



Policy for maintaining Quality and Integrity of the Rating Process

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JCR-VIS endeavors to provide forward-looking opinions on the relative creditworthiness of the rated entities, issuers and debt instruments.

A. Quality of the Rating Process

- 1.1 JCR-VIS shall adopt, implement and enforce written procedures to ensure that the opinions it disseminates are based on a thorough analysis of all information known to JCR-VIS that is relevant to its analysis according to JCR-VIS' published rating methodologies.
- 1.2 JCR-VIS 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.
- 1.3 In assessing an issuer's creditworthiness, analysts involved in the preparation or review of any rating action shall use methodologies established by JCR-VIS. Analysts shall apply a given methodology in a consistent manner, as determined by JCR-VIS.
- 1.4 Credit ratings shall be assigned by JCR-VIS, through its rating committees, and not by any individual analyst employed by JCR-VIS; ratings shall reflect all information known, and believed to be relevant, to JCR-VIS, consistent with its published methodology; and JCR-VIS shall use such people in the rating committees who, individually or collectively, have appropriate knowledge and experience in developing a rating opinion for the type of credit being applied.
- 1.5 JCR-VIS shall maintain internal records to support its credit opinions for a minimum period of five years; in case of instrument rating, the time period of five years shall be reckoned from the date of maturity of such instrument.
- 1.6 JCR-VIS and its analysts 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.
- 1.7 JCR-VIS shall ensure that it has and devotes sufficient resources to carry out high quality credit assessments of all obligations and issuers it rates. When deciding whether to rate or continue rating an obligation or issuer, JCR-VIS shall assess whether it is able to devote sufficient personnel with sufficient skill sets to make a proper rating assessment, and whether its personnel likely will have access to sufficient information needed in order make such an assessment. JCR-VIS shall adopt reasonable measures so that the information it uses in assigning a rating is of sufficient quality to support a rating. If the rating involves a type of financial product presenting limited historical data (such as an innovative financial vehicle), JCR-VIS shall make clear, in a prominent place, the limitations of the rating.
- 1.8 JCR-VIS shall establish Methodology, Criteria & Quality Review Group made up of one or more senior managers with appropriate experience to:
 - review the feasibility of providing a credit rating for a type of structure that is materially different from the structures JCR-VIS currently rates;
 - periodically review the methodologies and models and significant changes to the methodologies and models JCR-VIS uses; and
 - 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 JCR-VIS can determine a credible credit rating for the security, JCR-VIS shall refrain from issuing a credit rating.

- 1.9 JCR-VIS shall structure its rating teams to promote continuity and avoid bias in the rating process.
- 1.10 JCR-VIS shall maintain the following records in support of each credit rating and review thereof:
- Summary of discussions with the issuer, its management, auditors and creditors which have a bearing on the credit rating;
 - Decisions of the rating committee
 - where a quantitative model is a substantial component of the credit rating process, the rationale for any material difference between the credit rating implied by the model and the credit rating actually assigned
- 1.11 JCR-VIS shall establish a set of transparent policies, controls and procedures in order to ensure consistency of its rating operations as well as to maintain a fair and robust relationship with its external stakeholders.

B. Monitoring and Updating

- 1.12 JCR-VIS shall ensure that adequate personnel and financial resources are allocated to monitoring and updating its ratings. Except for ratings that clearly indicate that they do not entail ongoing surveillance, once a rating is published, JCR-VIS shall monitor on an on-going basis and update the rating by:
- regularly reviewing the issuer's creditworthiness, with at least one review per year;
 - initiating 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; and,
 - updating on a timely basis the rating, as appropriate, based on the results of such review.
 - engaging with the issuer and debt securities trustee to remain updated on all information pertaining to the rating of the entity/instrument.
- 1.13 Where JCR-VIS makes its ratings available to the public, it shall publicly announce if it discontinues rating an issuer or obligation. Publications by JCR-VIS of the discontinued rating should indicate the date the rating was last updated and the fact that the rating is no longer being updated.

C. Integrity of the Rating Process

- 1.14 JCR-VIS and its employees shall comply with all applicable laws and regulations governing its activities in each jurisdiction in which it operates.
- 1.15 JCR-VIS and its employees shall deal fairly and honestly with issuers, investors, other market participants, and the public.
- 1.16 JCR-VIS's analysts shall be held to high standards of integrity, and JCR-VIS shall not employ individuals with demonstrably compromised integrity.
- 1.17 JCR-VIS and its employees shall not, either implicitly or explicitly, give any assurance or guarantee of a particular rating prior to a rating assessment. This does not preclude JCR-VIS from developing prospective assessments used in structured finance and similar transactions.
- 1.18 JCR-VIS shall prohibit its analysts from making proposals or recommendations regarding the design of structured finance products that JCR-VIS rates.

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- 1.19 JCR-VIS shall appoint a Compliance Officer (CO), in accordance with its compliance policies and procedures (please see Appendix I - JCR-VIS Compliance Function).
- 1.20 Upon becoming aware that another employee or entity under common control with JCR-VIS is or has engaged in conduct that is illegal, unethical or contrary to JCR-VIS' code of conduct, JCR-VIS' employee shall report such information immediately to the CO or a senior officer of JCR-VIS, as appropriate, so proper action may be taken. JCR-VIS' employees are not necessarily expected to be experts in the law. Nonetheless, its employees are expected to report the activities that a reasonable person would question. Any JCR-VIS officer who receives such a report from a JCR-VIS' employee is obligated to take appropriate action, as determined by the laws and regulations of the jurisdiction and the rules and guidelines set forth by JCR-VIS. JCR-VIS management shall prohibit retaliation by other JCR-VIS staff or by JCR-VIS itself against any employees who, in good faith, make such reports.
- 1.21 JCR-VIS shall frame and implement whistle-blower policy encouraging all employees to intimate the CO any unethical practice or misconduct relating to the credit rating, by another employee of the CRA that came to his knowledge.
- 1.22 JCR-VIS shall:
- maintain principle of integrity in seeking rating business;
 - not accept a rating assignment where a client has prematurely terminated a rating contract with its existing CRA, unless such client obtains No Objection Certificate (NOC) from its existing CRA or ensure in writing that it shall continue credit rating with its existing CRA till the period as agreed in the rating agreement.
 - observe a silent period of minimum two-years between the notification of the unsolicited rating and acceptance of the assignment for the solicited rating, where an unsolicited rating becomes a solicited rating.

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

Technical Partners Islamic International Rating Agency, Bahrain
JV Partner CRISL, Bangladesh
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