



SASF ANNUAL GENERAL MEETING

THURSDAY 14 MAY 2020 AT 11H30

IN VIEW OF THE CURRENT COVID-19 LOCKDOWN, THE CHAIRPERSON PROPOSED THAT AN ALTERNATIVE TO A PHYSICAL AGM WOULD BE TO HOLD A PAPER-BASED MEETING.

THIS WAS AGREED TO BY ALL MEMBERS OF THE SA SECURITISATION FORUM.

THERE WERE NO OBJECTIONS AND ALL MATTERS WERE FORMALLY APPROVED.

RELEVANT DOCUMENTS FORM PART OF THIS BOARD PACK.

MINUTES OF THE ANNUAL GENERAL MEETING OF THE SOUTH AFRICAN
SECURITISATION FORUM HELD ON 16 MAY 2019 AT 11H30 AT WERKSMANS ATTORNEYS,
THE CENTRAL, 96 RIVONIA ROAD, SANDTON

1. **WELCOME & APOLOGIES**

The Chairperson, Evelyn Deiner, welcomed all those present to the 12th Annual General Meeting. A total of 44 persons, including members and their guests, were in attendance.

Apologies were received from:

Alexandra Schnuir	Sanlam Investments
Alfons Ideler	Investec Bank
Amanda Farnworth	Investec Bank
Amit Mohanlal	FirstRand Bank
Amrisha Krishna	Deloitte
Andrew Fok	Nedbank
Aneria Bouwer	Bowmans
Carl Zeiler	Investec Bank
Carla Bathauer	BMW
Chrisna Dippenaar	Deloitte
Corneleo Keevy	Ashburton
David Rajak	Bayport
David Toerien	Barclays
Glen Christopolo	Amalia Capital
Janneman Labuschagne	Ernst & Young
Jesse Carberry	Maitland
John Martin	KPMG
Juan du Plessis	Deloitte
Konrad Reuss	Standard & Poors
Kristen Reddy	Standard Bank
Kurt van Staden	Quadrige
Lerato Morwe	Barclays
Lesley Bosman	KPMG
Lindi Marais	Webber Wentzel
Lischa Gerstle	Bowmans
Lizelle Foord	TMF
Lize-Marie Reynolds	BMW Finance
Louette Nel	Maitland Group
Madison Liebmann	ENS
Marcus Veller	ABSA/Barclays
Marita Koti	Standard Bank
Neerie Naidoo	Maitland Group
Nicola Corry	RMB
Pierre de Vos	Deloitte
Pierre Swart	Cliffe Dekker
Rob Kelso	SA Homeloans
Rone La Grange	Bowmans
Ruchir Severaj	OMSFIN

Simon Howie
Vuyelwa Sangoni
Werner Maree

Investec Asset
Deloitte
Mettle

2. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

The minutes of the previous Annual General Meeting of 17th May 2018, circulated beforehand, were tabled. In the absence of comments from the floor, the minutes were taken as a true representation of that meeting. Approval of the minutes for the Chairperson's signature was proposed by David Towers, seconded by Gill Raine.

3. PRESENTATION & ADOPTION OF CHAIRPERSON'S ANNUAL REPORT

The Chairperson thanked the members for the privilege of chairing the Forum over the past year, noting that it had been an interesting and challenging year. She presented her report, a copy of which was included in the AGM's board pack, and which would be published on SASF's website at www.sasf.co.za.

In short: Unlike the international market, the South African Securitisation market has remained sluggish. Despite this, the Forum remained active over the past year, with attention drawn mainly to the regulatory environment, in particular that relating to proposed changes to the debt-listing requirement.

The past year was an active one across the globe in the structured finance markets, registering a 10% growth on a year-by-year basis. It is believed that, despite the potential risks of trade wars, Brexit and rising interest rates, the international structured finance markets are unlikely to be negatively affected in the near-term.

