

# **SaigonRatings**

## **CODE OF CONDUCT**

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No: 01/QĐ/QT-SaigonRatings, dated 01/05/2018

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# SAIGONRATINGS' CODE OF CONDUCT

*Day of first publication, 01/05/2018*

## INTRODUCTION

SaigonRatings is a member of PHATTHINH GROUP.

Business Registration Certificate No.0313375448, licensed for the first time on July 30<sup>th</sup>, 2015, the first-time change license on August 6<sup>th</sup>, 2015.

Business Registration certificate No. 01/GCN-DVXHTM was licensed by Ministry of Finance on 21/07/2017.

As a first Credit rating agency in Vietnam; SaigonRatings has contributed to the development of the financial market in Vietnam with the advanced Code of Conduct.

SaigonRatings provides information, opinions through credit rating service and researches about the creditworthiness of financial obligations, financial institutions, enterprises and debt instruments in the financial market in Vietnam (referred as Rated Entity).

Our credit rating results are the forward-looking opinions of the relative likelihood that the debt issue may default. This means predicting the probability of default of the Rated Entity (Bond) and the severity of the estimated losses given default of that bond.

Our credit rating results are a source of information for investors, SaigonRatings enables organizations and individual investors in the market to get the opportunity to use this source of information for credit risk analysis in making an investment decision.

To ensure strict compliance with operating principles and appreciate code of conduct in credit rating activities, SaigonRatings approved the Code of conduct, which is regarded as the standard of professional behavior of experts (Referred to as SaigonRatings Code).

Through SaigonRatings Code, SaigonRatings strives to preserve the integrity of the analysis and credit rating process; to contribute to the protection of benefits and fair treatment for Issuers, Investors in the market; and to protect the confidential information provided by SaigonRatings.

In order to effectively use SaigonRatings's credit rating information, the market needs to be notified of all the benefits and limitations of the information that SaigonRatings provides.

SaigonRatings is committed to adherence to the principles of Independence, Objectivity, Integrity and Transparency on:

- Credit rating process;
- Credit rating methods;
- Business process system;
- Internal control system;
- Historical records of the Rated Entity.

The Code of Conduct, management policies and internal control activities related to our organization are published on SaigonRatings website, in compliance with the regulations of Vietnam law, practices and operation standards of international Credit Rating Agency (CRA).

The SaigonRatings Code has 6 basic sections as follows:

- Quality and integrity of the credit rating process;
- Independence and conflict of interest;
- SaigonRatings's responsibilities to Rated Entities and Investors;
- Management, risk management and training;
- Publication of SaigonRatings Code and Information Communication;
- Implementation of SaigonRatings Code.

SaigonRatings Code of Conduct, which is expressed in Vietnamese and English languages, conveys the same meaning.

## **I. GENERAL PROVISIONS**

### **1. Guiding Ethical Principles**

- Decree No.88/2014/ND-CP dated September 26, 2014, on credit rating services.
- Code of Conduct of International Organization of Securities Commissions - IOSCO, published on December 23<sup>rd</sup> 2014; modified in May 2018 and March 2015.
- The principles of International Organization of Securities (“IOSCO Principles”) are a set of general principle, built by International organization and published in May 2003. SaigonRatings fully adheres to the principles of the IOSCO Code.
- The Code of Conduct is SaigonRatings's principles of professional ethical behaviors. SaigonRatings's Code of Conduct impacts all behaviors of SaigonRatings organization and personnels in Credit rating process.
- The Code of Conduct was established, maintained and enforced internally in SaigonRatings organization.

### **2. Applicable subjects**

- Employees: any personnel, who is working full – time or part – time at SaigonRatings.
- Analysts: professional analysts who are assigned to implement and complete the technical tasks in a team of analysts, in the process of credit worthiness analysis, evaluation, as well as recommendation and submission of credit rating result to Rating Committee for approval.
- The assigned members of Rating Committee have rights to vote for the final decision or modifications to the credit rating results;
- Managers are people who have responsibilities and authorities to perform administrative or technical management, in varied levels in SaigonRatings.
- The professional employees include the analysts, members of rating committee and technical experts involved in the activities of: analysis and evaluation, recommendation of opinions in initial credit rating; annual credit rating and surveillance; updating, monitoring and developing

professional business systems, credit rating methodology and quantitative mathematical models applied in professional credit rating process.

