

Policy on Segregation and Firewall between Credit Rating Activities and Other Business Activities

DOCUMENT CHANGE CONTROL

Version	Author / Owner	Date	Outline of changes
1.0	Compliance Officer	23-02-2026	As per the IFSCA (Capital Market Intermediaries) Regulations, 2025

THIS DOCUMENT HAS BEEN REVIEWED AND APPROVED BY

Name	Approved Date
CEO	25-02-2026
Group MD-CEO	02-03-2026
Board of Directors	18-03-2026
Policy Effective from	02-03-2026

Policy on Segregation and Firewall between Credit Rating Activities and Other Business Activities of CareEdge Global IFSC Limited (“CGIL” or “the Company”)

1. INTRODUCTION

CareEdge Global IFSC Limited (“CGIL” or “the Company”) is registered as a Credit Rating Agency (CRA) and as an ESG Ratings and Data Products Provider (ERDPP) with International Financial Services Centres Authority (“IFSCA”) under IFSCA (Capital Market Intermediaries) Regulations, 2025 (“IFSCA CMI Regulations”). The Company is a Wholly Owned Subsidiary of CARE Ratings Limited (Holding Company), a CRA registered with SEBI. The Company, pursuant to the licence granted by the IFSCA, is authorised to undertake activities in the nature of (i) Credit Rating (including sovereign ratings); (ii) ESG Ratings and Data Product Provider services; (iii) Valuation Services; (iv) Research; (v) Rating Assessment / Evaluation Services; and (vi) Monitoring Agency services.

As per Sch II Part B (Code of Conduct for CRA) of IFSCA CMI Regulations, a CRA is required to maintain an arm’s length relationship between its credit rating activities and other business activities. Similarly, in accordance with Reg 33 (7) of IFSCA CMI Regulations, an ESG Ratings and ESG Data Products (ERDPP) is required to segregate its ESG Ratings and ESG Data Products activities (ERDPP Activities) from its other activities to ensure that there is no conflict of interest between these activities. The Company ensures compliance with the above requirements through appropriate internal segregation of functions and firewall arrangements.

Accordingly, the Company has implemented this Policy to establish appropriate governance, organizational, operational, and technology controls that ensure effective segregation, robust firewall mechanisms, to prevent conflicts of interest between CRA activities and ERDPP activities, and CRA and ERDPP activities from its other activities at all times, in line with IFSCA CMI Regulations and IFSCA Master Circular for Credit Rating Agency dated August 05,2025 and Master Circular for ESG Ratings and Data Products Providers dated August 05, 2025.

2. APPLICABILITY

This Policy shall be applicable to all Directors of the Company, Chief Executive Officer and all Employees of the Company, unless specifically excluded.

3. DEFINITIONS

The terms / abbreviations which are used in this policy shall have the following meanings / descriptions:

Particular	Definition
Company / CGIL	“Company” means “CareEdge Global IFSC Limited”.

Particular	Definition
Board	“Board” means “Board of Directors of the Company”
Rating Committee	External and/or Internal Rating Committees.
Associate	“Associate” means “Entity incorporated in India under the provisions of the Companies Act, 2013, read with its applicable rules, as amended from time to time
Group entities	“Group entities” means entities forming part of CareEdge Group and includes CARE Ratings Limited (Holding Company) and all its subsidiaries including Step-down Subsidiaries.
Wholly Owned Subsidiaries	“Wholly Owned Subsidiaries” means wholly owned subsidiaries under the provisions of the Companies Act, 2013, read with its applicable rules as amended from time to time.
Affiliates	“Affiliates” means the holding Company, its group companies, associate companies, wholly owned subsidiaries, and any other entity that is part of the same corporate group structure as the Company.
IFSCA	International Financial Services Centres Authority
CRA Activities	means the activities relating to Credit Ratings, Sovereign Ratings, Valuation Services, Research, Rating Assessment / Evaluation Services and Monitoring Agency in the IFSC or in a foreign jurisdiction under CRA registration.
ERDPP Activities	means the activities relating to ESG Ratings and Data Products Providers in the IFSC or in a foreign jurisdiction under ERDPP registration.
Segregation	Structural / functional separation to avoid conflicts of Interest between CRA Activities, ERDPP activities and any other business activities.
Employee	Includes all employees, Trainees, employees on deputation and any other person as specified from time to time.
Director	Means a member of the Board of Directors
CARE / Parent Company	CARE Ratings Limited
IFSCA CMI Regulations	International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025
Master Circular for CRA	IFSCA Master Circular for Credit Rating Agencies dated August 05, 2025
Master Circular for ERDPP	IFSCA Master Circular for ESG Ratings and Data Products Providers dated August 05, 2025

4. DESIGN PRINCIPLES FOR FIREWALL BETWEEN CRA ACTIVITIES AND/OR ERDPP ACTIVITIES AND OTHER ACTIVITIES

The Company shall adhere to the following design principles to ensure that there is a complete separation and firewall between its CRA activities and ERDPP activities (collectively rating activities) and any non-rating activities.

