

## LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTORS

Mr/Ms. ....

.....

.....

Dear Mr/Ms. ....,

We thank you for your confirmation to CRISIL Limited (the “**CRISIL**”) that you meet the “independence” criteria as envisaged in Section 149(6) of the Companies Act, 2013 (“**2013 Act**”) and Clause 49 of the Listing Agreement (as amended vide circular issued by Securities and Exchange Board of India ref no. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and effective from October 1, 2014) and also for your consenting to hold office as a Director of the Company.

We are pleased to confirm your appointment as a Non-Executive Independent Director of the Company (the “appointment”) pursuant to the provisions of Companies Act, 2013 and the Rules made thereunder and subject to approval of the Shareholders of the Company.

This letter sets out the terms of your appointment as an Independent Director. Your relationship with the Company will be that of an office-holder and not one of contract for employment in the Company.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws, including 2013 Act and Clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company (“**AOA**”).

This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

### **1. Appointment:**

- 1.1 Your appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the listing agreement. As an independent Director, you will not be liable to retire by rotation.
- 1.2 The term “Independent Director” should be construed as defined under the Companies Act, 2013 and the listing agreement.
- 1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Company is at liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.

**CRISIL Limited**

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## 2. Committees:

The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

## 3. Time Commitment:

3.1 As a Non-Executive Director you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. The Board meets at least four times in a year. The Audit Committee and Stakeholders' Relationship Committee also meets at least four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Investment Committee, Allotment Committee and Corporate Social Responsibility Committee meetings which are ordinarily convened at least once in a year. You will be expected to attend Board, Board Committees to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Mumbai.

3.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

## 4. Role and Duties:

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the listing agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- I. You shall act in accordance with the Company's Articles of Association.
- II. You shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company.
- III. You shall discharge your duties with due and reasonable care, skill and diligence.
- IV. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to clause 6 for full explanation on conflict of interest.
- V. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- VI. You shall not assign your office as Director and any assignments so made shall be void.

In addition to the above requirements applicable to all Directors, the role of the Non-Executive Director has the following key elements:

**Strategy:** Non-Executive Directors should constructively challenge and help develop proposals on strategy;

**Performance:** Non-Executive Directors should scrutinise the performance of management in meeting agreed goals and objectives;

**Risk:** Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

**People:** Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointment and determining terms of appointment of Executive Directors and in succession planning;

**Reporting:** Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of CRISIL; and

**Compliance:** Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of CRISIL's practices to accepted norms.

## 5. Status of Appointment:

5.1 You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time. The sitting fees presently paid to the Non-Executive Independent Director is Rs. 20,000/- per meeting of the Board or a Committee thereof.

5.2 In addition to the sitting fees, profit related commission may also be payable to you. In determining the amount of this commission, the Nomination and Remuneration Committee and the Board may consider various factors as disclosed in the remuneration policy forming part of the Board's report.

5.3 Further, the Company may pay or reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organised by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

## **6. Conflict of Interest:**

- 6.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.
- 6.2 During your term as Independent Director of CRISIL, you agree to promptly notify the Company of any change in your directorships, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the MD & CEO and the Company Secretary.
- 6.3 During your term, you agree to promptly provide a declaration under Section 149(7) of the 2013 Act (declaration of Independence), every year and upon any change in circumstances within 20 days which may affect your status as an Independent Director.

## **7. Confidentiality:**

All information acquired during your appointment is confidential to CRISIL and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the MD & CEO unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by CRISIL.

Your attention is also drawn to the requirements under the applicable regulations and the Code of Ethics and Personal Trading Policy (Annexure 1), Code of Conduct for Directors of CRISIL (Annexure 2) and Code for Independent Directors (Annexure 3) which concern the disclosure of price sensitive information and dealing in the securities of CRISIL. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the MD & CEO or the Compliance Officer.

## **8. Induction:**

Immediately after your appointment, you will be invited to attend an initial induction session and, thereafter, ongoing training and familiarisation sessions, including briefings from management. Please avail yourself of these opportunities as fully as is appropriate to your personal circumstances.

**9. Changes of personal details:**

During the term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

**10. Performance Appraisal / Evaluation Process:**

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each Director shall be done as per the criteria determined by the Nomination and Remuneration Committee and consistent with the prevailing laws. As required under the law, the criteria for evaluation approved by the Nomination and Remuneration Committee shall be disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

**11. Insurance:**

CRISIL has Directors' and Officers' liability insurance and it is intended that CRISIL will assume and maintain such cover for the full term of your appointment.

