

Bulletin: 13

Securities Trading and Conflicts of Interest Policy

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Executive Summary

Objective: Establishes employee reporting obligations to identify potential conflicts of interest.

Application: All India Ratings employees.

Purpose: To prevent actual or apparent conflicts of interest.

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India Ratings Securities Trading and Conflicts of Interest Policy

1. Introduction

India Ratings continued success is dependent on its integrity and on its ability to provide markets with objective and independent credit analyses.

This Policy, which addresses Securities trading and conflicts of interest, contains prohibitions, restrictions and disclosure requirements that help protect India Rating's reputation. All Employees are expected to understand this Policy and take every precaution to avoid conflicts of interest and the appearance of conflicts of interest. Under no circumstance should an Employee perform Analytical Activities involving a Rated Entity or Security if he/she might be unduly influenced in any way and under no circumstance should an Employee allow Confidential Ratings Information to influence his/her investment decisions.

Capitalized terms used herein are defined in Section 12 of this Policy.

1.1 Individuals Covered by This Policy

All India Ratings Employees and, unless an exemption is available, their Family Members are covered by this Policy.

1.2 Privacy of Account and Securities Information

India Ratings Employees are required to report private investment information belonging to them and their Family Members, to the extent allowed by law. This information will be used on a "need to know" basis for compliance monitoring purposes and stored in secured servers and files. Compliance may be required to share this information in connection with a subpoena, court order, or as otherwise required by applicable law or by any judicial, legislative or regulatory authority. Records of Employee recusals are distributed as necessary in order to implement access controls.

1.3 Questions

If you have any questions about this Policy, please contact Compliance Officer by email at compliance.india@indiaratings.co.in or by telephone at 91 022 4000 1784.

2. Securities Trading Restrictions and Prohibitions

Securities trading restrictions and prohibitions are designed to help Employees avoid conflicts of interest and Insider Trading violations. The type of applicable restriction(s) depend on the Employee's job function as follows:

- All India Ratings Employees and their Family Members are subject to:
 - Insider Trading Prohibition;
 - 30-day Holding Period Restriction;
 - Short Sale Prohibition;
 - Futures and Options Prohibition; and
 - Securities Reporting (unless they are an Employee Exempt From Reporting as set forth in Section 4)
- In addition to the above, all BRM and Analytical Group Employees, and their Family Members, are subject to :
 - Group Investment Restrictions

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2.1 Insider Trading Prohibition

Transacting in any security while in possession of Material Non-Public Information (i.e., Insider Trading) or passing along such information to others who are not authorized to have it (i.e., Tipping) is illegal. Penalties for Insider Trading or Tipping can be severe. For example, the person who trades on Material Non-Public Information, or who provides such information to others, may be subject to civil penalties, criminal fines and imprisonment. Additionally, the improper use or disclosure of Material Non-Public Information could result in reputational damage and significant sanctions to India Ratings.

India Ratings strictly prohibits Insider Trading and Tipping. An Employee's failure to adhere to this Policy could result in dismissal from employment, in addition to facing civil and criminal penalties.

2.2 30-Day Holding Period Restriction

A purchased Security must be held for at least 30 calendar days prior to being sold. This is calculated on a last in, first out basis. After a Security has been sold, it may not be repurchased within 30 calendar days.

This restriction does not apply to Securities transactions in Managed Accounts.

2.3 Short Sale Prohibition

India Ratings prohibits short selling strategies seeking to profit from downward price movement of Securities. Employees are prohibited from selling Securities they have borrowed or that they don't own.

This restriction does not apply to Securities transactions in Managed Accounts.

2.4 Futures and Options Prohibition

India Ratings prohibits futures and options trading, with the exception of buying protective puts. These transactions are subject to the 30-day holding period restriction described above. This includes the option expiration date at the time of purchase as well as the sale to close the position.

This restriction does not apply to Securities transactions in Managed Accounts.

2.5 Group Investment Restrictions

BRM and AG Employees, and their Family Members, are subject to the Group Investment Restrictions applicable to the Employee's Group, which restrict Employees from investing in certain industries, issuers, fund types and Security types. Group Investment Restrictions apply whether or not India Ratings rates the specific issuer or Security or investment in question. These restrictions are published in the Annex to this Policy. BRM Group Investment Restrictions prohibit Employees and Family Members from investing in any Securities.

