

Broader Principles
For
dealing with Conflict of Interest
(Version 1.1)

CareEdge Global IFSC Limited

Broader Principles for dealing with Conflict of Interest

To avoid Conflict of interest and make adequate disclosure of its possible conflict of interest and duties, CareEdge Global IFSC Limited ("the Company" or "CGIL") has put in place a mechanism to resolve any conflict-of-interest situation, details of which are as follows-

I. Segregation between Business Development and Analytical Teams in Rating Business with distinct role

- 1) Rating Analytical and valuation teams will be separate team and will be operate independently. Both teams will have separate reporting line. There will be a logical firewall in terms of data access etc.
- 2) As and when, CGIL commences the ESG services, there will be a separate team.
- 3) Employees from Rating analytical function shall not participate in any kind of negotiation of fees.
- 4) Employees from Business development function shall not participate in any rating assessments and committees.
- 5) Rating Fees is not linked to outcome of the rating assignment.
- 6) Analytical compensation will not be linked to the Rating Fees.
- 7) Assignments will be conducted by the team and final rating will be assigned by the Committee to incorporate multiple opinions and avoid individual bias, if any.

II. Restrictions on holding Securities and limitations on investments by Credit Rating Agency at entity level:

- 1) Employees and their immediate relatives/ dependent cannot invest in the securities of issuers rated by the Company.
- 2) Employees can invest in securities not rated by the Company, after taking the prior approval of the Compliance Officer.
- 3) The members of the Rating Committee shall upfront declare / disclose their interest, if any, to the Compliance Officer, in the securities /instruments/ facilities that are considered for rating by the Company.
- 4) The Compliance Officer can trade after taking the priorapproval of the Chief Executive Officer ("CEO").
- 5) All the employees will abide by the provisions of Code of Conduct for Directors, Rating Committee Members and Employees of CGIL.

- 6) The Internal Rating Committee members cannot invest in the securities of issuers rated by the Company.
- 7) The Independent External members, if any, of the Rating Committee shall not participate in the discussion for assigning rating to the entities in which he/she or their dependents holds any investment.
- 8) The Independent External members, if any, of the Rating Committee and their Dependents/Immediate Relatives shall not trade in the securities of such entity on behalf of self or others, if such entity was presented to such members during the preceding six months of the date of receipt of the request for pre-clearance.
- 9) The Company shall not invest its surplus funds, if any, in the securities of any entity rated by the Company and such investments shall be governed by and subject to the investment policy approved by the Board, which shall be in line with all regulatory guidelines.
- 10) All the employees (rating team and other than rating team) and the Rating Committee Members shall submit the necessary disclosures and statement of holdings as prescribed in the Code of Conduct for Directors, Rating Committee Members and Employees of CGIL.

III. Governance-Board and CEO Role

- 1) CEO shall not be a member of the Rating Committee.
- 2) Board of Directors shall not participate in any Rating Committee meeting and its processes.