



# Annual Report

**of Sovereign Africa Ratings (Pty) Ltd.**

For the financial year ended

28 February 2023

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## **PORTIA RAVHUHALI**

### *Report from the Chairperson of the Board of Directors*

I am honoured to present the annual report of Sovereign Africa Ratings (SAR) for the financial year ended 28 February 2023. I would like to reflect on our journey over the past year with an emphasis on our achievements and challenges during the period, as well as our aspirations for the future. The year 2022 has been one of growth as we fully immersed ourselves in operations after receiving our operational licence.

Since obtaining the licence, we have issued two unsolicited credit ratings for South Africa as part of the requirements for licencing conditions. In our drive to develop and maintain quality outputs, we have capacitated the team with well-qualified credit rating analysts, supported by well-designed policies and processes. Quality control remains paramount to SAR, as a result, we have developed quality control processes to ensure that our reports go through a rigorous quality control regime, before they are issued.

I would not say that the journey was short of challenges either, as a newly established credit rating agency, we had to work hard to remain relevant in the market, which is dominated by well-established international firms. The team has been working tirelessly to knock on these doors. There have been some positives as well as setbacks due to the fact that the market gradually embraces the new “kid in the block”. However, I remain optimistic that these investments will soon yield tangible results.

### **Market Leadership**

As a new entrant in the credit rating agencies landscape, our strategy is currently focused on the African continent, aiming to solidify SAR’s position as a leader in the market. To support this objective, we have developed well-researched methodologies that are aligned to the needs of the developing world, an attribute that makes SAR a unique rating agency. Our unwavering commitment to providing unbiased, reliable, and comprehensive credit assessments remains our core value and we fully embrace this commitment in our day-to-day operations. We look forward to contributing towards the facilitation of investment decisions and enabling economic growth and development across Africa.

### **Commitment to ESG**

As responsible corporate citizens, SAR remains dedicated to promoting environmental, social, and governance (ESG) principles. We recognise the vital role ESG factors play in driving sustainable economic growth, and as such, we have integrated ESG

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considerations into our credit rating methodologies. By doing so, we aim to contribute positively to the well-being of society and the preservation of the environment in which we operate.

## **Diversity and Inclusivity**

At SAR, we firmly believe that diversity and inclusivity are pillars of strength and innovation. We are committed to creating and maintaining an inclusive work environment that celebrates individuality and encourages diverse perspectives. We are proud of the progress we have made in building a diverse workforce at all levels of the organisation, and we will continue to champion diversity in all aspects of our organisation.

## **Governance**

A functional Board has been established to support the activities of SAR. It has continued to provide oversight responsibilities over the governance of SAR, through its dedicated subcommittees, meetings, and deliberations. The Board paved the way for SAR to envision and start implementing its strategies. SAR had its first audited financial statements, and I am proud to announce that we have attained an unqualified audit opinion.

## **Looking Ahead**

As we look to the future, we are optimistic about the opportunities that lie ahead. We remain steadfast in our commitment to delivering exceptional value to our clients, building long-term relationships, and expanding our reach to new markets. Our strategic vision, coupled with the dedication of our talented team, positions us well to embrace future challenges and capitalise on emerging trends in the global financial landscape.

In closing, I extend my sincere gratitude to our valued shareholders, stakeholders, governance board and dedicated employees. Your unwavering support and trust in SAR have been instrumental in our journey. We are excited about the path that lies ahead and remain committed to creating enduring value for all those we serve.

Together, we will continue to build on the legacy of excellence that defines Sovereign Africa Ratings.



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Portia Divhani Ravhuhali  
*Chairperson of the Board*

# 1 SECTION A: EXECUTIVE SUMMARY

## 1.1 Executive Summary

This executive summary provides an overview of the Annual Report for Sovereign Africa Ratings (SAR), in alignment with Section 15 of the Credit Rating Services Act, 2012 (“the Act”), and provision 2(1)(h) of the Board Notice 168 of 2013. The report covers the period from 01 March 2022 to 28 February 2023 and highlights key aspects of SAR’s operations and performance.