If a BRM or AG Employee's Group Investment Restrictions change as a result of a transfer to a different Group, the Employee and their Family Members remain subject to the previous restrictions for sixty (60) days following the transfer, while also being subject to the Group Investment Restrictions, if any, applicable to the new Group.

AG Employee Group Investment Restrictions apply to Securities transactions in Managed Accounts. It is each AG Employee's responsibility to ensure investment advisors comply with such restrictions. BRM Group Investment Restrictions do not apply to Securities transactions in Managed Accounts.

Employees should contact Compliance or their supervisor with any questions regarding whether a

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specific Security is subject to a Group Investment Restriction.

Group Heads or their designees are responsible for establishing their Group Investment Restrictions and for keeping them current by submitting changes to Compliance as they arise.

2.6 Pre-Clearance

An employee shall apply in Form II to Compliance Officer for prior approval of transactions for sale or purchase of securities. The Compliance Officer shall obtain approval of the Chief Executive Officer of India Ratings.

The approval of Compliance Officer for carrying out a transaction for sale or purchase of a security shall be valid for seven calendar days. E.g. If approval is given by Compliance Officer on Monday it is valid till the following Monday.

Upon execution of the transaction, employee shall furnish documentary proof of trade execution for verification of the same.

If a transaction approved by the Compliance Officer has not been effected within seven calendar days from the date of its approval, the employee shall be required to obtain approval prior to effecting the transaction again.

It is solely the employee's responsibility to ensure that the required brokerage statements and trade confirmations as trades occur are submitted to Compliance

3. Divestment and Recusal Requirements

3.1 Divestment Requirement

No Employee is permitted to perform Analytical Activities involving a Rated Entity or Security if he/she holds Securities related to the Rated Entity or Security. BRM, AG Employees and their Family Members who hold Securities that conflict with the Group Investment Restrictions must divest such Securities as soon as possible, but by no later than the timeframes below.

Reason Employee Holds Restricted Securities	Divestment Deadline
New Employee	Prior to the Employee's start
Employee Transfer	15 calendar days after the Employee's transfer date
Securities Acquired Through a Gift, Inheritance, or Marriage	Immediately*
Employee Violated India Ratings Policy	Immediately

* A recusal must be filed if the Securities cannot be divested immediately.

3.2 Recusal Requirement

It may be necessary in certain cases for an AG Employee to recuse themselves from performing Analytical Activities for a Rated Entity or Security.

A recusal may be required if the AG Employee or their Family Members hold a Security not permitted by the applicable Group Investment Restrictions, until the Security can be divested. This may exist where:

- An AG Employee or their Family Member purchased the Security in contravention of the requirements of this Policy

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- An AG Employee or their Family Member holds Restricted Stock
- An AG Employee's Family Member receives company stock or ESOP as compensation
- An AG Employee's Family Member works for the company and has decided to invest in the company
- An AG Employee cannot divest because of lack of liquidity or any legal hold.

In addition, other potential conflicts may arise, such that recusal would be required. Examples of such conflicts may include:

- The AG Employee has a close personal relationship with someone who holds a Key Management Position at an entity that operates in a sector covered by the Employee's group
- The AG Employee has an Outside Interest that creates a conflict of interest or the appearance of a conflict of interest with his/her Analytical Activities

4. Accounts and Securities Reporting

Unless explicitly exempted in accordance with this Policy, Employees must ensure that they and their Family Members report Accounts, Securities holdings and Securities transactions in the manner set forth in Sections 4.1-4.4 below. Note that depending on the Employee's role, additional types of Securities transactions or holdings may be Reportable (see "Definitions" below).

