CARE SA's Policy on Withdrawal of Ratings

[Issued in April 2026]

Background

The ratings assigned by CARE Ratings South Africa (Pty) Limited are not a one-time exercise and are kept under surveillance till the time the obligations under such facilities/instruments are fully extinguished or the ratings are withdrawn, in the situations explained in detail in this document.

1. **CARE SA withdraws a credit rating under the following situations:**

- **Full redemption:** On full redemption of the rated instrument/facility, i.e., on confirmation by the rated entity that the full maturity value of the instrument/facility has been paid off and there is no amount outstanding on the rated instrument/facility.
- **Proposed debt rated but not placed:** On receipt of confirmation from the rated entity to CARE SA that the rating awarded has not been used for mobilising funds, and as such, no amount is outstanding against the rated instrument/facility.
- **Merger/Amalgamation/Liquidation:** On merger/amalgamation/liquidation of the rated entity, wherein it may no longer be useful or necessary for CARE SA to maintain a rating on the rated entity's obligations.
- **Withdrawal in case of provisional ratings:**
  If funds are not raised within one year from the assignment of the provisional rating and there are no fundraising plans in the next six months, then CARE SA withdraws the rating on receipt of confirmation from the rated entity that the provisional rating awarded has not been used for mobilising funds, and as such, no amount is outstanding against the rated instrument / facility.

  If funds have been raised and there are material changes in the terms of the transaction after the assignment of the initial provisional rating, then the initial provisional rating is withdrawn and simultaneously a fresh rating is assigned to the transaction considering the revised terms of the transaction. Further, both the withdrawal and the fresh rating are communicated by a single press release.
- **Withdrawal in case of ratings based on credit enhancement:**
  For ratings based on credit enhancement, if during the tenure of the instrument, the credit enhancement ceases to exist or there is a change in terms (in concurrence with the lender), CARE SA would review the ratings for withdrawal of the same and simultaneously assign a new rating based on the changed terms. However, the practice of withdrawal and simultaneous reassignment of the rating would not be followed if the credit enhancement fails to work as anticipated. In such cases, CARE SA would take an appropriate rating action.

For example, if CARE SA has relied on a corporate guarantee and assigned a 'SO rating' to an issue and the corporate guarantee ceases to exist, the rating would be reviewed for withdrawal and a new standalone rating would be assigned simultaneously. On the other hand, if CARE SA has relied on a corporate guarantee and assigned a 'SO rating' to an issue and there is a missed payment without the guarantee being invoked, the rating would be revised downwards in accordance with CARE SA' 'Policy on Default Recognition' available on www.careedgesouthafrica.com

Apart from the above, CARE SA would withdraw the ratings of specific instruments/facilities as mentioned below:

- **Instruments/ Facilities:** The ratings of all types of bank loans/facilities can be withdrawn at the request of the issuer. The ratings would be placed on 'Notice of Withdrawal' for 30 days before being withdrawn at the end of such notice period for withdrawal.
- **Fund Rating:** The ratings of Funds being perpetual in nature and having no specified maturity can be withdrawn upon the receipt of the request for withdrawal from the asset management company (AMC). The ratings would be placed on 'Notice of Withdrawal' for 30 days before being withdrawn at the end of such notice period for withdrawal.
- **Issuer Ratings:** Issuer ratings can be withdrawn upon receipt of the request for withdrawal from the rated entity. The ratings would be placed on 'Notice of Withdrawal' for 30 days before being withdrawn at the end of such notice period for withdrawal.

Withdrawal of Ratings Due to Non-Cooperation

When CARE SA determines that:

1. Information available is insufficient in terms of quality, quantity, or reliability to support an informed and credible credit opinion; and
2. Such information is unlikely to be made available within a reasonable timeframe despite repeated follow-ups and reasonable efforts by CARE SA,
3. Persistent non-payment of rating fees or other contractual dues to CARE SA, after reasonable follow-up, reminders, and notice, resulting in CARE SA being unable to continue the rating engagement and surveillance process.