### **3. Organization structure and professional functions**

- Headquarters of SaigonRatings, representative office and branches.
- The responsibilities and authorization of Analysis department, analysts and members of Rating Committee are separated with each other and are completely separated with Business Development Department and personnels in charge of business development; are supervised by technical departments and people who communicate directly with CEO of SaigonRatings.
- The group of senior analysts, technical experts is responsible for researching the credit rating activities, considering the appropriateness of applied methods and models; monitoring professional activities to develop continuously the quality of analysis during credit rating process.
- The legal department is mainly responsible for monitoring compliance with the control system, internal policies and legal procedures of all departments and members, which are described and explained in the provisions of SaigonRatings Code.
- The planning & business development departments is responsible for all business and marketing activities of SaigonRatings; without any right to participate in any professional business process; and/or to make a commitment regarding the credit rating results to any Rated Entity or Debt Instrument.

### **4. Services & Product**

- A Credit Rating is an opinion from SaigonRatings regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share or other financial instrument, or of an issuer of such a debt or financial obligation, debt security, preferred share or other financial instrument, issued using an established and defined ranking system of rating categories.
- An unsolicited credit rating is a credit rating initiated by SaigonRatings and not requested by the Rated Entity/ Debt Instrument. In this case, SaigonRatings assures not to publish the credit rating results in the market, in accordance with provisions of Vietnam Law.
- Credit rating results not approved. In case the Rated Entity declines the credit rating results (SaigonRatings receives a written response or does not receive any confirmation from the Rated Entity) after SaigonRatings has officially announced the credit rating in writing. The solution of SaigonRatings is cancelling the announcement and withdrawing the decision of credit rating results, as well as putting it in the credit rating list for evaluating and reserving process.
- A credit rating announcement is a written communication that may be used to announce the publication of a Credit Rating Action in the compliance with the legal regulations, in case of SaigonRatings implementation of the initial credit rating, modification to the current rating or maintenance of the current credit rating, through a comprehensive professional process of updating, monitoring and evaluating the annual credit rating process (or in any case that SaigonRatings considers necessary).
- Credit rating service, including the credit rating service for organization, enterprise and Debt Instrument in the market.

▪ The Credit rating process is an integrate professional business process including the determination of initial credit rating, as well as updating, monitoring and evaluating annually the outlook of credit rating (for modifying, confirming or withdrawing the current credit rating result).

## **5. Other contents**

▪ Our target customer in the market includes institutions, organizations, enterprises and debt instrument issuers whose SaigonRatings has full functions and legal permission to provide services, in the compliance with the provisions of Vietnam law, as well as in alignment with the International Credit Rating Standards and Practices.

▪ Issuer Confidential Information is any information received by SaigonRatings from an Issuer, its affiliates or its Agents in connection with the rating process or in connection with providing Ancillary Services or Other Permissible Services in respect of which SaigonRatings has received written notice specifically indicating the proprietary and confidential nature of the information.

However, the term “Issuer Confidential Information” shall not include:

- a) Information that is publicly known;
  - b) Information available to SaigonRatings on a non-confidential basis prior to disclosure by the Issuer, its affiliates or its Agents;
  - c) Information that becomes available to SaigonRatings on a non-confidential basis from a third party not reasonably known by SaigonRatings to be bound by a confidentiality agreement with the Issuer or otherwise prohibited from making available such information;
  - d) Information developed independently by SaigonRatings;
  - e) Information that has been aggregated or transformed in such a way that it is no longer identified as relating to any individual Issuer; or
  - f) Information that is approved for public disclosure in writing by the Issuer.
- Fee Discussions are any negotiations about fees for Rating Services and any discussions or correspondence (whether internal or external) relating to those negotiations.
- Rated Entity(ies) means any entity rated by SaigonRatings or any entity that issues securities rated by SaigonRatings or any entity that is seeking a Credit Rating from SaigonRatings.

## **II. DEFINITION OF CREDIT RATING**

1. Credit rating service for organization, enterprise”: the service provided by SaigonRatings to analyst, evaluate and rating the ability to fully and timely fulfill the debt obligations of the institutional organizations, enterprises.

2. “Credit rating service of Debt Instrument”: the service provided by SaigonRatings to analyst, evaluate and rating the ability to fully and timely fulfill the debt obligations or debt instruments at the time of rating.

Credit rating is SaigonRatings current opinions of the relative future credit risk of issuers, credit commitments, debts or debt-like securities.

SaigonRatings defines credit risk: The risk that a Rated Entity may not meet its contractual, financial obligations as they come due and any estimated financial loss in the event of default.

