

# Code of Conduct

## Simah Rating Agency, Tassnief

*The code is not intended to cover every questionable situation that you may encounter. Rather, it is intended to provide a perspective to guide thinking, and to direct employees to resources for further information. Internal policies established for SRA are intended to provide additional guidance and address specific areas in detail.*

## Contents

1. Overview .....	4
2. Practices .....	4
2.1. Quality and Integrity of the Ratings Process.....	4
2.1.1. Quality of the Rating Process .....	4
2.1.2. Monitoring and Updating .....	5
3. Independence and Avoidance of Conflict of Interest .....	6
3.1. General.....	7
3.2. Conflict of Interest .....	7
3.3. Opportunities through SRA.....	7
3.4. Financial Accountability and Internal Control.....	8
3.5. Use of Corporate Letterhead .....	8
3.6. Health and Safety.....	8
3.7. Record Keeping .....	8
3.8. Use of SRA Assets.....	9
4. Policies, Procedures, Controls and Disclosures .....	9
4.1. Employee Independence .....	10
5. Responsibilities to the Investing Public and Issuers .....	11
5.1. Transparency and Timeliness of Credit Ratings Disclosure .....	11
5.2. The Treatment of Confidential Information .....	12
6. Governance, Risk Management and Employee Training .....	14
7. Disclosure of the Code of Conduct .....	14
7.1 Employee Relationships .....	14
7.2. Honesty and Trust.....	14
7.3. Respect and Fair Treatment.....	14
7.4. Leading by Example .....	15
8. Public Relations.....	15
8.1. Compliance with Laws, Rules and Regulations .....	15
8.2. Political Contributions.....	15
8.3. Corporate Social Responsibility .....	16
8.4. Competition and Fair Dealing .....	16
9. Relations with Customers and Suppliers .....	16
9.1. Business Dealing.....	16

9.2. Gifts and Gratuities Offered by Employees .....	16
9.3. Gifts and Gratuities Offered to the Employees .....	17
10. Communication and Annual Confirmation of Compliance .....	17
11. Reporting of Illegal or Unethical Behavior .....	18
11.1. General Guidelines .....	18
11.2. Reporting Channels .....	19
11.3 Human Resources Department .....	19
11.4 Administrative and Supervisory Committee .....	19
11.5 Anonymous Reporting .....	20
11.6 Reporting Duty .....	20
12. Changes to the Code of Conduct .....	20

## 1. Overview

This document defines SIMAH Rating Agency's (SRA) Code of Conduct.

## 2. Practices

This section defines in detail the operational practices SRA follows in accordance with our code of conduct, which is based on the IOSCO's requirements for Credit Rating Agencies<sup>1</sup>.

### 2.1. Quality and Integrity of the Ratings Process

The first practice area is focused on the adoption and implementation of procedures to ensure that credit ratings are based on a thorough analysis of available and relevant information that is of sufficient quality from reliable sources.

#### 2.1.1. Quality of the Rating Process

- a) The process of analyzing publicly available and privately provided information is conducted in accordance with SRA's rating methodologies.
- b) SRA has developed and documented and applies credit rating methodologies for each class of entity or obligation for which it issues credit ratings.
- c) A Compliance Officer oversees the consistent application of procedures in accordance with rating assignment policies.
- d) An audit trail of rating assignment and migration is stored in a secure electronic database and maintained for default analysis and in accordance with applicable law.
- e) SRA will maintain internal records that are accurate and sufficiently detailed and comprehensive to reconstruct the credit rating process for a given credit rating action. These records will be maintained to promote the integrity of our credit rating process, including to permit internal audit, compliance and quality control functions to review past credit rating actions.
- f) Employees are required to comply with SRA's internal record maintenance, retention and disposition requirements and with applicable laws and regulations governing the maintenance, retention and disposition of our records.
- g) SRA assigns analysts who, individually or collectively, have the appropriate knowledge and expertise for assessing the creditworthiness of the type of the entity or obligation being rated and they are rotated across sectors and classes to promote continuity and avoid bias in the rating process.
- h) SRA confirm sufficient and adequately qualified resources that are free from potential conflicts-of-interest are available prior to accepting an engagement.
- i) Analysts undergo an annual appraisal to ensure they maintain an appropriate level of knowledge, qualifications and experience in conducting credit analysis and developing a rating opinion.

---

<sup>1</sup> International Organization of Securities Commissions Principles Regarding the Activities of Credit Rating Agencies and the Code of Conduct Fundamentals for Credit Rating Agencies, Revised March 2015.

- j) Ratings are provided by the SRA and not by any individual analyst or other employee, and are assigned using methodologies established for the type of entity or obligation that is subject to the credit rating action; that are capable of being applied consistently; and, where possible, result in credit ratings that can be subjected to some form of objective validation based on historical experience.
- k) Credit ratings, analyses and reports are reviewed to ensure they contain adequate analysis and provide a fair and reasonable opinion and do not contain misrepresentations or are otherwise misleading as to the general creditworthiness of a rated entity or obligation.
- l) The rating opinion will be qualified where there is insufficient information to form a professional opinion, and the report will detail the limitations of the rating.
- m) SRA review rating capabilities for assessing a type of entity or obligation that is materially different from those normally rated, and whether existing models are appropriate.
- n) SRA will avoid issuing credit ratings for entities or obligations for which it does not have appropriate information, knowledge and expertise.
- o) The Chief Rating Oversight Officer will conduct a rigorous, formal and periodical review, on a regular basis pursuant to an established timeframe, of all aspects of the credit rating methodologies (including models and key assumptions) and significant changes to the credit rating methodologies.

