

POLICY

RAM

Personal Investment & Trading of Securities



Revision no.3

Last reviewed date:
14 April 2021

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| Title | Policies on Personal Investment & Trading of Securities | Revision no. | 3 |
| Initial approved date | 30 October 2011 | Last reviewed date | 14 April 2021 [Joint BOD meeting 2/2021] |

Tracking Sheet for Amendments to the Standard Policies and Procedures

| Subject | Date | Remarks |
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| 1 st approved | 30 October 2011 | Approval by the Board of Directors of RAM Holdings Berhad and RAM Rating Services Berhad on 30 October 2011 [Joint BOD meeting] |
| Review | 30 December 2013 | Review and updates |
| Review | 14 April 2021 | <ul style="list-style-type: none"> • Overview <ul style="list-style-type: none"> ○ Syntax ○ Amendment to extend scope to include all RAM subsidiaries (RAM Group) ○ Remove any reference to “Constitution Companies” and to use RAM Group ○ Include Rating Committee members • Objective <ul style="list-style-type: none"> ○ Syntax • Definitions <ul style="list-style-type: none"> ○ Include prohibition of investment and trading after receipt of information related to “credit assessment”, “sustainability evaluation” ○ New definition – “Board of Directors” means collectively, the Board of Directors of RAM Holdings Berhad and RAM Rating Services Berhad. ○ New definition – “Compliance Officer” means an employee of RAM Rating Services Berhad whose responsibilities include ensuring that the company complies with its external regulatory requirements and internal policies. ○ Add category 1 covered person – any Executive Director of RAM Group, any CEO. ○ Amend definition – “Employee” means any person employed under RAM Group, including temporary worker, contract worker, or any other person who works for RAM Group, regardless of their duration of employment or contract. ○ New definition – “Group CEO” means Group CEO of RAM Holdings Berhad ○ Deleted – “Indirect Investments” means a situation where a nominee is used to undertake an investment in Securities for or on behalf the Covered Person; ○ New definition – “Intern” means a student or trainee who works in RAM Group, with or without compensation, in order to gain work experience or satisfy requirements for a qualification. |

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| | | <ul style="list-style-type: none"> ○ Deleted – “Reference List” means the existing (or current) rating clients of RAM Rating Services Berhad, as detailed in the RAM Group’s common directory that is maintained and updated by the RAM Group’s Information Technology Department; ○ New definition – “Securities” means tradable securities of companies and include structured financial products. ○ Amend definition – “Investment” means tradable securities purchased directly and indirectly (through a nominee) by any Covered Person; ○ New definition – “A pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.” ● Para 4.1 and Para 4.2 – Syntax ● Para 4.3 – Deleted “non-clients of RAM”, add ETF and cryptocurrencies ● Para 5.1 – Amendments to expand restrictions involving information related to “credit assessment” and “sustainability evaluation”. ● Para 6.1 – Include RC members ● Para 6.2 – Removed redundant words and new insertion to require submission of monthly declaration upon trading of securities. ● Para 6.4 – Deletion of provision on (i) and (ii) as statements are now easily obtained by the Covered Person through online portal without the need for the company to provide letter of authorisation to access ● Para 6.5 and Para 6.6 – New ● Para 7.2, Para 8.1 and Para 8.2 – Syntax ● Para 8.4 – Deletion of FAQ provision and to change the escalation process for any unresolved matter to be tabled to the Group CEO/Executive Director and/or Board of Directors for decision. ● Para 9.1 – New ● Para 9.3 – Change Human Resources Development Committee to Human Resources Department. ● Para 10 – New |
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1. OVERVIEW

This Policy on Personal Investment and Trading of Securities (“Policy”) has been established to govern the investment and trading in securities by the Directors, members of Rating Committee and employees in RAM Holdings Berhad and its subsidiaries (collectively termed as “RAM Group” or “RAM”).

All Directors, Rating Committee members and employees are required to conduct their personal investment activities and securities trading in a manner that is lawful and that avoids conflict between their personal interests and those of the RAM Group and its clients, so as to promote stakeholders’ confidence in the RAM Group.

This Policy has been specifically designed to raise awareness and minimize any potential breach of prohibitions against using Privileged Information, as well as to avoid misunderstandings or suspicion that may arise regarding employees’ personal investment and trading activities while in possession of non-public, price-sensitive information.

