

Cash Investment Policy

MP-9005 Rev. 0
Amended and Approved as of September 13, 2017
Owner(s): General Counsel

1. Purpose

The purpose of this cash investment policy (the “**Policy**”) is to establish guidelines for the investment of the surplus cash of Rimini Street, Inc. and its subsidiaries (collectively, the “**Company**”). Surplus cash is defined as bank cash that is not immediately required for working capital, capital investment, debt repayment or other outstanding, near-term financial obligations.

2. Scope

This Policy governs all cash investments of the Company whether such investments are executed by the Company’s personnel or the External Investment Manager. Policy exceptions must be pre-approved by the Chief Financial Officer (“**CFO**”), and all approved exceptions will be reported to the Company’s Board of Directors (the “**Board**”) at its next available meeting.

3. Objectives

The investment objectives of this Policy are, in order of priority:

- Preservation of capital
- Fulfillment of liquidity needs to meet cash flow requirements
- Fiduciary control of cash and investments
- Minimization of risk through appropriate diversification
- Investment returns within the conservative parameters of this policy
- Reduction of tax liability, if applicable

4. Responsibility

The CFO is responsible for establishing the overall investment strategy that the Company will undertake. Any changes to this Policy must be approved by the Board.

The Vice President, Finance who oversees Treasury functions (“**VP, Finance**”) has the overall responsibility for ensuring compliance with this Policy and reporting quarterly to the CFO and the Board regarding strategy, compliance, and performance status of the portfolio, together with any recommendations from the Investment Steering Group.

The Investment Steering Group will include the CFO; the VP, Finance; the Vice President, Corporate Controller (“**Corporate Controller**”), the CEO and the CIO, and may from time to time include other members as appropriate. The Investment Steering Group will meet quarterly, or otherwise as frequently as it may deem appropriate, and will be responsible for the following:

- Reviewing Policy compliance of all investments
- Reviewing the investment performance for all portfolios
- Reviewing concentration limits of all portfolios and recommending rebalancing of the portfolios in accordance with the concentration limits as set forth by this Policy
- Reviewing this Policy annually and recommending Policy changes to the CFO and the Board as warranted

- Making strategy decisions regarding long-term and short-term portfolio allocations
- Approving the appointment or termination of the External Investment Manager

The management of all or a portion of the Company's investment portfolios may be outsourced to an External Investment Manager; however, investment decisions made by an approved External Investment Manager must follow the guidelines of this Policy and be reviewed quarterly by the Investment Steering Group.

The approved External Investment Manager is responsible for the management and reporting of the investment portfolio. The External Investment Manager will provide the following to the Company:

- Monthly reports on details of the portfolio to facilitate US GAAP reporting and disclosure, including but not limited to ASC 320 (Investments—Debt and Equity Securities) and ASC 820 (Fair Value Measurement). The monthly report will include the balances, purchases and redemptions, taxable and non-taxable interest income, as well as realized and unrealized gains and losses.
- Monthly reports and certification of compliance with this Policy's concentration limits, maturity limits, and credit quality limits
- If applicable, monthly reports on detail holdings of money market funds to facilitate monitoring of concentration risk
- Monthly portfolio performance reports summarizing the return (gross and net of management fees), duration, and performance against the benchmark index. The benchmark index will be selected by the Investment Steering Group based on the characteristics of the investment portfolio, including investment type, duration, and credit quality, and will be one that is published by a reputable third party such as J.P. Morgan and Morgan Stanley.

The External Investment Manager will also provide assistance with the Company's external financial audits as required.

Corporate Accounting is responsible for determining the accounting treatment, reconciling all investment transactions to the bank/custodial statements, and preparing journal entries with respect to investments.

The VP, Finance is responsible for determining when it is appropriate for the Company to utilize tax-exempt or tax-advantaged investments. The VP, Finance is also responsible for considering tax consequences of establishing offshore investments, including the qualification for exemption of U.S. withholding tax and deemed dividend treatment under current Internal Revenue Service guidelines. Any changes in ability or intent to reinvest any undistributed earnings or repatriate cash of a foreign subsidiary are to be disclosed to the Investment Steering Group prior to any such action.