#### **2.1.2. Monitoring and Updating**

- a) Actively monitored ratings will be reviewed on a regular basis, using the entity's financial statements and other relevant and available information, with ratings adjusted on a timely basis.
- b) SRA will advise clients on a timely basis of ratings updates and those ratings that are subsequently discontinued by email or the company's website.
- c) SRA will initiate a review of the status of the credit rating upon becoming aware of any information that might reasonably be expected to result in a credit rating action (including withdrawal of a credit rating), consistent with the applicable credit rating methodology.
- d) SRA will disclose on its website the class of ratings that are likely to be affected where a material change to its credit rating methodologies, models or key rating assumptions occurs.
- e) Previous rating assignments will be reviewed and reissued, where there is a material change in the credit rating methodologies, models or key rating assumptions, as soon as possible and within six months of the change.
- f) SRA and all the analysts will be responsible to follow the guidelines for disseminating credit ratings that are the result or subject of credit rating actions and the related reports, and for when a credit rating will be withdrawn.

#### **2.1.3. Integrity of the Ratings Process**

- a) The Compliance Officer monitors, reviews, oversees and ensures that SRA and employees comply with the Code of Conduct and all applicable laws and regulations governing credit rating services in the Kingdom of Saudi Arabia.
- b) The Compliance Officer ensures that SRA's policies, procedures and controls are adequate to ensure compliance with the Code of Conduct and with applicable laws and regulations.

- c) Company activity will be conducted in accordance with the compliance monitoring program. A Compliance Audit is conducted by the Compliance Officer annually, with regular internal audits conducted throughout the year.
- d) The Compliance Officer's compensation and reporting line is direct to the Administrative / Supervisory Committee, and is independent to the SRA and credit rating operations.
- e) A Compliance Officer (with the requisite skill set, and whose reporting line and compensation is independent of SRA's credit rating operations) oversees all compliance activities.
- f) SRA and employees deal fairly and honestly with rated entities, obligors, originators, underwriters, arrangers, and users of credit ratings.
- g) Analysts are held to the highest standards of integrity and ethical behavior with recruitment practices requiring strong referees and testimonials and designed to ensure that individuals with demonstrably compromised integrity are not employed.
- h) All rating activity is conducted in accordance with each analyst's respective authority level. Each analyst is supervised by more senior and experienced rating professionals.
- i) SRA and employees do not, either implicitly or explicitly, give any assurance or guarantee to an entity subject to a rating action, obligor, originator, underwriter, arranger or user of the credit ratings about the outcome of a particular credit rating action.
- j) SRA and employees do not make promises or threats about potential credit rating actions to influence rated entities, obligors, originators, underwriters, arrangers, or users of the credit ratings to pay for credit ratings or other services.
- k) SRA and employees do not make proposals or recommendations regarding the activities of rated entities or obligors that could impact a credit rating of the rated entity or obligation, including but not limited to proposals or recommendations about corporate or legal structure, assets and liabilities, business operations, investment plans, lines of financing, business combinations, and the design of structured finance products.
- l) SRA fosters a culture of upward communication. An employee that becomes aware of any conduct that is illegal, unethical or contrary to the code of conduct or the Capital Market Law and its Implementing Regulations is directed to immediately report the matter to the Compliance Officer. The Compliance Officer is charged with the responsibility for taking appropriate action to ensure compliance with the regulations on a continuous basis.
- m) SRA and its employees do not retaliate in any way against any employee who reports any illegal, unethical or non-compliant behavior.
- n) SRA will ensure that an appropriate investigation is conducted on any such report of illegal, unethical or non-compliant behavior and that an appropriate disciplinary or other action is taken. SRA will also maintain records of the names of any employee disciplined by itself and/or the Capital Market Authority in connection with any breach of the Capital Market Law and its Implementing Regulations.

### 3. Independence and Avoidance of Conflict of Interest

The second practice area is focused on the implementation of procedures designed to identify, manage, disclose and remove conflicts of interest relating to business activities.

### 3.1 General

- a) The credit assessment and rating assignment process is based on relevant and evidence based information in accordance with SRA's rating methodologies.
- b) SRA and employees will exhibit professionalism and use care and professional judgment to maintain independence and objectivity.
- c) Credit ratings will be attributed in accordance with the rating methodologies, and will only be influenced by factors relevant to assessing the creditworthiness of the rated entity or obligation.
- d) The ratings assigned by SRA will not be affected by whether there is an existing or potential business relationship.
- e) SRA is operationally, legally, and where practicable, physically separate from other business activities and analysts throughout the SIMAH Group
- f) The primary activity of SRA is the provision of credit ratings.
- g) SRA will not delay or refrain from taking a credit rating action based on the potential effect (economic, political, or otherwise) of the action on itself, a rated entity, obligor, originator, underwriter, arranger, investor, or other market participant.

