



Policy: Code of Conduct

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Applicable to	:	All SAR Employees and relevant Employees supporting the SAR ratings process
Scope	:	All Credit Ratings 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

This Code of Conduct has been adopted by Sovereign Africa Ratings (SAR) as the rules prescribed that would be followed in accordance with the instruction given by the Registrar of Credit Rating Agencies under Section 11(1)(a) of the Credit Ratings Services Act, Act 24 of 2012. This code will outline the correct precautions for adhering to the International Organization of Securities Commissions' Fundamental Code of Conduct for Credit Ratings Agencies (IOSCO).

The accountability, transparency, truth, integrity, and honesty ideals that the organisation was formed on are promoted by this code of conduct, which also serves to direct the board's and its functionaries' daily activities. It understands that its position demands the highest level of scrutiny and that its ratings have a significant impact. As a result, this code has been created to ensure that the SAR personnel always abides by the following to maintain their independence before to, during, and after the ratings process.

DEFINED TERMS AND ABBREVIATIONS

Agent	Anyone representing a Rated Entity or a Rated Entity agent, whether an individual or a group.
CRA	Credit Rating Agency
Credit Rating	A Credit Rating is an opinion made by a CRA based on a predetermined ranking system of rating categories regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share, or other financial instrument, or of the issuer of such a debt or financial obligation, debt security, preferred share, or other financial instrument.
Credit Rating Action	Any of the following is a credit rating action: <ol style="list-style-type: none"> 1. the process through which a credit rating is given to a rated entity or obligation, including credit ratings given during a subsequent rating process. 2. When relevant conditions are thought to have been satisfied in the anticipated ratings process, a provisional note is removed from a credit rating. 3. a change to a credit rating (i.e., upgrade or downgrade). 4. placing a credit rating under review, reconfiguring an active review, or removing a credit rating from review (i.e., Credit Rating Confirmation). 5. the assignment of, or modification of, an Outlook linked to a Rated Entity or several Credit Ratings. 6. a Credit Rating Affirmation. 7. a Credit Rating Withdrawal.

Sovereign Africa Ratings

Credit Rating Personnel		Credit Rating Personnel are SAR Analysts, Managers of SAR Analysts, and any other SAR Employees involved in developing or approving methods or methodologies utilised in providing Credit Rating Services, Ancillary Services, or Other Permissible Services. Any SAR employee assigned to a rating team who: (1) is not active in the rating process or (2) supports the rating process only through administrative responsibilities, such as entering data into internal systems, is not included in the definition of credit rating personnel.
Employee(s)		An Employee is any full-time or part-time employee of SAR or any of its subsidiaries and associated companies.
Issuer		Issuer is any entity that issues debt, a credit commitment, debt-like obligations, or securities. Examples of such entities include special purpose vehicles, companies, governments, and local governments.
Lead Analyst (Lead Analyst)	Rating (Lead Analyst)	Lead Rating Analyst is a term used to describe an analyst who is primarily responsible for providing details about a credit rating and/or for communicating with the issuer(s) regarding a specific credit rating or regarding the credit rating of a financial instrument issued by that issuer, as well as, when appropriate, for creating recommendations for the rating committee in relation to that credit rating.
Manager(s)		Manager(s) are employees who oversee managing personnel.
Outlook		An Outlook is an opinion regarding the likely path of an issuer's rating could take over the medium term.
Prohibited Recommendation		Any proposals or recommendations made either formally or informally, regarding the design of financial instruments on which a CRA is envisioned to issue a Credit Rating may be made by an employee to a Rated Entity or its Agent to improve the Rated Entity's rating. This includes suggestions about the Rated Entity's corporate or legal structure, assets, liabilities, or activities.
Rated Entity (ies)		A Rated Entity is any entity rated by a Credit Rating Agency (CRA)
Review		A review is an indication that a rating may be changing in the not-too-distant future.
SAR		Sovereign Africa Rating (Pty) Ltd is authorised to conduct business as a credit rating agency as per the Credit Ratings Services Act of 2012 of the Republic of South Africa.
Security		Security refers to any type of financial instrument, including stocks, bonds, debentures, notes, options, equity securities, convertible securities, warrants, derivative securities (Derivative), and warrants.
Subsequent Ratings Process		Ratings after that Process is the process of determining the Credit Ratings to be assigned (together with the related outlook or review status, if applicable) solely based on the Credit Ratings of a