SAR is a licensed credit rating services provider operating within the financial industry. As an independent organisation, SAR specialises in evaluating and assigning credit ratings to various entities, including sovereigns and sub-sovereigns. SAR plays a crucial role in assessing creditworthiness, providing valuable information to investors, issuers, and regulators to make informed decisions. The organisation is committed to upholding high standards of transparency, independence, and integrity in its credit rating processes. With a focus on regulatory compliance and robust risk management, SAR aims to contribute to the stability and transparency of financial markets.

Corporate governance and risk management are core pillars of SAR’s business strategy. The organisation places significant importance on adhering to best practices in these areas. SAR’s Board of Directors and executive management team are deeply committed to upholding these principles, ensuring transparency, accountability, and ethical conduct throughout the organisation.

As part of SAR’s commitment to effective governance, the Chief Operating Officer (COO) plays a crucial role. The COO is responsible for supporting the commercial aspects of the business, overseeing the day-to-day operations, and ensuring the smooth functioning of SAR’s activities. The COO collaborates closely with the executive team, providing leadership and guidance to various departments and functions within the organisation.

The Risk and Compliance Manager (RCM) oversees operational efficiency and is critical in the implementation of risk management practices. This includes identifying potential risks, developing appropriate risk mitigation strategies, and monitoring risk exposure across SAR’s operations. SAR aims to safeguard its reputation, maintain the integrity of its credit rating services, and effectively address any potential risks that may arise.

Overall, SAR recognises that strong corporate governance and effective risk management are crucial to its long-term success and reputation. By upholding the principles of best practice and ensuring the oversight of the Board of Directors and executive management team, SAR strives to maintain the highest standards of governance and risk management in its operations.

SAR acknowledges the significance of maintaining an independent compliance function to ensure adherence to laws, regulations, standards, codes, policies, and procedures. The

organisation places great emphasis on upholding legal and regulatory requirements, as well as internal policies and industry standards.

The Compliance Officer holds a vital role within SAR, overseeing the compliance function and monitoring the organisation's adherence to the aforementioned frameworks. This includes conducting regular assessments, implementing compliance programmes, and providing guidance to employees to ensure compliance in their respective roles.

By having an independent Compliance Officer and a direct reporting line to the Board, SAR demonstrates its commitment to maintaining an effective compliance framework. This structure ensures that compliance considerations are given proper oversight and prioritisation, contributing to the organisation's adherence to legal and regulatory requirements, as well as ethical standards.

SAR values the importance of conducting regular reviews of its operational and business strategies to ensure alignment with its objectives. These reviews will take place on an annual basis, and this will provide the organisation with an opportunity to assess the effectiveness of current strategies and make necessary adjustments to achieve its goals.

## **1.2 Corporate Governance**

SAR's Board of Directors and executive management team fully embrace the principles outlined in King IV and its associated code on corporate governance. They prioritise the cultivation of an ethical and effective leadership culture, sustainable performance, and legitimacy within the organisation.

To achieve these goals, the Board and executive management provide clear direction through strategic planning, which is supported by established and approved policies. They ensure transparency in SAR's ratings criteria, avoiding any conflicts of interest that may compromise the integrity of the organisation's credit rating services.

The Board of Directors holds the responsibility of overseeing and monitoring adherence to appropriate ethical standards and governance practices. By fulfilling this role, SAR is able to operate as a successful and responsible corporate entity. The organisation strives to create value for stakeholders and is committed to transparent reporting, providing relevant and timely information to stakeholders.

Through their adherence to King IV and its accompanying code, SAR's Board of Directors and executive management team uphold the highest standards of corporate governance. Their focus on ethical leadership, sustainable performance, and transparent stakeholder reporting reinforces SAR's commitment to responsible practices, value creation, and maintaining the trust of its stakeholders.