5. Eligible Investments

All investments must be denominated in U.S. dollars or the functional currency of the entity entering into the investment.

Funds in excess of payments for operating expenses held by foreign subsidiaries during the month should be used to pay down overdrafts, intercompany debts, or any notes that are due for payment as quickly as possible. The excess funds at the subsidiary level will be invested at the direction of the VP, Finance in highly liquid, interest bearing investments having a maturity of 30 days or less.

This Policy prohibits, under any circumstances, borrowing for investment purposes or investing in securities with underlying leverage risk or esoteric structures.

The following investments are permitted:

- U.S. Treasury bills, notes, and bonds
- U.S. agency debt obligations, including:
 - Federal Home Loan Bank (FHLB)
 - Fannie Mae (FNMA)
 - Freddie Mac (FHLMC)
- Bank obligations, including:
 - Certificates of deposit and time deposits
 - Eurodollar and Yankee debt obligations
- Corporate obligations:
 - Senior secured or unsecured debt obligations
 - Commercial paper or other short term debt obligations
- Municipal debt obligations, including:
 - Variable-rate demand notes
 - Commercial paper and other short term debt obligations
 - Notes or bonds
- Money market funds which:
 - Are SEC-registered
 - Maintain a net asset value of US\$1.00/share
 - Consist of a minimum of US\$5 billion in assets
- Off-shore money market funds (denominated in U.S. dollars or foreign currency) which:
 - Maintain a net asset value of US\$1.00 or 1 foreign currency unit per share
 - Consist of a minimum of US\$5 billion (or equivalent) in assets
- Derivatives that are used only to reduce financial risk by hedging known or forecasted exposures; the use of a derivative contract must be linked to an existing asset or liability, a firm commitment or a forecasted cash flow, and put in place only to offset the exposure's potential change in value. Derivatives are never to be used for speculative or trading purposes or to create an exposure in an attempt to boost earnings.
- Equity securities which comprise, in the aggregate, no more than the greater of US\$50,000 or 1% of the portfolio.

All other investments are prohibited. Specifically, for purposes of illustration and without limitation, the following direct investments are prohibited:

- Asset-backed securities

- Auction rate preferred securities
- Mortgage-backed securities
- All securities that are derivatives or embedded with derivatives, except to the extent used only to reduce financial risk by hedging known or forecasted exposures
- Investments that have the possibility of returning zero or negative yield if held to maturity
- Inverse floaters, residuals, tiered indexed bonds, two-tiered indexed bonds, and floating rate securities with embedded interest rate caps, floors, collars, inverse interest rate relationships, leverage floaters, or indices not directly correlated with money market interest rate movements
- Short sales, margin purchases, futures, options, and foreign currency purchases
- Derivative instruments; these include all investments where (at the time of purchase) the value of the instrument is based on an underlying variable causing the coupon or the maturity value, or both, to be uncertain for the life of the security. Derivatives include futures, forwards, swaps, collars and options. However, Floating Rate Securities and callable bonds (both of which contain embedded options) are permitted, provided that they otherwise meet the requirements of these Investment Guidelines.
- Mortgage backed securities (MBS) and collateralized mortgage obligations (CMOs), whether backed by the US government or a government agency or rated
- Any security purchased which has currency exposure as part of its return attribute
- Corporate private placements, unregistered issuances or issuances made pursuant to Rule 144A
- Auction-rate securities
- Cryptocurrency

6. Diversification and Concentration Limits

Diversification of the portfolio is an important tool to minimize investment and counterparty credit risks.

Per-issue Limit: No individual security may comprise more than 5% of the portfolio at the time new investment is made. This concentration limit does not apply to U.S. Treasury obligations and U.S. Government Agency instruments as long as they maintain the minimum credit quality described in section VIII below.