	programme, series category/class of debt, or principal Rated Entity that already exist.
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1.1 Quality and Integrity of the Credit Rating Process

1.1.1 Quality of the Credit Rating Process

- a. For each class of entity or obligation for which SAR offers credit ratings, a credit rating methodology has been devised, maintained, and put into effect. The credit rating process is intended to produce credit ratings that can be subjected to objective validation based on previous performance. It is rigorous, able to be applied consistently, and as accurate as feasible.
- b. The Methodology Review Committee (MRC) is in charge of keeping an eye on the suitability and thoroughness of the rating methodologies and procedures and approving changes to SAR's rating methodologies and procedures, particularly when those changes call for adjusting previously issued credit ratings. At least once per year, MRC will examine the methodology, which include the credit rating models, scorecards, and major ratings assumptions. It will also look at any substantial changes to the techniques (including the credit rating models, credit rating scorecards and key ratings assumptions contained within the methodologies).
- c. According to the current credit rating methodology, SAR credit ratings consider all information that is known to and believed to be relevant to the CRA. The SAR has established, maintained, and enforced rules, procedures, and controls as a result to guarantee that the credit ratings and related reports it disseminates are founded on a careful examination of all such data..
- d. To support a high-quality credit rating, SAR takes reasonable steps to ensure that it has the necessary knowledge and experience and that the information it uses to determine credit ratings is of sufficient quality and received from dependable sources.
- e. SAR credit ratings will not be assigned by a single Analyst, but rather by rating committees. SAR will assign the proper credit ratings to a rated entity once a rating committee has made that determination, unless and until a later rating committee makes a different decision. The structure of SAR's rating committees will encourage consistency and prevent bias in the rating process.
- f. SAR defines the significance of each category in its rating scales and consistently applies those categories to all types of rated entities and obligations to which a particular rating scale applies.
- g. SAR makes sure to assign analysts who are qualified to evaluate the creditworthiness of the particular type of organisation or obligation being evaluated.
- h. SAR will maintain accurate internal records that are thorough enough to reconstruct the credit rating process for a specific credit rating action. The

records shall be kept for as long as is required to uphold the accuracy of the credit rating methodology used by the CRA, including to allow internal audit, compliance, and quality control functions to examine prior credit rating decisions in order to fulfil their duties. When preserving documents that support its credit rating operations, SAR will adhere to both its record retention standards and any applicable legislation.

1.2 Monitoring and Updating

1.2.1 With regard to published credit ratings and unless withdrawn, SAR will:

- a. Review the creditworthiness of the rated entity, as well as any other pertinent entity or obligation, at least once every twelve months.
- b. Upon learning of any information that might be expected to prompt a credit rating action, such as withdrawing a credit rating, initiate a review of the status of the credit rating; and
- c. Update the credit rating as necessary based on the findings of any such review mentioned in items a. or b. above. Additionally, within a reasonable amount of time after adopting a new or revised rating methodology, SAR will assess how the change will affect existing credit ratings and take any necessary actions to maintain or improve such ratings.

1.2.2 SAR will create and implement policies and controls governing the publication of credit rating announcements that announce credit rating actions, such as the withdrawal of a public credit rating on an Issuer.