2. OBJECTIVE

The objective of this Policy is to establish **standards of conduct** for all Directors, Rating Committee members and employees of the RAM Group for the purpose of investment and trading of securities. This Policy aims to:

- (a) Discourage Directors, Rating Committee members and employees from using Privileged Information for their own direct or indirect personal gain;
- (b) Prevent any potential adverse repercussions of a regulatory and/or financial nature arising from situations where there is potential of conflict of interest; and
- (c) Safeguard the reputation of RAM Group.

3. DEFINITIONS

In this Policy, the definitions of key terms are as follows:

“Blackout Period” means the period during which the Covered Person is prohibited from investing and/or trading in the Securities of a specific company, i.e., after the receipt of Privileged Information until five (5) trading days after the release of any credit assessment, sustainability evaluation or rating actions, on the specific company or the expiry of the rating obligations;

“Board of Directors” means collectively, the Board of Directors of RAM Holdings Berhad and RAM Rating Services Berhad;

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“CDS” means Central Depository System, as specified under the Rules of Bursa Malaysia Depository;

“Compliance Officer” means an employee of RAM Rating Services Berhad whose responsibilities include ensuring that the company complies with its external regulatory requirements and internal policies;

“Company Secretary” means the company secretary of RAM Holdings Berhad;

“Covered Person” includes Directors (executive and non-executive), Rating Committee members, employees, interns of RAM Group, as well as employees seconded to other organisations or institutions or any persons seconded from other organisations or institutions to any of the company in RAM Group, and shall be in accordance with the following categories:

| Covered Person | |
|---|---|
| Category 1 | Category 2 |
| <ul style="list-style-type: none"> • Any Executive Director of RAM Group • Any CEO • Any member of the Rating Committee • Any employee • Any Intern • Any person seconded to/from any of the company within RAM Group | <ul style="list-style-type: none"> • Any non-Executive Director of RAM Group |

“Employee” means any person employed under RAM Group, including temporary worker, contract worker, or any other person who works for RAM Group, regardless of their duration of employment or contract;

“Group CEO” means Group CEO of RAM Holdings Berhad

“Indirect Trading” means using a nominee to buy and sell Securities;

“Intern” means a student or trainee who works in RAM Group, with or without compensation, in order to gain work experience or satisfy requirements for a qualification;

“Investment” means tradable securities purchased directly and indirectly (through a nominee) by any Covered Person;

“Long-Term Investment Securities” means securities purchased and held for a minimum continuous period of 6 months, during which time there is no trading activity;

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“Privileged Information” means any information, whether or not it is price-sensitive, that has been obtained from clients or potential clients or their advisers, that is not in the public domain, and the resultant analyses, opinions and reports derived from processing such information;

“Securities” means tradable securities of companies and include any of the following:

- (a) Shares
- (b) Bonds
- (c) Warrants
- (d) Options
- (e) Structured financial products
- (f) Other similar instruments

“Trade or trading of securities” means buying and selling of Securities that have been held for a continuous period of less than six (6) months.

A pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

4. SCOPE

4.1 The Policy will apply to all Covered Persons within RAM Group.

4.2 Any Covered Person shall fall in either of two (2) categories, based on their **proximity to Privileged Information** that may have a bearing on investment and trading positions. When an individual falls into more than one category, he is deemed to fall under the higher category. For avoidance of doubt, Category 1 is deemed higher than Category 2.

4.3 The restrictions imposed on investing and trading under this Policy do not apply to tradable securities issued by:

- (a) Unit trusts;
- (b) Mutual funds;
- (c) Bond funds;
- (d) Exchange traded fund;
- (e) Cryptocurrencies; or
- (f) Other similar investment funds.

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5. PROHIBITION AGAINST USE OF PRIVILEGED INFORMATION

- 5.1 Any Covered Person under Category 1:
- (a) must comply with the Blackout Period for Securities; and
 - (b) is prohibited from investing and/or trading in the Securities of a specific company as soon as they receive any Privileged Information relating to that company until 5 trading days after the release of any rating action, credit assessment or sustainability evaluation on that company, or the expiry of RAM Rating Services Berhad's rating obligations.