Credit ratings do not address any other risks, including but not limited to: liquidity risk, market value risk or price volatility.

Credit ratings and SaigonRatings's opinions included in SaigonRatings 's publications are not statements of current or historical fact. Credit ratings and SaigonRatings's publications do not constitute or provide investment or financial advice, and credit ratings and SaigonRatings's publications are not and do not provide recommendations to purchase, sell, or hold particular securities.

Credit ratings and SaigonRatings's opinions included in SaigonRatings's publications do not comment on the suitability of an investment for any particular investor. SaigonRatings issues its credit ratings and publishes SaigonRatings's publications with the expectation and understanding that each investor will, with due care, make its own study and evaluation of each security that is under consideration for purchase, holding, or sale.

Credit Ratings are based on information obtained by SaigonRatings from sources believed by SaigonRatings SaigonRatings to be accurate and reliable, including, but not limited to, Issuers and their Agents. SaigonRatings relies on Issuers and their Agents to provide information that is true, accurate, timely, complete and not misleading..

SaigonRatings relies on the responsibilities and obligations of each party in compliance with the contract; SaigonRatings strongly needed the close and efficient cooperation of Rated Entity to provide fully, timely and precise information, in order to enable the technical analysis of Analyst.

SaigonRatings does not have responsibilities or obligations in every instance to independently verify or validate information received in the rating process or in preparing the Moody's Publications.

SaigonRatings is not an auditor and does not perform financial audits to ensure the quality of information. No warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such rating or other opinion or information is given or made by SaigonRatings in any form or manner whatsoever.

In the rating process, SaigonRatings maintains independence in its relationships with Issuers, investors, and other interested entities. SaigonRatings does not have a fiduciary relationship with the Issuer whose security is being rated (or any other party).

SaigonRatings also does not act as an advisor to the Issuers it rates. SaigonRatings may comment on the potential credit implications of proposed structural elements of a security, but SaigonRatings does not participate in the actual structuring of any security under consideration for a credit rating.

As a matter of policy, and in keeping with its role as an independent and objective publisher of opinions, SaigonRatings retains complete editorial control over the content of its credit ratings, credit opinions, commentary, and all related publications.

SaigonRatings reserves the right at any time to suspend, modify, lower, raise or withdraw a credit rating, or place a rating on review in accordance with MIS policies and procedures.

### **III. PROVISIONS OF COMMITMENTS**

#### **1. Quality and fully of credit rating**

As described in the IOSCO Principles, MIS will endeavor to provide forward-looking opinions on the relative creditworthiness of Issuers of debt and debt instruments in order to help reduce the information asymmetry that exists between those Issuers and potential purchasers of their debt.

##### *A. The quality of the Credit rating process*

1.1. SaigonRatings will develop and maintain rigorous and systematic rating methodologies. Where possible, resulting credit ratings will be periodically subjected to objective validation based on historical experience.

The Analyst Team will be responsible for monitoring the appropriateness and completeness of rating methodologies and procedures and for the initial approval of significant changes to SaigonRatings's rating methodologies and procedures. The SaigonRatings Committee must approve new or materially changed methodologies before their use.

1.2. In assessing issuer's or obligation's creditworthiness, analysts will use SaigonRatings's published methodologies, where appropriate. Analysts will apply a given methodology in individual industries and for different subjects in a consistent manner, as determined by SaigonRatings .

1.3. Credit ratings assigned to any entity or instrument will be determined by rating committees and not by any individual Analyst.

In producing a credit rating, MIS will consider all information known and believed to be relevant by the applicable Analyst and rating committee about an Issuer, and in compliance with standard business process in a manner generally consistent with MIS's published methodologies.

1.4. In formulating credit ratings, MIS will employ Analysts who, individually or collectively (for rating committees), have appropriate knowledge and experience in developing a rating opinion for the type of Issuer or credit being analyzed.

SaigonRatings will comply with its record retention policies in accordance with applicable laws and internal controls when maintaining records used to support and maintain high quality of its Credit Rating processes.

1.5. SaigonRatings and its Analysts will establish, maintain and enforce policies and controls to avoid issuing any Credit Ratings that contain misrepresentations or are otherwise misleading as to the general creditworthiness of an Issuer or obligation.

1.6. SaigonRatings will invest resources sufficient to carry out high-quality credit assessments of Issuers or obligations.

When deciding whether to rate or continue rating an obligation or Issuer, SaigonRatings will assess whether it is able to devote sufficient personnel with appropriate skills to make a proper rating assessment, and whether its personnel likely will have access to sufficient information needed in order to make such an assessment.