### 3.2. Conflict of Interest

- a) A conflict of interest exists when a person's private interest interferes in any way with the interests of SRA. A conflict situation might arise when an employee takes actions or have interests that may make it difficult to perform his or her work objectively and effectively.
- b) Conflicts of interest may also arise when employees, or members of their family, receive improper personal benefits as a result of their position in SRA. Accordingly, such actions that may create conflicts of interest are strictly prohibited.
- c) It is always a conflict of interest for SRA employees to work simultaneously for a customer, supplier or competitor. It is required to avoid any direct or indirect business connection with customers, suppliers or competitors, except on behalf of SRA.
- d) Employees should understand that a conflict of interest may arise when there is a mere opportunity for conflict to occur. Although employees may not intend to create a conflict of interest, they should manage their affairs to avoid even the appearance of such a conflict. If an employee has any doubt about a certain situation, the employee should contact his/her supervisor to discuss it immediately.
- e) If a conflict of interest becomes unavoidable, the best action is to make an immediate and full disclosure to the employee's direct supervisor, who in turn will consider communicating the same to SRA's Chief Executive Officer (CEO) first, or to the Administrative and Supervisory Committee (ASC) as the matter might necessitate. The employee's supervisor, the CEO, or the The ASC as appropriate, will work to address the conflict in the best possible manner.

### 3.3. Opportunities through SRA

- a) It might be possible, from time to time, that SRA employees are able to take personal advantage of unique opportunities gained through use of SRA properties, information, or position. Accordingly, it's strictly prohibited for any SRA employee to use any of SRA properties for improper personal gain, and may not compete with SRA directly or indirectly.

- b) All employees owe a duty to SRA to advance its legitimate interests at every available opportunity.

### **3.4. Financial Accountability and Internal Control**

- a) SRA expects all employees to be familiar with and operate within established internal controls. The Company's CCO and external auditors periodically audit internal control policies, procedures, and compliance in order to assess the sufficiency of these controls
- b) All employees involved in these periodic assessments shall provide accurate information regarding the application of internal control policies and procedures.

### **3.5. Use of Corporate Letterhead**

- a) The Company's name, logo or corporate letterhead may not be used for any purpose other than in the normal course of official Company business, unless expressly approved by Top Management.

### **3.6. Health and Safety**

- a) SRA strives to provide each employee with a safe and healthy work place.
- b) Employees have a responsibility for maintaining a safe and healthy workplace for all other colleagues by following safety and health rules and practices, and reporting accidents and unsafe conditions.
- c) Each operating location is responsible for maintaining all required permits, postings and authorizations applicable to the operating location.
- d) All employees are required to report to their supervisor the use of any medication, whether or not prescribed by a physician, which may affect judgment or work performance.

### **3.7. Record Keeping**

- a) SRA requires honest and accurate recording and reporting of information. All of SRA books, records, accounts, financial statements, and relevant documents and information must:
  - i) Be maintained in reasonable details;
  - ii) Appropriately reflect SRA transactions;
  - iii) Conform both to applicable legal and regulatory requirements; and
  - iv) Conform to SRA policies and procedures.
- b) Requests for reimbursement of expenses incurred on behalf of SRA must be properly documented and approved in accordance with Company policies.
- c) Periodic and other reports, financial or otherwise, to governmental agencies must present a full, fair, accurate, timely, and understandable disclosure regarding SRA business and operations.
- d) Exaggeration, insulting remarks, guesswork, or inappropriate characterizations should be avoided for all business records and internal and external written communication including emails.
- e) All records should always be retained in accordance with applicable laws and regulations.



### 3.8. Use of SRA Assets

- a) It is the policy of SRA to respect the privacy of all employees. However, the expectation of privacy does not extend to the use of SRA assets, including, but not limited to desks, cabinets, lockers, telephones, and computers.
- b) Theft, carelessness, and waste have a direct impact on SRA profitability. All employees should endeavor to protect SRA assets and ensure the efficient use thereof.
- c) All SRA assets should be used only for legitimate business purposes. This includes Company resources, equipment, and facilities. Any suspected incident of fraud or theft should immediately be reported to the supervisor, CEO, and The ASC, as appropriate.
- d) SRA communications systems, including computers, electronic mail, Intranet and Internet access, instant messaging, telephones, voice mail, conferencing systems, and paper documents are the property of SRA and are to be used primarily for business purposes.
- e) SRA management has the right and the duty to control the use of SRA communications and record systems. All messages and information generated on or handled by SRA communication and record systems are the property of the Company.
- f) SRA expense accounts, bank accounts, and intellectual properties such as copyrights, business plans, and other resources are strictly limited to SRA use. Personal charges on SRA accounts are prohibited.
- g) All third party software used by SRA employees must be properly licensed to the Company.
- h) Software may be distributed only to SRA employees authorized to use it. No software may be installed, copied, shared or distributed without prior written approval from Head of Technology Department having ultimate responsibility for the type of software in question.

### 4. Policies, Procedures, Controls and Disclosures

- a) All analysts are trained in the company's conflict-of-interest policy and SRA assigns analysts in a manner to identify and eliminate, or manage and disclose, as appropriate, any actual or potential conflicts of interest that may influence the credit rating methodologies, credit rating actions, or analyses of SRA of the judgment and analyses of its employees.
- b) SRA will monitor for conflicts-of-interest throughout all engagements, and will make timely disclosure of actual and potential conflicts on the company's website and in its reports.
- c) In case the actual or potential conflict of interest is unique or specific to a credit rating action with respect to a particular rated entity, obligor, originator, lead underwriter, arranger, or obligation, such conflict of interest will be disclosed in the same form and through the same means as the relevant credit rating action.
- d) SRA will, as appropriate, disclose the general nature of its compensation arrangements with rated entities, obligors, lead underwriters, or arrangers, and other fee disclosures that may impact perceived independence. This includes the disclosure of any compensation unrelated to its credit rating activities (as a percentage of total annual compensation received), together with whether it has received 10 percent or more of its annual revenue from a single client in the relevant credit rating report or elsewhere, as appropriate.