Exemption 1: India Ratings Employees who by virtue of their role do not have routine access to electronic files and systems storing confidential ratings, or commercial or financial information are not subject to the Securities Reporting requirement. These roles include:

- Messengers, drivers, cleaning and cafeteria staff
- HR staff
- Travel management staff
- Front desk staff
- Facilities
- Temporary Workers, including interns, who do not conduct Analytical Activities

Exemption 2: Certain types of transactions in Securities are, depending on the nature of the transaction or the nature of the Account in which the Security is traded or held, exempt from the Securities Reporting requirement. Reporting is not required for the following:

- Changes in holdings by virtue of corporate actions (e.g.: stock splits, dividends, mergers and acquisitions, etc.);
- Automatic investment plan transactions, such as dividend reinvestments. An initial investment in a Security must be reported;
- Blind Trust transactions provided that Compliance has reviewed the trust agreement and confirmed that the trust qualifies for treatment as a Blind Trust (Note: Compliance may treat an Account as a Blind Trust if the Employee and his/her Family Members have neither trading authority over the account nor knowledge of the Accounts holdings and transactions);
- Securities transactions in Managed Accounts belonging to non-AG Employees and their Family Members, provided that Compliance has reviewed the Account agreement and confirmed that the account qualifies for treatment as a Managed Account; and
- Accounts that cannot trade Reportable Securities.

4.1 Reporting of Accounts

All Accounts belonging to Employees and their Family Members must be reported by the Employee within 10 calendar days of establishing the Account. Employees must submit to Compliance a statement of holdings in Securities and brokerage account statement within 30 days from the end of the financial year. (as per Annexure I).

Compliance may require employees to submit statement of holdings in Securities and

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brokerage account statement for the quarter.

4.2 Disclosure as per SEBI {Prohibition of Insider Trading (Amendment) Regulations 2018}

All employees shall be required to disclose name and Permanent Account Number or any other identifier authorized by law of the following to India Ratings on an annual basis and as and when the information changes:

- Immediate relatives
- Persons with whom such designated person(s) shares a material financial relationship
- Phone, mobile, and cell numbers which are used by them

In addition, names of educational institutions from which designated persons have studied and names of their past employers shall also be disclosed on a one time basis.

Explanation - the term "material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions.

4.3 Reporting Changes in Securities Holdings

Securities holdings not automatically reported and acquired by gift, inheritance, marriage, compensation payment (e.g., stock options or restricted stock), or by any other means, in Accounts belonging to Employees and their Family Members, must be reported by the Employee within 10 calendar days of learning of the holding.

4.4 Account Statements

Employees who fail to submit statements within this timeframe will be subject to the disciplinary measures.

5. Outside Interests and External Relationships

Employees are prohibited from holding any position as a partner, officer, director, trustee, board member, or controlling stakeholder of any Rated Entity or Ratings Eligible Entity that operates in a sector that is covered by the Employee's group.

5.1 Employee Outside Interests

Employees are required to obtain approval from their Group Head and notify Compliance prior to accepting:

- A position as a partner, officer, director, trustee, board member, or controlling stakeholder of any Rated Entity or Ratings Eligible Entity that the Employee is not outright prohibited from serving;
- A position as an officer or board member of a trade or professional organization or association;
- A position as an officer, board member or trustee of an educational institution;
- An elected or appointed government office; or
- Any position serving a government, public agency, authority, commission, regulatory body or self-regulatory organization.

These requirements apply to both profit and non-profit organizations.

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5.2 External Relationships

An Analytical Employee must immediately notify Compliance if he/she has a close personal relationship with someone who holds a Key Management Position at a Rated Entity or Ratings Eligible Entity that operates in any sector that is covered by the Analytical Employee's group. Similarly, an Analytical Employee in the Public Finance or Sovereigns Groups must notify Compliance if he/she has a close personal relationship with someone who holds an elected or appointed government office.

If the Analytical Employee has a close personal relationship with someone who holds a Key Management Position at Rated Entity or Ratings Eligible Entity that operates in any sector covered by the Analytical Employee's group, the Analytical Employee will be required to file a recusal.

5.3 Notification and Approval

The Analytical Employee must submit a request on the Compliance prior to engaging in any Outside Interest.

5.4 Outside Employment and Consulting Policy

In addition to the Outside Interest requirements set forth in this policy, Employees are directed to India Ratings separate Human Resources' Outside Employment and Consulting Policy. That Policy contains additional prohibitions and requirements relating to employee outside activities.

6. Gift Policy

All India Ratings Employees, regardless of job function, are prohibited from accepting Gifts in connection with work performed at India Ratings. BRM and non-Analytical Employees may extend Gifts that are appropriate and reasonable given the circumstances.

