

RAM

POLICY

4 October 2011

BUSINESS CONTINUITY PLAN

RAM Holdings Berhad
(208095-U)

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PART A Introduction

I Overview

- 1.1 This Policy on Business Continuity Plan (BCP) describes the processes and procedures that RAM Group has put in place to ensure that essential functions can continue during transition of management or after a disaster. The BCP seeks to prevent interruption of critical services, and reestablish full functioning as swiftly and smoothly as possible.
- 1.2 This Policy is specifically designed to include: **Succession Planning and Development**, which will identify and develop internal people with the potential to fill key business leadership positions in the RAM Group and a **Disaster Recovery Plan**, which specifies the organisation's planned strategies for post-failure procedures.

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II Objective

2.1 The purpose of this BCP is to prepare RAM Group to deal with the following two matters:

- a) Succession Planning and Development at management level arising from resignations, death or departure of senior management; and
- b) Disaster Recovery in the event of minor and extended services outages caused by factors beyond the organisation's control (e.g. natural disasters, man-made events), and to restore services to the widest extent possible in a minimum time frame. The ultimate objectives are to ensure the survival of the organisation, protect corporate assets, facilitate the resumption of operations, minimise financial loss and minimise the loss of customers.

2.2 A proper implementation of the BCP will minimize the financial, human and business operations impact on RAM Group if it is faced with succession or disaster issues.

III Scope & Company's Principal Activities

3.1 The BCP shall be applicable to the following companies under RAM Group as follows:

- a) RAM Holdings Berhad as an investment holding company with business units involved in training services and economics consultancy;
- b) RAM Rating Services Berhad that provides credit rating services; and
- c) RAM Consultancy Services Sdn Bhd that provides risk management advisory services.

IV Definition

- 4.1 “Disaster” is defined as any event that significantly disrupts the normal operations of the RAM Group.

V Policy Administration

- 5.1 For the purpose of this Policy, the Head of Legal and Corporate Affairs shall be the overall administrator of this Policy and shall report to the Human Resource Development (“HRD”) Committee of the RAM Group.
- 5.2 The HRD Committee shall review this Policy every six (6) months or less to ensure it meets the operational and functional needs of the RAM Group.
- 5.3 In the event of a declaration of a disaster, the most senior member of the HRD Committee will take charge and work together with the available HRD Committee members to ensure minimal disruption to RAM Group’s operations.
- 5.4 Each department and/or business unit is to develop a departmental Business Recovery Plan to ensure prompt resumption and return to normal business operations within recovery time objectives of the BCP.
- 5.5 For the purpose of the Disaster Recovery Plan under Part C, the Head of Information Technology Department is responsible for all data backups and record keeping of information in RAM Group’s servers.

Part B

Succession Planning and Development

VI Human Resources Development & Insurance Coverage

- 6.1 The HRD Committee will oversee the management and development of human resources policies within RAM Group. The key objectives are to ensure that the RAM Group’s compensation, human resources programmes and practices can

attract, manage and retain talented employees so as to develop RAM as a performance-driven organisation as follows:

- (a) The succession planning and development ensures that employees are identified, developed and ready to fill key business leadership positions within RAM Group as and when the position becomes vacant;
- b) All employees are to be appraised based on their performance and talented employees will be mentored and given adequate training and opportunities to develop versatile career paths within the RAM Group to enable them to be ready for leadership positions; and
- c) All senior appointments will comply with the Securities Commission's Guidelines on Registration of Credit Rating Agencies.

6.2 RAM Group shall ensure that all employees have adequate insurance coverage viz:

- a) Group Personal Accident Insurance for all permanent staff in respect of death or total disablement or temporary partial disablement arising from any accident; and
- b) Group Term Life Insurance policy with supplementary permanent total disability and living assurance benefits will be provided for all permanent staff of RAM.

6.3 RAM Group shall with the approval of the Board of RAM Holdings, undertake to procure Directors' and Officers' Liability Insurance policy for all Directors, Rating Committee members and key officers of RAM Group.