**12. Disclosure of Interest:**

The Company must include in its Annual Accounts, a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

**13. Termination:**

- a. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.
- b. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- c. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

**14. Publication of the letter of appointment:**

In line with the provisions of the Companies Act, 2013 and Listing Agreement, the Company may make public a generic copy of this letter on its website at [www.crisil.com](http://www.crisil.com) and the same shall be open for inspection at the registered office of CRISIL by any member during normal business hours.

**15. Governing Law:**

This letter is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

**16. Acceptance of Appointment:**

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our Company.

If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours sincerely,  
For CRISIL Limited

Douglas L. Peterson  
Chairman

Encl.: The following documents are enclosed as Annexures :

1. Code of Ethics and Personal Trading Policy
2. Code of Conduct for Directors and Senior Management
3. Code for Independent Directors

**AGREE AND ACCEPT**

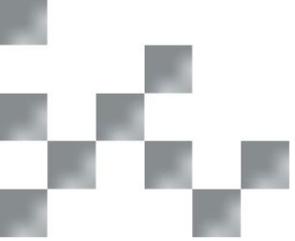
I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed .....

Dated .....

**CRISIL Limited**

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# CODE OF ETHICS AND PERSONAL TRADING POLICY

**Date of Revision:** October 01, 2013

**Supersedes:** All other policies & communications on this subject





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## I. Overview

- This document contains policies, procedures and restrictions relating to personal investments made by the Employees (including Access Persons) and Whole-Time Directors of CRISIL Limited and its subsidiaries (CRISIL Limited and its subsidiaries are hereinafter referred to as "CRISIL"). It is also applicable to professionals who have a business relationship with CRISIL through which they may reasonably be expected to have access to unpublished price-sensitive information.

## II. Definitions

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

### 1. Securities

The scope of securities includes shares, debentures, bonds, warrants, derivatives and units of mutual fund schemes both Indian and international.

This Policy is not applicable to the following investments

- i. Investments not in the nature of securities like life insurance policies, provident funds (including public provident fund) or investment in savings schemes such as National Savings Certificates, National Savings Schemes, Kisan Vikas Patra, or any other similar investment.
- ii. Investments of a non-financial nature such as gold, real estate etc, where there is no likely conflict of interest.
- iii. Investments in government securities, money market mutual fund schemes and G-Sec Mutual Fund Schemes.

### 2. Immediate Family

This Policy is applicable to Employees, Access Persons and Whole-Time Directors (both for individual and joint holdings / transactions), the Employees', Access Persons' or Whole-Time Directors' spouse, minor children, other dependents and any entity (including Hindu Undivided Family) or trust owned or controlled by any of the above.

### 3. Whole-Time Director

The term "Whole-Time Director" referred to in this policy refers to a Whole-Time director of CRISIL's Board unless otherwise specified.

### 4. Access Persons

The term "Access Persons" referred to in this policy includes the Managing Director and Chief Executive Officer of CRISIL, all Business Heads (with designation of President or equivalent in the Credit Ratings division), Rating Analysts, Compliance team members and Rating Committee members.



### III. Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 prohibit trading in securities of any listed company on the basis of unpublished price-sensitive information. The term 'unpublished information' means, any information which relates to specific matters pertaining to, or of concern directly or indirectly to a company and is not generally known or published by any company for general information, but which would, if it were so published or generally known to them, be likely to materially affect the price of securities of such company or any other company in the market. The regulations also provide that unpublished price-sensitive information shall not be disclosed to others who trade on such information.

Employees/Access Persons/Whole-Time Directors of CRISIL shall not deal in securities of a company whether on their own account/their immediate family member's account if the Employee/Access Person/Whole-Time Director is in possession of any unpublished price-sensitive information concerning the company. Any Employee/Access Person/Whole-Time Director of CRISIL who is in possession of any unpublished price-sensitive information shall not communicate, counsel, or provide directly or indirectly the unpublished price-sensitive information to others who can trade on such information.

Any failure to comply with the above regulations will result in penalties to the individual.

### IV. Confidentiality

All non-public information relating to any client or activities of the client are strictly confidential and shall not be disclosed orally or in writing or electronically, directly or indirectly to anyone other than as required by the Regulator/Government/Court.

