

POLICY 20 (2024)

Personal Investment Policy

1. Purpose and Scope

- 1.1. This policy to all employees of SIMAH RATING AGENCY, TASSNIEF pursuant to the requirement under Article 28 (D) (E) and Article 16 of the Capital Market Authority (CMA)'s Credit Rating Agencies Regulations (CRAR) and Tassnief's Code of Conduct Manual.
- 1.2. This policy is designed to prevent any potential conflict between the personal interest of employees of Tassnief and the interest of the clients of the company.

2. Restrictions

- 2.1. 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):
 - 2.1.1. Holds or transacts in a trading instrument issued by the rated entity or obligor;
 - 2.1.2. 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;
 - 2.1.3. 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 TASSNIEF;
 - 2.1.4. 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 TASSNIEF;
 - 2.1.5. 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;
 - 2.1.6. Is a director of the rated entity or obligor, or lead underwriter or arranger of the rated obligation; or
 - 2.1.7. 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.
- 2.2. 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 advise or otherwise advantage another person in transacting in the trading instrument.

3. Permission to deal in securities markets

- 3.1. Preclearance procedure
 - 3.1.1. All employees shall not buy or sell any securities in the Saudi capital market without having obtained prior written consent from TASSNIEF Compliance Department.
- 3.2. Disclosure of securities holdings or transactions
 - 3.2.1. All employees shall disclose to TASSNIEF Compliance Department their holdings or transactions of any securities in the Saudi or international capital markets every 3 months within their employment period at the TASSNIEF. They also have to ensure that there is no conflict of interest arising from trading in such securities.
- 3.3. Approval Process

- 3.3.1. Employee must use a written form provided by the TASSNIEF Compliance Department for the purpose of submitting his request to receive no objection to buy or sell the any securities.
 - 3.4. Special Conflict / No Conflict-of-Interest Circumstances
 - 3.4.1. After checking the restricted list which will be determined in compliance with Section A of this policy, TASSNIEF compliance department shall revert with his written no objection letter (if no conflict of interest is identified) or non-approval (if conflict of interest is identified) within an hour after submission of such request
 - 3.5. Upon the disclosure made by the employee of TASSNIEF regarding their securities holdings or transactions within every three months period, TASSNIEF Compliance Department shall recommend appropriate disciplinary action to be taken against the employee if any conflict of interest is identified. The employee shall be given an opportunity to prove that prior to carrying out a securities transaction he/she made sufficient effort to act in conformity with these guidelines to ensure that there was no conflict of interest arising from his securities holdings or transactions.
- 4. Summary of Insider Trading Rules**
- 4.1. All employees of SIMAH RATING AGENCY (Tassnief) is prohibited to act against the Capital Market Law and other rules and regulations with regard to trading in the securities markets, including insider trading rules.
 - 4.2. A broad guide to the insider trading rules are as follows:
 - 4.2.1. Inside information is information that is not generally available, but would have a potential impact on the price of the security
 - 4.2.2. An insider is a person who obtains inside information from a family, business or contractual relationship. The employee is likely to be an insider as a result of the employment, as is anyone to whom the employee passes the inside information.
 - 4.2.3. An insider may not trade in any security related to the inside information or communicate it to another person for him to trade in the security. If an employee breaches these rules, the employee may face compensation claims, fines or prison
- 5. Counselling and procuring**
- 5.1. If the employee is precluded by the above provisions from entering into any transaction, the employee cannot advise or cause another person to enter into such a transaction or communicate any information or opinion to any other person.

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