Part C

Disaster Recovery

VII Objective of Disaster Recovery Plan

- 7.1 The Disaster Recovery Plan is geared to mitigate the possible negative impact of RAM Group's businesses. The RAM Group is involved in the processing of information to provide an informed and independent opinion of credit ratings and economics analysis. For this, storage, safeguarding and retrieval of these information and analyses are of the highest priority for the RAM Group.
- 7.2 The key databases that will be protected and backed-up include the Group's personnel files, work files, financial accounts, asset database, clients' database and email communications.
- 7.3 The integrity and reliability of the back-up data is crucial to the successful resumption of RAM Group's operations in the event of a disaster.

VIII Communications & Contact Points

- 8.1 It is imperative that all key employees remain contactable during a disaster. The Administrator of this Policy shall:
 - a) Maintain a regularly updated database of contact numbers and addresses of all employees; and
 - b) Ensure these contact numbers and addresses are made available to all members of the HRD Committee.
- 8.2 In the event of a disaster, the Group Communications Officer and the Corporate Affairs Officer are designated as the principal contacts with the media, regulatory agency, government agencies and other external parties following a formal declaration of disaster pursuant to paragraph 9.1.

IX Occurrence of Disaster

- 9.1 Upon an occurrence of a disaster, the Administrator shall with the consent of the HRD Committee:
- a) Issue a declaration of disaster¹; and
 - b) Inform the Securities Commission of Malaysia, Group's shareholders, bankers, clients and other key stakeholders.
- 9.2 The Administrator shall coordinate with the Group CEO's office, the Head of Information Technology Department and Head of Accounts & Administration to:
- a) Assess the impact of the disaster;
 - b) Outline the steps needed to restore operations; and
 - c) Determine the time required to resume operations.
- 9.3 The Administrator shall for as long as the declaration of disaster is in effect, duly submits periodic reports to the Securities Commission, the RAM Group's shareholders, bankers, clients and other key stakeholders on the outcome of paragraph 9.2.
- 9.4 Upon resumption of normal operations, the Administrator shall with the consent of the HRD Committee, formally revoke the declaration of disaster pursuant to paragraph 9.1 .

X. Strategy on IT Systems Back-up and Recovery

- 10.1 For the purpose of this Policy:
- a) *Recovery Time Objective* shall be no longer than 72 hours towards resuming basic operations following a disaster; and

¹ The BCP fundamentally assumes that key employees will be available following a disaster and all vital records stored in a secure off-site location survived the disaster and are accessible immediately following the disaster.

- b) *Recovery Point Objective* is not to lose more than 24 hours of back-up data in the event of a disaster.

10.2 To ensure successful implementation of the Disaster Recovery Plan:

- a) All Heads of Department shall ensure the following:

- i) Hard copy of transaction and information data to be archived and kept for a minimum period of seven (7) years; and
- ii) Only documents, information and data exceeding seven (7) years old and no longer relevant for retention, are to be destroyed.

- b) The Head of Information Technology Department shall ensure the following:

- i) Full and incremental backups to preserve corporate data involving backup on a daily basis for audit logs and files that are irreplaceable, have a high replacement cost, or are considered critical;
- ii) Maintain the primary server and the back-up server as set out in paragraph 11 below;
- iii) A copy of the most current system image tapes made at least once a week to be stored offsite;
- iv) Backup media is stored at locations that are secure, isolated from environmental hazards, and geographically separate from the location housing the system; and
- v) Tapes are to be kept for a minimum period of 36 months, after which they are destroyed or reused as new backups.

XI Secured Location of Data

11.1 The Primary Server of RAM Group is located in the premises of RAM Group. It comprises:

- a) RAM Holdings Berhad's file servers;
- b) RAM Rating Services Berhad's file servers;
- c) RAM Consulting Services Sdn Bhd's file servers;
- d) Rating and clients' database;
- e) Web servers;
- f) Email servers;
- g) Accounting servers; and
- h) any other servers within the premises of RAM.

11.2 A back-up server shall be established on or before 31 January 2012 at a location not less than 25 kilometres away from the Primary Server.

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