

RAM

POLICY

30 December 2013

Policy on Personal Investment and Trading of Securities

RAM Holdings Berhad
(208095-U)

RAM Rating Services Berhad
(763588-T)

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I Overview

This Policy on Personal Investment and Trading of Securities governs the dealings in securities by the directors, members of Rating Committee and employees in RAM Holdings Berhad and its subsidiaries (collectively referred to as RAM Group). On this note, employees are required to conduct their personal investment activities and securities trading in a manner that is lawful and avoids conflict between the employee's personal interests and those of the RAM Group and its clients, so as to promote shareholders' and the general market's confidence in the RAM Group.

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

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II Objective

- 2.1 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. The 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 conflict of interest; and
 - c) **Safeguard** the reputation of the RAM Group.

III 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 5 trading days after the release of any rating actions on the specific company or the expiry of the rating obligations;

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

“Company” means any or all of the Constituent Companies, as the case may be;

“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;

“Constituent Companies” comprise RAM Holdings Berhad, RAM Rating Services Berhad and RAM Consultancy Services Sdn Bhd (collectively referred to as “the RAM Group”);

“Covered Person” includes directors (executive and non-executive), Rating Committee members, employees (permanent, probationary and contractual) and interns of the Constituent Companies as well as persons seconded from other organizations or institutions to any of the Constituent Companies, and shall be in accordance with the following categories:

Category 1	Category 2
<ul style="list-style-type: none"> • Any member of the Rating Committee • Any employee • Any Intern • Any person seconded to/from any of the Constituent Companies or any organisations 	<ul style="list-style-type: none"> • Any non-Executive Directors of RAM Group

“Indirect Investments” means a situation where a nominee is used to purchase Long-Term Investment Securities;

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

“Investment” means tradable securities purchased directly and indirectly 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;

“Policy” means the RAM Group’s Policy on Personal Investment and Trading of Securities;

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

“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 Department¹;

“Securities” means tradable securities of companies that are existing clients of RAM Rating Services Berhad, and include any of the following:

- a) Shares
- b) Bonds
- c) Warrants
- d) Options
- e) 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.

¹ This list is updated regularly and is more comprehensive than the list of rating clients detailed in RAM’s website.

IV Scope

- 4.1 The Policy will apply to all Covered Persons within the Constituent Companies.
- 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/she 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) Non-clients of RAM Rating Services Berhad;
 - b) Unit trusts;
 - c) Mutual funds;
 - d) Bond funds; or
 - e) Other similar investment funds.

V. 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 on that company, or the expiry of RAM Rating Services Berhad's rating obligations.

VI Mandatory Requirements of a Covered Person

- 6.1 All covered persons upon commencement of service and Directors 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, he/she shall furnish a written statement declaring that he/she has not purchased any Securities and shall inform the Compliance Officer should he/she open an investment and/or trading account in the future.

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/Monthly Report

- 6.4 Any Covered Person under Category 1 who intends to continue investing and trading in Securities after 30 September 2011 shall:
- a) Submit a monthly updated report to the Compliance Officer on his/her **direct and indirect** trading activities during the month and a list of his/her outstanding investments at the end of each month; or

- b)
 - i) Maintain a trading account with a stockbroking firm or investment bank approved by the RAM Group; and
 - ii) Sign a letter of agreement with the Company and the stockbroking firm to authorize the Company to have to have direct access to a monthly report on his/her stock balance, investment and trading activities, and any other ad hoc reports required by the Company or the regulators for monitoring purposes.

VII. Investment and Trading 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 the written consent of the Compliance Officer should there be any doubt on whether their planned investment and/or trading in Securities is in compliance with the Policy.

VIII Policy Administration

- 8.1 For the purpose of this Policy:
 - a) The **Compliance Officer** of RAM Rating Services Berhad shall be the designated Guardian and Enforcer of the Policy for the RAM Group; and
 - b) The **Company Secretary** of RAM Rating Services Berhad 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 of RAM Rating Services Berhad 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:
- a) Both Guardians and Enforcers under paragraph 8.1 shall convene a formal meeting with the Executive Directors of the RAM Group and the Chief Executive Officer of RAM Rating Services Berhad, to discuss the issue before providing clarification on the Policy; and
 - b) Such clarification process is to be documented on a “no name” basis, as Frequently Asked Questions (or FAQs) on the Policy.

XI 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 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.
- 9.2 The outcome of the investigation pursuant to Clause 9.2 shall be:
- a) Reported to the Board of Directors and the Securities Commission; and
 - b) Referred to the Human Resources Development Committee for disciplinary action, upon the recommendation of the Guardians and Enforcers of the Policy.

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