MIS adopts all necessary measures so that the information it uses in assigning a Rating is of sufficient content, quality, and authenticity, to be the basis for analysis and evaluation, as well as the reliability of information.

SaigonRatings will also consider the suitability and feasibility of the credit rating process to:

1.6.1. Review the feasibility of providing a Credit Rating for a type of structure that is materially different from the structures MIS has rated;

1.6.2. Review on a timely basis the methodologies, the credit rating models, as well as significant changes to the methodologies and credit rating models SaigonRatings uses;

1.6.3. Assess whether existing methodologies and models for determining Credit Ratings of structured products are appropriate when MIS determines that the risk characteristics of the assets underlying a structured product have materially changed.

1.7. SaigonRatings will will organize its rating committees to promote continuity and avoid bias in the rating process..

#### *B. Monitoring and Updating*

1.8. SaigonRatings will allocate adequate personnel and financial resources to monitoring and updating its Credit Ratings on a timely basis.

Once a Credit Rating is published, and unless it is withdrawn, SaigonRatings will:

(a) Review the creditworthiness of the Issuer or other relevant entity or obligation on a timely basis;

(b) Update, monitor and evaluate on a timely basis the Credit Rating, as appropriate, based on the results of any such review referred to in a. or b. above. Upon adoption of or modifications to a new or revised rating methodology, SaigonRatings will review the impact of the new or revised methodology to outstanding Credit Ratings and take any necessary Credit Rating Action, within a reasonable period of time.

1.9. In the case that SaigonRatings uses separate groups of analysts to perform the initial credit rating and supervising process, each group will have the level of experience and resources needed to implement the corresponding obligations in time.

SaigonRatings routinely evaluates business processes, to maintain flexibility, relevance and feasibility in professional operations. Allocating necessary resources for monitoring of existing credit ratings; and conduct the rating in a timely manner.

1.10. SaigonRatings will establish, maintain and enforce relevant control policies, starting with the issuance of Notice of Credit Rating Results, up to publication of rating results; or a decision to withdraw the public credit rating result, for a Rated Entity or Debt Instrument.

#### *C. Integrity of credit rating process*

1.11. SaigonRatings and its employees will comply with all Regulatory Requirements and other applicable laws and regulations governing SaigonRatings activities in each jurisdiction in which it operates.

1.12. SaigonRatings and its employees will deal fairly and honestly with Issuers, investors, other market participants, and the public.

1.13. SaigonRatings holds its employees with highest standards of integrity of business process. SaigonRatings does not hire any individuals who have actions in violation with other individuals' integrity, and/or violate the Code of Conduct.

1.14. SaigonRatings and its analysts shall not make a commitment, or promise, or guarantee a particular Credit Rating prior to a determination of the Credit Rating by the Rating Committee.

SaigonRatings and its employees will not promise or make threats about potential credit rating actions which affect the Rated Entity, Investor, or market participants in exchange for any payment for credit rating services or any other services.

1.15. Employees of SaigonRatings are prohibited from making recommendations or suggestions against the internal regulations to the obliged, the debt issuer, the guaranteed or debt sponsors.

Analysts may have technical discussion with the Rated Entity, to perform the following actions:

(1) To understand and analyze events and their particular characteristics to make changes as reasonable recommendations of the Rated Entity;

(2) To explain about the Credit Rating results and credit rating methodology which SaigonRatings applies to the Rated Entity or Debt Instrument.

1.16. The Board of Directors of SaigonRatings prohibits any actions to revenge employees who report actions in violation with internal regulations of SaigonRatings.

1.17. SaigonRatings is committed to decline:

a) To provide advisory services to the Rated Entity;

b) To act as broker, security agent, or foreign exchange market participant.

## **2. Independence and avoidance of conflicts of interest**

### **A. Overview**

2.1. SaigonRatings and its employees shall work with the highest prudence to do the rating evaluation, and ensure the technical quality, independence, objectivity, integrity and transparency in business process.

2.2. The credit rating determination is only influenced by related technical factors, including the qualitative and quantitative analysis on the rated entity.

2.3. The credit rating result SaigonRatings assigns to the Rated Entity/Debt Instrument, will totally not be affected by current or potential existence of any business relationship of SaigonRatings (or any individual or organization under the control of SaigonRatings) with the Rated Entity (or its subsidiaries), or or with any other third party, or any kind of such relationships.