### V. Gifts, Favours, etc

An Employee/Access Person/Whole-Time Director should never become involved in a situation with a supplier, customer or another entity having business dealings with CRISIL that could possibly be interpreted as improper. No payment or other consideration shall be accepted by Employees/Access Persons/Whole-Time Directors or their immediate family members from any such entities. No gift having more than nominal value extended as a customary courtesy of business life and no loan (other than a normal bank loan) shall be accepted from any person or firm having current or prospective dealings with CRISIL. Nor should an Employee/Access Person/Whole-Time Director be in a position to receive any benefits from such firm if the Employee/Access Person/Whole-Time Director is in any way involved in decisions for CRISIL regarding that firm or its service or products.

No Employee/Access Person/Whole-Time Director should make, or be involved in any way with the making of any improper payment, or offering of any improper inducement to any existing or potential customer or supplier in the form of a bribe, kickback, excessive commission or fee in connection with any activity of CRISIL. This prohibition includes, but is not limited to, obtaining business for CRISIL from private entities or government bodies, in India and abroad.

### VI. False or Misleading Statements

No Employee/Access Person/Whole-Time Director of CRISIL shall make a statement, or disseminate information, which is misleading or false and is likely to induce sale or purchase of securities by any other person or is likely to influence the market price of securities.

## VII. Personal Securities Transactions

### 1. Holdings Statement

Upon entering employment with CRISIL and thereafter on an annual basis every Employee/Access Person/Whole-Time Director of CRISIL must submit to the Compliance Officer a Holdings Statement (as per Annexure I of this document) with respect to the details of the securities held by him/her (including the securities held by his/her immediate family members). All the securities held are required to be reported in this Holdings Statement. The Compliance Officer shall make such disclosure to the Chief Executive Officer of CRISIL.

An Employee/Access Person/Whole-Time Director of CRISIL shall promptly (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. For Employees of Global Analytical Centre, this Holdings Statement has to be promptly (within seven days) submitted as on the date of joining CRISIL and quarterly (within thirty days) as on March 31st, June 30th, September 30th and December 31st.

### 2. Transactions for Which Pre-Approval is Required

- i. Each Employee/Access Person/Whole-Time Director of CRISIL **must** obtain **prior** written approval to enter into a securities transaction. This includes all transactions of the Employee/Access Person/Whole-Time Director and his/her immediate family members, including those through initial public offerings (IPOs).
- ii. Trading Window for dealing in securities of CRISIL
  - a. The trading window for CRISIL shares opens 24 hours after the announcement of quarterly/annual results of CRISIL.
  - b. The "No Trading Window" is from 15 days before the close of every quarter to 24 hours after announcement of the quarterly/annual results of CRISIL.
  - c. The trading window can also be closed at the discretion of the management of CRISIL when any major corporate action is being considered.
  - d. Pre-approval is required for all transactions in CRISIL shares, from the Managing Director and Chief Executive Officer of CRISIL Limited in addition to that from the Compliance Officer. The Managing Director and Chief Executive Officer will require pre-approval from the Compliance Officer for all transactions in CRISIL shares. The approval is valid for one week.
  - e. The Employee/Access Person/Whole-Time Director should inform the Compliance Officer within 24 hours of the approval being obtained and also submit the Broker's contract note immediately after executing the transaction (not later than seven days from the date of the transaction).
  - f. All Employees /Access Persons/Whole-Time Directors who buy or sell CRISIL shares shall not enter into an opposite transaction i.e. sell or buy CRISIL shares during the six months following the prior transaction. CRISIL shares received by way of exercise of ESOPS by Employees/Access Persons/Whole-Time Directors will not be treated as a purchase of shares for the purpose of evaluating an opposite transaction.
  - g. No Employees / Access Persons / Whole-Time Directors shall take positions in derivative transactions related to the shares of CRISIL at any time.
- iii. How to request for pre-approval for transactions in securities:



Requests by an Employee/Access Person/Whole-Time Director of CRISIL for prior approval of personal securities transactions must be made in writing in the format given in Annexure II to this document. It is acceptable to seek such approval in an electronic mode through the Compliance Management System. An Employee/Access Person shall obtain approval of the Head of his/her Department and the Compliance Officer\* (except for shares of CRISIL Ltd, where the procedure is outlined above). In case of the Head of the Department, the approval shall be obtained from his/her immediate supervisor and the Compliance Officer. Whole-Time Directors shall obtain such approvals from the Compliance Officer. The Compliance Officer shall obtain such approval from the Chief Executive Officer of CRISIL. On receipt of the approval, the order must be executed within one week after the approval is given. If the order is not executed within one week, then the Employee/Access Person/Whole-Time Director of CRISIL must take prior approval for the transaction again. The Employee/Access Person/Whole-Time Director shall submit a copy of the approval and the contract note received from the broker within one week from the date of transaction to the Compliance Officer for record.

