

## General Nature of Compensation Arrangements

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1. ESGRisk.ai follows a 'Subscriber Pays' revenue model. Under this revenue model, an ERP can rate issuers without directly entering into a rating contract with the issuers. The issuers are allowed to subscribe to the rating reports just like any other subscribers. The subscribing issuers do not enjoy any special privileges such as bilateral exchange of information, management interaction, site visits and rating acceptance.
2. ESGRisk.ai charges subscription fees from subscribers for access to ESG ratings, reports and related research on entities covered by ESGRisk.ai. To obtain the ESG Ratings, users must subscribe to the ESG Rating for the desired companies within the current ESGRisk.ai coverage.
3. The fee structure is discussed and finalized with the subscriber. The subscription fees charged depends upon the number of entities subscribed to by the subscriber, any additional requirement of the subscriber or customization requests, etc. Hence, the compensation arrangements along with discounting provisions (if any) must be approved by the Business Development Head before implementation.
4. Users have the option to enter a multi-year subscription with an annual payout. Alternatively, users can choose to subscribe annually and renew before the expiration of each annual cycle to ensure uninterrupted access to ESG Ratings and detailed rationales via ESG India 360<sup>o</sup>.
5. ESG India 360<sup>o</sup> serves as the digital platform through which ESGRisk.ai distributes the ESG Ratings and detailed reports for each company under coverage.
6. The Subscription Fee payable by the subscriber excludes taxes. Therefore, the subscriber is responsible for paying all taxes, levies, duties, etc., as per applicable law.
7. ESGRisk.ai and its employees do not accept cash payments towards subscription fees.
8. ESGRisk.ai's subscriber fee is not associated with ESG Rating, its revisions or releases in any manner.
9. The ESG Rating is carried out by a separate team of personnel comprising analysts who are not in any way involved in business development and sales. The compensation paid to members of the analytical team is not linked to the ESG Rating outcome or fee received from the subscribers.