2.4. SaigonRatings will separate the functions, duties and authorities of Business Development Department, of personels in charge of business development, with Analysis Department, in each Credit Rating Contract, to avoid conflicts of interest and risk incurred with business process.

## *B. Procedures and Policies*

2.5. SaigonRatings shall have essential procedures and internal control mechanism to minimize the conflicts of interest and improve the management of potential conflicts.

2.5.1. Pursuant to the Clause 1 Article 38 of Decree No.88/2014/NĐ-CP, in case of conflicts of interest between SaigonRatings and any clients in point of time and in relationships prohibited by Law, SaigonRatings is committed to declining to provide the credit rating service in the following circumstances:

- a) SaigonRatings purchases, holds securities, has capital contribution or owns debt instruments of the Rated Entity, in duration of implementing credit rating contract;
- b) SaigonRatings provides rating services to individuals related to the Rated Entity;
- c) SaigonRatings has capital contributions in the investment with the Rated Entity;
- d) Personnels related to SaigonRatings have ownership of above 5% of charter capital of the Rated Entity, or have ownership of above 5% of outstanding debt of the Rated Debt Instrument.

2.5.2. Employees of SaigonRatings is restricted from participating in or influencing the credit rating process of any Rated Entity or Debt Instrument in the following circumstances:

- a) This employee purchases, holds securities, have capital contribution or owns debt instruments of the Rated Entity, in duration of implementing credit rating contract;
- b) This employee has ownership of above 5% of charter capital of debt arranger, risk management service provider, debt listing agency, or distribution agent of the Rated Entity;
- c) This employee participates in the negotiation of credit rating service fees;
- d) This employee signs in an economic contract with the Rated Entity;
- e) This employee is in a labour contract with the Rated Entity;
- f) This employee participates in providing the services of debt arrangement, risk management service, debt listing, or distribution to the Rated Entity;
- g) This employee is related to the debt arranger, risk management service provider, debt listing agency, or distribution agent of the Rated Entity;
- h) Personnels related to this employee have ownership of above 5% of charter capital of the Rated Entity, or have ownership of above 5% if outstanding debt of the Rated Debt Instrument.

2.6. Manager, Analysts, and members of Rating Committee of SaigonRatings participating in the credit rating process, or being related as mentioned in the point (b), point (h) of Clause 2.5.2, is not permitted to purchase, hold, sell, or participate in any security transaction, or derivative transaction related to the securities, equity of the Rated Entity.

2.7. SaigonRatings will establish and apply the appropriate administrative procedures, business process, and internal control mechanism in order to:

- (a) Identify;
- (b) Eliminate, manage or disclose the incurred or potential conflict of interest which can affect the analysis opinion or final credit rating result of SaigonRatings .

(c) Restrict Employees of SaigonRatings from having inappropriate influences on Credit rating determination, or approval of changes, or changes credit rating result.

2.8. SaigonRatings conducts the management and prevention of incurred or potential conflicts of interest in a timely, clear, quick and specific manner.

2.9. SaigonRatings will disclose the general essence of terms and conditions in the Contract with the Rated Entity:

(a) In case the credit rating contract is signed with the Rated Entity, SaigonRatings shall disclose information in the Credit Rating Report to Client, as stipulated by the applicable law.

(b) The list of Rated Entities, whose credit rating service fees account for more than 5% of total revenue of SaigonRatings, shall be disclosed on website of SaigonRatings .

2.10. In accordance with the internal risk management policy, SaigonRatings and employees of SaigonRatings shall not participate in any security or derivative transaction leading to conflicts of interest with the credit rating activities of SaigonRatings.

2.11. In case Manager of Analysts of SaigonRatings has conflicts of interest with the Rated Entity, SaigonRatings will immediately replace them with suitable personnels to implement credit rating contract.

#### *C. The independence of employees in analysis and evaluation of rating*

2.12. SaigonRatings will establish reporting mechanism and process of receiving comments about the internal violations, to eliminate or manage effectively the incurred or potential conflicts of interest.

SaigonRatings will establish, and enforce policies to ensure the income of Analysts and members in the Rating Committee does not relate to the credit rating fees SaigonRatings receives from the Rated Entity, in each Credit Rating Contract.

2.13. SaigonRatings separates clearly the authorities of analysis function, with the business development and marketing functions. Personnels in charge of technical operation including Analysts, members in the Rating Committee, do not have rights and authorities to participate in the discussion about credit rating fees with Client Organizations, or are not affected by the business development and marketing activities.

However, only credit rating methodology or credit rating fees, not the credit rating fee discussion is disclosed on website of SaigonRatings.