6. MANDATORY REQUIREMENTS OF A COVERED PERSON

- 6.1 All covered persons upon commencement of service and Directors as well as Rating Committee members, upon commencement of office with RAM Group, shall provide a CDS statement and/or a list of their investments in Securities, including details on the following:-
- (a) Stockbroking firm/investment bank;
 - (b) Trading account number;
 - (c) Name of stocks held; and
 - (d) Number of units owned.
- 6.2 Any Covered Person under Category 1 who does not hold any investment securities shall furnish a written statement declaring that he has not purchased any Securities. In the event that Covered Person under Category 1 opens an investment and trade in securities, the obligations to submit monthly declaration under Para. 6.4 shall take effect.

Annual Declaration

- 6.3 All Covered Persons shall submit an Annual Declaration to the Compliance Officer within 30 days of the end of the calendar year (i.e. 30 January) that they have not breached the Policy in the preceding calendar year (i.e. 1 January to 31 December).

Monthly Declaration

- 6.4 Any Covered Person under Category 1 who has invested and traded in Securities shall submit a monthly personal investment and trading of securities report to the Compliance Officer on his **direct and indirect** trading activities during the month and a list of his outstanding investments before the end of each month.

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Other requirements on Declarations

- 6.5 All Covered Persons shall;
- (a) not declare their personal investment in advance; and
 - (b) ensure their personal investment declarations are correct.
- 6.6 The Compliance Officer may require additional documentation where necessary, and all Covered Person shall in their capacity co-operate with the Compliance Department to provide the necessary information with regards to their personal investment declarations.

7. INVESTMENT AND TRADING OF ACTIONS

- 7.1 Any Covered Person under Category 1 shall not trade in Securities in which they have direct or indirect dealings with Privileged Information. However, Long-Term Investments in these Securities are acceptable if purchased outside the Blackout Period, as long as these Securities are not traded during the Blackout Period.
- 7.2 All Covered Persons are advised to obtain a written consent from the Compliance Officer if there is any doubt whether their planned investment and/or trading in Securities is in compliance with the Policy.

8. POLICY ADMINISTRATION

- 8.1 For the purpose of this Policy:
- (a) The **Compliance Officer** shall be the designated Guardian and Enforcer of the Policy for the RAM Group; and
 - (b) The **Company Secretary** will be the Guardian and Enforcer of the Policy in respect of the Compliance Officer and the employees in the Compliance Department.
- 8.2 The Guardians and Enforcers shall retain all documents and declarations pertaining to this Policy, except those of the Compliance Officer and the Compliance Department. In this case, the Company Secretary shall retain the said documents and declarations.
- 8.3 The Guardians and Enforcers shall be empowered to give their consent for the investment and trading actions of Covered Persons; other than their own, within the confines of the Policy.
- 8.4 In the event that clarification is required on this Policy or an issue arises that cannot be managed or resolved by both Guardians and Enforcers under Para

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8.1, the matter shall be referred to the Group CEO and/or the Board of Directors for their decision.

9. BREACH OF POLICY

- 9.1 Any breach of this Policy is viewed seriously and will constitute grounds for disciplinary action, which may include termination of employment.
- 9.2 Any employee who becomes aware of a violation of this Policy should immediately report the violation to the Compliance Officer or Company Secretary, in accordance with Para. 8.1.
- 9.3 If there is a complaint or evidence of any breach of the Policy, the Guardians and Enforcers shall commence investigations and it shall be the duty of the Covered Person to establish to the Compliance Officer that they have complied with this Policy.
- 9.4 The outcome of the investigation pursuant to Para 9.2 shall be:
- (a) Reported to the Board of Directors and the Securities Commission; and
 - (b) Referred to the Human Resources Department for disciplinary action, upon the recommendation of the Guardians and Enforcers of the Policy.

10. MONITORING AND REVIEW

- 10.1 The Compliance Officer shall be responsible for overseeing the design and implementation of the system related to personal investment and trading of securities within RAM Group.
- 10.2 This Policy shall be subject to regular reviews by the Board of Directors at such interval as may be necessary.
- 10.3 The Policy's internal control systems and procedures shall be subject to regular reviews by the Compliance Officer at such interval as may be necessary.

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