CARE SA may, after following its internal analytical and governance processes, withdraw the outstanding rating(s).

In such circumstances, CARE SA may place the rating under appropriate internal review, convene a rating committee where deemed necessary, and communicate the reasons for the withdrawal through a public rating action, clearly stating that the action has been taken due to non-cooperation by the rated entity and inadequacy of information.

Principles Governing Withdrawal

- The decision to withdraw a rating due to non-cooperation does not imply a view on the willingness or ability of the issuer to meet its financial obligations, but reflects CARE SA's inability to maintain a credible rating opinion in the absence of sufficient information.
- CARE SA shall balance the interests of the capital markets, investors, and other stakeholders while ensuring adherence to regulatory requirements, internal policies, and international best practices.
- Once withdrawn, a rating shall not be monitored. Any future rating assignment would require a fresh rating process, subject to receipt of adequate information and execution of applicable agreements.

Communication and Disclosure

CARE SA shall clearly disclose:

- The date of withdrawal;
- The last rating action taken prior to withdrawal, where applicable; and

- The explicit reason for withdrawal, including reference to non-cooperation or insufficiency of information.

CARE SA shall maintain appropriate records of all communications, follow-ups, and actions undertaken in relation to the withdrawal of the rating.

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About Us:

CARE Ratings South Africa (Pty) Limited (CareEdge South Africa) is incorporated in 2023 to provide credit ratings and related services in South Africa. CARE SA is a wholly owned subsidiary of CARE Ratings Africa (Private) Limited (CareEdge Africa), which is a part of CareEdge Group based in India. In October 2024, CareEdge South Africa has received its license from the Financial Sector Conduct Authority (FSCA) of South Africa. CARE SA provides Ratings of various instruments such as Bonds, Money Market Instruments, Bank Deposits, Structured Finance and Bank Facilities. CareEdge South Africa also does Issuer Rating (Banks, Corporates, NBDTIs & Insurance companies). Please visit CareEdge South Africa website - https://www.careedgesouthafrica.com.

About CareEdge Group

CARE Ratings Ltd. (CareEdge Ratings)

CareEdge Ratings, based out of India and the parent company of the CareEdge group, was incorporated in 1993 and is the one of the largest Credit Rating Agency (CRA) of India and features amongst the top ten credit rating agencies globally. Since inception, CareEdge Ratings has rated USD 2.5 trillion worth of debt and has undertaken over 95,000 rating assignments which includes ratings of large, mid and small corporates as also sub sovereign and state utility companies. Please visit CareEdge website - https://www.careratings.com.

CARE Ratings (Africa) Private Limited

In the quest of supporting the development of capital market in African Union, CareEdge Group has set up the first rating agency of Mauritius - CARE Ratings (Africa) Private Limited (CareEdge Africa) in 2014, which is licensed by Financial Services Commission of Mauritius and Capital Markets Authority of Kenya. CareEdge Africa is also recognised by the Bank of Mauritius as External Credit Assessment Institution (ECAI). CareEdge Africa's shareholders are CARE Ratings, India (CARE Ratings), African Development Bank (AfDB), MCB Equity Fund (MEF) and SBM (NFC) Holdings Limited (SNHL). Please visit CARE Ratings Africa website - https://www.careratingsafrica.com.

Disclaimer for Rating Methodology

The rating methodology provided by CARE Ratings South Africa (Pty) Limited ("CARE SA") is intended to offer a comprehensive framework for assessing creditworthiness. The rating methodology is based on various quantitative and qualitative factors, and while it aims to provide a consistent and objective approach, it is not infallible. CARE SA publishes its rating methodologies in its website at https://www.careedgesouthafrica.com/criteria_methodologies. Along with this, CARE SA publishes its various criteria and policies on code of conduct, conflict of interest, rating process, in our website and update the same from time to time.

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