	Analytical Employee	BRM Employee/non-Analytical Employee
Solicit or accept a Gift	Not Permitted	Not Permitted
Extend a Gift	Not Permitted	Permitted*
Accept nominal items during a business meeting not exceeding Rs. 2500/- (pens, notebooks, branded "trinkets", desk calendar, chocolate Box)	Permitted	Permitted

* Gifts extended by BRM Employees and non-Analytical Employees must be appropriate and reasonable.

Any exception to this policy must be granted by Compliance.

6.1 Protocol to be followed when a Gift is received

6.1.1 The Gift must be returned, donated, or destroyed.

6.1.2 The Employee must send a letter to the donor that:

6.1.2-1 Explains India Ratings restriction against accepting Gifts; and

6.1.2-2 Requests that no Gifts be offered in the future.

6.1.3 The Employee must disclose the gift and upload a copy of the letter to the Compliance

7. Business Events and Entertainment Policy

7.1 Business Events

India Ratings Employees are required to maintain a clear separation of analytical and commercial activity, as described in Bulletin 4. Accordingly, while at Business Events AG Employees must excuse themselves from any fee-related or commercial discussions, and BRM employees must excuse themselves from any analytical discussions. Furthermore, Business Event expenses incurred by AG Employees must be paid for by India Ratings and must conform to India Ratings expense reimbursement policy. However:

- 7.1.1 An entity may pay for an AG Employee's travel or lodging expense when attending a Business Event, if it is related to an activity necessary to conduct India Ratings business and if it has been incorporated in the commercial agreement with the entity by BRM;
- 7.1.2 A conference sponsor may pay for an AG Employee's attendance fee only if he or she is a speaker or panellist; or
- 7.1.3 AG Employees are permitted to accept supplies, food, and beverage during a Business Event if the value of such items does not exceed Rs.2500/-, or the equivalent in other currencies.
- 7.1.4 An AG Employee may attend - without incurring an expense - a conference reception if the reception is open to all conference attendees without charge.

7.2 Business Entertainment

Business Entertainment must:

- 7.2.1 Be reasonable, customary and not overly frequent;
- 7.2.2 Include both India Ratings Employees and those of the entity extending or sponsoring the Entertainment; and
- 7.2.3 Not lead to an influence in ratings or any decision to purchase goods or services from a supplier, or create the perception that such influence may exist.

Business Entertainment that is extravagant, prohibited by law or known to violate an external party's policy is prohibited under this Policy.

	Analytical Employee	BRM Employee/non-Analytical Employee
Attend a Business Event paid by India Ratings	Permitted	Permitted
Attend a Business Event paid by a third party	Not Permitted	Permitted
Extend Business Event	Permitted	Permitted
Attend Business Entertainment	India Ratings Sponsored	Permitted
Extend Business Entertainment	Not Permitted **	Permitted
Accept supplies and food /beverage during a business meeting (not exceeding Rs. 2500/-)	Permitted	Permitted

*AG Employees must excuse themselves from any fee-related or commercial discussion while BRM employees must exclude themselves from any analytical discussion.

** Executive Committee Members permitted to extend Business Entertainment.

8. Compliance Training

India Ratings Employees are required to complete Annual Compliance training within 30 days of joining India Ratings and every year thereafter, except for the following categories of Employees who are exempted from such requirement:

- Employees who do not have access to electronic files and systems (e.g.: messengers, drivers, cafeteria staff, etc.)
- Temporary Workers, including interns, who do not conduct Analytical Activities
- Compliance Employees who create or deliver compliance training.

Other Compliance Training may be assigned from time to time, and Employees are required to complete the training within the time frames provided.

9. Certifications

India Ratings Employees are required to complete all certifications administered by Compliance, including the annual compliance certification and any other special certification that is administered for the purpose of compliance.

Compliance may exempt or amend certification requirements for Temporary Workers and India Ratings Employees that do not have access to electronic files and systems (e.g.: messengers, drivers, cafeteria staff, etc.).

10. Exceptions to Policy Requirements

Exceptions to specific requirements of this Policy may be granted in limited circumstances. Exceptions shall be directed to Compliance. Compliance will take exceptions to the Exceptions committee to decide to give such exemption. Compliance shall keep the granted exceptions.