\* In the Global Research and Analytics (GR&A) and Global Analytical Centre (GAC) businesses, the approval of only the Compliance Officer shall be deemed sufficient.

### **3. Restricted / Grey List**

- A. In order to prevent trading in client securities based on inside information, CRISIL shall restrict trading in securities of certain companies and designate such list of companies as a restricted / grey list.
- B. CRISIL shall put such companies on the restricted/grey list where CRISIL has a business relationship and is privy to price-sensitive information. Separate restricted lists shall be maintained for each business by CRISIL.
- C. As the restricted lists themselves are highly confidential they shall not be communicated directly or indirectly to anyone outside CRISIL. The restricted lists shall be maintained by the Compliance Officer.
- D. When a company is on the restricted list relevant to a business group, trading in securities of that company by Employees of that business group shall be blocked or dis-allowed at the time of pre-clearance.
- E. The details of the above restrictions as applicable for each business group are provided in Annexure IV of this document.
- F. All Employees/Access Persons/Whole-Time Directors are also prohibited from holding or trading in any securities issued by other Indian credit rating agencies.

### **4. Exceptions**

All requests for exceptions to the above policy should be directed to the Head of Department and the Compliance Officer. The Compliance Officer in consultation with the Head of Department may grant exceptions from the restricted list. Exceptions may be general (e.g. permitting certain activities during a specified time window) or specific (e.g. permitting a particular transaction necessitated by personal emergency). Compliance will maintain record of documents in such events.

### **5. Other Restrictions**

- A. All Employees/Access Persons/Whole-Time Directors of CRISIL shall hold their investments for a minimum period of 30 days (after purchase before selling) in order to be considered as being held for investment purposes. Investments in mutual fund schemes are not subject to this restriction.
- B. The holding period shall also apply to purchases in the primary market (Initial Public Offerings or IPOs). In the case of IPOs, the holding period would commence when the securities are actually allotted.

- C. 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 Head of Department after recording in writing the Employee's/Access Person's reasons.
- D. Analysts, while preparing reports of a client Company(s) shall disclose their share holdings / interest in such Company(s), if any, to their Head of Department and the Compliance Officer.
- E. In case of Employee Stock Option Plans (ESOPs), exercise of the option may be allowed in the period when the trading window {as described in clause 2.ii) of this document} is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when the trading window is closed
- F. An Employee/Access Person/Whole-Time Director shall require prior permission for purchase or sale of units of mutual fund schemes (excluding transactions in Money Market Mutual fund schemes and G-Sec Mutual Fund Schemes). In case of investments in the Systematic Investment Plans (SIPs) / Systematic Withdrawal Plans (SWPs) of any scheme of any mutual fund, the Employee/Access Person/Whole-Time Director shall be required to take approval only at the time of first investment / withdrawal in the Systematic Investment / Withdrawal Plan.

## 6. Firewalls

- A. To prevent the misuse of confidential information CRISIL will have firewalls between departments that routinely have access to confidential client information and departments that do not.
- B. Employees/Access Persons/Whole-Time Directors dealing with confidential information shall not communicate any price-sensitive information to anyone other than on a need to know basis.
- C. Demarcation of various departments will be implemented by CRISIL.
- D. Employees/Access Persons/Whole-Time Directors will be given 'confidential information' only on a 'need to know' basis.

## VIII General

Kindly note that the above guidelines are applicable to all Employees/Access Persons/Whole-Time Directors and violation of the guidelines shall be ground for disciplinary action. Submission of the information as required in Annexure-I of this document in no way authorises an Employee/Access Person/Whole-Time Director of CRISIL to continue insider trading or ratifies the transactions executed earlier.

The information submitted by the Employee/Access Person/Whole-Time Director of CRISIL is for record and CRISIL is not responsible if the Employee/Access Person/Whole-Time Director contravenes the provisions of:

- a. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
- b. Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- c. Other laws relevant to trading of securities.
- A. Employees/Access Persons/Whole-Time Directors of CRISIL who violate the provisions of this policy may also be subject to disciplinary action by the company, which can include wage freeze, suspension, etc.
- B. 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.