### **1.3 The Compliance Function**

The Compliance Officer at SAR operates independently from the rating analytical units, and day-to-day operations. This ensures a separation of responsibilities and prevents conflicts of interest. One key aspect of the Compliance Officer's role is their independence and autonomy. By acting independently, the Compliance Officer is able to carry out their responsibilities objectively, without any undue influence or bias. To support this independence, the Compliance Officer maintains a direct reporting line to the Board of Directors. This reporting structure ensures that compliance matters receive appropriate attention from the highest level of governance within SAR.

This reporting structure enables the Compliance Officer to fulfil their mandated duties as outlined in Section 16 of the Credit Rating Services Act, 2012. The Compliance Officer plays a critical role in ensuring SAR's compliance with governance, legal, and ethical principles, thereby mitigating potential business and reputation risks.

To effectively manage compliance risks, the Compliance Officer develops and implements compliance risk management strategies. These strategies are designed to control the risk of non-compliance with relevant regulations and industry standards. By proactively addressing governance, legal, and ethical precepts, the Compliance Officer contributes to SAR's overall risk management framework.

The established independent Compliance Officer role demonstrates SAR's commitment to upholding legal and ethical standards while effectively managing compliance risks. This structure helps safeguard the organisation's reputation, enhance stakeholder confidence, and maintain compliance with applicable laws and regulations.

## **2 SECTION B: INFORMATION AS PER SECTION 13 AND 15 OF THE ACT**

### **2.1 Internal Control Mechanisms**

SAR has implemented and maintained internal control mechanisms in accordance with item 2(1)(a) and 2(1)(k) of Notice Board 168 of 2013, and these internal control mechanisms detailed below.

#### **2.1.1 The governance of risk and opportunities**

The management structure of SAR is carefully designed to ensure the proper allocation of resources and responsibilities within the organisation. It incorporates appropriate delegations of authority to establish effective internal controls.

To address day-to-day risks, SAR has risk sub-committee that has been set in place. This sub-committee is responsible for identifying and managing risks that arise in the normal course of business operations. Furthermore, this sub-committee oversees risk management throughout the organisation. The management risk management throughout the organisation. The risk sub-committee provides regular reports and updates to the Board of Directors.

This management structure promotes effective risk management and internal controls. It facilitates clear lines of communication, reporting, and accountability, ensuring that risks are properly identified, assessed, and addressed to protect the organisation's interests.

SAR acknowledges and actively manages a range of risks, including but not limited to:

#### **Industry Associated Risks**

SAR recognises, and addresses risks specific to the industry in which it operates. This includes keeping abreast of industry trends, changes in regulations, and potential disruptions that may impact its business operations.

#### **Business and Personal Ethical Risks**

SAR places great emphasis on maintaining high ethical standards throughout its operations. The organisation actively identifies and manages risks related to ethical conduct, both at the organisational level and on an individual basis.

#### **Conflicts of Interest and Appropriate Disclosures**

Sovereign Africa Ratings has adopted and set in place measures that aid in identifying and managing conflicts of interest. The organisation ensures that any conflicts that arise are appropriately disclosed and managed to mitigate potential adverse impacts.

## **Operational and Reputational Risk**

SAR recognises the importance of operational efficiency and protecting its reputation, and such the organisation implements risk management strategies to address potential operational risks that may impact its ability to deliver services effectively and safeguard its reputation.

## **Information and Communication Technology (ICT) and Business Continuity Management:**

SAR places importance on the security and resilience of its information and communication technology systems. The organisation actively manages risks related to ICT, including cybersecurity threats, data breaches, and business continuity planning to ensure uninterrupted operations.

## **Legal and Regulatory Risks**

SAR is committed to compliance with applicable laws and regulations that govern the credit ratings industry. As a CRA, SAR proactively identifies, assesses, and manages legal and regulatory risks to ensure adherence to relevant requirements and prevent potential legal liabilities.

## **Protection of Personal Information**

SAR recognises the importance of safeguarding confidential and personal information. The organisation implements measures to protect the privacy and security of such information, including robust data protection policies and protocols.

By considering and managing the above-mentioned risks, SAR demonstrates its commitment to responsible and sustainable business practices, protecting the interests of its stakeholders, and maintaining trust and confidence in its services.

