TO: DIRK KUNZ - CHIEF FINANCIAL OFFICER

FROM: INVESTMENT DEPARTMENT - FINANCE

APPROVAL OF A SINGLE SOURCE PROCUREMENT PROCESS FOR MOODY'S TO CONDUCT CREDIT RATING SERVICES FOR A PERIOD OF ONE (1) YEAR.

1. PURPOSE OF SUBMISSION/ RESOLUTION REQUIRED

The Chief Financial Officer (CFO) is hereby requested to grant approval to deviate from a competitive procurement and to initiate a single source procurement process in respect of Moody's for credit rating services.

2. DELEGATION OF AUTHORITY

In terms of the SASRIA Delegation of Authority Policy (DoA), the CFO has a delegation of authority to grant approval for single source procurement, for engaging with a service provider on that basis. However, the final award decision rests with the delegated authority, determined by the quotation threshold. Accordingly, award decisions exceeding R1 million falls within the mandate of the Bid Adjudication Committee (BAC), while those below this threshold are approved by the Head of Procurement.

3. BUSINESS REQUIREMENT/NEEDS BACKGROUND

3.1. Requirement Definition

The business requirement is for the appointment of Moody's for the provision of instrument-level credit ratings data across Sasria's investment portfolio. The service will support financial reporting, valuation processes, and risk monitoring by providing accurate, timely, and comprehensive credit ratings across multiple asset classes.

Moody's will be engaged in its capacity as a globally recognised credit rating agency, previously contracted by Sasria for these services, with demonstrated expertise in delivering credit ratings on both domestic and international scales to Sasria.

3.2. Process/Approach

The sourcing approach to be adopted is to directly appoint Moody's through a single-source procurement process. This approach is considered appropriate given the provider's prior engagement with Sasria, existing system integration, and ability to immediately deliver the required services within tight reporting timelines, thereby ensuring continuity of critical credit ratings data.

4. BACKGROUND

Sasria has a critical dependency on instrument-level credit ratings data to support its financial reporting, valuation, actuarial and risk management processes. The organisation previously maintained a contractual relationship with Moody's for the provision of such services, which ended in December 2025. A new provider, CareEdge, has since been appointed through a competitive procurement process; however, onboarding and Service Level Agreement (SLA) finalisation process is still ongoing.

This has created an immediate service gap, particularly given upcoming financial reporting deadlines and audit requirements, which rely on the availability of accurate and up-to-date credit ratings data by the end of June 2026 to meet project and compliance deadlines.

In this context, Moody's is well positioned to provide continuity of service due to its existing knowledge of Sasria's portfolio, established data delivery frameworks, and proven ability to meet reporting requirements within the required timelines.

5. MOTIVATION FOR SINGLE SOURCE PROCUREMENT

Given the highly specialised nature of credit rating services at an instrument level, the value lies in the provider's established methodologies, global credibility, data coverage, and ability to deliver consistent, high-quality ratings across a wide range of asset classes.

The reason for single-source procurement is based on the following:

- The requirement is highly specialised, with a limited number of globally recognised providers capable of delivering the required breadth and depth of credit ratings data.
- Moody's offers unique institutional knowledge of Sasria's investment portfolio, having previously provided the same services, enabling immediate mobilisation and minimal transition risk.
- The provider's existing system compatibility and established data integration ensures seamless continuity of reporting with no additional onboarding delays.
- There is an urgent and time-sensitive business requirement, with financial statements, regulatory reporting, and audit timelines dependent on the availability of reliable credit ratings data.
- Allowing CareEdge's unexpected onboarding and SLA finalisation process to run to completion would not align with Sasria's required timelines, thereby exposing the organisation to risks of reporting delays, adverse audit findings, and potential regulatory non-compliance.
- The 12-month period is on the basis that ratings agencies do not grant shorter service periods. This period will be negotiated if possible or managed in parallel with the current conclusion of the CareEdge finalisation process to ensure no overlap of services or duplication of cost.

Accordingly, approaching Moody's on a single-source basis is argued to be justified as the most appropriate and effective mechanism to ensure business continuity, risk mitigation, and compliance with reporting obligations during this interim period.

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6. RECOMMENDATION

The CFO is hereby requested to grant approval to deviate from the competitive procurement process and to proceed with the approach to Moody's on a single source basis.

Signatures:

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Chief Financial Officer: Dirk Kunz