- e) Analysts are not permitted to hold or transact in trading instruments where the relevant security is issued, guaranteed, or otherwise supported by any rated entity or entities to be rated within their area of primary analytical responsibility or that may otherwise present a conflict-of-interest. Employees involved in liaising with rated entities or obligors (e.g., sovereign nations or states) that have an oversight function over the SRA will not be engaged in taking credit rating actions or developing or modifying credit rating methodologies that apply to such a rated entity or obligor.
- f) SRA will disclose in its credit rating announcements whether the issuer of a structured finance product has informed SRA that it is publicly disclosing all relevant information about the obligation being rated.

#### **4.1. Employee Independence**

- a) Employees are remunerated in accordance with standard contractual terms, and those who participate in or who might otherwise have an effect on a credit rating action with respect to an entity or obligation will not be compensated or evaluated on the basis of the amount of revenue derived from that entity or obligor.
- b) The Administrative / Supervisory Committee, in consultation with the Chief Executive Officer conducts formal and periodic reviews of compensation policies, procedures and practices of rating analysts to ensure these have not compromised and do not compromise the objectivity of the credit rating process.
- c) Rating fees are charged in accordance with a standard pricing schedule, and employees who participate in or otherwise have an effect on a credit rating action will not be involved in the discussion or negotiation of fees or payments with rated entities, obligors, arrangers or subscribers.
- d) Employees will not participate in or otherwise influence a credit rating action with respect to an entity or obligation if the employee, an intermediate family member of the employee (e.g., spouse, domestic partner, or dependent), or an entity managed by the employee (e.g., a trust):
  - i. Holds or transacts in a trading instrument issued by the rated entity or obligor;
  - ii. Holds or transacts in a trading instrument (other than a diversified collective investment scheme) that itself owns an interest in the rated entity or obligor, or is a derivative based on a trading instrument issued by the rated entity or obligor;
  - iii. Holds or transacts in a trading instrument issued by an affiliate of the rated entity or obligor, the ownership of which may cause or may be perceived as causing a conflict of interest with respect to the employee or SRA;
  - iv. Holds or transacts in a trading instrument issued by a lead underwriter or arranger of the rated obligation, the ownership of which may cause or may be perceived as causing a conflict of interest with respect to the employee or SRA;
  - v. Is currently employed by, or had a recent employment or other significant business relationship with the rated entity or obligor or a lead underwriter or arranger of the rated obligation that may cause or may be perceived as causing a conflict of interest;
  - vi. Is a director of the rated entity or obligor, or lead underwriter or arranger of the rated obligation; or

- vii. Has, or had, another relationship with or interest in the rated entity, obligor, or the lead underwriter or arranger of the rated obligation (or any of their affiliates) that may cause or may be perceived as causing a conflict of interest.
- e) Employees are required to comply with SRA's Conflict-of-Interest policy at all times, and are prohibited from soliciting money, gifts, or favors from anyone with whom SRA does business and are also prohibited from accepting gifts offered in the form of cash or cash equivalents or any gifts exceeding a minimal monetary value.
- f) Employees having a personal relationship (including, for example, a personal relationship with an employee of a rated entity, obligor, or originator, or the lead underwriter or arranger of a rated obligation) that creates an actual or potential conflict of interest are required to disclose such relationships to SRA or Compliance Officer.
- g) SRA will review without unnecessary delay the past work of analysts that leave SRA and join an entity that the employee participated in rating, an obligor whose obligation the employee participated in rating, an originator, underwriter, or arranger with which the employee had significant dealings as part of his or her duties at SRA, or any of their affiliates.

## 5. Responsibilities to the Investing Public and Issuers

The third practice area is focused on policies to disclose relevant information to the market about the methodologies used to derive credit ratings, the interpretation of those ratings, and the performance of those ratings.

### 5.1 Transparency and Timeliness of Credit Ratings Disclosure

- a) SRA will distribute its credit rating decisions in a timely manner through rating reports and/or the company's website.
- b) SRA will disclose on its website information about its credit rating process and its credit rating methodologies, so that investors and other users of credit ratings can understand how a credit rating was determined by SRA.
- c) SRA will disclose on its website any material modification to its credit rating methodologies prior to the modification taking effect unless doing so would negatively impact the integrity of a credit rating by unduly delaying the taking of a credit rating action.
- d) SRA will disclose on its website the policies and procedures for distributing credit ratings and reports and for when a credit rating will be withdrawn and together with the definitions of the meaning of each category in our rating scales, including the definition of default. The credit ratings of structured finance products will be differentiated from credit ratings of other types of entities or obligations through a supplementary credit rating identifier.
- e) The context and date of each credit rating will be disclosed in the rating report and/or the company's website, and will detail the attributes and limitations of each credit rating and together with the extent to which SRA has verified the information provided to it by the rated entity, obligor, or originator, or the underwriter or arranger of the rated obligation.
- f) Rating reports will provide sufficient information on how a credit rating was derived, the principal credit rating methodology or methodology version that was used in determining the credit rating, where a description of that credit rating methodology can be found, the basis for the assignment

of a specific credit rating, and the justification of the reason for any credit rating change, including discontinuation of credit ratings.

