

Policy for Announcement of Ratings

December, 2014

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Purpose

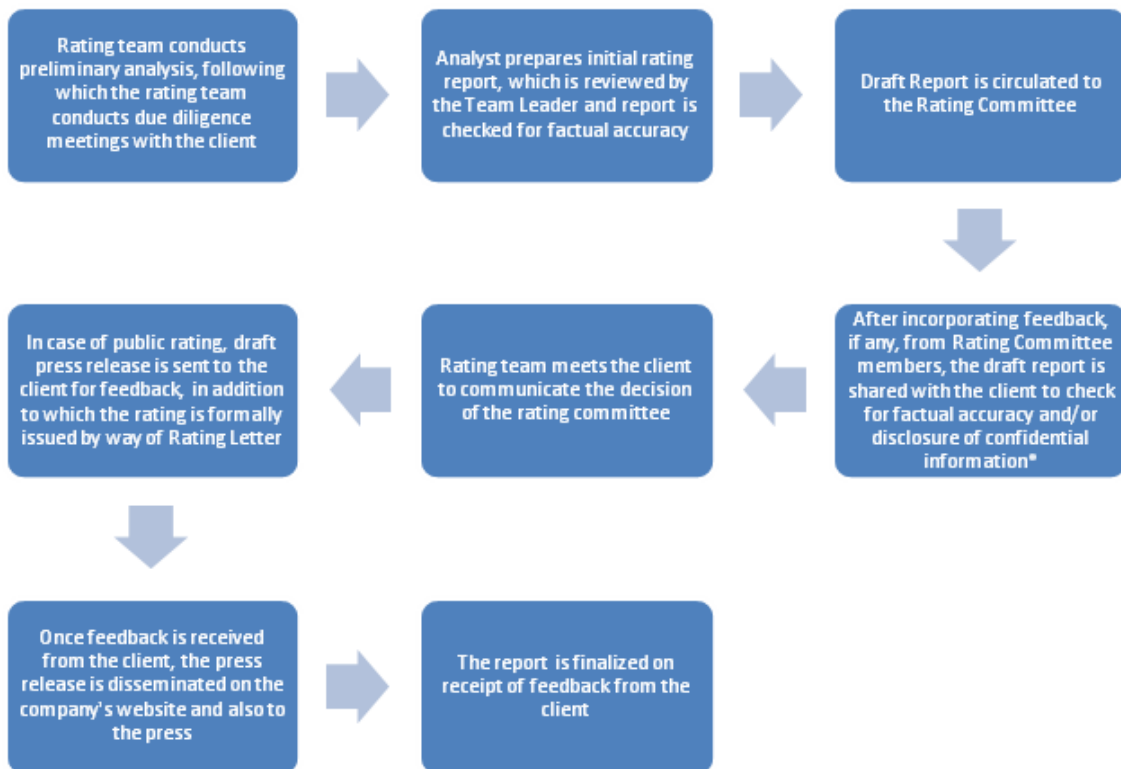
JCR-VIS Credit Rating Company Limited's Policy for Announcement of Ratings delineates the standard operating procedures with regards to communication of ratings to clients and public announcement.

Scope of Policy

This policy applies to all ratings and related rating actions.

Rating Process

Below is a standard depiction of rating process that the rating team is required to observe once information is received from a client in relation to annual surveillance exercise:



**while it is encouraged to share the draft rating report with the client prior to communication of rating, exceptions to this rule are allowed. The rating team is however required to send the draft rating report latest by the date of the issue of the rating letter, so that the client has sufficient time to review and provide feedback.*

The above process is subject to the following regulatory timelines¹:

- The press release is to be issued in the public within two working days of the issue of the rating letter
- The final rating report is to be issued and updated on the company's website within five days of the notification of the rating

These timelines also apply to any rating decision taken as a result of other than annual surveillance exercise, be it initial or interim rating review.

¹ In case of an appeal by the client, these timelines would apply upon finalization of the appeal process

Private and Public Ratings

It is the client's discretion to opt for a 'private' or 'public' solicited rating.

In case the client chooses to keep the rating 'private', JCR-VIS will only disclose such rating to the issuer. The client in such case cannot disclose the rating to any third party nor use it for business solicitation purposes. If JCR-VIS becomes aware of instances of selective disclosure, JCR-VIS will have the right to publicize the rating as well.

Provided that the client has opted to make the rating 'public', JCR-VIS will disseminate the finalized rating on a non-selective and free of charge basis to the press and also on its website. Provided further that the initial rating and any subsequent rating actions will be first directly disseminated by JCR-VIS through media of its choice prior to such disclosure by the client itself.

JCR-VIS intends to advise the client in advance of any proposed change or withdrawal of the rating, but reserves the right to take such action without prior notice. Subsequent to client notification, ratings are made 'public' as follows:

- The press release is first faxed out to Associated Press of Pakistan
- The press release is then faxed to a minimum of one English and one Urdu language daily newspaper having nationwide circulation in addition to other English and Urdu news papers and also posted on the company's website: <http://www.jcrvis.com.pk>

Since this is not a paid service, JCR-VIS cannot ensure that press releases issued are published by the newspapers.

The client while publicizing or communicating the rating at any time shall clearly stipulate that any party desirous of placing reliance on such rating shall be entitled to reconfirm the status of the rating directly from JCR-VIS.