- The per-issue limit for domestic and off-shore money market funds is 20% of the portfolio at the time new investment is made. The limit is higher than individual investment securities based on the assumption that money market funds already hold a diversified portfolio of the underlying assets. Nonetheless, the Investment Steering Group will monitor, on a quarterly basis, the concentration of the issuers that make up the money market fund holdings to verify the assumption of diversity of the underlying assets. If the money market funds are exposed to any single issuer, individually or in aggregate, over the per-issuer limit of 10% (below), the VP, Finance will make an adjustment to the money market fund investments in order to bring the investment within the per-issuer limit.

- The Investment Steering Group will also review, on a quarterly basis, the makeup of the money market funds in terms of types of investments (for example, asset-backed securities, commercial paper, medium-term notes, government securities, etc.), and will recommend adjustments to the money market fund investments to avoid high concentration in risky assets such as asset-backed securities.
- **Per-issuer Limit:** With the exception of those investments listed in the preceding paragraph, the portfolio may not be exposed to any issuer or group of issuers from the same holding company by more than 10% of its value at the time of purchase.
- **Counterparty Limit:** No funds greater than US\$50 million or 5% of the total portfolio (whichever is larger) may be deposited with, or subject to the creditworthiness of, any single financial institution. This is to be measured on the basis of average monthly balance.

The Company will manage its investments such that the percentage allocation of the portfolio is maintained in a manner to avoid the registration and any of the substantive regulation requirements under the Investment Company Act of 1940, as amended (the “**1940 Act**”). As a first step, the Company will manage its assets such that its “**Investment Securities**” (as defined in the 1940 Act) are below the 40% of assets threshold as provided by section 3(a)(1)(C) of the 1940 Act. The applicable sections of the 1940 Act, together with additional commentary, are attached hereto as [Appendix A](#).

7. Maturity Limits

The maximum maturity of individual securities in the portfolio may not exceed twenty-four (24) months.

The weighted-average maturity of the aggregate portfolio may not exceed six (6) months.

The liquidity requirement stated in Section VII will always take priority over the maturity limits stated in this section.

8. Liquidity Requirement

Each business day, a minimum of three (3) times the amount of expected monthly operating cash outflow must be kept liquid either in bank cash or in money market funds.

9. Credit Quality Limits

At the time of purchase, the investments must meet the following credit quality requirements:

- Short-term instruments (initial maturities of 365 days or less) must be rated A-1 or better by Standard & Poor’s (S&P), or P-1 by Moody’s.
- Long-term instruments must be rated A or better by S&P, or A2 or better by Moody’s.
- Split-rated securities will be considered to have the lower credit rating in applying this policy.

Subsequent Downgrades: Should an event occur that causes an investment's credit rating to deteriorate below the credit quality limit, the External Investment Manager will report the event to the VP, Finance within two (2) business days, and provide an analysis and recommendation. If the investment in question has three (3) months or less remaining until maturity, the VP, Finance has the authority to permit holding the security until maturity, and the reason for the decision must be documented. Investments with greater than three (3) months until maturity require CFO approval to hold.

The sale of securities prior to maturity resulting in a potential realized loss greater than US\$10,000 per transaction must be pre-approved by the Investment Steering Group for fiduciary control purposes.

The sale of securities prior to maturity resulting in a potential realized loss greater than US\$100,000 per transaction must be pre-approved by the CFO or CEO.

10. Marketability and Trading Guidelines

All securities must be purchased through investment banking and brokerage firms of high quality and reputation, with a history of making markets for the securities in which the Company invests.

In the unlikely event that securities must be sold before their maturity, the securities must be easily remarketed. To accomplish this, the securities must be conventional products with strong name recognition.

Standard investing practice must be followed to reinvest the fund on the day a security matures to minimize lost interest, unless it is part of an investment strategy that requires holding cash as uninvested fund for a period of time.