- C. It is the policy of CRISIL to proactively cooperate with all Regulators and Law Enforcement Agents in their investigations including those involving its Employees/Access Persons/Whole-Time Directors.
- D. Any data provided by an Employee/Access Persons/Whole-Time Director to comply with this policy will be kept confidential and will not be shared, except on a “business-related need-to-know” basis and to a restricted set of individuals.

## **IX. Relationship to other Policies**

The Code of Ethics and Personal Trading Policy should be used in conjunction with Standard & Poor's/McGraw-Hill Companies' policies and procedures that apply to CRISIL Employees/ CRISIL Employees working for Global Analytical Centre and Employees working for CRISIL Risk and Infrastructure Solutions Limited (CRIS Limited). If there is a conflict of interest between CRISIL's policies and Standard & Poor's/McGraw-Hill Companies' policies, the more restrictive or specific policy applies. In the event of conflict between any law, regulation or policy Employees shall comply with the more strict law, regulation or policy.

## **X. Interpretation**

Employees/Access Persons/Whole-Time Directors should seek clarification from the Compliance Department concerning any interpretation of the provisions of the Code of Ethics and Personal Trading Policy.





## Annexure II - Trading Approval Form under Personal Trading Policy

1. NAME OF THE EMPLOYEE/ACCESS PERSON/WHOLE-TIME DIRECTOR/DEPENDENT:

2. DEPARTMENT:

3. NAME AND TYPE OF SECURITIES:

Shares  Debentures  Mutual Funds  Derivatives  Foreign Securities

Others (please specify) \_\_\_\_\_

4. WHETHER THE SECURITY IS ON THE RESTRICTED LIST OF THE DEPARTMENT

(to be confirmed with compliance/head of the department) (Please note that Mutual Funds units are not on restricted list. For any of the other securities, please check with the compliance officer/ head of the department)

Yes

No

5. IF YES,

(i) The permissible period for selling such securities would be one week from the date of announcement of the quarterly results.

Date of the announcement of results \_\_\_\_\_

(ii) No purchase permitted.

6. QUANTITY OR VALUE IN CASE OF MUTUAL FUND:

7. WHETHER BUY/SELL:

8. BROKER'S NAME: (please submit the broker's note to Compliance Department)

9. DETAILS OF THE DEPOSITORY WHERE THE EMPLOYEE/ACCESS PERSON/WHOLE-TIME DIRECTOR HOLDS THE ACCOUNT:

10. MAPIN NUMBER ALLOTTED (if any):

- I do not have any access and have not received any "Price-Sensitive Information" upto the time of signing the undertaking.
- In case I have "Price-Sensitive Information" after the signing of the undertaking but before the execution of the transaction I shall inform the Compliance Officer of the change in the position and that I shall completely refrain from dealing in the securities of the company till the time such information becomes public.
- I have not contravened the code of conduct for prevention of insider trading as specified by the CRISIL from time to time.
- I have made a full and true disclosure in the matter

Signature of the Employee: \_\_\_\_\_  
/Access Person/Whole-Time Director:

Signature of the Approver: \_\_\_\_\_

Name of the Employee: \_\_\_\_\_  
/Access Person/Whole-Time Director:

Name of the Approver: \_\_\_\_\_

**Approval is Valid for a Period of One Week**

Date of Approval: \_\_\_\_\_

**Annexure III – DISCLOSURES OF CONFLICT OF INTEREST ON THE DATE OF JOINING AND ANNUALLY BY ALL EMPLOYEES / ACCESS PERSONS / WHOLE-TIME DIRECTORS**

(Please tick appropriate options and elaborate as required)

1(a) Except as set forth below, I know of no other potential conflict of interest or any conflict that might arise from family connections or employment.

**OR**

1(b) The following are the potential conflicts and /or conflicts that arise from my family connections or employment.

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2(a) I do not hold an elected office in any local, state or national governmental or political entity, or hold an office in any political party.

**OR**

2(b) I do hold an elected office in a local, state or national governmental or political entity, or hold an office in a political party.

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Signature: \_\_\_\_\_

Name of the Employee/Access Person/Whole-Time Director: \_\_\_\_\_

Date: \_\_\_\_\_

**Clarifications:**

1. Immediate Family: An Employee's/Access Person's/Whole-Time Director's spouse, minor children, other dependents and any entity or trust owned or controlled by any of those people.

