

Code of Conduct

NCR's mission is to provide high quality, independent and reliable analytical information on the creditworthiness of the rated entities and instruments. NCR is committed to continuously reviewing and monitoring its policies, procedures and internal controls in order to ensure the objectivity and integrity of its ratings. NCR is required to comply with the rules of the Securities and Exchange Commission of Bangladesh (SECB). This Code of Conduct also reflects the objectives of the IOSCO Statement of Principles on Credit Rating Agencies. NCR expects all employees to comply with this code and the related policies and procedures. Any exceptions to this code or the related policies and procedures should be approved in writing by the Compliance Officer of NCR who shall be responsible for interpretation of this code and the related policies and procedures. Failure to comply with this code and the related policies and procedures could be sufficient reason for disciplinary action.

Quality and Integrity of the Rating Process

A. Quality of the Rating Process

1.1 NCR shall use rating methodologies/criteria that are rigorous and systematic. Each report shall have reference to the particular methodology that has been followed.

1.2 NCR shall use standards and procedures to meet the rating requirements for each industry or each type of financial instruments and shall disclose the methodologies on its public website which shall immediately be updated after any subsequent modification thereof. Analysts involved in the preparation or review of any rating action shall use methodologies/criteria established by NCR. Analysts shall apply methodology/criteria existing at the time of rating/review in a consistent manner, as determined by NCR.

1.3 Credit ratings shall be assigned by the Rating Committee (RC) and not by any individual analyst. The Rating Committee shall examine and review the analysts proposed rating thoroughly and shall assign final rating.

1.4 The RC of NCR shall comprise five members including two senior analysts having appropriate knowledge and experience. NCR shall follow two-tiered RC structure. Entity level RC shall have three permanent members including the CEO and the COO. The third permanent member will be independent from the operation of the company and sourced from an identified panel of seasoned professionals. Sector level RC shall include a sector expert, an individual having in depth understanding of the underlying sector. The objective of having a sector expert is to ensure relativity in the rating of entities in a particular sector.

1.5 Ratings shall reflect all information known, and believed to be relevant by the Rating Committee, consistent with NCR's published methodology/criteria and NCR shall use people who, individually or collectively have appropriate knowledge and experience in developing a rating opinion.

1.6 NCR shall maintain internal records to support its credit opinions for a reasonable period of time or in accordance with applicable law.

1.7 NCR and its analysts shall take steps to avoid issuing any credit analyses or reports that contain misrepresentations or are otherwise misleading as to the general creditworthiness of an issuer or obligation.

1.8 NCR shall ensure that it has and devotes sufficient resources to carry out high-quality credit assessments of all obligations and issuers it rates. When deciding whether to rate or continue rating an obligation or issuer, it shall assess whether it is able to devote sufficient personnel with requisite skill sets to make a proper rating assessment, and whether its personnel likely will have access to sufficient information needed in order to make such an assessment.

1.9 NCR shall structure its rating teams to promote continuity and avoid bias in the rating process.

B. Monitoring and Updating

2.1 NCR shall prepare standard agreement(s) for rating entities and instruments. The standard agreement shall contain, among others, terms and conditions of the rating, rights and obligation of the parties, validity of the agreement, termination and settlement, surveillance rating, mode of payment etc.

2.2 In accordance with NCR's established rating policies and procedures, once a rating is accepted, NCR shall monitor it on an ongoing basis (except for ratings that are carried out as one time exercise and or Private Rating), and update the rating by: a. regularly reviewing the issuer's creditworthiness; b. initiating a review of the status of the rating upon becoming aware of any information that might reasonably be expected to result in a rating action (including withdrawal of a rating), consistent with the applicable rating methodology/criteria; and, c. updating on a timely basis the rating, as appropriate, based on the results of such review.

2.3 NCR typically withdraws rating only when the rated instrument is fully redeemed or if there is no instrument outstanding. Where NCR makes its ratings available to the public, it shall publicly announce if it withdraws rating of an issuer or obligation. Where NCR's ratings are provided only to its subscribers, NCR shall announce to its subscribers if it withdraws rating of an issuer or obligation. In both cases, publications by NCR of the withdrawn rating shall indicate that the rating was withdrawn.

C. Integrity of the Rating Process

3.1 NCR and its employees shall comply with all applicable laws and regulations governing its activities in each jurisdiction in which it operates.