1.3 Integrity of the Credit Rating Process

- a. SAR and its employees will treat rated companies, obligors, originators, underwriters, arrangers, and users of credit ratings fairly and honestly.
- b. SAR workers are expected to act with the utmost morality and integrity, and the company has systems and processes in place to make sure that anyone with clearly compromised moral character is not hired.
- c. Neither implicitly nor expressly will SAR and its employees provide any assurance or guarantee to a company that is the subject of a rating action carried out by a rating committee. In accordance with Provisions 1.22 and 2.6(d) of the IOSCO CRA Code, the CRA is still permitted to develop early indications.
- d. SAR and its employees cannot utilise promises or threats concerning prospective credit rating actions to persuade subscribers, originators, underwriters, arrangers, or rated companies to pay for credit ratings.
- e. SAR and its employees will refrain from offering suggestions or recommendations regarding the actions of rated entities or obligations that might affect the credit rating of the rated entity or obligation, including but not limited to suggestions or recommendations regarding corporate or legal structure, assets and liabilities, business operations, investment plans, lines of credit, business mergers, and the design of structured finance products.

- f. A SAR shall develop, maintain, document, and enforce policies, procedures, and controls in each jurisdiction where it conducts business to guarantee that it and its employees abide by the SAR's code of conduct and any applicable laws and regulations.
 - i. SAR will set up a compliance function in charge of overseeing and examining the CRA's and its employees' adherence to the code of conduct as well as any other applicable laws and regulations.
 - ii. The compliance function will also be in charge of examining whether the SAR's policies, practises, and controls intended to ensure compliance with the code of conduct of the SAR and any applicable laws and regulations are adequate.
 - iii. SAR will appoint a senior-level worker with the necessary skill set to act as its compliance officer, who will be in charge of the compliance function. The compliance officer shall always have separate reporting lines and salary from the credit rating activities of the CRA.
- g. An employee should notify the compliance officer or another officer of the SAR as soon as they learn that another employee or an affiliate of the SAR is or has engaged in conduct that is against the law, unethical, or in violation of the code of conduct so that the appropriate action can be taken. The SAR's staff members are not need to be legal authorities. However, SAR staff members are required to report any actions that a logical person would find suspicious. The SAR is required to respond appropriately to such a report from an employee in accordance with the laws and regulations as well as the rules, procedures, and controls created, maintained, documented, and enforced by the SAR. Any employees who submit such reports in good faith are protected by SAR from retribution by the CRA or a fellow employee.

2 CRA Independence and Avoidance of Conflicts of Interest

2.1 General

- a. SAR will not put off or forego taking a credit rating action because of the prospective impact (economic, political, or otherwise) on the CRA, a rated entity, an obligor, an originator, an underwriter, an arranger, an investor, or another market participant.
- b. SAR and its employees shall use caution and professional judgement to uphold the independence and objectivity of the CRA and its staff in both their actual actions and their public appearances.
- c. Only variables pertinent to determining the creditworthiness of the rated entity or obligation are taken into account by SAR when determining a credit rating for an obligation.
- d. The existence or prospect of a business connection between SAR (or its affiliates) and the rated entity, obligor, originator, underwriter, or arranger (or

any of their affiliates), or any other party, will not have any bearing on the credit rating SAR assigns to such entity or obligation.

- e. If practicable, SAR will physically, operationally, and legally separate its credit rating business from any other CRA businesses that would pose a conflict of interest. The SAR shall create, preserve, record, and enforce policies, practises, and controls intended to lessen the possibility of conflicts of interest arising for other businesses that may or may not necessarily present a conflict of interest. If applicable, SAR will explain why it thinks such other companies don't interfere with its credit rating business.