- g) Rating reports will include an explanation of the key assumptions and data underlying the credit rating, including financial statement adjustments that deviate materially from those contained in the published financial statements of the relevant rated entity or obligor.
- h) Credit rating opinions for structured finance products will include sufficient information about SRA's loss and cash-flow analysis, so that investors in the product and/or other users of credit ratings can understand the basis for the credit rating. Such information will also include the degree to which SRA analyses how sensitive a credit rating of a structured finance product is to changes in the assumptions underlying the applicable credit rating methodology.

In case SRA discontinues monitoring a credit rating for a rated entity or obligation it will disclose such discontinuation on its website as soon as practicable, together with the date the credit rating is last updated or reviewed, the reason the credit rating is no longer monitored, and the fact that the credit rating is no longer being updated.

- i) SRA will disclose the performance of its credit ratings and historical transition and default rates of its credit rating categories with respect to the classes of entities and obligations it rates after such time as to have developed a reasonable credit ratings history.
- j) Rating reports will disclose with the credit rating that is the result or subject of a credit rating action whether the rated entity, obligor, or originator, or the underwriter or arranger of the rated obligation participated in the credit rating process. Each credit rating that has not been initiated at the request of the rated entity, obligor, or originator, or the underwriter or arranger of the rated obligation will be identified as such.
- k) Prior to issuing a credit rating, SRA will inform the rated entity, or the obligor or arranger of the rated obligation about the critical information and principal considerations upon which a credit rating will be based and affords such rated entity, obligor, or arranger an adequate opportunity to clarify any factual errors, factual omissions, or factual misperceptions that would have a material effect on the credit rating.

## 5.2 The Treatment of Confidential Information

- a) SRA protects the confidentiality of information provided under a confidentiality agreement or under a mutual understanding that the information is shared confidentially, in accordance with applicable legislation.
- b) SRA and employees will not use or disclose confidential and/or material non-public information in press releases, research conferences, future employers, or in conversations with other persons.
- c) Confidential and/or material non-public information is only used for the purposes related to SRA's rating activities or as otherwise determined in accordance with any confidentiality agreements.
- d) SRA and employees take all reasonable measures to protect confidential and/or material non-public information from fraud, theft, misuse or inadvertent disclosure.
- e) Employees that possess confidential and/or material non-public information concerning a trading instrument are prohibited from engaging in transactions in the trading instrument or

using the information to advice or otherwise advantage another person in transacting in the trading instrument.

- f) Rating analysts certify their annual compliance with SRA's code of conduct, conflict of-interest, and privacy and confidentiality policies, as monitored by the Compliance Officer.
- g) SRA and employees do not selectively disclose information about the pending credit rating action, except to the rated entity, obligor, arranger, or their designated agents, or as required by applicable law or regulation.
- h) Rating analysts do not share confidential and/or material non-public information with employees of affiliated entities, and do not share such information within the company where the disclosure is not necessary in connection with the credit rating activities, unless disclosure is required by applicable law or regulation.
- i) SRA employees may from time to time gain access to information of confidential nature regarding SRA employees, suppliers, members or customers.
- j) Maintaining the confidentiality of the information entrusted to SRA is at all times expected, except where disclosure is required by law. All non-public information should be considered confidential information.
- k) Confidential information may include, but is not limited to such items as:
  - Trade secrets;
  - Business plans;
  - Marketing plans;
  - Investment portfolios;
  - Payroll records; and
  - Any unpublished financial data.

In addition, this includes all non-public information that might be of use to an outside party in a manner that is disadvantageous to SRA or its employees, suppliers, members or customers. The obligation to preserve confidential information continues even after employment ends.

- l) An employee's position with the Company may provide him / her with access to "material non-public information." "Material non-public information" includes information that is not available to the public at large, which would be important to an investor in making a decision to buy, sell, or retain a security. It should be noted that either positive or negative information may be material.
- m) An employee in possession of "material non-public information" shall not pass that information onto others, and shall not purchase or sell a security or recommend a security transaction of his/her own account, the account of a family member, the account of client of SRA, or any other person.
- n) SRA employees should always exercise care not to disclose confidential, personal or business information about SRA or its member and customers through public or casual discussions.
- o) External inquiries (media, regulations, etc.) must be referred to the Rating Liaison Officer for a response.

- p) SRA and its employees are committed to complying with all applicable laws and regulations governing privacy and data protection
- q) In handling all customer information, SRA will process this data fairly and lawfully and use it only for its intended, legitimate purpose; keep it secure and confidential; and consistent with the applicable law.

## **6. Governance, Risk Management and Employee Training**

- a) The Administrative / Supervisory Committee and the Compliance Officer, has oversight in the establishment of SIMAH Rating Agency' policies and procedures and the enforcement of this Code of Conduct, which are based on IOSCO Code of Conduct for CRAs<sup>2</sup>.
- b) Management has adopted a risk management framework, based on legal, reputational, operational and strategic risks. Annual Compliance Reports are prepared by the Compliance Officer, which are submitted to the Administrative / Supervisory Committee for approval.
- c) SRA provides formal, ongoing training to its employees covering all aspects of its operations, its policies and procedures.