A. Transactions with group entities:

The transactions with group entities will be carried out at arm's length in accordance with the provisions of the Companies Act 2013 as amended from time to time and any other applicable regulations. Appropriate cost allocation could be done between Company and group entities wherever resource / infrastructure is shared, or services are taken. Legal Agreements may be entered between the Company and the respective group entity clearly defining the services and the method for cost allocation.

B. Separation between CRA activities and ERDPP activities:

The Company shall maintain separate arrangements for its CRA and ERDPP activities with firewalls and access controls. However, the above access control requirements shall not apply to the shared employees referred to in Para 12 of this Policy.

C. Role of Business Development Team:

In cases of ERDPP activities, the Business Development team of the Company will act as shared resources.

Further, the Company has in place a Shared Services Agreement with CARE Ratings Limited specifying details of resource sharing, rights and responsibilities of each entity, commercial arrangement and process to be followed.

D. Sharing of Applications & Infrastructures:

The Company shares applications and technology infrastructure from its parent, CARE Ratings Limited, with logical segregation.

E. Sharing of Employees:

The employees dedicated for CRA activities will be physically segregated from the employees dedicated for ERDPP activities. However, CARE Ratings Limited may share support function resources in line with para 12 of this Policy for subject matter expertise and cost rationalization. The role of CARE Ratings Limited will be limited to providing support and oversight. The day-to-day functioning of the Company will be Independent of CARE Ratings Limited.

- **The Company is required** to appoint a Principal Officer (PO) and a Compliance Officer (CO) in accordance with the IFSCA CMI Regulations. The same individual may be designated as PO and/or CO for both CRA activities and ERDPP activities, provided functional independence is maintained and potential conflicts of interest are appropriately identified and managed.

F. Business Development & Rating Analytics Division of Company:

The Company shall maintain dedicated teams for the CRA Analytical Division, the ERDPP Analytical Division, and the Business Development function. No sharing of resources shall be permitted among these divisions, in order to ensure that Rating Activities remain fully segregated from Business Development activities.

G. Rating Committee & Board Meetings:

The Company shall ensure that the Rating Committee members for CRA activities and ERDPP activities are distinct.

No member of the Board of the Company is permitted to participate in any rating matter (credit rating or ESG related) or participate in any rating committee meeting. The Company shall ensure that no confidential information about the rating activities (credit rating or ESG related), or information that could be of interest to the director, is shared with a Director on the Board of the Company.

5. ORGANIZATIONAL SEGREGATION

- Separate analytical teams shall be established for ERDPP activities, with distinct reporting lines. Personnel engaged in analytical activities shall not participate in or influence commercial decision-making.
- The respective Heads of Department shall report to the Chief Executive Officer of the Company.
- Dedicated seating arrangements and separate databases shall be maintained for ERDPP activities at all times to ensure information segregation and confidentiality.

6. FUNCTIONAL SEPARATION (WORKFLOWS)

- **Onboarding & Engagement:** Distinct proposals, mandates and fee invoices for CRA and ERDPP.
- **Methodologies & Publications:** The ERDPP shall develop and publish methodologies, policies, criteria, and guidelines for its rating processes that are distinct from those used for CRA activities. Such methodologies, policies, criteria, and guidelines may be adopted from versions developed by Group entities with established ESG expertise. All ESG ratings and data products shall be transparently disclosed in a dedicated ESG section on the Company's website, and no CRA symbols, marks, or identifiers shall be used in any ERDPP outputs.

7. INFORMATION BARRIERS & CONFIDENTIALITY

Non-public information relating to CRA activities shall not be shared with ERDPP personnel, and vice versa, except where legally permitted. Access to such information

shall be strictly governed by the principles of need-to-know and least privilege. All data used in ERDPP activities shall be processed in compliance with applicable laws and regulations, and all non-public information received from or shared by any client or its agents shall be safeguarded in a manner appropriate to the nature and sensitivity of the information.

8. RATING SCALES

Credit Rating scales (i.e., symbols and definitions) shall not be used for ESG Ratings and vice versa.

9. WEBSITE

Distinct section shall be maintained for ERDPP activities on the Company's website page. Applicable regulatory disclosures with respect to CRA activities and ERDPP activities shall be made in accordance with regulatory requirement.