2.2 CRA Policies, Procedures and Controls and Disclosures

- a. SAR will establish, maintain, document, and enforce policies, procedures, and controls to identify and manage, as necessary, any real or prospective conflicts of interest that would affect the CRA's credit rating methodology, actions, or analyses, or the employees' judgement and assessments. The rules, procedures, and controls, among other things, address (as appropriate to the CRA's business model) how the conflicts listed below may potentially affect the CRA's credit rating methodology or credit rating actions:
 - i. receiving compensation from the business that received the credit rating, as well as from the obligation's originator, underwriter, or arranger.
 - ii. being funded by subscribers who have a financial stake in not having their credit rating harmed by SAR's actions.
 - iii. receiving compensation from rated entities, obligors, originators, underwriters, arrangers, or subscribers for services other than assigning credit ratings or granting access to the credit ratings.
 - iv. providing a preliminary indication or similar indication of credit quality to an entity, obligor, originator, underwriter, or arranger prior to being hired to determine the final credit rating for the entity, obligor, originator, underwriter, or arranger.
 - v. having a direct or indirect ownership interest in a rated entity or obligor, or having a rated entity or obligor have a direct or indirect ownership interest in SAR.
- b. SAR will report any real or potential conflicts of interest in a thorough, prompt, precise, noticeable manner (including, but not limited to, those conflicts of interest mentioned in Principle above).
- c. When an actual or potential conflict of interest is unique or specific to a credit rating action with regard to a specific rated entity, obligor, originator, lead underwriter, arranger, or obligation, that conflict of interest should be disclosed in the same way and by the same means as the applicable credit rating action.
- d. SAR shall be transparent about the broad parameters of its compensation agreements with rating entities, obligors, lead underwriters, or arrangers.

- i. SAR will disclose any compensation it receives from a rated entity, obligor, originator, lead underwriter, or arranger that is unrelated to its credit rating services as a percentage of the total annual compensation it receives from that rated entity, obligor, originator, lead underwriter, or arranger in the relevant credit rating report or elsewhere, as appropriate.
 - ii. If a single client accounts for 10% or more of SAR's yearly income, it will disclose as necessary (e.g., a rated entity, obligor, originator, lead underwriter, arranger, or subscriber, or any of their affiliates).
- e. The SAR will specify in its credit rating announcement whether the structured finance product's issuer has informed the CRA that it is publicly disclosing pertinent information about the obligation being rated or if the information is still private.
- f. SAR won't possess or engage in trading activities involving financial instruments that could be seen as competing with the CRA's credit rating activities.
- g. In cases where rated entities or obligors (such as sovereign nations or states) have, or are concurrently pursuing, oversight responsibilities related to the CRA, the staff members in charge of communicating with the officials of the rated entity or the obligor (such as government regulators) regarding supervisory matters should be distinct from the staff members who take part in developing or changing credit rating methodologies that apply to the rated entity or the obligor.

2.3 CRA Employee Independence

- a. The reporting lines and remuneration plans for SAR workers are set up to prevent or manage real and prospective conflicts of interest.
 - i. SAR will review its compensation policies, procedures, and practises formally and on a regular basis for employees who take part in or may otherwise affect a credit rating action to make sure that these policies, procedures, and practises have not compromised and do not compromise the objectivity of the CRA's credit rating process.
 - ii. SAR will review its compensation policies, procedures, and practises formally and on a regular basis for any of its employees who take part in or may otherwise affect a credit rating action to make sure that these policies, procedures, and practises have not compromised and are not compromising the objectivity of the CRA's credit rating process.
- b. SAR employees who take part in or could otherwise influence a credit rating action will not start or take part in conversations with rated entities, obligors, arrangers, or subscribers regarding fees or payments assessed to such rated companies, obligors, arrangers, or subscribers.
- c. A SAR employee shall refrain from taking part in or otherwise influencing a CRA's credit rating decision with regard to a company or obligation if the

employee, a member of their immediate family (such as a spouse, domestic partner, or dependant), or a company they control (such as a trust):