## **7. Disclosure of the Code of Conduct**

- a) The Code of Conduct is available via the company's website free of charge, along with details of operational policies and practices and a description of the credit rating methodologies, in full accordance with IOSCO's requirements for Credit Rating Agencies.
- b) SRA welcomes feedback, and the Rating Liaison Officer is responsible for coordinating, communicating, retaining and handling questions, concerns or complaints the business may receive.

### **7.1 Employee Relationships**

The following are the basic characteristics of the Company's Employee Relationships ethics:

### **7.2. Honesty and Trust**

- a) SRA employees are expected to perform their duties with integrity and conduct themselves ethically at all times.
- b) Honesty is considered the core of an effective work environment between SRA employees, and is essential to maximize work coordination. SRA employees are required to build trust amongst themselves, through enduring honest conduct and behavior.

### **7.3. Respect and Fair Treatment**

- a) All employees have a right to, and responsibility for maintaining, a fair, safe, and productive work environment.
- b) SRA workplace should be free from violent and abusive behavior. Threatening, aggressive, or abusive behavior towards fellow colleagues or others in the workplace will not be tolerated.

- c) All employees are expected to treat their colleagues with respect and are prohibited to engage any misconduct towards other individuals or group.
- d) SRA employees are expected to abide by management directives and apply hierarchical instructions, unless otherwise have doubts on the same, upon which they are urged to report as per the reporting policies demonstrated within this Code.
- e) Any discrimination, sexual/non sexual harassment, vilification, racism, and offensive behaviour are intolerable and will be subject to disciplinary actions.

#### **7.4. Leading by Example**

- a) SRA employees holding leadership positions (chief officers, managers and supervisors) and supervise others have additional responsibilities under the Code. They must:
- b) Promote compliance and ethics by example – in other words, show by their behaviour what it means to act with integrity;
- c) Possess the knowledge to answer questions from employees under their supervision regarding policies and procedures;
- d) Properly train the employees under their supervision to understand the Code's requirements;
- e) Foster an environment of clear and open communication where issues are brought forward throughout SRA without fear of retaliation and mistakes; and
- f) Use reasonable care to monitor third parties acting on behalf of SRA to ensure they work in a manner consistent with the Code.

### **8. Public Relations**

#### **8.1. Compliance with Laws, Rules and Regulations**

- a) Compliance with applicable laws and regulations CRAR, both in letter and in spirit, is integral to the ethical standards of this Code.
- b) All employees must comply, personally and upon conducting SRA business, with the national laws in which SRA operates. While it is not expected that each employee knows all details of the law, it is required that SRA employees seek advice from authorized Company representatives, being direct supervisors, CCO, Human Resource and Administration Department, or the ASC. Reasons for violations will not be tolerated.

#### **8.2. Political Contributions**

It is strictly prohibited to offer anything of value directly or indirectly to any governmental party. The promise, offer, or delivery to any governmental party or employee of any governmental agency not only violates SRA policy, but may also expose SRA and the concerned employee to a criminal offence.



### 8.3. Corporate Social Responsibility

- a) SRA is committed to be a good neighbor and a contributing corporate member in the communities in which it operates. SRA is responsible to conduct its business activities in ways that honor ethical values, respect people and communities in which SRA operates.
- b) Rendering high-quality professional services;
- c) Delivering services and products that consider the interest and match the needs of the communities in which it operates;
- d) Providing a workplace that contributes to the professional growth, the development, and the personal success of SRA people.

### 8.4. Competition and Fair Dealing

- e) SRA employees should strive to help SRA outperform the competition at every opportunity. This should be done honestly and fairly at all times.
- f) Unsupportable promises should never be made concerning SRA services. This also applies to false statements or innuendos about competitors or former employees. SRA seeks competitive advantages through superior performance, but never through unethical or illegal business practices.

## 9. Relations with Customers and Suppliers

### 9.1. Business Dealing

- SRA seeks building productive relationships with all suppliers, contractors, , customers and alliances based on integrity, ethical behavior, and mutual trust.
- Suppliers, contractors, and alliances should be selected based on the quality, price, service, delivery, and supply of needed goods and services. Procurement decisions should be based on objective business rationale and not on personal interest or bias.

### 9.2. Gifts and Gratuities Offered by Employees

- Employees may not, on behalf of SRA, and in connection with any transaction or business of SRA, directly or indirectly give, offer, or promise anything of value to any individual, business entity, organization, governmental unit, public official, political party or any other person for the purpose of influencing the actions of the recipient.
- This standard of conduct is not intended to prohibit normal business practices such as providing meals, entertainment, tickets to cultural and sporting events, promotional gifts, favors, discounts, price concessions, gifts given as token of friendship or special occasions (such as wedding, etc.), so long as they are of nominal and reasonable value under the circumstances, and promote the Company's legitimate business interests.