3.2 NCR shall exercise due diligence, ensure proper care and provide fair and independent opinion in order to achieve and maintain objectivity and independence in the rating process.

3.3 NCR and its employees shall deal fairly and honestly with issuers, investors, other market participants, and the public.

3.4 NCR's analysts shall be held to high standards of integrity, and NCR shall not employ individuals with demonstrably compromised integrity.

3.5 NCR and its employees shall not, either implicitly or explicitly, give any assurance or guarantee of a particular rating prior to a rating assessment. This does not preclude NCR from developing prospective assessments used in structured finance and similar transactions.

3.6 Upon becoming aware that another employee of NCR is or has engaged in conduct that is illegal, unethical or contrary to NCR's code of conduct, an employee of NCR shall report such information immediately to the

individual in charge of compliance or an officer of NCR, as appropriate, so proper action may be taken. NCR's employees are not necessarily expected to be experts in the law. Nonetheless, its employees are expected to report the activities that a reasonable person would question. Any NCR officer who receives such a report from a NCR employee is obligated to take appropriate action, as determined by the laws and regulations of the jurisdiction and the rules and guidelines set forth by NCR. NCR's management prohibits retaliation by other NCR staff or by NCR itself against any employee who, in good faith, make such reports. In case any staff is found guilty on this count, NCR shall take disciplinary action up to and including termination/dismissal of employment.

Independence and Avoidance of Conflicts Of Interest

A. General

4.1 The Rating Committee of NCR shall be independent in its rating decision-making and shall disregard any internal or external pressure or interference.

4.2 NCR shall not forbear or refrain from taking a rating action, if appropriate, based on the potential effect (economic, political, or otherwise) of the rating action on NCR, an issuer, an investor, or other market participant.

4.3 NCR and its analysts shall use care and professional judgment to maintain both the substance and appearance of independence and objectivity.

4.4 The determination of a credit rating shall be influenced only by factors known to the Rating Committee that are believed by it to be relevant for credit assessment.

4.5 The credit rating NCR assigns to an issuer or issue shall not be affected by the existence of or potential for a business relationship between NCR (or its affiliates) and the issuer (or its affiliates) or any other party, or the non-existence of such a relationship.

B. NCR's Procedures and Policies

5.1 NCR shall adopt written internal procedures and mechanisms to (1) identify, and (2) eliminate, or manage and disclose, as appropriate, any actual or potential conflicts of interest that may influence the opinions and analyses NCR makes or the judgment and analyses of the analysts. NCR shall disclose such conflict avoidance and management measures.

5.2 NCR's disclosures of actual and potential conflicts of interest should be complete, timely, clear, concise, specific and prominent.

5.3 NCR shall disclose the general nature of its compensation arrangements with rated entities. Where NCR receives from a rated entity compensation unrelated to its ratings service, as such NCR does not have any other subsidiary business activity such as consulting and advisory and therefore the issue of receiving compensation from a rated entity on businesses unrelated to its ratings service does not arise.

5.4 NCR and its employees shall not engage in any securities or derivatives trading presenting conflicts of interest with NCR's rating activities.

5.5 In instances where rated entities (e.g., governments) have, or are simultaneously pursuing, oversight functions related to NCR, NCR shall use different employees to conduct its rating actions than those employees involved in its oversight issues.

5.6 NCR shall publicly disclose if it receives 10 percent or more of its annual revenue from a single entity or group.

C. Analyst and Employee Independence

6.1 Reporting lines for Analyst and their compensation arrangements shall be structured to eliminate or effectively manage actual and potential conflicts of interest. An analyst will not be compensated or evaluated on the basis of the amount of revenue that NCR derives from issuers that the analyst rates or with which the analyst regularly interacts.

6.2 NCR's analysts shall not be involved in deciding the commercial terms of the rating assignment. This is decided by the Senior Management.

a. No NCR Employee/Rating Committee Member shall participate in or otherwise influence the determination of rating of any particular entity or obligation if the Analyst/Rating Committee Member or member of his family (family includes self, dependent spouse, dependent parents, dependent children, dependent parents in laws):

b. Owns securities or derivatives of the rated entity, other than holdings in diversified collective investment schemes;

c. Owns securities or derivatives of any entity related to a rated entity, the ownership of which may cause or may be perceived as causing a conflict of interest, other than holdings in diversified collective investment schemes;

d. had been employed or had other significant business relationship with the rated entity in the immediately preceding one year that may cause or may be perceived as causing a conflict of interest;

e. Has an immediate relation (i.e., a spouse, partner, parent, child, or sibling) who currently works for the rated entity; or

f. Has, or had in the immediately preceding one year, any other relationship with the rated entity or any related entity thereof that may cause or may be perceived as causing a conflict of interest.

