



**Caribbean Information &  
Credit Rating Services Limited**

## INSIDER TRADING

### POLICY

#### **Insider Trading Policy for CariCRIS**

Employees shall not deal in the securities of a Company whether on their own account or their Immediate Family's account, if the employee is in possession of material non-public information concerning the Company. Further, employees who are in possession of material non-public information shall not communicate, counsel or procure directly or indirectly the information to others who trade on such information.

#### **Policy for Personal Trading of Securities by CariCRIS' Staff**

1. Upon entering employment and annually thereafter, employees shall submit to the Compliance Officer or person designated to this role, a holding statement as per Form A with respect to the details of securities held by the employee, including securities held by his or her Immediate Family.
2. Employees shall obtain prior written approval to enter into a securities transaction, both for themselves and their Immediate Family, subject to the following:
  - a. Requests must be made in writing as per Form B
  - b. Each employee shall obtain approval from the Head/Manager of their respective department and in the case of the Head/Manager approval shall be obtained from the CEO. The CEO must obtain approval from the Chairman of the Board.

- c. Requests should be processed as a matter of priority and not beyond 2 business days
- d. On receipt of the approval, the order must be executed within one month after the approval is given – if the order is not executed within one month then the employee must pre-clear the transaction again
- e. The employee shall submit a copy of the approval and the contract note received from the broker to the Compliance Officer or person designated to carry out this role for record-keeping purposes.

### 3. Investments Covered

This policy covers all transactions for purchase or sale of any securities (including foreign securities) such as shares, debentures, bonds, warrants, derivatives and units of mutual fund schemes. The policy does not apply to the following investments by employees:

- a. Investments in fixed deposits with banks/financial institutions, life insurance policies and pension plans
- b. Investments of a non-financial nature such as gold, real estate, etc. where there is no likely conflict of interest
- c. Investments in money market mutual fund schemes.

### 4. Restricted List

- a. In order to monitor trading in client securities based on inside information, CariCRIS shall restrict trading in certain securities and designate such a list as the restricted list.
- b. CariCRIS shall put such security on the restricted list where CariCRIS has a rating relationship and is privy to price-sensitive information. Similar treatment shall be given to securities where price-sensitive information is available in other businesses like the Bond Valuation Service. Separate restricted lists shall be maintained for each business.
- c. As the restricted lists themselves are highly confidential they shall not be communicated directly or indirectly to anyone outside CariCRIS. The Restricted Lists shall be maintained by the Compliance Officer or person designated to carry out this role.
- d. When any securities are on the Restricted List relevant to a business group, trading of these securities by employees of that business group shall be blocked or disallowed at the time of pre-clearance. In the specific circumstance where an employee holds existing securities of the entity on restricted list, sales of the securities are allowed, but only

within a specific window of one week from the date of announcement of the company's quarterly financial results.

## 5. Exceptions

All requests for exceptions to the above policy should be directed to the Head/Manager of the Department and the Compliance Officer. The Head/Manager in consultation with the Compliance Officer may grant exceptions from the restricted list based on personal emergency or hardship. Compliance will maintain record of all documents.

### **Policy on Analyst and Employee Independence as it relates to ownership of securities and other business relationships**

1. No rating staff shall participate in or otherwise influence the determination of a rating in a rating committee meeting for any particular issuer or issue if:
  - a. The rating staff or a member of the rating staff's Immediate Family, individually, or collectively, own securities exceeding 0.01%<sup>1</sup> in the rated entity
  - b. The rating staff or a member of the rating staff's Immediate Family, individually, or collectively, own securities exceeding 0.01% in any entity related to a rated entity, the ownership of which may cause or may be perceived as causing a conflict of interest. Within the six months immediately preceding the date of the meeting of the rating committee, the rating staff has had a recent employment or other significant business relationship with the rated entity that may cause or maybe perceived as causing a conflict of interest
  - c. The rating staff has an Immediate Family member that currently works for the rated entity, or
  - d. The rating staff has or had within the six months immediately preceding the date of the meeting of the rating committee, any other relationship with the rated entity or any related entity thereof that may cause or may be perceived as causing a conflict of interest.

# APPENDIX 1

## Definitions

For the purposes of the policies below, the following definitions apply:

- **Material Information** – Information is material if its disclosure would likely have an impact on the price of a security or if reasonable investors would want to know the information before making an investment decision.
- **Non-public Information** – Information is non-public until it has been disseminated or is available to the market in general (as opposed to a select group of investors).  
*Appendix A provides a full discussion and specific examples of what constitutes "material non-public information".*
- **Immediate Family** – Defined as an employee's spouse, partner, minor children, and other dependents, and any entity or trust owned or controlled by any of these persons.