11. Non-Compliance

Failure to comply with this Policy may lead to disciplinary action, up to and including dismissal from employment. In addition, with respect to certain Policy requirements (e.g., the prohibitions on Insider Trading), the Employee may be subject to personal civil and criminal liability.

India Ratings Employees who find that they have violated this Policy must inform Compliance promptly. Similarly, India Ratings Employees who become aware of a violation of this Policy must also inform Compliance promptly. India Ratings prohibits retaliation against Employees who in good faith report an actual or potential violation of this Policy. An Employee may anonymously report a violation of any India Ratings Policy to the independently managed hotline via the "Report a Violation" link on Fitch Xchange.

In the event of a conflict of interest that arises through a violation of this Policy, the Regional Group Head, in consultation with Compliance, must determine whether there is a possibility that the objectivity of a rating was impacted and whether there are grounds for reviewing the rating. In cases where it is possible that the objectivity of a rating was impacted, the rating must be reviewed by a rating committee.

As may be required by law, India Ratings will as soon as practicable disclose any case where a rating was potentially impacted by a conflict of interest, and indicate whether there was an actual impact to the rating.

If a violation involves a Security purchased by an Employee while in possession of Material Non-Public Information, the Employee in violation must not sell the Security until he/she is no longer in possession of Material Non-Public Information, typically after the rating action or other relevant event occurs and is published.

12. Definitions

“**Account**” means any account that has the capability of trading Securities where the Employee or an Employee’s Family Member:

- Has a beneficial ownership interest; or
- Has discretion or control over the account (e.g.: account owner, power of attorney, trustee, etc.).

“**Analytical Activities**” means (a) performing analyses to determine a credit rating, credit opinion, rating assessment, or credit score; or (b) participating in a rating committee (even as a non-voting member), and may be carried out by an Analyst or an Employee in the Credit Policy Group .

“**Analytical Employee**” means any Employee that performs Analytical Activities or is in the Credit Policy Group.

“**Analytical Group Employee**” or “AG Employee” means any Employee, including Analytical Employees, administrators, operations staff, and others that resides in any of the following groups:

- Corporates Group
- Credit Policy Group (including Credit Market Commentary)
- Financial Institutions Group
- Infrastructure Group
- Insurance Group
- Public Finance Group
- Structured Finance Group

“**Blind Trust**” means a trust that meets the following criteria: (1) the trust executor(s) has full discretion over the assets and is independent of the Employee and the Employee’s Family Members and not otherwise related to the Employee, and (2) the Employee and the Employee’s Family Members have no knowledge of the holdings of the trust.

“**BRM**” means Business & Relationship Management.

“**Business Entertainment**” means any activity where the primary purpose is to further business relations and includes such activities as dinners, golf outings, sporting events, and theatre and concert performances.

“**Business Event**” means any activity, such as an industry conference, meeting or business meal, where the primary purpose is to engage in analytical, research or information-gathering activities (for AG Employees) or to conduct commercial activities (for BRM Employees).

“**Bulletin 13 Exceptions Committee**” is comprised of the Managing Director, Chief Operating Officer and Compliance Officer.

“**Confidential Ratings Information**” means any information that is received or created by India Ratings in the course of its business or analytical activities that has not been disseminated to the general public including:

- Information regarding an issuer that has been designated as “confidential” by the issuer or its agent
- Material Non-Public Information obtained from any source
- Unpublished ratings, opinions, analysis, reports and press releases
- Knowledge of a scheduled rating committee meeting, unless it has been publicly disclosed

“**Employee**” or “**India Ratings Employee**” means an employee of India Ratings.

“**ETF**” means exchange-traded fund.

