

Conflict of Interest Management Policy

Rating and Investment Information, Inc. (R&I)



March 2009

(Purpose)

(1) Rating and Investment Information, Inc. (“R&I”) is promoting investor protection by safeguarding the transparency and integrity of the credit rating process, and providing to investors and other participants in the financial market credible credit ratings.

(2) R&I has established measures and procedures to avoid conflicts of interest based on the “Code of Conduct Fundamentals for Credit Rating Agencies” issued by the International Organization of Securities Commissions (“IOSCO”), and hereby set “Conflict of Interest Management Policy”.

(3) R&I has developed internal regulations and business procedures designed to ensure that R&I shall implement with certainty and faithfulness concepts and principles that are essential to the issuance of credible credit ratings, and requires all of its employees to comply with these regulations and procedures. R&I shall disclose on a timely basis any changes to this Conflict of Interest Management Policy.

(Management Policy)

R&I has established procedures to conduct its credit rating operations. R&I shall issue credit ratings based on a thorough analysis of all information known to R&I and believed by R&I to be relevant to its analysis according to R&I’s established procedures.

Credit ratings shall be assigned by the rating committee and not by any individual analyst. Credit ratings shall reflect all information known, and believed to be relevant, to R&I, generally consistent with its published methodology. R&I shall use people who, individually or collectively, have appropriate knowledge and experience in developing a rating opinion regarding the creditworthiness of a rated entity.

R&I has designated a Chief Compliance Officer who is responsible for, among other things, reviewing R&I’s operations for compliance with applicable laws, internal rules and the R&I Code. The Chief Compliance Officer shall, based on “Compliance Monitoring Provisions” fulfill this duty by, among other things, regularly and consistently engaging in activities designed to focus all employees

toward compliance with these standards. Further, the reporting line of Chief Compliance Officer is independent from that of the credit rating business. In addition, Chief Compliance Officer reports directly to the board of directors and periodically submits compliance reports to the board.

R&I and its analysts shall use care and professional judgment to maintain both the substance and appearance of independence and objectivity.

The determination of a credit rating shall be influenced only by factors relevant to the credit assessment.

R&I shall keep its credit rating business independent from all other divisions in terms of information control and operational management.

R&I shall adopt written internal procedures and mechanisms to (1) identify, and (2) eliminate, or manage and disclose, as appropriate, any actual or potential conflicts of interest that may influence the opinions and analyses R&I makes or the judgment and analyses of the individuals R&I employs who have an influence on ratings decisions. R&I shall disclose such conflict avoidance and management measures in this Conflict of Interest Management Policy. R&I has registered with the Securities Exchange Commission of the United States potential conflicts of interest which R&I identifies and the conflicts of interest which R&I prohibits as a nationally recognized statistical rating organization (“NRSRO”).

R&I’s disclosures of actual and potential conflicts of interest shall be complete, timely, clear, concise, specific and prominent. This Conflict of Interest Management Policy is disclosed on R&I’s public website.

R&I shall disclose the general nature of its compensation arrangements with rated entities.

R&I and its employees shall not engage in any securities or derivatives trading, other than holdings in diversified collective investment schemes; presenting conflicts of interest with R&I’s rating activities.

In instances where rated entities (e.g., governments) have, or are simultaneously pursuing, oversight functions related to R&I, R&I shall use different employees to conduct its rating actions than those employees involved in its oversight issues.

R&I shall structure reporting lines for R&I employees and their compensation arrangements to eliminate or effectively manage actual and potential conflicts of interest.

R&I shall not have employees who are directly involved in the rating process initiate, or participate in, discussions regarding fees or payments with any entity they rate.

R&I employees involved in the credit rating (and his/her spouse or dependents) shall not buy or sell or engage in any transaction in any security or derivative based on a security issued, guaranteed, or otherwise supported by any entity within such analyst's area of primary analytical responsibility, other than holdings in diversified collective investment schemes.

R&I shall prohibit any employee involved in the credit rating from soliciting or receiving any cash or cash equivalent from issuers or their agents, and from soliciting or receiving any beneficial treatment beyond the extent necessary to facilitate on-site rating surveys

R&I shall require any R&I analyst who becomes involved in any personal relationship that creates the potential for any real or apparent conflict of interest to disclose such relationship to the appropriate manager of R&I, as determined by R&I's internal rules and regulations.

R&I shall establish policies and procedures for reviewing the past work of analysts that leave the employ of R&I and join an issuer the R&I analyst has been involved in the rating process, or a financial firm with which the R&I analyst has had significant dealings as part of his or her duties at R&I.

R&I shall adopt procedures and mechanisms to protect the confidential nature of information shared with them by issuers under the terms of a confidentiality agreement or otherwise under a mutual understanding that the information is shared confidentially.

R&I employees shall be prohibited from engaging in transactions in securities when they possess confidential information concerning the issuer of such security.

R&I employees shall not use or share confidential information for the purpose of trading securities, or for any other purpose except the conduct of R&I's business.

Enacted on March 1, 2009

Supplementary provisions

Amendment to any part of the Conflict of Interest Management Policy shall be made by the Board of Directors.