Securitisation issuance increased in 2018 by 14% in the European zone, reaching 269 billion Euros. However, in 2019 to date public issuance has fallen sharply, almost certainly due in part to a delay in approval, by the EU public authorities, of key elements in the new securitisation framework.

The securitisation market remained subdued in South Africa, unlike the rest of the world. It did lend itself as a useful lending source, but there remained a disconnect between issuers and funders. It would be good for the market if the needs of both could be matched. The Forum intended to take a more pro-active role in the coming year in helping to shape the market and in educating participants.

The Forum had had extensive participation on the legal and regulatory front, firstly in pointing out the deficiencies in the Securitisation Exemption Notice in a submission to SARB. A new Securitisation framework is expected to be implemented in April 2020.

The Forum continued to engage with the JSE regarding members' concerns on the approval and listings process. The JSE had subsequently published a new set of draft Debt Listing Requirements, for public comment by mid-June 2019.

At the conclusion of her report, she thanked everyone for their suggestions to revive the Forum, and invited participants at the AGM to engage in this task over the next year. She also thanked the Deputy Chair, Chairs of the sub-committees and the members of Exco for their service to the Forum over the past year, as well as the Treasurer, the Webmaster and the Secretary.

No questions were raised. David Towers proposed the Chairperson's report be adopted for inclusion in the minutes. This was seconded by Brendan Harmse and the proposal was approved.

4. **PRESENTATION & ADOPTION OF THE FINANCIAL REPORT FOR THE 12 MONTHS ENDED 28 FEBRUARY 2019.**

The Financial Report, as included in the pack for the AGM had been approved at the EXCO meeting held prior to the AGM.

The Treasurer, Khadija Khan, presented the report.

There had been one update from the report published in the Boardpack which related to a lack of general provisions in the Budget. This would be amended to include a buffer for future projects.

The adoption of the proposed 2019/20 budget was proposed by Khadija Khan and seconded by Brendan Harmse.

The EXCO had recommended that annual membership fees of R15 000 p.a. remain unchanged to cater for ongoing expenses and legal opinions, as well as to cover education and marketing initiatives planned for the forthcoming year. This was tabled for approval, as proposed by Khadija Khan and seconded by Brendan Harmse.

The adoption of the Financial Statements was tabled for approval. This was proposed by Khadija Khan and seconded by Brendan Harmse.

All proposals were approved by the AGM.

The Annual Financial Statements were signed by the Chairperson and the Deputy. These would be forwarded to the auditors.

5. **PRESENTATION OF REPORTS FROM SUB-COMMITTEES**

The various reports included in the AGM board pack were tabled. These, together with the Financial Statements, would be published on the SASF website.

Legal and Regulatory Report. The Sub-Committee Chairman Hendrik Ackerman tabled the report.

He thanked the members of the sub-committee for their regular attendance over the past year, which had proved to be a busy one on the legal and regulatory front.

The Forum participated in the BASA initiative regarding deficiencies in the 2016 Securitisation Exemption Notice. This will result in draft legislation for comment in late 2019.

The JSE's debt listing requirements had not been well received by most of the market. There had subsequently been much constructive engagement between the JSE and players, resulting in a new draft of Listing Requirements. These required comment from interested parties by mid-June.

More details of activities were listed in the Boardpack report.

There were no questions.

Communication and Education Report. David Towers tabled the report, which was included in the board pack. The sub-committee had been enlarged from three to ten members, and its mandate expanded with a view to improving the Forum's influence in the market.

It had been decided not to repeat the successful UCT securitisation course again in 2018, since interest had dropped considerably during that year.

The committee had decided to offer more regular training, particularly, but not exclusively, to investors, with the help of other entities who have suitable training vehicles in place. The ultimate aim was to expand the base of parties interested in securitisation and other ABS structures in order

to grow the market. The reconstituted sub-committee was in its infancy, and would provide the Forum with regular updates on their approach and progress.

There were no questions.

Membership Report. Nick Gunning presented the report, details of which were in the board pack. Membership currently stood at 29.

