business;
   b. ensure fair treatment of their clients and not discriminate amongst them;
   c. 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
   d. not enter into any transactions in securities while handling a mandate of issuer or client in respect of such security so as to avoid any conflict;
   e. not deal in securities while in possession of UPSI;
   f. not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities;
   g. shall not communicate, counsel, or provide directly or indirectly any UPSI to others who can trade on such information.

3. Each Employee should be free from any interest or influence that would make it difficult to give CRISIL the Employee’s best efforts and undivided attention.

4. Effective measures will be implemented to reduce opportunities for conflict such as information technology barriers to block or hinder the flow of information from one department to another when such flow of information is inappropriate.
VII. Violation

Violation of the applicable provisions of the guidelines shall be ground for disciplinary action. Submission of the information as required of this document in no way authorizes an Employee/Access Persons of CRISIL to continue insider trading or ratifies the transactions executed earlier.

The information submitted by the Employee of CRISIL is for record and CRISIL is not responsible if the Employee contravenes the provisions of:


c) Any other circular/regulation/guideline issued by SEBI from time to time.

1. Employees/Access Persons who violate the applicable provisions of this document will be subject to disciplinary action by the company, which can include wage freeze, disgorgement of profits, suspension, termination etc.

2. Any penal action by CRISIL shall not preclude the Securities and Exchange Board of India (SEBI) from taking any action in case of violation of any of SEBI’s regulations.

3. It is the policy of CRISIL to proactively cooperate with all Regulators and Law Enforcement Agents in their investigations including those involving its Employees.

4. Any data provided to CRISIL to comply with this document will be kept confidential and will not be shared, except on a "business-related need-to-know" basis or as required by law.
About CRISIL Limited

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India’s leading ratings agency. We are also the foremost provider of high-end research to the world’s largest banks and leading corporations.

CRISIL is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

CRISIL Privacy Notice

CRISIL respects your privacy. We use your contact information, such as your name, address, and email id, to fulfil your request and service your account and to provide you with additional information from CRISIL and other parts of S&P Global Inc. and its subsidiaries (collectively, the “Company) you may find of interest.

For further information, or to let us know your preferences with respect to receiving marketing materials, please visit www.crisil.com/privacy. You can view the Company’s Customer Privacy at https://www.spglobal.com/privacy

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