### **2.1.2 Policies and Procedures**

SAR maintains a proactive approach to continuously enhance the integrity of its business operations through regular reviews and introductions of policies and procedures. During the reporting period, several significant developments have taken place in terms of policy development and the policies and procedures that have been introduced in the year under review include:

1. Analysts Rotation for Credit Ratings Policy
2. Analytical Error Correction Policy
3. Assigning Unsolicited Credit Ratings Policy
4. Banning Structuring Recommendations Policy
5. Code of Conduct Policy

6. Communication of Public Credit Ratings Policy
7. Compensation and Performance Evaluation Arrangements Policy
8. Compliance Management Policy
9. Conflicts of Interest Policy
10. Credit Rating Refusal Policy
11. Cybersecurity Policy
12. Delegation of Authority Policy
13. Disclosures Policy
14. Eligibility to Serve as Rating Committee Chair Policy
15. External Complaints Regarding SAR Ratings
16. Fee Discussions Policy
17. Gifts and Entertainment Policy
18. Internal Complaints Regarding SAR Ratings
19. Rating Process Policy
20. Monitoring of Credit Ratings Policy
21. Non-Participating Rated Entities Policy
22. Operations - Business Continuity and Disaster Recovery Policy
23. Operations - Human Resources Policy
24. Operations - Occupational Safety and Health Policy
25. Presentation of Credit Ratings Policy
26. Procurement Policy
27. Records Management Policy
28. Remuneration Policy
29. Risk Policy
30. Securities Trading Policy
31. Separation of Analytical Personnel from Commercial Operations and Information Policy
32. Solicited and Unsolicited Credit Ratings Policy
33. Withdrawal & Suspension of Credit Ratings Policy

Through the development of these policies and procedures, SAR demonstrates its dedication to maintaining high standards of governance, risk management, and compliance. The regular review and introduction of policies and procedures contribute to the organisation's overall integrity, regulatory compliance, and effective oversight of its business operations.

### **2.1.3 Management of conflicts of interests**

The charter of the Board of Directors of SAR emphasises the importance of independence among its members, sub-committees, and the Compliance Officer. SAR has established a Code of Ethics to guide its operations.

The primary responsibility of SAR's Board of Directors is to create and maintain a culture of ethics and compliance within the organisation. This entails ensuring that conflicts of

interest are effectively managed and avoided. SAR's conflicts of interest policy serves as the cornerstone for addressing such conflicts as it offers processes that aid the identification, management, and promotion of independence of credit ratings issued by SAR.

SAR's approach to managing conflicts of interest addresses both existing and perceived conflicts. The Board of Directors has an ongoing duty to disclose any fiduciary positions they hold at other organisations, ensuring transparency and accountability.

The composition of SAR's Board of Directors complies with relevant regulations, featuring a sufficient number of independent members with the necessary knowledge and expertise. This ensures the board's effectiveness in providing oversight and strategic guidance.

The Risk sub-committee, consisting of Independent Non-Executive Directors, operates independently and reports directly to the Board of Directors.

A clear distinction is maintained between the functional areas of the Board of Directors and business operations within SAR. Business development, which is overseen by the COO and CEO, operates as an independently and is separate from the credit rating analytical units. The remuneration structure for credit rating analysts is designed to avoid conflicts of interest.

To ensure the independence of credit ratings, SAR implements an effective rotation structure and policy for analysts. This practice prevents undue influence or bias in the credit rating process.

At SAR, the emphasis on independence, ethics, and transparency is integral to the functioning of the Board of Directors and the management of conflicts of interest. These measures contribute to the credibility and reliability of the credit ratings that are issued by SAR.

SAR recognises the critical role of the credit rating committees' independence in upholding the integrity of the credit ratings it issues. To maintain this independence, the following measures are in place:

a) Declaration of Interests

Employees at SAR have an annual duty to declare any financial, fiduciary interests, relationships, and/or other interests that may potentially result in conflicts of interest or create an appearance thereof. This declaration is made to the Compliance Officer.

b) Complaint Management

SAR has implemented a formal complaint management system that operates independently from the analytical and business functions. Complaints are handled by

the Compliance Officer, ensuring impartiality and transparency in the resolution process. SAR has a designated email address that receives complaints, and this account is handled by the Compliance Officer.