### 9.3. Gifts and Gratuities Offered to the Employees

- It is prohibited that any employee of SRA corruptly solicit, demand, or accept for the benefit of any person or party, anything of value in return for any business, service, or confidential information of the Company, either before or after a transaction is discussed or consummated.
- Things of value exchanged between SRA employee, family members, or social friends are not covered by this Code of Conducts if they are exchanged solely because of the family or social relationship and not in connection with SRA business. However, the exchange of things of value that may create the appearance of a conflict of interest should be avoided.
- Although acceptance of things of value in connection with SRA business is generally prohibited, an employee may accept meals, refreshments, travel arrangements or accommodation, or entertainment, all of reasonable value, in the course of a meeting or other occasion, the purpose of which is to hold business discussions or to foster better business relations, provided that the benefit would be a reasonable expense if paid for by SRA instead of the other party.
- However, an employee may not receive things of value for purely personal benefit, or for the personal benefit of anyone other than SRA, especially benefits that do not demonstrate business purpose. Gifts of cash in any amount are expressly prohibited.
- On a case-by-case basis, SRA may approve other circumstances, not described herein, in which employees may accept something of value in connection with SRA business. Approval may be given by the ASC on the basis of a full written disclosure of all relevant facts submitted by the employee.
- Every employee of SRA should submit the attached Gift Disclosure Statement Form (Annex 1) to the CCO until Dec 31<sup>st</sup> of each year in case the employee receives, directly or indirectly, from one source a) any gift valued in excess of 500 SR or b) two or more gifts whose combined value is in excess of 500 SR. This applies to all gifts, including but not limited to gifts in the form of goods, services, hospitality, travel, or entertainment, or gifts in any other form.

### 10. Communication and Annual Confirmation of Compliance

- The Code of Conducts should be communicated to all SRA employees. This communication should educate employees and motivate them to report their concerns. This message could be delivered through posters in break rooms, emails, or articles in employee newsletter.
- Every employee will be required to sign a declaration statement at the time of employment, indicating that he or she has read this Code and understands its provisions and agrees to abide by them. This declaration should be signed by each employee within a period not exceeding three (3) months from the date of joining the employment.
- SRA employees are further required to sign the declaration statement on annual basis to confirm the compliance with the Code of Conducts.

## 11. Reporting of Illegal or Unethical Behavior

### 11.1. General Guidelines

All SRA employees should report violations of policies, procedures, regulations in CRAR, or this Code, as well as cooperate in any internal investigation. Employees are always encouraged to report to any violation to their immediate supervisor and/or to the Compliance Officer if necessary. You could also seek assistance from other parties: Human Resource and Administration Department, Chief Executive Officer, Chief Compliance Officer, other appropriate employees about observed or suspected illegal or unethical behavior. There shall be no retaliation by SRA for reports made in good faith of actual or suspected misconduct. Since SRA management cannot anticipate every unethical situation that might arise, it is important that SRA employees report illegal or unethical behavior.

The following guidelines assist SRA employees in approaching any potential questioned behavior:

- a) If confronted with a situation that is potentially illegal or unethical, ask the following questions “Exactly what am I being asked to do?”, “Exactly what did I just see?” “Could the intended action appear inappropriate to a third party?”, “Is the action illegal or unethical?”
- b) Clarify your own responsibility and role within SRA pertaining to this matter.
- c) Use your common sense along with self-examination. If your common sense says the situation is unethical or illegal, report the matter through a suitable reporting channel depending on the nature, sensitivity, and materiality of the reported situation.
- d) Make sure all the facts, times and names pertaining to the situation are captured in order to fully inform the individual you contact. A sufficiently detailed description of the factual basis for the allegation should be given in order to allow for an appropriate investigation.
- e) Any rating analyst, employee or any other natural person who is involved in SRA’s rating activities must, upon becoming aware of any information that results in the rating analyst or employee believing that another rating analyst, employee or any other natural person who is involved in rating activities is, or has, engaged in conduct that is illegal, unethical or non-compliant with the Regulations (“inappropriate conduct”), report such information immediately to the Compliance Officer.
- f) Where the inappropriate conduct relates to the Compliance Officer, such disclosure will be made to the Administrative / Supervisory Committee.
- g) Any disclosure of inappropriate conduct will be recorded in the Breach Register that is regularly reviewed by the Administrative / Supervisory Committee to ensure that appropriate follow up action is taken on all incidents of inappropriate conduct.

As long as the disclosure is made in good faith and based on reasonable ground:

- a) SRA will protect the privacy and security of any person who reports any conduct in accordance with this policy (whistle blower).
- b) A whistle blower will not be retaliated against in any way and will be protected from reprisal or repercussions from SRA or its employees.
- c) No litigation action will be taken against a whistle blower by SRA or its employees nor will he be subject to victimization of any kind as an employee of SRA.

Where a whistle blower's report is determined to be maliciously false, the whistle blower will be subjected to disciplinary action, which may include dismissal from employment

Once the Compliance Officer or the Administrative / Supervisory Committee receives a report of inappropriate conduct, an investigation is undertaken to determine whether there is evidence to support the matter raised and/or what further disciplinary or other action, if any, is to be taken.

All appropriate steps will be taken to ensure ongoing compliance with the Regulations.

Any inappropriate conduct which may materially impair the SRA's continuing compliance with the conditions and obligations of its authorization or its other obligations under the Capital Market Law and its Implementing Regulations, or the soundness or the continuity of its relevant services and activities must be reported by the Administrative / Supervisory Committee in writing to the Capital Market Authority as soon as reasonably possible

### **11.2. Reporting Channels**

- a) The direct employee's supervisor is the first reporting level for anticipated unethical situations. At this level, an employee might discuss, inquire, and obtain consultation regarding ethical considerations.
- b) SRA employees might directly disclose the complete information that they observe, or are aware of, regarding unethical behavior, to their supervisors.
- c) The direct employee's supervisor should judge the reported situation in diligence, and is required to raise the issue, in writing, to the CEO to decide on the action steps within his authority, who in turn considers disclosing the matter to the ASC if an investigation is required, or the action steps are beyond his authority.
- d) Employees might not always be comfortable to discuss anticipated unethical behavior, or report the same to their supervisors. Thus, they are encouraged in these cases to apply other reporting channels.