1.11 NCR's analysts and anyone involved in the rating process (or their dependent spouse, partner or minor children/family member) shall not buy or sell or engage in any transaction in any security or derivative based on a security issued, guaranteed, or otherwise supported by any entity within such analyst's area of primary analytical responsibility, other than holdings in diversified collective investment schemes except as permitted under NCR's internal securities trading policy.

1.12 NCR employees are prohibited from soliciting money, gifts or favors from anyone with whom NCR does business and are prohibited from accepting gifts offered in the form of cash or any gifts exceeding a minimal monetary value.

1.13 Any NCR analyst who becomes involved in any personal relationship that creates the potential for any real or apparent conflict of interest (including, for example, any personal relationship with an employee of a rated entity or agent of such entity within his or her area of analytic responsibility), shall be required to disclose such relationship to the appropriate manager or officer of NCR.

1.14 NCR shall establish policies and procedures for reviewing the past work of analysts that leave the employment of NCR and join an issuer the NCR analyst has been involved in rating, or a financial firm with which the NCR analyst has had significant dealings as part of his or her duties at the NCR.

NCR's Responsibilities to the General Investors and Issuers

A. Transparency and Timeliness of Ratings Disclosure

7.1 NCR shall distribute in a timely manner its ratings decisions regarding the issuers and securities it rates if any.

7.2 NCR shall publicly disclose its policies for distributing ratings, reports and updates.

7.3 NCR shall indicate with each of its ratings when the rating was updated.

7.4 Except for private ratings provided only to the issuer, NCR shall disclose to the public, on a non-selective basis and free of charge, any rating regarding publicly issued securities, or public issuers themselves, as well as any subsequent decisions to discontinue such a rating. Press releases providing brief rationale of the rating are provided on NCR's website.

7.5 NCR shall publish sufficient information about its procedures, methodologies and assumptions (including financial statement adjustments that deviate materially from those contained in the issuer's published financial statements) so that outside parties can understand how a rating was arrived at by NCR. This information will include (but not be limited to) the meaning of each rating category and the definition of default.

7.6 When issuing or revising a rating, NCR shall explain in its press releases and reports the key elements underlying the rating opinion.

7.7 Where feasible and appropriate, prior to issuing or revising a rating, NCR shall inform the issuer of the critical information and principal considerations upon which a rating will be based and afford the issuer an opportunity to clarify any likely factual misperceptions or other matters that NCR would wish to be made aware of in order to produce an accurate rating. NCR will duly evaluate the response. Wherein particular circumstances NCR have not informed the issuer prior to issuing or revising a rating, NCR shall inform the issuer as soon as practical thereafter and, generally, shall explain the reason for the delay.

7.8 NCR would publish periodic default and transition studies on its ratings. These studies will explain the methodologies, assumptions and limitations.

7.9 NCR undertakes only ratings solicited by issuers. It would hence not be necessary to separately disclose whether each rating has been initiated at the request of the issuer.

7.10 Because users of credit ratings rely on an existing awareness of NCR methodologies, practices, procedures and processes, NCR shall fully and publicly disclose any material modification to its methodologies and

significant practices, procedures, and processes. Where feasible and appropriate, disclosure of such material modifications shall be made prior to their going into effect. NCR shall carefully consider the various uses of credit ratings before modifying its methodologies, practices, procedures and processes.

B. The Treatment of Confidential Information

8.1 NCR shall adopt procedures and mechanisms to protect the confidential nature of information shared with it by issuers under the terms of a confidentiality agreement or otherwise under a mutual understanding that the information is shared confidentially. Unless otherwise permitted by the confidentiality agreement and consistent with applicable laws or regulations, NCR and its employees shall not disclose confidential information in press releases, through research conferences, to future employers, or in conversations with investors, other issuers, other persons, or otherwise.

8.2 NCR shall use confidential information only for purposes related to its rating activities or otherwise in accordance with any confidentiality agreements with the issuer.

8.3 NCR employees shall take all reasonable measures to protect all property and records belonging to or in possession of NCR from fraud, theft or misuse.

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NOVEMBER 2010

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