



RATINGS

# POLICY

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## ANALYST ROTATION POLICY

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## ANALYST ROTATION POLICY

### INTRODUCTION

RAM Ratings is dedicated to maintaining objectivity, independence, integrity and transparency in the rating process. All of RAM Ratings' policies and procedures, are designed to be consistent with RAM Ratings Code of Conduct, which incorporates the best practices outlined in the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies, and in compliance with the Securities Commission's Guidelines on Credit Rating Agencies. RAM Ratings' analyst rotation policy is designed to be consistent with these principles.

This policy should be read along with RAM Ratings Code of Conduct under *Quality and Integrity of the Credit Rating Process* and *Independence and the Avoidance of Conflicts of Interest*.

### POLICY STATEMENT

Generally, RAM Ratings' analytical staff have more than one sector coverage, and reports to the respective sector heads. In turn, all sector heads ultimately report to the Chief Rating Officer.

For each rating assignment, a team with a minimum of two (2) analysts is assembled, with one of them designated as the primary or lead analyst. The primary analyst typically handles daily contact with the issuer and acts as RAM Ratings' liaison person for that rating relationship. While the rating team may recommend the rating to be assigned, all credit ratings assigned by RAM Ratings are determined by rating committees.

RAM Ratings primarily structures its rating teams to achieve the following objectives:

1. The analytical team should possess the requisite industry knowledge and expertise to effectively carry out a high-quality credit assessment on the issue/issuer.
2. For surveillance, and subject to this rotation policy, we strive to preserve continuity by assigning at least one analyst from the rating team who had worked on the initial rating exercise.
3. To allow for fresh perspectives and promote personal development, RAM Ratings practices periodic reassignment of its sector coverages to develop analytical breadth across a variety of issuers, industries/sectors and asset classes.

To prevent long-standing professional or personal relationships from inadvertently affecting ratings, RAM Ratings' policy on analyst rotation requires that: (1) the analyst assigned to an entity/issue to be precluded from acting as the primary analyst for the same entity for more than five (5) consecutive years; and (2) the team lead analyst for structured finance transactions to be prohibited from acting as the lead analyst for the same originator or programme sponsor for more than five (5) consecutive years. To promote continuity in the rating process, however, such an analyst can act as secondary analyst for the relevant entities/issues.

Where the analyst rotation is not practicable, RAM Ratings' rating committees - including internal rating committees - will be structured in a manner that should provide sufficient challenge to the analytical team's rating recommendation.

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