- i. Invests in or holds a trade instrument issued by the rated entity or obligor.
 - ii. Holds or participates in transactions involving a trading instrument (other than a diversified collective investment scheme) that is a derivative of a trading instrument issued by the rated entity or obligor or that itself owns an interest in the rated entity or obligor.
 - iii. Owns or trades a trading instrument that was issued by a subsidiary of the rated entity or obligor and whose ownership could present a conflict of interest for the employee or SAR.
 - iv. Owns or engages in transactions involving a trading instrument that was issued by a lead underwriter or arranger of the rated obligation and whose ownership could present a conflict of interest for the employee or SAR.
 - v. Is currently employed by, previously worked for, or has significant business ties to the rated entity, the obligor, or a lead underwriter or arranger of the rated obligation that could present a conflict of interest or be construed as such.
 - vi. Is a director of the rated entity or obligor, or lead underwriter or arranger of the rated obligation; or
 - vii. Has, or had, another relationship with or interest in the rated entity, obligor, or the lead underwriter or arranger of the rated obligation (or any of their affiliates) that may cause or be perceived as causing a conflict of interest.
- d. SAR analysts are not permitted to own or deal in any trading instruments issued by rated entities or obligations in their major analytical responsibility area. This would not prevent an analyst from holding or engaging in trading in a diversified collective investment scheme that holds a trade instrument issued by a rated firm or obligor under the analyst's core analytical duty.
 - e. SAR employees are forbidden from asking anyone they do business with for money, gifts, or favours. They are also forbidden from accepting gifts that are offered in exchange for money, cash equivalents, or anything else that exceeds the limits set by the Money, Gifts, Favours, or Entertainment policy.
 - f. Under the SAR's policies, procedures, and controls, an employee who develops a personal relationship that results in an actual or potential conflict of interest (such as, for instance, a relationship with an employee of a rated entity, obligor, or originator, or the lead underwriter or arranger of a rated obligation) should be required to disclose the relationship to the compliance officer or another officer of the CRA, as appropriate.
 - g. SAR will establish, maintain, record, and enforce policies, procedures, and controls for swiftly reviewing the prior work of analysts who leave the CRA's employ and join an entity they helped rate, an obligor whose obligation they helped rate, or an originator, underwriter, or arranger with whom they had

substantial dealings while performing their duties at the CRA or any of their affiliates.

3 CRA Responsibilities to the Investing Public, Rated Entities, Obligors, Originators, Underwriters, And Arrangers

3.1 Transparency and Timeliness of Credit Ratings Disclosure

- a. SAR will help investors and other credit rating users better understand credit ratings by, among other things, describing in simple language the nature and restrictions of credit ratings and the dangers of unnecessarily relying on them to make investment or other financial choices. A CRA that is subject to a CRA registration and oversight programme run by a regional or national authority shall not expressly or implicitly imply that the authority recommends its credit ratings or make use of its registration status to tout the calibre of its credit ratings.
- b. SAR shall provide enough details about its methodology and credit rating process so that investors and other users of credit ratings can comprehend how a credit rating was arrived at.
- c. Unless doing so would jeopardise the integrity of a credit rating by unnecessarily delaying the adoption of a credit rating action, SAR will disclose a major revision to a credit rating methodology prior to the modification taking effect. In either scenario, SAR will expose the material alteration in a non-selective manner.
- d. SAR shall make its policies and practises regarding the issuance of unsolicited credit ratings public.
- e. SAR shall be transparent about the procedures it follows when disseminating credit reports and ratings, as well as when a credit rating will be withdrawn.
- f. SAR will make clear disclosures regarding the definitions of each category in its rating scales, including the default definition.
- g. SAR will, preferably using a distinct credit rating identifier, distinguish the credit ratings of structured finance instruments from the credit ratings of other types of companies or liabilities. SAR will also explain the workings of this differentiation.
- h. SAR will be open and honest regarding how the relevant entity or obligation is rated with investors, rated entities, obligors, originators, underwriters, and arrangers.
- i. Before releasing a credit rating that is the outcome or subject of a credit rating action, SAR will, where practical and appropriate, provide the rated entity, the obligor, or the arranger of the rated obligation with the critical information and principal considerations upon which a credit rating will be based. SAR will also give the rated entity, obligor, or arranger an adequate opportunity to correct any factual errors, factual omissions, or factual misperceptions. Any response from such a rating organisation, obligor, or arranger shall be properly evaluated by SAR. If under specific circumstances the CRA did not notify the rated entity,

the obligor, or the arranger prior to disseminating a credit rating action, the CRA should do so as soon as practically possible afterward and, generally, should provide an explanation for why it did not notify the rated entity, the obligor, or the arranger in the first place.