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“**FAM**” means Funds and Asset Managers Group

Family Members” means employee and immediate relative of employees including:

- An Employee’s spouse or any partner of that person considered by national law as equivalent to the spouse
- An Employee’s dependent children, regardless of residence;
- Member of Hindu Undivided Family
- Any legal entity (e.g.: company, partnership, trust, etc.) whose managerial responsibilities are discharged by, controlled by, or established for the benefit of an Employee or a person listed above; or
- Any person that has granted investment discretion or trading authorization to an Employee or A person listed above
- Any person whom employee has a material financial relations (Explanation-the term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

The definition does not include:

- An Employee’s spouse during divorce proceedings;
- A Blind Trust; or
- An Employee’s parents who are not dependent on employee and is/are residing in the Employee’s home if the Employee can certify that he or she does not have any knowledge of the parent’s Securities holdings and does not share or disclose any confidential information to parents.
- Any non-dependent relative or non-dependent sharing the Employee’s home

“**Gift**” means a tangible gift, a favor or money received in connection with work performed at India Ratings. It does not include Business Events or Business Entertainment.

“**GSE**” means government sponsored entities.

“**Group Investment Restriction**” means a restriction applicable to an Analytical Group Employee that is described in the Bulletin 13 Annex.

“**Insider Trading**” means trading a Security while being aware of Material Non-Public Information.

“**Key Management Position**” means:

- A member of a board of directors
- An executive officer (e.g.: President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Legal Officer, etc.)
- A Treasurer
- Any role that reports directly to the Chief Financial Officer or Treasurer
- A role that interfaces with rating agencies

“**Managed Account**” means an Account where the owner does not have input into the specific investment decisions, but rather is under the control of an independent third-party who is a licensed broker, investment advisor or equivalent.

“**Material Non-Public Information**” means material information that has not been disseminated to the general public and a reasonable investor would consider important in deciding whether to buy, hold, or sell a Security. Examples of material information include, but are not limited to:

- Confidential Rating Information, including a rating action
- Earnings projections

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- A pending or prospective merger, acquisition, tender offer or financing
- The disposition of a subsidiary or a significant sale of assets
- The gain or loss of a material contract, customer or supplier
- A change in management
- An increase or decrease in dividends, the declaration of a stock split, or the offering of additional Securities
- The possibility of material litigation

“**Policy**” means India Ratings Bulletin 13: India Ratings Securities Trading and Conflicts of Interest Policy.

“**Rated Entity**” means:

- The issuer, obligor, guarantor or credit support provider (letter of credit issuer, banks, etc.) with respect to any Security that is rated or in the process of being rated by India Ratings
- an entity to which India Ratings has assigned an Issuer Default Rating
- a sponsor, seller or seller/servicer, originator, underwriter or arranger with respect to a Security in a structured finance transaction that is rated by India Ratings

“**Ratings Eligible Entity**” means any entity which is required to have its debt rated as per extant regulations or which has signed agreement with or is in discussion with India Ratings to have its debt rated.

“**Reportable**” refers to a Security holding or transaction or Account that is required to be disclosed to India Ratings under Bulletin 13.

“**Restricted Stock**” means any Security that is under some kind of sales restriction or has no liquidity or is subject to legal restriction.

“**Sector Fund**” means a mutual fund, exchange-traded fund, or unit trust that concentrates its investments in a specific industry or market sector (e.g.: technology, financial services, healthcare, precious metals etc.).

“**Security**” means any negotiable financial instrument representing a tradable asset. For all India Ratings Employees, this includes:

- Debt securities such as bonds, notes and debentures;
- Equities, such as common stock and preferred stock;
- Financial derivative contracts, such as equity and index options (including employee stock options), rights and warrants and futures contracts;
- Municipal securities;
- Private investments;
- Structured products;
- Passive Investments, such as private placements and limited partnerships; and

For Analytical Group Employees, this also includes:

- Sector Funds

For Analytical Group Employees in the Funds and Asset Manager Group, this also includes:

- Mutual funds, ETFs, and other collective investment schemes; and
- Money market funds.

For Analytical Group Employees in the Sovereign, Public Finance and Financial Institutions Groups, this also includes:

- Direct obligations of a sovereign nation or any agency thereof except those for their home country (i.e., country of residence or citizenship;) and
- Obligations fully guaranteed by a sovereign nation or any agency thereof except those for

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their home country (i.e., country of residence or citizenship.)

“Temporary Worker” means any individual that is contracted for a fixed duration or an approximate end date directly by India Ratings or indirectly via a third party.

“Tipping” means the act of providing Material Non-Public Information about a publicly traded company to a person who is not authorized to have this information.