Personnels in Business Development Department do not have responsibilities and authorities to participate in operating technical activities or monitoring the credit rating, or to participate in developing or approving the models and methodology applied in the Credit rating service.

2.14. SaigonRatings completely prohibits any actions for personal benefits or group benefits in violation with internal regulations and Code of Conduct, when negotiating or implementing the credit rating contract; in exchange for cash, gifts, or any inappropriate benefits from the Rated Entity.

2.15. SaigonRatings publishes, applies the regulations and procedures of voluntary disclosure of interest conflicts with Analysts, on the assignment of each credit rating contract (information is filled out in the forms standardized by SaigonRatings).

Complying with procedures of voluntary disclosure of interest conflicts is compulsory and applied to Managers, Analysts, and members of Rating Committee, before the official duties assignment is determined by Board of Directors.

Employees have responsibilities and obligations to honestly and voluntarily disclose full information to the Legal Department, Rating Committee, about private relationships related to conflicts of interest (if any), with the Rated Entity in their assigned duties.

On that basis, the Legal Department will examine the authenticity, store documents and submit to the Board of Directors of SaigonRatings for decision on job assignment.

The Legal Department has functions of examining, monitoring the compliance with Internal control system to prohibit, discover, and timely deal with risks in credit rating process.

2.16. SaigonRatings establishes policies, procedures and processes to do the examination, internal investigation periodically or unexpectedly in all technical activities of Analysis Department, Rating Committee, and every analyst of SaigonRatings, in the corresponding period, and in the former period; including personnels who are working or used to work in SaigonRatings.

In case of any signal of unexpected violation, which affects credit rating results which used to be determined and published, SaigonRatings shall immediately evaluate the case in an objective and prudent manner. If necessary, SaigonRatings shall reevaluate the credit rating of this Rated Entity.

### **3. Responsibilities to the Rated Entity, Investor and Public**

#### *A. The transparency and timeliness of information disclosure*

3.1. If SaigonRatings signs Credit rating contract with the Rated Entity, SaigonRatings needs to make public announcement on website about the credit rating result, within twenty-four (24) hours after the official decision on credit rating result is made, in accordance with the applicable law.

3.2. Credit rating report by SaigonRatings is not the recommendation to make any decision on investment, capital contribution of debt instruments, financial instruments issued by the Rated Entity. On publication of information, SaigonRatings shall indicate clearly the limits of credit rating service, or any shortcomings of information provided by the rate entities (if any).

3.3. SaigonRatings will make public announcement of the following information:

- a) Name of Chief executive officer;
- b) Code of conduct;
- c) Credit rating methodology;
- d) Credit rate;
- e) The list and capital contribution percent of shareholders or member who has ownership of above 5% of charter capital of SaigonRatings;
- f) Changes of ownership of shareholders or members who have ownership of above 5% of charter capital of SaigonRatings;
- g) Credit rating report of each contract.

3.4. Every six months, SaigonRatings shall publish the following basic statistics on Website:

- a) Credit rating result of each rated entity, since its first time of credit rating;
- b) Before the first day of May every year, the list of rated entity with credit rating fees accounting for above 5% of SaigonRatings 's total revenue, and their credit rates in the last fiscal year shall be published on website of SaigonRatings.

3.5. The information as indicated in clause 3.2, clause 3.3, clause 3.4 is published on website of SaigonRatings in five years, since the public announcement.

3.6. SaigonRatings shall make timely public announcement of sufficient information, if there are related changes in Credit rating methodology, Business process and Internal control system of SaigonRatings.

Before making any decision, SaigonRatings will consider the purpose of this change with the highest prudence, in order to continuously improving the quality of analysis and credit rating.

3.7. SaigonRatings uses clear definition of credit rating and consistent credit rate classes. SaigonRatings will discriminate the signals of credit rating assigned to financial instruments, and make explanation about this discrimination.

3.8. SaigonRatings will publish information in a clear and transparent manner, so that the issuers and investors understand fully the procedures of credit rating service, evaluation method and business process of SaigonRatings .

3.9. In the process of negotiating Credit Rating Contract, personnels in charge of business development is responsible for consulting, guiding the procedures, and communicating information in an adequate, clear, and precise manner to client organization in order to enable client to understand fully the purpose, requirements, terms and conditions in the contract, as agreed and committed by both parties.

SaigonRatings establishes regulations about the receipt of comments from client organization about the issues related to business process and technical operation of SaigonRatings's employees, which can lead to any shortcomings and mistakes, which may affect the evaluation and determination of credit rating.