### **11.3 Human Resources Department**

- a) SRA employees might feel comfortable discussing, consulting, and reporting anticipated unethical behavior to the Human Resources and Administration.
- b) The Human Resources and Administration is expected to demonstrate a diligent view of any reported situation, building on its:
  - Understanding of ethical principles, practices, and professional conduct;
  - Objectivity, as it is not directly involved in the operations of the Company;
  - Nature of departmental activity, where it interacts and deals with all employees across the Company.
- c) Nevertheless, The Human Resource is required to raise the reported issues, in writing and upon noting its own opinion, to the Company CEO to decide on the action steps within his authority, who in turn considers disclosing the matter to the Committee if an investigation is required, or the action steps are beyond his authority.

### **11.4 Administrative and Supervisory Committee**

ASC shall be responsible for ensuring compliance with the Capital Market Law, its Implementing Regulations, other relevant laws and regulations, and compliance policies and procedures adopted by the authorized credit rating agency's Board in fulfilling their oversight responsibilities for

- a) the integrity of the financial reporting,
- b) dealing with independent external auditor's observations,
- c) compliance with the Capital Market Law and its subsidiary regulations issued by the CMA,
- d) verifying the adequacy of internal control and risk management policies and framework, and
- e) dealing with issues relating to related party transactions and conflict of interest

### **11.5 Anonymous Reporting**

- a) SRA understands that there may be situations when an individual may want to report concerns about matters addressed by the Code anonymously or with confidentiality. In such situations, the individual may report actual or suspected illegal or unethical behavior, by requesting to remain anonymous or request that their identity remain confidential.
- b) In addition, SRA will make available a secret communication mailbox, under the custody of Human Resources and Administration Department and under the direct supervision of the ASC. The mailbox is accessible to all employees, for the objective of reporting, openly or anonymously, anticipated unethical behavior.
- c) Reporting employees must ensure, upon anonymous reporting, that sufficient details about the actual or anticipated unethical behavior are disclosed.
- d) The secret communication mailbox is examined by the CCO on a monthly basis. Reported situations are reviewed, and action is suggested to be decided upon by the Board.

### **11.6 Reporting Duty**

- a) If an individual reporting actual or suspected illegal or unethical behavior, including questionable accounting or auditing matters, does not identify him or herself, SRA might not be able to respond appropriately to the individual's concern. Further, there may come a time when SRA cannot proceed with an investigation of a reported problem without obtaining additional information from the reporting person.
- b) It may seem easier to keep silent or look the other way, but SRA commitment to ethics and integrity means employees must never ignore a legal or ethical issue that needs to be addressed. It's the responsibility of every person working in SRA to ensure that the Code of Conducts is committed to in everything they do.

## **12. Changes to the Code of Conduct**

Changes in the Code may be made only by SRA Board. Suggestions for changes should be formally communicated to the ASC through the CEO. The ASC Committee discusses the changes to the Code, and raises the conclusions and discussions to the Board for decision. Once adjusted, the amendments to the Code of Conducts must be properly communicated to all SRA employees. Announcement of the amendments should take place, and distribution of the amended Code should replace the previous Code.

## GIFT DISCLOSURE STATEMENT

### FILER

Last Name		First Name	
Position			

### GIFT INFORMATION (List each gift separately)

1.	Name of the Donor		Date Received	
	Gift (Description)		Value/Cost (SR)	
	Reason of the Gift			
2.	Name of the Donor		Date Received	
	Gift (Description)		Value/Cost (SR)	
	Reason of the Gift			
3.	Name of the Donor		Date Received	
	Gift (Description)		Value/Cost (SR)	
	Reason of the Gift			
4.	Name of the Donor		Date Received	
	Gift (Description)		Value/Cost (SR)	
	Reason of the Gift			
5.	Name of the Donor		Date Received	
	Gift (Description)		Value/Cost (SR)	
	Reason of the Gift			

CERTIFICATION: By checking this box, you signify and affirm that you are the person whose name appears as the "Filer" above and the information contained in the form is true, correct and complete to the best of your knowledge and belief. You further certify that you understand the rules with regard to the acceptance of gift in this Code of Conduct and other relevant regulations and there are penalties for failing to comply with the rules stated in this Code of Conduct and relevant regulations, and failing to report the information required by SRA rules.

Signed: .....

Date: .....

Published by SIMAH Rating Agency, TASSNIEF  
Reproduction or transmission in any form is prohibited except by  
Permission from SIMAH Rating, TASSNIEF  
©Copyright 2024

The Credit Rating issued is SIMAH Rating's current opinion of the relative future credit risk of the sovereign or entities. It is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or its suitability for a particular investor, nor does it involve any audit by SIMAH Rating. The credit rating also does not reflect the legality and enforceability of financial obligations.

SIMAH Rating receives compensation for its rating service but the receipt of this compensation has no influence on SIMAH Rating's credit opinions or other analytical processes. In all instances, SIMAH Rating is committed to preserving the objectivity, integrity and independence of its ratings.