2. Some examples of potential sources of conflict of interests can be:

- An Employee's/Access Person's spouse working for an equity broking firm
- An immediate family member working for a competing rating agency, either in India or abroad
- Employee/Access Person is working on an assignment relating to an international organization where an immediate family member is employed



## Annexure IV – Details of Restrictions on Personal Trading for Employees/Access Persons

### A. Senior Management

Who is Restricted?	What is Restricted?
Managing Director and Chief Executive Officer of CRISIL Limited, all Presidents or equivalent and all other Business Heads	May not hold, buy or sell <b>ANY</b> security (with the exception of mutual fund units and shares of CRISIL).

### B. Ratings

Who is Restricted?	What is Restricted?
Rating Committee members	May not hold, buy or sell any security from the restricted list.
Other Employees / Access Persons in Ratings	May not buy any security from the restricted list. Any security from the restricted list already owned by the Employee / Access Person can continue to be held. Selling of such securities are however permitted after taking prior approval only during a one-week trading window after declaration of quarterly results by the relevant company. Employees / Access Persons who hold securities in a company on the restricted list shall not participate in assignments or attend Rating Committee Meetings (either physically or telephonically) which involve companies in which they have holdings.

### C. Research

Who is Restricted?	What is Restricted?
Senior Director – Capital Markets or equivalent <sup>&amp;</sup>	May not hold, buy or sell <b>ANY</b> security (with the exception of mutual fund units and shares of CRISIL).
Members of Independent Equity Research (IER) and IPO Grading Committees	May not hold, buy or sell any security from the restricted list.
Other Employees in Research	May not buy any security from the restricted list. Any security from the restricted list already owned by the Employee can continue to be held. Selling of such securities are however permitted after taking prior approval only during a one-week trading window after declaration of quarterly results by the relevant company. Employees who hold securities in a company on the restricted list shall not participate in assignments or attend IER/IPO Grading Committees (either physically or telephonically) which involve companies in which they have holdings..

*& Senior Director-Capital Markets is an Employee of CRISIL and is not a member of CRISIL's Board of Directors.*

## D. Global Analytical Centre

Who is Restricted?	What is Restricted?
All Employees	May not buy any security from the restricted list. Any security from the restricted list already owned by the Employee can continue to be held. Selling of such securities are however permitted after taking prior approval only during a one-week trading window after declaration of quarterly results by the relevant company. Employees shall not participate in assignments or attend Rating Committee Meetings (either physically or telephonically) which involve companies in which they have holdings.

## E. CRISIL Risk and Infrastructure Solutions Limited

Who is Restricted?	What is Restricted?
All Employees	May not buy any security from the restricted list. Any security from the restricted list already owned by the Employee can continue to be held. Selling of such securities are however permitted after taking prior approval only during a one-week trading window after declaration of quarterly results by the relevant company. Employees who hold securities in a company on the restricted list shall not participate in assignments which involve companies in which they have holdings.

## F. Other Employees

Who is Restricted?	What is Restricted?
All Employees	May not buy any security in the restricted list. Any security from the restricted list already owned by the Employee can continue to be held. Selling of such securities are however permitted after taking prior approval only during a one-week trading window after declaration of quarterly results by the relevant company. Employees who hold securities in a company on the restricted list shall not participate in assignments which involve companies in which they have holdings.

Investment holdings of Employees / Access Persons/ Whole-Time Directors or their immediate family members which have arisen on account of exercise of ESOPs or related compensation plans, awarded by their past or present employers, can continue to be held. However, the concerned Employee/Access Person/Whole-Time Director should then not participate in assignments or attend Rating Committee Meetings or IPO Grading / IER Committees (either physically or telephonically) which involve companies in which he/she or his/her immediate family members have holdings in.

## Divestment

If an Employee/Access Person/Whole-Time Director or his/her Immediate Family members holds any securities that he/she is restricted from holding, he/she must divest these securities within the timeframes stated below. Please note that before divesting a security the Employee/Access Person/Whole-Time Director must submit the pre-approval request (as per the format given in Annexure II of this document) and receive approval for the trade.



- A. **New Employees/Access Persons/Whole-Time Directors** – New Employees/Access Persons/Whole-Time Directors and their Immediate Family members must divest holdings, if any, in securities they are restricted from holding, within fifteen (15) days of commencing employment.
- B. **Transferred Employees/Access Persons** – Employees/Access Persons, who become subject to this Policy or to a restricted list through transfer or reassignment, and their Immediate Family members, must divest securities they are restricted from holding within fifteen (15) days of their reassignment.
- C. **Gifts and Inheritances** – If an Employee/Access Person/Whole-Time Director or his/her Immediate Family members receives a security they are restricted from holding as a gift, an inheritance, or through any other involuntary action, they must divest the security within fifteen (15) days of receipt.
- D. **Changes to restricted lists** – If there are any changes to the restricted lists that affect an Employee's/Access Person's/Whole-Time Director's holdings or those of his / her Immediate Family members, he / she will be notified. The Employee/Access Person/Whole-Time Director and his / her Immediate Family members must divest the securities they are restricted from holding within fifteen (15) days of such notification.