The aforementioned conflicts of interest measures reinforce SAR's commitment to maintaining the independence and integrity of its credit rating committees. Through the diligent management of conflicts of interest and providing a framework for handling complaints, SAR ensures that its credit ratings are objective, reliable, and trustworthy.

#### **2.1.4 Annual Internal Review Outcome Conducted by SAR's Compliance Function**

The Compliance Function conducted an internal review of the processes and procedures that are followed internally to ascertain the level of compliance within SAR. The credit ratings provided by SAR, though unsolicited, have consistently demonstrated quality, transparency, and fairness in their issuance. These ratings have been conducted in a manner that upholds these standards, ensuring that the recipients can trust their accuracy and reliability.

During the past year, SAR dedicated its efforts to the comprehensive review of its methodologies, models, and rating assumptions. This proactive approach underscores SAR's commitment to maintaining the highest standards in its credit rating processes. Through conducting these reviews, SAR aims to refine and improve its practices to better serve its stakeholders.

Within the financial year 2022/23, SAR took diligent steps to ensure the effective management of conflicts of interest. The entity placed a strong emphasis on transparently disclosing any potential conflicts and subsequently managing them to prevent any adverse impacts on the integrity and objectivity of its credit rating operations. This commitment reflects SAR's dedication to maintaining a trustworthy credit rating environment.

#### **2.1.5 Record-Keeping**

SAR adheres to the Companies Act and relevant archiving legislation by implementing the following frameworks and procedures:

##### **a) Document Retention and Age Analysis**

SAR has established document retention and age analysis frameworks that align with the Companies Act and applicable archiving legislation. These frameworks ensure that records are retained for the required periods as mandated by the law.

## **b) Information Management System**

SAR maintains an effective information management system to organise and store data. Regular comprehensive backups are performed to safeguard critical files, especially those that are irreplaceable or hold high replacement value. This backup system is a vital measure to ensure data integrity and availability.

## **c) Compliance with Record-Keeping Legislation**

SAR complies with applicable legislation regarding record-keeping practices. In line with the Companies Act, SAR has extended its credit rating records' retention period to seven years, ensuring compliance with the prescribed term.

## **d) IT Compliance Framework**

SAR maintains a robust information technology compliance framework that adheres to relevant laws and regulations. This framework encompasses aspects such as the protection of confidential and personal information, cybersecurity measures, and cyber resilience. By complying with these regulations, SAR ensures the security and confidentiality of data, reducing the risk of unauthorised access or data breaches.

These practices demonstrate SAR's commitment to effective document retention, information management, and IT compliance. By adhering to legal requirements and implementing robust systems and procedures, SAR safeguards data integrity, confidentiality, and accessibility while upholding the highest standards of regulatory compliance.

## **2.2 Outcome of Annual Internal Review**

Sovereign Africa Ratings (SAR) periodically reviews its methodologies and models to ensure their applicability and effectiveness. This commitment to regular evaluation is aimed at maintaining high standards and keeping up with evolving market dynamics. By conducting these reviews, SAR seeks to provide accurate and reliable credit ratings to its clients.

In order to manage conflicts of interest, SAR has implemented a robust system of disclosures from all SAR personnel. These disclosures ensure transparency and enable the identification and management of any potential conflicts that may arise during the rating process. SAR is able to assess any conflicts of interest based on these disclosures and take appropriate measures to mitigate their impact on the rating outcome.

During the financial year ending on 28 February 2023, SAR issued an unsolicited rating. Unsolicited ratings are independent assessments made by the rating agency without a request or mandate from the issuer of the financial instrument. The credit rating issued

by SAR during this period was of high quality, reflecting SAR's commitment to maintaining fairness, transparency, and accuracy in its ratings.