11. Custody

All investments are to be held in a custodial account approved by the CFO. Such custodian must provide the Company with a SSAE 16 report issued by its external auditor.

All transfers from the investment accounts are to go directly into the Company's operating bank accounts.

All securities purchased will be held in the name of Rimini Street, Inc., and related assets will not be held by any External Investment Managers or securities dealers. Neither the Company, nor any of its employees, will take physical possession of any investments and related assets.

All confirmations of the investment transactions will be received and reviewed by a person other than the one who executed the trades.

12. Fiduciary Discretion

The individuals specified in this policy have full discretion to invest any surplus cash subject to strict adherence to these guidelines.

APPENDIX A

INVESTMENT COMPANY ACT OF 1940

Section 3(a) of the Investment Company Act:

(1) When used in this subchapter, “**investment company**” means any issuer which—

(A) is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities;

(B) is engaged or proposes to engage in the business of issuing face-amount certificates of the installment type, or has been engaged in such business and has any such certificate outstanding; or

(C) is engaged or proposes to engage in the business of investing, reinvesting, owning, holding, or trading in securities, and owns or proposes to acquire investment securities having a value exceeding 40 per centum of the value of such issuer’s total assets (exclusive of government securities and cash items) on an unconsolidated basis.

(2) As used in this section, “**investment securities**” includes all securities except

(A) government securities,

(B) securities issued by employees’ securities companies, and

(C) securities issued by majority-owned subsidiaries of the owner which

(i) are not themselves investment companies, and

(ii) are not relying on the exception from the definition of investment company in paragraph (1) or (7) of subsection (c) of this section.

Therefore, a company may be considered to be an investment company under the 1940 Act if it owns investment securities having an aggregate value exceeding 40% of the value of its unconsolidated total assets, after subtracting the value of cash items and government securities from the total assets.

Under the 1940 Act, investment securities include loans made by the Company, securities issued by corporate issuers regardless of maturity (including short-term commercial paper), securities issued by state, municipal or foreign governments regardless of maturity, some money market instruments and (in some cases) certificates of deposit.¹ The SEC has stated in a no-action letter that money market mutual funds are excluded

¹ SEC Release No. 40-10937 indicates that the factors to be considered in determining whether a CD is a security include (1) the company’s purposes in holding the CD, (2) the circumstances under which the CD was acquired, (3) the length of the period during which the CD was held, (4) the amount of the CD in comparison with the company’s other assets, and (5) any other special

from the definition of “investment securities” if invested in a registered investment company that holds itself out as a money market fund and seeks to maintain a stable net asset value of US\$1.00 per share.² The definition of “government securities” includes securities issued or guaranteed by the United States government, but does not include securities issued or guaranteed by state, municipal, or foreign governments.³

Accordingly, when investing the proceeds from the planned initial public offering, the Company should aim to limit its investments to the following types of securities:

- securities issued or guaranteed by the United States Federal Government (these would be deemed to be government securities);
- shares of money market mutual funds offered by registered investment companies that hold themselves out as money market funds and seek to maintain a stable net asset value of US\$1.00 per share (these would be deemed to be cash);
- certificates of deposit (these would be deemed to be cash); and
- cash items, *e.g.*, cash, bank deposits, and interest bearing checking accounts (these would be deemed to be cash).

circumstances, *i.e.*, the necessity of meeting seasonal liquidity requirements. See Certain Prima Facie Investment Companies, Investment Company Act Release No. 10,937, Fed Sec. Law Rep. (CCH) ¶ 96,808. (Nov. 13, 1979).

² See Willkie, Farr, and Gallagher, SEC No-Action Letter, 2000 WL 1585635 (October 23, 2000). As a technical matter, please note that SEC no-action letters can only be relied on by the party to whom they are addressed.

³ See 15 U.S.C. §80a-2(a)(16). As a technical matter, please note that SEC no-action letters can only be relied on by the party to whom they are addressed.