SaigonRatings is committed to appraising, evaluating, explaining clearly information, and giving appropriate feedback to any request and question of client, at the earliest.

In special circumstances where SaigonRatings cannot provide feedback, SaigonRatings shall have notification and explanation to client organization at the earliest, before implementing credit rating service.

3.10. SaigonRatings shall have public disclosure of adequate and timely information of credit rating result, align with regulations of law and of SaigonRatings organization.

3.11. SaigonRatings is committed to publishing credit rating result, on website of all client organization who have signed in contract with SaigonRatings, regardless of credit rating class.

3.12. SaigonRatings promises that, all decisions on credit rating result, which is announced to client organization and disclosed publicly, is the result of a professional business process, and strict monitoring of Internal control system.

3.13. SaigonRatings shall indicate clearly the limits of credit rating service, or any shortcomings of information provided by the rate entities (if any).

3.14. SaigonRatings shall make timely announcement of the most updated credit rating report.

SaigonRatings shall indicate clearly the credit rating method applied in rating process.

In the implementation process, if multiple credit rating methods are used; which may make investors dismiss other vital aspects, SaigonRatings shall indicate clearly the differences between rating methods; as well as give explanation about the vital issues affecting the credit rating result.

3.15. In the implementation process, SaigonRatings shall make announcement of full information about threats, risks, cash flow analysis related to debt instruments, rating sensitivities of those factors, under the technical assumptions, so that investors can refer to, understand and have objective evaluation.

3.16. When publishing or altering credit rating report, SaigonRatings shall make announcement and explanation about reasons why assumptions and key data are altered, in the credit rating report of the Rated Entity.

3.17. SaigonRatings is committed to having timely disclosure of necessary information, in case SaigonRatings does not continue updating, monitoring and evaluating the credit rating outlook of a Rate Entity or Debt Instrument.

SaigonRatings shall disclose clear information about the detailed time of the last update of credit rating, as well as notifies that this credit rating will stop being updated.

3.18. When implementing the credit rating service for a rated entity, SaigonRatings shall have disclosure of adequate information about historical data, level of default in the past of this entity, if those information is available.

In case SaigonRatings realized that historical data and past default level of client are inappropriate to be used at present, SaigonRatings would evaluate and explain clearly the reasons.

3.19. SaigonRatings shall encourage structured financial institutions and structured financial instrument makers shall have public disclosure of all information related to those financial products.

3.20. SaigonRatings will publicly disclose policies of credit rating; updating, monitoring and evaluating rating outlook; withdrawing rating decision; and maintaining current credit rating policy.

3.21. In each Credit rating report, SaigonRatings will show out:

- (a) Final relevant Credit rating report, if any, and main technical operation activities;
- (b) Main methodology or applied methodology used to analyze and method description.

SaigonRatings shall explain if credit rating is based on multiple methods and if the credit rating based on single method may make financial experts dismiss other vital aspects of credit rating.

SaigonRatings will indicate the methodologies and other important aspects in the Credit Classification;

(c) Summary of key rationales of credit rating;

(d) Summary of key assumptions/aspects of rating sensitivities, and other relevant information;

(e) Key information sources used to do credit rating.

3.22. Except for unlikely events, SaigonRatings will give the Rated Entity a short period of time, which may vary according to circumstances, to inform SaigonRatings of the Rated Entity's idea of considering the credit rating decision. Recommendations must be based on information, which was not previously available to the Rated Entity or SaigonRatings.

3.23. SaigonRatings will publicly disclose through press releases and SaigonRatings Web site, any significant changes to the relevant Analysis methods, Practices, Procedures and Process.

3.24. As a Credit Rating Agency, SaigonRatings will always be committed with supplying accurate, transparent, high-quality information about the Rated Entity, or the Rated Debt Instruments.

#### *B. Treatment of issuer confidential information and non-public information*

3.25. SaigonRatings and SaigonRatings's employees are committed with:

3.25.1. Preserving the confidentiality of Information, imparted or provided by the Rated Entity; and

3.25.2. Except from receiving the permission from the Rated Entity; SaigonRatings shall not disclose any information in Credit rating report in events, conferences, discussions to investors, other Debt Issuers or any other individuals.

3.25.3. Despite of circumstances as indicated above, SaigonRatings will not be restricted by:

(a) Disclosing information at the request of any law, regulations, or any applicable principles and regulations, or at the request of any government agency, or authority.