SAR strives to uphold its reputation as a reliable credit rating agency by adhering to rigorous methodologies and models, conducting periodic reviews, and managing conflicts of interest effectively. These practices contribute to the credibility and trustworthiness of SAR's credit ratings, providing valuable information to market participants.

### 2.3 Financial Information

Revenue Source	Amount
Credit Rating Services	R0.00
<b>Total</b>	<b>R0.00</b>

### 3 SECTION C: INFORMATION AS PER BOARD NOTICE 168 OF 2013

#### 3.1 Methodologies, Models, and Key Assumptions Reviewed

The responsibility of credit rating methodology development lies with the Ratings team, led by the Chief Ratings Officer. The team plays a crucial role by providing analytical resources, overseeing the end-to-end process, and assuming direct accountability for credit rating methodology development and publication.

The Methodology Review committee, which operates under the Board, holds the following responsibilities:

1. Approving new and revised credit rating methodologies.
2. Reviewing credit rating model specifications to ensure consistency with published credit rating methodologies.
3. Conducting an annual review of the suitability of existing credit rating methodologies.
4. Evaluating the application of published credit rating methodologies through the review of credit rating actions.

The credit rating methodologies developed are publicly available on the SAR website ([www.SARatings.co.](http://www.SARatings.co.)). These methodologies are typically customized to incorporate variations specific to sovereign issuers in terms of structure or region. They undergo continuous refinement and are subject to at least annual reviews.

Following the publication of a credit rating, SAR engages in ongoing monitoring and conducts annual reviews until the credit rating is eventually withdrawn.

#### 3.2 Analyst Rotation

In alignment with the CRA Act, 2012 (Act No. 24 of 2012) Rules 6(9) and 6(10), SAR acknowledges the risks associated with not rotating analysts where the risks include conflicts of interest or the potential loss of objectivity due to analysts becoming excessively familiar with rated entities. Consequently, SAR is committed to adhering to regulatory requirements that mandate the rotation of analytical analysts and Chairpersons overseeing ratings within specified timeframes.

#### 3.3 Details of Staff Allocated to Ratings

Rating Unit	Number of Analysts
Sovereigns	3
<b>Total</b>	<b>3</b>

### 3.4 Information on Credit Ratings by Category

SAR, during the reporting period, issued one unsolicited rating. The table provided herein below depicts the credit rating that was assigned by SAR in 2022.

Rating Units	Credit Ratings 01 March 2022 – 28 February 2023
Sovereign	1
<b>Total</b>	<b>1</b>

### 3.5 List of Ancillary Services

SAR currently does not engage in the provision of ancillary services.

### 3.6 List of Members of the Board of Directors

Name & Surname	Committee Membership	Qualifications	Date Appointed
<b>Portia Ravhuhali</b>	Independent Non-Executive Director. Chairperson of the Board	<ol style="list-style-type: none"> <li>Bachelor of Accounting with Honours</li> <li>Chartered Accountant South Africa. CA (SA)</li> <li>Registered Auditors</li> <li>Certified Public Accountant (CPA) USA. (Completed exams in New Jersey in the United States of America)</li> </ol>	14 Jan 2022
<b>Sifiso Falala</b>	Chief Executive Officer	<ol style="list-style-type: none"> <li>PhD in Management of Technology Innovation</li> <li>Master of Science (Population studies)</li> <li>Doctor of Philosophy (PhD) degree from the Da Vinci Institute</li> <li>Bachelor of Business Studies with Honours</li> </ol>	19 Jun 2019
<b>Takalani Mudau</b>	Chief Financial Officer	<ol style="list-style-type: none"> <li>Advanced Diploma in Accounting Services</li> <li>Certificate programme in Taxation</li> <li>Accounting Bachelor of Commerce degree, UNISA</li> </ol>	19 July 2019
<b>Zwelibanzi Maziya</b>	Chief Operating Officer	<ol style="list-style-type: none"> <li>Bachelor of Commerce, Economics, University of Pretoria</li> </ol>	1 July 2022
<b>David Mosaka</b>	Executive Director	<ol style="list-style-type: none"> <li>Bachelor of Commerce (Hons.) Economics and Econometrics, UNISA</li> </ol>	19 June 2019
<b>Elizabeth Mabena</b>	Independent Non-Executive Director	<ol style="list-style-type: none"> <li>BSc (Hons.) Statistics, University of Limpopo</li> <li>Bachelor of Science, University of Limpopo</li> </ol>	15 December 2021