**CODE OF CONDUCT FOR DIRECTORS  
AND SENIOR MANAGEMENT PERSONNEL**

All the Directors and Senior Management personnel of CRISIL Limited are expected to read and understand the Code of Conduct and uphold these standards in their day-to-day activities, comply with all applicable policies and ensure compliance.

All the Directors / Senior Management personnel shall affirm compliance with the code on an annual basis.

▪ **Compliance with Laws, rules, regulations:**

All the Directors / Senior Management personnel must comply with all applicable laws, regulations, and rules of the country.

▪ **Ethical conduct:**

All the Directors / Senior Management personnel shall deal on behalf of the Company with professionalism, honesty and integrity as well as high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be such by third parties.

▪ **Ethical conduct:**

Directors / Senior Management personnel shall also comply with the Code of Ethics and Personal Trading Policy of CRISIL Limited.

▪ **Confidentiality:**

Information relating to any client or activities of CRISIL Limited is strictly confidential and shall not be disclosed orally or in writing or electronically, directly or indirectly to anyone unless the Directors / Senior Management personnel have been specifically authorized to release this information.

▪ **Conflict of Interest:**

Directors / Senior Management personnel shall not engage in any business transaction, which might conflict with the interests of CRISIL Limited. A conflict of interest may arise where Directors / Senior Management personnel directly derive personal benefit by making or influencing decisions relating to such business transactions.

▪ **Insider Trading:**

Directors / Senior Management personnel shall not deal in the securities of a Company whether on their own account / their relative's account if they are in possession of any unpublished price sensitive information concerning the Company. Directors / Senior Management personnel who are in possession of any unpublished price sensitive information shall not communicate directly or indirectly the said information to others who trade on such information.

▪ **Gifts / Favours:**

Directors / Senior Management personnel shall not accept any gift, favour or invitation offered by any client, person or organization with whom CRISIL Limited has any business relationship that creates a conflict between the individual's personal interest and the interest of CRISIL Limited. Directors / Senior Management personnel shall not accept any such gift, favour or invitation except those extended as a customary courtesy of business life.

▪ **False or misleading statements:**

Directors / Senior Management personnel shall not make a statement or disseminate information, which is misleading or false and is likely to induce sale or purchase of securities by any other person or is likely to have the effect of influencing the market price of the securities.

▪ **Accounting Practices:**

CRISIL Limited's responsibilities to its stock brokers and the investing public require that all transactions be fully and accurately reported in CRISIL Limited's books and recorded in compliance with all applicable laws. False or misleading entries, unrecorded funds or assets or payments without appropriate supporting documentation and approval are strictly prohibited and violate CRISIL Limited's policy and the law. Additionally, all documentation supporting a transaction should fully and accurately describe the nature of the transaction and be processed in a timely fashion.

▪ **Protecting Company assets:**

The assets of CRISIL Limited shall not be misused but employed for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as proprietary information.

**CODE FOR INDEPENDENT DIRECTORS**

**I. INTRODUCTION:**

The principles of Corporate Governance require Independent Directors (“IDS”) to review the overall strategy, oversee the performance of the management and participate and arrive at an independent judgement. Their role is to provide an unbiased, independent, varied and experienced perspective to the Board.

This Code of Conduct (“the Code”) for Independent Directors (“IDs”) is a guide to maintain professional conduct of CRISIL Limited (“the Company”) and ensure compliance with the requirements of Companies Act, 2013 and Listing Agreement with the stock exchanges.

Adherence to these standards by Independent Directors and fulfilment of their responsibilities in a professional and faithful manner, will promote confidence of the investment community, minority shareholders, regulators and Companies in the institution of Independent Directors.

The Code is applicable to “the Company” and “IDs” of the Company.