Terms of Rating

JCR-VIS agrees to maintain the rating subject to at least one review per year in effect for the duration of the agreement, subject to JCR-VIS' right in its sole discretion to change the rating at any time for any reason it deems sufficiently reasonable or to withdraw / suspend the rating for reasons of non-payment or lack of information or cooperation.

Rating Report

Every rating report includes the following:

- One Pager – this includes:
 - o Latest & previous rating and rating type
 - o key rating rationale supporting the rating decision
 - o key financial data of the entity being rated
 - o names and contact details of the analysts
 - o in case of unsolicited ratings – the fact that it is unsolicited, the extent of participation by the entity/issuer, its management, its creditors and its auditors in the credit rating process and source of information used in arriving at the rating
 - o Disclaimer, which should read as follows: Information herein was obtained from sources believed to be accurate and reliable; however, JCR-VIS Credit Rating Company Limited (JCR-VIS) does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. JCR-VIS,

the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned in this report. JCR-VIS is not an NRSRO and its ratings are not NRSRO credit ratings. JCR-VIS is paid a fee for most rating assignments. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. Copyright xx JCR-VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to JCR-VIS.

- Detail Report – this includes:
 - o Dynamics of the sector in which the company operates
 - o Overview of the organization itself
 - o Detailed analysis of the various qualitative and quantitative business & operational risk factors considered during the rating process
 - o where relevant, the benchmarks used, any sensitivity analyses performed and its results, comparative analyses made with other industries or companies and credit enhancements
 - o In case of ratings of debt instruments, the structure of the instrument, including collateral details and applicable covenants
 - o History of credit rating for last five years, if available, in case of entity ratings and for the full tenure in case of instrument ratings

Press Release

Every press release must contain the following disclosures:

- Latest rating action
- Date of last rating
- Principal methodology or methodology version used in determining the rating and where a description of the methodology can be found
- Rating rationale supporting the rating
- Contact details of relevant team members

Relevant Regulatory Provisions
SECP's Code of Conduct for Credit Rating Companies

4. RESPONSIBILITIES:

4.1 Transparency and Timeliness:

(a) Where feasible and appropriate, prior to issuing or revising a rating, the CRA shall inform the issuer of the critical information and principal considerations upon which a rating will be based and provide the issuer an opportunity to clarify any likely factual misperception or other matter that the CRA would wish to be made aware of in order to produce a fair rating. A CRA will duly evaluate the response. Where in a particular circumstance the CRA has not informed the issuer prior to issuing or revising a rating, the CRA should inform the issuer as soon as practical thereafter;

(b) Every CRA shall indicate with each of its ratings when the rating was last updated and each rating announcement should also indicate the principal methodology or methodology version that was used in determining the rating and where a description of that methodology can be found. Where the rating is based on more than one methodology, or where a review of only the principal methodology might cause investors to overlook other important aspects of the rating, the CRA should explain this fact in the rating announcement, and indicate where a discussion of how the different methodologies and other important aspects factored into the rating decision can be found;

4.2 Private Rating:

(a) A CRA may be approached either by the entity or any third party for assigning private rating and the CRA shall not publicly disclose the private ratings. The CRAs policy for private rating must clearly articulate non-publication and non-dissemination of the private ratings and confidentiality of the related information; and

(b) Whenever a private rating is made public, it shall be dissemination in the manner as provided in para 4.3.

4.3.1 Disclosure through Newspapers:

A CRA shall disseminate all ratings assigned by it, whether solicited or unsolicited, except the private ratings, by way of press release through a news agency and ensure that these are disseminated through at least one English and one Urdu language daily newspaper having nationwide circulation, within two working days of the notification of such ratings.

Jahangir Kothari Parade (Lady LLOYD Pier)

Inspired by Her Excellency, The Honorable Lady Lloyd, this promenade pier and pavillion was constructed at a cost of 3 Lakhs and donated to the public of Karachi by Jahangir Kothari to whose generosity and public spirit the gift is due. Foundation stone laid on January 5, 1920. Opened by Her Excellency, The Honorable Lady Lloyd on March 21, 1921.

Dome: A roof or vault, usually hemispherical in form. Until the 19th century, domes were constructed of masonry, of wood, or of combinations of the two, frequently reinforced with iron chains around the base to counteract the outward thrust of the structure.

Origins: The dome seems to have developed as roofing for circular mud-brick huts in ancient Mesopotamia about 6000 years ago. In the 14th century B.C. the Mycenaean Greeks built tombs roofed with steep corbeled domes in the shape of pointed beehives (tholos tombs). Otherwise, the dome was not important in ancient Greek architecture. The Romans developed the masonry dome in its purest form, culminating in a temple built by the emperor Hadrian. Set on a massive circular drum the coffered dome forms a perfect hemisphere on the interior, with a large oculus (eye) in its center to admit light.



Jahangir Kothari Parade

National Excellence, International Reach

JCR-VIS Credit Rating Company Limited is committed to the protection of investors and offers a blend of local expertise and international experience to serve

the domestic financial markets. With its international reach, JCR-VIS is positioned to aim for an international mark. In this regard, the global experience of our principal, Japan Credit Rating Agency, Ltd. has been invaluable towards adding depth to our ongoing research endeavors, enriching us in ways, that enable us to deliver our responsibilities to the satisfaction of all investors.

The edifice of the Jahangir Kothari Parade has stood proudly through the years and is a symbol of our heritage. Its 'Dome' as the most stable of building structures, exemplifies architectural perfection. Committed to excellence, JCR-VIS continues its endeavor to remain an emblem of trust.

JCR-VIS Credit Rating Company Limited

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