<b>Kevin Malunga</b>	Independent Non-Executive Director	<ol style="list-style-type: none"> <li>1. PhD Judicial Science</li> <li>2. LLB</li> <li>3. Admitted Advocate of the High Court in South Africa</li> </ol>	27 May 2023
<b>Sipho Ngidi</b>	Independent Non-Executive Director	<ol style="list-style-type: none"> <li>1. Bachelor of Commerce (Hons.), University of Natal</li> <li>2. Industrial Relations Certificate, University of Stellenbosch</li> <li>3. Bachelor of Administration, University of Zululand</li> </ol>	06 May 2019
<b>Sean Barnard</b>	Non-Executive Director	<ol style="list-style-type: none"> <li>1. Bachelor of Law Degree, University of Pretoria</li> <li>2. Admitted Attorney of the High Court of South Africa</li> </ol>	27 March 2019
<b>Oscar Tshifure*</b>	Non-Executive Director	<ol style="list-style-type: none"> <li>1. BTech: Public Administration Management, Tshwane University of Technology</li> </ol>	12 April 2021

\*Has since resigned as a Board Member.

Board Member	Profile
<p><b>Ms Portia Divhani Ravhuhali</b></p> <ul style="list-style-type: none"> <li>• Chairperson</li> <li>• Independent Non-Executive Director</li> </ul>	<ol style="list-style-type: none"> <li>1. Ms Portia Divhani Ravhuhali is the Sovereign Africa Ratings Board Chairperson. She is a Chartered Accountant with the South African Institute of Chartered Accountants, (SAICA) and a registered Auditor with the Independent Regulatory Board of Auditors (IRBA). She is a Managing Director at Namusi Chartered Accountants, a professional accounting and audit firm. She serves as a Council member and Chairperson of the audit committee for Council for Debt Collectors. She additionally serves on numerous audit committees. She has worked in the public and corporate sectors of South Africa for over a decade. She is a highly qualified professional with a strong background in finance and extensive experience performing external audits of both the public and private sector.</li> <li>2. Ms Ravhuhali is passionate about leadership and governance, and she is also a member of the Institute of Directors South Africa (IODSA).</li> </ol>

**Ms Elizabeth Mabena**

Independent Non-Executive Director

Ms Elizabeth Mabena is a banking professional with a passion for engineering and data science. Her research interests include the use of machine learning techniques for credit scoring. Her experience in the financial sector is primarily in credit risk

management. Elizabeth graduated with Honours and is currently studying for her Master's at the University of Johannesburg.

**Advocate Kevin Malunga**

Independent  
Non-Executive Director

Advocate Kevin Malunga is an Admitted Advocate of the High Court in South Africa, a member of the American Society of International Law, and a member of the Poverty and Economic Policy Research Network. He served as South Africa's second deputy public protector. He has served as an academic, bureaucrat, researcher, entrepreneur, anti-corruption commissioner, and ombudsman at various points in his career. He also worked for the Department of Justice and Constitutional Development as a State Law Adviser: Policy Coordination and Monitoring. He has additionally served as a researcher and assistant for the Committee on Institutional Models at the South African Chief Justice's office, where he also held the position of Acting Chief of Staff.

**Mr Sipho Ngidi**

Independent  
Non-Executive Director

Mr Sipho Ngidi is the Managing Director of SN Advisory Service, a business he founded to house his leadership development consultancy. He is an executive and management coach. He serves on the boards of EOH Holdings and Toyota South Africa Motoring, where he chairs the Nominations and Remuneration Committee and is a member of the Audit Committee. He serves as the committee's chairperson for human resources and compensation at Trimrite. Sipho has held board positions with both state-owned and privately-owned businesses. His corporate background includes leadership positions in the banking, packaging, and beer brewing sectors.