(b) Disclosing information to the third party who has legal rights to receive those information.

3.26. SaigonRatings is committed with using confidential information only for purposes relating to credit rating activities of the Rated Entity, as agreed by both parties in the Contract.

3.27. SaigonRatings will maintain and enforce policies and controls that require its employees to take all reasonable measures to protect all property and records belonging to or in possession of SaigonRatings from fraud, theft, and misuse for personal benefits.

3.28. In accordance with the MCO Code and the Securities Trading Policy, Employees and their Family Members will be prohibited from engaging in transactions in Securities (including derivatives) when the Employee possesses Non-Public Information related to the Issuer of such Securities.

3.29. SaigonRatings employees will not use or share any confidential information for transactions in Securities, or any other purposes.

#### **4. Code of conduct disclosure and responsibilities to market**

4.1. SaigonRatings management officers and staffs are responsible for the implementation and enforcement of the Code of Conduct.



4.2. This Code of Conduct aligns with IOSCO Principles and IOSCO Code. However, SaigonRatings makes some modifications so they have closer connections to models, actual business situations of SaigonRatings, and applicable Vietnamese legislation.

Such modifications will be specified and explained in a report that SaigonRatings will publish annually to display the compliance with SaigonRatings Code of Conduct and explain any differences that may exist between SaigonRatings Code and IOSCO Code.

4.3. For the subjective standards incorporated in this Code, SaigonRatings will use the standards for employees to endeavor to implement those standards.

4.4. SaigonRatings will publish on SaigonRatings website: (1) Code of Conduct of SaigonRatings ; (2) A general description of Methodology SaigonRatings applies to rate the creditworthiness; and (3) Information about the historical credit rating of SaigonRatings and (4) Any other such disclosures requested under this code.

## **5. Administration, Risk Management, and Staff training**

5.1. SaigonRatings regulates the management, storage and confidentiality of professional documents and information, including hard copies (files, papers, etc.) and electronic data:

- The minimum duration of document storage is ten (10) years;
- Manage safe and confidential storage of documents and provide at the request of competent state authorities;
- Professional document must be stored carefully in accordance with regulations, to ensure the integrity of the credit rating process;
- Integrate credit rating process, including the authorization of internal audits, regulatory compliance and quality management functions correspond to the requests for reviewing rating activities which was conducted in the past (where necessary);
- Establish, maintain and enforce policies, working procedures, with the highest responsibilities for ensuring that professional staffs comply with storage procedures; information security and careful document storage;

5.2. SaigonRatings organization is committed with establishing, enforcing and operating robust Internal Control System, to ensure:

- To monitor the independence and objectivity of the credit rating procedures, Analysts and Rating Committee members in relation with rated entity;
- To prevent, detect and promptly deal with current or potential conflicts of interest of enterprises, SaigonRatings managers, analysts and members of the Credit rating Committee;
- To comply with laws and regulations, procedures and internal regulations.

5.3. Legal department of SaigonRatings is responsible for compliance assessment of individual procedure in this Standard code.

SaigonRatings will provide appropriate training to employees and officers annually to facilitate compliance with regulations mentioned in this Code.

A staff of SaigonRatings who is aware of a violation of this policy will be required to report that violation to the Legal Department of SaigonRatings.

5.4. SaigonRatings shall request the Legal Department to evaluate SaigonRatings personnels compliance annually, with SaigonRatings policies and procedures related to credit rating activities, including violations with SaigonRatings Code and policies of SaigonRatings on avoidance of interest conflicts, and make annual compliance reports.

5.5. SaigonRatings will establish and maintain an appropriate ongoing training program appropriate for SaigonRatings's employees. SaigonRatings will assign one or more appropriate staffs to implement and monitor program.

## **6. Implementation of Code of conduct**

6.1. SaigonRatings will establish, maintain and enforce consistently Code of Conduct of SaigonRatings. All personnels have responsibilities and obligations to comply with SaigonRatings Code in credit rating activities.

6.2. SaigonRatings frequently updates, supplements, and completes Code of conduct in accordance with Vietnamese legislation, Practices and Standards of International CRA.

6.3. Board of Directors of SaigonRatings will have the highest responsibilities for the establishment, maintenance, and enforcement of this Code of ethics, to ensure the compliance with IOSCO and regulations of Vietnamese Law.

*All shareholders, Board of Director, Board of Management and Employees of SaigonRatings are always committed to the professional ethics and adhere to Code of Conduct in implementing credit rating activities.*

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