

ECRL Code of Conduct

(Updated as on September 05, 2022)

1. General Code of Conduct –

- 1.1 Employees shall be held to have high standards of integrity, and subject to applicable law, ECRL shall not knowingly employ individuals where there is evidence they have compromised integrity.
- 1.2 Any employee found engaging in misconduct will be subject to warning or disciplinary action which may include – counseling, warning letter, disciplinary procedure or reprimand.
- 1.3 Upon becoming aware of another employee/client is or has engaged in conduct that is illegal, unethical or contrary to the ECRL code of conduct, such employee will report it immediately to Head of Department or Compliance officer, as appropriate, for proper action to be taken.
- 1.4 Employees should be prohibited from soliciting money, gifts or favors from anyone with whom ECRL does business and should be prohibited from accepting gifts offered in the form of cash or any gifts.

2. Additional Code of Conduct for Rating Department –

- 2.1 Employees of ECRL shall deal fairly and honestly with issuers, investors, market participants and the public.
- 2.2 Employees of ECRL shall make all efforts to protect interests of investors.
- 2.3 Employees shall not give rating assessment based on hypothetical scenarios and/or limited information.
- 2.4 ECRL shall prohibit its analysts from making proposals or recommendations regarding the design of structured finance products that ECRL rates. ECRL analyst may properly hold a series of discussions with an issuer or its agents in order to:
 - (a) Understand and incorporate into their analysis the particular facts and features of the structured finance transaction, and any modification, as proposed by such issuer or its agents;
 - (b) Explain to such issuer or its agents the rating implications of ECRL's methodologies as applied to such issuer's proposed facts and features.
- 2.5 ECRL employees should take steps to ensure that the decision making process for reviewing and grading an entity is conducted in an objective and consistent manner.
- 2.6 Employees should take steps to avoid issuing any analysis or report that contain misrepresentation or are otherwise misleading.
- 2.7 Employees will not approve, participate in or otherwise influence the determination of the Credit Rating of any particular entity or client.
- 2.8 Employees will not participate or promise any designated fee or encourage reduction of rating fee.
- 2.9 A credit rating company or any of his employees shall not render, directly or indirectly any investment advice about any security in the publicly accessible media.

3. Additional Code of Conduct for Business Development –

- 3.1 Employees shall comply with all laws and regulations applicable including IOSCO, ACRAA and ACRA.
- 3.2 ECRL employee shall not make any exaggerated statement, whether oral or written, to the client either about its qualification or its capability to render certain services or its achievements with regard to the services rendered to other clients.
- 3.3 Employees shall deal fairly and honestly with issuers, investors, other market participants and the public.
- 3.4 Employees should disclose any actual or potential conflict of interest.
- 3.5 Employees should be prohibited from soliciting money, gifts or favors from anyone with whom ECRL does business and should be prohibited from accepting gifts offered in the form of cash or any gifts.
- 3.6 Employees will not approve, participate in or otherwise influence the determination of the Credit Rating of any particular entity or client.
- 3.7 Employees will not participate or promise any designated fee or encourage reduction of rating fee.
- 3.8 Employees of ECRL should not indulge in unfair competition nor shall it attract client with the promise of higher ratings.

4. Misconduct –

- 4.1 All employee shall devote his time during the office hours to his/her best endeavor in promoting the business and interests of the Company and shall be liable to have disciplinary action taken against him if he/she commits any misconduct during the tenure of his/her office. Pending any inquiry into such disciplinary action against an employee, he/she may be suspended from office.
- 4.2 The following will be deemed as misconduct:
 - (a) Being absent from work without a valid reason or not informing supervisor/head of department.
 - (b) Willfully damaging, destroying or stealing property belonging to fellow employees or the company.
 - (c) Fighting or engaging in disorderly conduct/behavior.
 - (d) Refusing to follow or mistreating/ being rude to supervisor/head of department.
 - (e) Blatant ignorance of work duties.
 - (f) Coming to work under the influence of alcohol or any drug or bringing alcoholic beverages or drugs in the company property.
 - (g) Intentionally giving false/misleading information to obtain leave.
 - (h) Use of any threatening/abusive language towards a fellow employee.
 - (i) Smoking in the office premises or violating any fire protection regulation.
 - (j) Not taking proper care of, neglecting or abusing company equipment or tools.
 - (k) Using company property in an unauthorized manner.
 - (l) Possessing firearms or weapons of any kind on company property.
 - (m) Sharing of confidential information without authorization.
- 4.3 ECRL will ensure its employees shall not:
 - i. Accept any gifts or presents from any clients or prospective clients of the Company during or outside of office premises. Also must not involve himself/herself on

- theft/embezzlement/fraud/dishonesty/damage to employer's business or property.
- ii. Remain absent from duty without obtaining prior sanction of leave or involve in habitual late attendance to office. Also shall not leave the premises during office hour (excluding for lunch) without the permission of or instructions of his/her immediate supervisor of the Company.
 - iii. Misuse internet usage and abuse official data of the company for personal gain/personal use. Hence employee must not copy official data/documents for his own purpose outside the office premises.
 - iv. Use pen drive/portable data transfer cable which is prohibited unless permission granted from Supervisor/Head of Department.

5. Confidentiality –

- 5.1 Employees should not disclose confidential agreement in press releases, through research conferences, to future employers or in conversations with issuers, other investors, other persons or otherwise.
- 5.2 Employees will preserve the confidentiality of confidential information communicated by client or issuer and will use such information only for the purposes related to its rating services or otherwise permitted by client.
- 5.3 Employees should take all reasonable measures to protect all property and records belonging to or in possession of ECRL from fraud, theft or misuse.
- 5.4 Employees should not selectively disclose any non-public information about rating opinions or possible future rating actions of ECRL except to the issuer or its designated agents.

In addition Emerging Credit Rating Limited has fully implemented IOSCO Code of Conduct Fundamentals of Credit Rating Agencies (Link attached) and fully abiding with the standard of ethics mentioned in FORM X (Link Attached) of Credit Rating Companies Rules 2022. Special prior permission will be required for any deviation from the above mentioned standards.

Links

<https://www.iosco.org/library/pubdocs/pdf/IOSCOPD437.pdf>

https://sec.gov.bd/slaws/Notification_24_07_2022.pdf