The Chairperson thanked the sub-committees for their work during the year. No issues were raised and adoption of the various sub-committee reports was unanimously accepted by the AGM.

6. ELECTION OF THE EXECUTIVE COMMITTEE FOR 2019/2020.

There were a few changes in the composition of EXCO over the past 12 months.

This year, in line with the Constitution, saw the introduction of a new Chairperson and Deputy Chairperson. Bertus Korb, the Deputy Chairperson subsequently relocated and his position was filled by Olivia Ferreira. We also saw a change in the Treasurer, with Lizelle Fivaz leaving her place of employment. She was replaced by Khadija Khan.

All members of Exco had agreed to serve during the coming year.

EXCO therefore comprised of:

Evelyn Deiner (Chairperson)	(ED)	Quadridge Trust Services
Olivia Ferreira (Deputy Chairperson)	(OF)	TMF Corporate Services(SA)(Pty)Ltd
Khadija Khan (Treasurer)	(KK)	PWC
Beverley Warnasuriya	(BW)	Stanlib
Brendan Harmse	(BH)	Maitland Group
David Towers	(DT)	Quadridge Trust Services
Dheseagan Govender	(DG)	Sasfin
Direen Eraman	(DE)	RMB
Hendrik Ackermann	(HA)	Nedbank Capital
John Martin	(JM)	KPMG
Lindi Marais	(LM)	Webber Wentzel
Louis Dirker	(LD)	Investec Bank
Marcus Veller	(MV)	ABSA
Nelis Zeelie	(NZ)	BMW Financial Services
Nicholas Gunning	(NG)	Standard Bank
Richard Roothman	(RR)	Werksmans
Rob Kelso	(RK)	SA HomeLoans
Simon Howie	(SH)	Investec AM

The following attend Exco on a regular basis as invited guests-

Casper van Heerden	(CvH)	Bowmans
David Toerien	(DJT)	ABSA/Barclays
Gill Raine	(GR)	ASISA
Zahir Mahomed	(ZM)	Quince Capital
Rishendrie Thanthony	(RT)	TMF Corporate Services(SA)(Pty)Ltd

The Exco recommendation that the members remain as presently constituted was proposed by Nelis Zeelie and seconded by Louis Dirker, and approved.

7. GENERAL

Amendment of Constitution. David Towers advised that, as a result of the strategy sessions held during the past year, it was Exco's intention to expand the Forum's constitution to better describe its objectives and mandate. Changes would be debated at the next Exco meeting.

There were no objections made to this proposed course of action.

There were no further questions or comments. The Chairperson thanked Richard Roothman and Werksmans for the use of the venue, as well as all attendees at the AGM for their participation.

The meeting was declared closed and followed by a finger lunch.

CHAIRPERSON

DATE

CHAIRMAN'S ANNUAL REPORT FOR 2020

There will not be a Chairman's Report for this year.

Presentation by David Fowkes - SARB

A Microsoft Teams Meeting would be arranged for Tuesday 26 May 2020 13:00-15:00.

With a view to gaining an insight into what was happening in the economy, David Fowkes, a leading economist at the SARB, would give a two-hour presentation on Monetary Policy and Domestic Economic Review to members of the Forum. The discussion will be Chaired / Moderated by Lushendren Pather, SARB Divisional Head: Bank Supervision. Questions will follow the session.

PRESENTATION OF FINANCIAL REPORT FOR 2019/2020 AND BUDGET FOR 2021

SASF AGM - 14 May 2020

TREASURER'S REPORT- AGM

Financial statements for year ended 29 February 2020

- The Annual Financial Statements have been drafted by Nolands.

Financials and cash position for the 2019/2020 year

- Refer to cash flow statement for budgeted versus actual results for the 12-month period from 1 March 2019 to 29 February 2020.
- Cash position remains positive as at 29 February 2020.