- j. As soon as practically possible after taking the credit rating action, SAR will publicly announce or disseminate to its subscribers a credit rating that is the outcome or focus of the activity.
- k. SAR will not choose which subscribers it publicly announces or distributes credit ratings to when they are the outcome of or the focus of credit rating actions.
- l. When a credit rating is the outcome of or the focus of a credit rating action, SAR will make it clear whether the rated entity, obligor, originator, underwriter, or arranger of the rated obligation engaged in the credit rating process. It is important to note that not every credit rating was started at the request of the company being rated, the obligation's originator, the underwriter, or the arranger of the rated obligation.
- m. SAR will make it obvious what each credit rating's strengths and weaknesses are, as well as how thoroughly the CRA checks the data that was given to it by the rated company, rated obligation's originator, underwriter, or arranger. SAR will reveal this information and how it might affect the credit rating, for instance, if the credit rating concerns a type of company or obligation for which there is little historical data.
- n. SAR will indicate in the announcement of a credit rating that is the outcome or the focus of a credit rating action the most recent update or review of the credit rating. The major credit rating methodology, or the version of the methodology that was used to determine the credit rating, should also be mentioned in the credit rating announcement, together with the location of an explanation of the methodology. SAR will clarify this fact in the credit rating announcement and point readers to a discussion of how the various credit rating methodologies and other significant factors were taken into account when making the credit rating decision in cases where the credit rating is based on more than one credit rating methodology or where a review of only the principal credit rating methodology might cause investors and other users of credit ratings to overlook important aspects of the credit rating.
- o. When issuing or updating a credit rating, SAR shall explain the important assumptions and data in its announcement and/or report, including financial statement revisions that materially differ from those in the public financial statements of the applicable rated firm or obligor.
- p. If SAR discontinue monitoring a credit rating for a rated entity or obligation, it should either withdraw the credit rating or notify its subscribers or the general public as soon as is reasonably possible. The date the credit rating was last updated or reviewed, the explanation for why the credit rating is no longer monitored, and the fact that the credit rating is no longer being updated should all be included in the publishing of a credit rating by the CRA that is no longer being tracked.

- q. SAR will provide sufficient information about the historical transition and default rates of its credit rating categories with respect to the classes of entities and obligations it rates in order to promote transparency and allow investors and other users of credit ratings to compare the performance of various CRAs. When possible, this information should be standardised to make it easier for investors and other credit rating users to compare various CRAs. It should also include historical information that can be verified, quantified, and organised over time. Such past transition or default rates should be disclosed by the credit reporting agency (CRA) if the nature of the rated entity or obligation or other circumstances render them inappropriate, statistically incorrect, or otherwise likely to mislead investors or other users of credit ratings.

3.2 The Treatment of Confidential Information

- a. SAR will establish, maintain, document, and enforce policies, procedures, and controls to protect confidential and/or material non-public information, including confidential information received from a rated entity, obligor, or originator, or the underwriter or arranger of a rated obligation, as well as non-public information about a credit rating action (e.g., information about a credit rating action before the credit rating is publicly disclosed or disseminated to subscribers).
 - i. Unless disclosure is mandated by applicable law or regulation, the policies, procedures, and controls should prohibit SAR and its employees from using or disclosing confidential and/or material non-public information for any purpose unrelated to SAR's credit rating activities, including disclosing such information to other employees when doing so is not necessary.
 - ii. The policies, procedures, and controls should mandate that the CRA and its employees take reasonable precautions to guard against fraud, theft, misuse, and unintentional disclosure of sensitive and/or material non-public information.
 - iii. Policies, procedures, and controls should prevent the SAR and its employees from using or disclosing confidential information obtained from a rated entity, obligor, originator, underwriter, or arranger, unless disclosure is required by applicable law or regulation.
 - iv. With regard to a pending credit rating action, the policies, procedures, and controls should forbid the CRA and its staff from selectively disclosing information about the action, unless to the rated entity, obligor, arranger, or their designated agents, or as required by applicable law or regulation.
- b. SAR will establish, keep up-to-date, record, and enforce policies, procedures, and controls intended to prevent violations of applicable laws and rules governing the handling and use of confidential and/or important non-public information.