10. TECHNOLOGY & CYBER SECURITY / RESILIENCE

- The system environments shall be maintained with distinct access controls and role-based access controls. Appropriate security measures, including Multi-Factor Authentication, Data Loss Prevention Controls, audit logging, and periodic reviews of access rights and administrative activities, may be implemented. The IT Infrastructure, Database, application or software owner may consult half-yearly review of active users and their access rights to ensure employees involved in CRA Activities do not have access to information related to ERDPP activities.
- The Company has also adopted its Parent Company's framework for Cyber Security and Cyber Resilience as part of compliance with the above IFSCA'S Cyber Security and Cyber Resilience Guidelines.

11. GUIDANCE TO THE EMPLOYEES

- a) Employees to ensure that they shall not disclose any non-public information, whether confidential or not which they are in possession of in the conduct of CRA activities or ERDPP activities.
- b) Employees working as shared resources with group entities shall highlight any potential conflict of interest to the respective senior management in conduct of business of Company or its group entities.
- c) Employees of the group entities shall not request any confidential information relating to a Client from any employee of the Company.
- d) Employees of the Company and of the group entities working on the same project or through collaboration such as group seminars, conference, CSR Activities etc. shall ensure to maintain confidentiality of the information shared between them.

12. EXTENT OF SHARING OF RESOURCES WITH GROUP ENTITIES

- **Employees:**

Function	Sharing with	Purpose	Nature of Arrangement
CEO	CARE Ratings Limited	Head-Business Development	Permanent
Head Secretarial	CARE Ratings Limited	Oversight over the secretarial department of the group entities.	Permanent
Head Legal	CARE Ratings Limited	Oversight over the Legal department of the group entities.	Permanent
Group CFO	CARE Ratings Limited	Act as Group CFO and provide oversight over the functioning of Finance department of the group entities	Permanent
CTO	CARE Ratings Limited	End to end technology support to the group entities	Permanent
Technology Team	CARE Ratings Limited	End to end technology support to the group entities	Permanent
HR Team	CARE Ratings Limited	<ul style="list-style-type: none"> • Responsible for centrally managing and processing of all Payroll related operations and audits and policies related to the same. • To provide necessary guidance and oversight of all important HR processes related to Training, Performance Management and all HR policy changes are routed through the CHRO. 	Permanent
Secretarial Team	CARE Ratings Limited	Secretarial and legal support to the group entity	Permanent
Legal Team	CARE Ratings Limited	Supporting the Legal matters of the group entities.	Permanent
Taxation Team	CARE Ratings Limited	Taxation support to the group entities	Permanent
Finance Verifier and approver	CARE Ratings Limited	Payment verifier and approver on Bank's portal shared common for CERL, CAAPL and CGIL	Permanent
Facility Team	CARE Ratings Limited	End to end facility support to the group entities	Permanent

Function	Sharing with	Purpose	Nature of Arrangement
Corporate Communication	CARE Ratings Limited	End to end branding and Public Relations (PR) support to the group entities	Permanent
Administration	CARE Ratings Limited	Admin support to the group entities	Permanent
Data Entry & Collation	CARE Ratings Limited	Data Entry & Collation to CGIL	Permanent
Criteria, Policy & Regulatory Affairs	CARE Ratings Limited	Oversight and guidance for the matters related to criteria, policy and regulatory affairs of the group entities.	Temporary
Chief Economist	CARE Ratings Limited	Oversight and guidance for matters related to economy and Sovereign Ratings.	Permanent
Economy Team	CARE Ratings Africa	Support services for matters related to economy and Sovereign Ratings.	Temporary

- Office Space:**

Location	Sharing with	Purpose	Nature
Currently at Company's offices in Andheri, Mumbai*	CARE Ratings Limited	To provide the office premises on Rental basis as per RPT approval with physical firewalls and access controls.	Temporary

*Any addition to the locations in future shall be suitably incorporated in the document.

- Technology:**

Technology	Sharing with	Purpose	Nature
E-invoicing application and infra and Oracle financials	CARE Ratings Limited	Financial Application	Permanent
HR application and infra (Workline, HGS, LMS)	CARE Ratings Limited	HR applications	Permanent
O365	CARE Ratings Limited	Email	Permanent
ManageEngine	CARE Ratings Limited	IT Service Management	Permanent

Technology	Sharing with	Purpose	Nature
Privilege Access Management, DLP, Antivirus, Proxy, Firewall, SOC and Brand monitoring	CARE Ratings Limited	IT Support	Permanent

13. PERIODIC REPORTING & AUDITS

The Company shall undertake quarterly and annual reporting to the IFSCA for CRA activities and ERDPP activities in accordance with the IFSCA CMI Regulations read with Master Circular for CRA & ERDPP.

14. REVIEW OF POLICY

This policy shall be reviewed as required to reflect changes in regulatory requirements, business practices, or risk environment. Any changes to the policy shall be subject to the approval of the CEO, or Group MD & CEO, subject to further ratification by the Board.