General Nature of Compensation Arrangements with Rated Entities

ACER Credit Rating Agency Private limited **("ACER" or the "Company")** is a SEBI registered credit rating agency providing credit rating, Monitoring and other permitted services to its clients/ rated entities.

The rating fee is independent of the credit rating assigned or the analytical processes involved. ACER maintains strict separation between rating and commercial functions to safeguard the integrity and independence of its ratings. Analysts are solely responsible for rating activities and methodology development, while commercial teams handle business development, sales, marketing, and fee discussions. Commercial teams do not participate in the rating process.

Analysts are strictly prohibited from engaging in any marketing or business development activities, including fee negotiations with issuers whose securities are rated by ACER. The fee structure is not disclosed to analysts, and discussions regarding fees must not take place in any meeting, conversation, or interaction where analytical staff are present. If such discussions arise, analysts are required to withdraw from the proceedings.

ACER fee structure comprises:

- **Initial Rating Fee** – payable upon execution of the Rating Agreement.
- **Annual Surveillance Fee** – payable for ongoing monitoring of the rating until withdrawal, provided the initial rating is accepted or used.
- Any other fee charge for providing other permitted services

Fees are determined based on the type, size, and complexity of the instrument or obligation. ACER may adopt alternative fee structures (including lower fees) for volume issuers, group or cluster-based issuers, or other specific cases. ACER also reserves the right to levy higher fees depending on the nature of the instrument being rated.

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