- c. SAR will establish, maintain, document, and enforce policies, procedures, and controls that forbid employees who have access to sensitive or confidential information about a trading instrument from using that information for their own benefit, advising others to trade in the instrument, or otherwise gaining an advantage from doing so.

4 Governance, Risk Management and Employee Training

- a. The SAR's board has the last authority in whether or whether the CRA creates, upholds, records, and upholds a code of conduct that fully implements the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies.
- b. SAR will set up a risk management function comprised of one or more senior managers or employees with the necessary level of experience. This function will be in charge of identifying, evaluating, monitoring, and reporting the risks associated with its operations, including but not limited to legal risk, reputational risk, operational risk, and strategic risk. In order to help the board (or similar body) and senior management determine the suitability of the policies, procedures, and controls SAR establishes, maintains, documents, and enacts to manage risk, including the policies, procedures, and controls outlined in the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies, the function will be independent from the internal audit function (if practical given the size of the CRA).
- c. SAR will establish, uphold, record, and enforce policies, practises, and controls mandating that staff members complete formal continuous training at ostensibly regular intervals. The training's subject matter should be pertinent to the employee's duties and should, where appropriate, cover the SAR's code of conduct, credit rating methodologies, the laws that govern its credit rating activities, the policies, procedures, and controls for handling conflicts of interest and governing the holding and trading of trading instruments, as well as the CRA's policies and procedures for handling confidential and/or material non-public information. The rules, procedures, and controls will include measures to ensure that staff members complete the necessary training.

5 Disclosure and Communication with Market Participants

- a. SAR will provide investors and other credit rating users with disclosures that are comprehensive, fair, accurate, timely, and easy to comprehend, including those described in the IOSCO CRA Code.
- b. The IOSCO Statement of Principles Regarding the Activities of Credit Rating Agencies & the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies (collectively, the "IOSCO provisions"). SAR will disclose with its code of conduct a description of how the provisions of its code fully implement the IOSCO provisions. SAR shall identify the pertinent IOSCO provision, explain the basis for the deviation, and explain how the divergence still meets the goals set

forth in the IOSCO requirements if the CRA's code of conduct departs from that provision. SAR will explain how it applies and upholds its code of conduct. Any modifications to SAR's code of conduct or alterations to the way it is applied or enforced shall be disclosed as soon as is practically possible.

- c. SAR will establish and maintain a department inside its business that is tasked with receiving, storing, and managing public and market participant complaints. For the purpose of accepting, maintaining, and processing complaints, including those that are supplied on a confidential basis, the function should establish, maintain, document, and enforce rules, procedures, and controls. the conditions under which a complaint must be referred to senior management and/or the board should be outlined in the policies, procedures, and controls (or similar body).
- d. SAR will freely provide the following information on its official website:
 - i. the CRA's code of conduct.
 - ii. an explanation of the CRA's credit rating procedures.
 - iii. statistics pertaining to the CRA's past performance
 - iv. any further disclosures included in the IOSCO CRA Code's rules that would be pertinent in light of the CRA's business strategy.

6 Approval Code of Conduct

This Code of Conduct was approved by the SAR Board on and will be reviewed every year.

Portia Divhani Ravuhali

Board Meeting, 2 August 2022

Approved by the board

Date

Chairperson of the Governing Body