**Mr Sean Barnard**

Non-Executive Director

Mr Sean Barnard is an Admitted Attorney of the High Court of South Africa. Sean has been involved in various organisations in a legal advisory role, amongst which are tertiary training institutions, non-profit organisations, and private institutions. Sean is professionally interested in policy development and strategy facilitation, as well as organisational risk management. He holds a Bachelor of Law Degree obtained from the University of Pretoria (LLB), as well as RE1 and RE5 certificates for sole proprietors and key individuals, respectively.

**Dr Sifiso Falala**

Chief Executive Officer

Dr Sifiso Falala is the founder and Chief Executive Officer (CEO) of Sovereign Africa Ratings. Furthermore, he is the CEO of Plus 94 Research, one of the largest independent market research companies in South Africa. He is the current President of the Pan African Media Research Organisation (PAMRO), a former Chairman

of the Southern African Marketing Research Association (SAMRA) and is currently a member of the European Society for Opinion and Marketing Research (ESOMAR). He holds a Doctor of Philosophy (PhD) degree from the Da Vinci Institute, a Master of Science in Population Studies, and a Bachelor of Business Studies with Honours.

**Mr David Mosaka**

Chief Ratings Officer

Mr David Mosaka is the Chief Ratings Officer (CRO) at Sovereign Africa Ratings. He is proficient in both theory and quantitative economics. He has researched topics in international economics, development economics, resource economics, public finance, monetary economics, and transport economics using his expertise in economic modelling. His research interests include the environment, energy studies, international aid, tourism, commerce, investment, and modelling the entire economy. He is recognised as one of the region's up-and-coming authorities in input-output and social accounting matrix (SAM) modelling. He is a co-author of the South African Cost Benefit Analysis Manual. Additionally, he has worked as a Cost Benefit Analysis (CBA) practitioner on numerous multidisciplinary projects where CBA concepts and modelling tools were used to assess the projects' financial and economic sustainability. David was on the board of Export Credit Insurance Corporation previously (ECIC). Mr Mosaka belongs to the South African Economic Society (ESSA). David graduated from UNISA with a Bachelor of Commerce with Honours in Economics and Econometrics.

**Ms Takalani Mudau**

Chief Financial Officer

Ms Takalani Mudau is the Chief Financial Officer (CFO) of Sovereign Africa Ratings. She is a member of the South African Institute of Professional Accountants and serves as the Executive Director (Finance) at Plus 94 Research. She received an Advanced Diploma in Accounting Services and a Certificate programme in Taxation when she graduated from UNISA. She also holds an Accounting Bachelor of Commerce degree.

**Mr Zwelibanzi**

**Lincoln Maziya**

Chief Operating Officer

Mr Zwelibanzi Lincoln Maziya serves as Chief Operating Officer (COO) at Sovereign Africa Ratings. His main duties as COO include designing and putting into practice business operations, plans, and processes, creating policies that support company culture, and supervising executive activities. He is also responsible for establishing detailed objectives for performance and growth and assists the CEO and the business in preserving and fostering relationships with important stakeholders. Mr Maziya is professionally interested in business development, governance,

business risk management and financial regulation. He graduated from the University of Pretoria with a Bachelor of Commerce in Economics.

### **3.7 Policies and Initiatives in Adopting the King Code**

SAR embraces the principles of King IV and its accompanying code, demonstrating a commitment to good corporate governance.

The Charter of SAR's Board of Directors references the principles of King IV. This integration underscores SAR's commitment to adopting best practices in corporate governance, accountability, transparency, and stakeholder engagement, as advocated by King IV.

#### 4 SECTION D: SIGNATURES

I, the undersigned Compliance Officer of Sovereign Africa Ratings, do hereby certify and acknowledge that the information contained in this Annual Report is correct to the best of my knowledge.



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Rendani Nemavhulani,  
Compliance Officer

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Dr Sifiso Falala  
*Chief Executive Officer*



Thank You