An Independent Director (IDs) in relation to a Company, means a Director other than a Managing Director or a Whole-time Director or a Nominee Director;

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company  
(ii) who is not related to Promoters or Directors in the Company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or Directors, during the 2 (two) immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or Directors, amounting to 2% (two percent) or more of its gross turnover or total income or Rs.50,00,000/- (fifty lakh Rupees) whichever is lower, during the 2 (two) immediately preceding financial years or during the current financial year;

- e. who, neither himself nor any of his/her relatives—
1. holds or has held the position of a Key Managerial Personnel (KMP) or is or has been employee of the Company or its holding, subsidiary or associate company in any of the 3 (three) financial years immediately preceding the financial year in which he is proposed to be appointed;
  2. is or has been an employee or proprietor or a partner, in any of the 3 (three) financial years immediately preceding the financial year in which he is proposed to be appointed, of :
    - i. a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
    - ii. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to 10% (ten percent) or more of the gross turnover of such firm;
  3. holds together with his/her relatives 2% (two percent) or more of the total voting power of the Company; or
  4. is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives 25% (twenty-five percent) or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company;
- f. who possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

Every Independent Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his/her status as an Independent Director, give a declaration that he meets the criteria of independence.

**Compliance Officer:** The Compliance Officer of the Company for the purpose of this code shall be the Company Secretary or such other officer of the Company as may be designated by the Board of Directors from time to time.

## **II. PROFESSIONAL CONDUCT:**

The Independent Directors must follow the following principles in fulfilling their fiduciary responsibilities;

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his/her duties;
- (3) exercise his/her responsibilities in a *bona fide* manner in the interest of the Company;
- (4) devote sufficient time and attention to his/her professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his/her exercise of objective Independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his/her position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his/her independence;
- (8) where circumstances arise which make an independent director lose his/her Independence, the independent director must immediately inform the Board accordingly;
- (9) assist the Company in implementing the best Corporate Governance practices.

## **III. ROLE AND FUNCTIONS:**

The Independent Directors shall:-

- (1) Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) Bring an objective view in the evaluation of the performance of board and management;
- (3) Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

- (4) Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) Safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) Balance the conflicting interest of the stakeholders;
- (7) Determine appropriate levels of remuneration of Executive Directors, Key Managerial Personnel and Senior Management and have a prime role in appointing and where necessary recommend removal of Executive Directors, Key Managerial Personnel and Senior Management;
- (8) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

**IV. DUTIES:**

The Independent Directors shall :-

- (1) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (2) Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- (3) Strive to attend all meetings of the Board of Directors and of the Board Committees of which he is a member;
- (4) Participate constructively and actively in the Committees of the Board in which they are chairpersons or members;
- (5) Strive to attend the general meetings of the Company;
- (6) Where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) Keep themselves well informed about the Company and the external environment in which it operates;
- (8) Not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;

- (9) Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- (10) Ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) Report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- (12) Acting within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (13) Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

**V. MANNER OF APPOINTMENT:**

- (1) Appointment process of Independent Directors shall be independent of the Company management; while selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of Independent Director(s) of the Company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.
- (4) The appointment of Independent Directors shall be formalised through a letter of appointment, which shall set out:
  - a) The term of appointment;
  - b) The expectation of the Board from the appointed director; the Board level Committee in which the Director is expected to serve and its tasks;
  - c) The fiduciary duties that come with such an appointment along with accompanying liabilities;
  - d) Provision for Directors and Officers (D and O) insurance, if any;

- e) The Code of Business Ethics that the company expects its Directors and Employees to follow;
  - f) The list of actions that a Director should not do while functioning as such in the company; and
  - g) The remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company by any member during normal business hours.
- (6) The terms and conditions of appointment of Independent Directors shall also be posted on the Company's website. ([www.crisil.com](http://www.crisil.com))

**VI. RE-APPOINTMENT:**

The re-appointment of Independent Directors shall be on the basis of report of performance evaluation.

**VII. RESIGNATION OR REMOVAL:**

- (1) The resignation or removal of an Independent Director shall be in the same manner as is provided in sections 168 and 169 of the Companies Act, 2013.
- (2) An independent director who resigns or is removed from the Board of the Company shall be replaced by a new Independent Director within a period of not more than three (3) months from the date of such resignation or removal, as the case may be.
- (3) Where the Company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent Director shall not apply.

**VIII. SEPARATE MEETINGS:**

- (1) The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of Management;
- (2) All the Independent Directors of the Company shall strive to be present at such meeting;
- (3) The meeting shall:
  - a) Review the performance of Non-Independent Directors and the Board as a whole;
  - b) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

- c) Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**IX. EVALUATION MECHANISM:**

- (1) The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

Adopted by the Board of Directors of CRISIL Limited at the meeting held on July 18, 2014.