

RAM

POLICY

February 2011

Analyst Rotation Policy

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RATINGS



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FEBRUARY 2011

Analyst Rotation Policy

To prevent long-standing professional or personal relationships from inadvertently affecting ratings, RAM Ratings has formalised a policy whereby: (1) an analyst assigned to an entity/issue is precluded from acting as the lead review analyst for the same entity for more than 5 consecutive years; (2) a review analyst for outstanding structured-finance transactions is prohibited from acting as the lead analyst for the same originator or programme sponsor for more than 5 consecutive years. To promote continuity in the rating process, however, such analysts can act as back-up analysts for the relevant entities/issues. This policy should be read in conjunction with RAM Ratings' Code of Conduct under *Quality & Integrity of the Rating Process* and *Independence & Management of Conflicts of Interest*.

To recap, credit ratings assigned by RAM Ratings are determined by rating committees, and not by any individual analyst. For each rating assignment, a team with a minimum of 2 analysts is assembled, with one of them designated as the primary or lead review analyst. The primary analyst typically handles daily contact with the issuer, and acts as the liaison person from RAM Ratings for that rating relationship.

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 the same analysts who had worked on the initial rating exercise.
- (3) To allow for fresh perspectives and promote personal development, RAM Ratings endeavours to gradually rotate its analysts across a variety of issuers, industries/sectors and asset classes.

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