



Policy: Solicited and Unsolicited Credit Ratings

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Issued by	: SAR Compliance Function
Applicable to	: All SAR Employees and relevant Employees supporting the SAR rating process
Scope	: All Credit Rating Actions and all Other Rating Actions

Approved documents are held by the Compliance Officer of Sovereign Africa Ratings (Proprietary) Limited.

¹ Date on which the approved document takes effect.



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1 Policy Statement

Sovereign Africa Rating (SAR) provides both solicited and unsolicited credit ratings. In the publishing or restricted dissemination of its credit ratings, as the case may be, SAR shall state the solicitation status and participation status of a credit rating.

The presence or absence of an express, implied, or alternatively, the tacit agreement entered into orally or in writing with SAR, under which SAR may reasonably expect to be compensated for the credit rating services it renders, determines the solicitation status with respect to the assessment of a credit rating.

- **Solicited Credit Rating:** This type of credit rating is one in which SAR's credit rating services are explicitly, implicitly, or alternatively, tacitly, agreed to verbally or in writing, and for which SAR may be paid or anticipates being paid.
- **Unsolicited Credit Rating:** This type of credit rating occurs when SAR provides credit rating services without receiving any kind of payment, whether it be explicitly, implicitly, or tacitly agreed to.

When it comes to information inputs into the assignment of the credit rating, the participation status of a certain credit rating refers to the interaction that SAR analytical staff has with the rated entity, issuer, or arranger during the credit rating process. Despite what was said above, there are several circumstances in which solicited credit ratings may be given even while the rated organisation, issuer, or arranger does not take part in the credit rating process.

Any credit rating that SAR has awarded or maintained on a non-participatory basis, whether it was unsolicited or solicited, must include a special disclaimer stating that it is non-participatory.

Regardless of whether the credit rating was solicited or not, SAR may, in its sole discretion, make an effort to contact the rated company, issuer, or arranger. SAR will reveal the status of participation if the rated entity, issuer, or arranger participated in management.

SAR has the right to publish unsolicited credit ratings at any time if it determines that doing so will serve the interests of investors or the credit market, or that doing so will have a significant impact on other credit ratings. SAR is the publisher of credit-related opinions.

DEFINED TERMS AND ABBREVIATIONS

Agent	Any individual or organisation acting on behalf of a Rated Entity or a Rated Entity agent.
CRA	Credit Rating Agency

Sovereign Africa Ratings

Credit Rating	A Credit Rating is an opinion from SAR regarding the creditworthiness of an entity, debt or financial obligation, debt security, preferred share or other financial instrument, or of an issuer of such debt or financial obligation, debt security, preferred share, or other financial instrument, issued using an established and defined ranking system of rating categories.
Credit Rating Personnel	Credit Rating Personnel are SAR Analysts, Managers of SAR Analysts, and any other SAR Employees in credit rating analytical roles who are involved in the development or approval of procedures or methodologies used in providing Credit Rating Services, Ancillary Services, or Other Permissible Services. The definition of Credit Rating Personnel excludes any SAR Employee assigned to a rating team who: (1) is not involved in the Rating process or (2) supports the Rating process solely through administrative tasks, such as entering information into internal systems.
Employee(s)	An Employee is any full-time or part-time employee of SAR or any of its subsidiaries and associated companies.
Outlook	An Outlook is an opinion regarding the likely direction of an issuer's rating over the medium term.
Prohibited Recommendation	It is prohibited for SAR analysts or persons who approve ratings to make proposals or recommendations or give advice, either formally or informally, regarding the design of structured finance instruments on which SAR is expected to issue a credit rating.
Rated Entity	A Rated Entity means any entity rated by a SAR's credit rating agency
Review	A Review is an indication that a rating is under consideration for a change in the near term. For further information see the applicable Ratings Symbols and Definitions document.
SAR	Sovereign Africa Rating (Pty) Ltd, is licensed to operate as a Credit Rating Services agency in terms of the Credit Ratings Services Act No 24 of 2012.
SAR Employees	The term SAR Employee means any full-time or part-time employee of SAR.

2 Approval of Policy

This Policy was approved by the board, and it will be reviewed annually.

Pertia Divhani Ravuhali

Board Meeting, 2 August 2022

Approved by the board

Date

Chairperson of the board