Membership fees

- The membership fee for the year ended February 2020 was set at R15, 000 and has remained at the same level since 2014/15.
- Actual members (33) which is more than initially budgeted (30). Refer to the membership report. The following is noted:
 - As at 29 February, R 432,500 has been received from members.
 - Total Fees Invoiced in respect of 2019/2020 membership fees was R477 500 (pro rata rates for Hypoport and Mosaic) for 33 members.
- Fees of R462 500 were due in respect of 32 members. The fee of R15 000 due from Hogan Lovells, was written off.
- As at 29 February 2020 29 members had paid R417 500.
- Outstanding fees are R45 000 (Deloitte, ABSA and Ernst & Young). Ernst & Young paid on 2 March 2020. ABSA are in the process of finalising. Deloitte has since settled.

Budget for 2020/2021 year

- Refer to table 2 *Cash flow statement – actual for FY 2020 compared to budget for FY 2021* for assumptions used in setting the FY 2021 budget.
FY 2021 budget to be approved at the AGM.

1. Cash Flow Statement – Actual from 1 March 2017 to 28 February 2018 compared to Budget from 1 March 2017 to 28 February 2018

SOUTH AFRICAN SECURITISATION FORUM				
BUDGET VS ACTUAL RESULTS - 1 MARCH 2019 - 29 February 2020				
Income Statement:	Actual	Budget	Budget remaining	Comments on variance between actual YTD and budgeted YTD
	12 Months 29-Feb-20	FULL YEAR 29-Feb-20	till 28-Feb-20	
Income	505,825	459,381	46,444	
Interest and balance on current account	28,325	31,881	-3,556	Slightly below expectation as a result of fluctuating MM balance.
Membership Fees	477,500	427,500	50,000	Refer to membership report for more detail.
Expenses	511,057	482,922	16,865	
Auditors	10,638	14,506	3,868	In line with expectation
Bank charges	2,271	2,345	74	In line with expectation
Website design, maintenance costs	51,997	58,140	6,143	In line with expectation
Consulting secretarial fees	359,827	359,832	5	In line with expectation, includes bonus
Sundry office costs	9,962	10,570	608	In line with expectation, includes AGM costs
Travel	16,363	17,529	1,166	In line with expectation
Debtors	45,000			
General provision - contingency	15,000	20,000	5,000	Write off Hogan Lovells
Profit/(loss) before tax	-5,232	-23,541		
Tax	-	-		
Profit/(Loss) after tax	-5,232	-23,541		
Cash at Beginning of the year	458,106	458,106		
Add: Net income over expenses	-5,232	-23,541		
Closing cash balance	452,874	434,565		

2. Cash Flow Statement – Actual from 1 March 2019 to 29 February 2020 compared to Budget from 1 March 2020 to 28 February 2021

SOUTH AFRICAN SECURITISATION FORUM				
BUDGET VS ACTUAL RESULTS - 1 MARCH 2019 - 29 February 2020				
Income Statement:	Budget	Actual	Budget remaining	Comments on variance between actual YTD and budgeted YTD
	12 Months 28-Feb-21	FULL YEAR 29-Feb-20	till 28-Feb-20	
Income	508,325	460,825	47,500	
Interest and balance on current account	28,325	28,325	-	Maintain at FY 2020 actual
Membership Fees	480,000	432,500	47,500	Fee remains the same as prior year, membership numbers have increased (expected 32 members)
Expenses	499,883	466,057	-33,825	
Auditors	11,276	10,638	-638	Inflationary increase of 6% on FY 2020 actual
Bank charges	2,407	2,271	-136	Inflationary increase of 6% on FY 2020 actual
Website design, maintenance costs	55,081	51,997	-3,084	As approved, Website host-Gridhost at 6% inflationary increase.
Consulting secretarial fees	383,214	359,827	-23,387	6.5% as approved, provision included for bonus
Sundry office costs	10,560	9,962	-598	Inflationary increase of 6% on FY 2020 actual
Travel	17,344	16,363	-982	Inflationary increase of 6% on FY 2020 actual
General provision - contingency	20,000	15,000	-5,000	
Profit/(loss) before tax	8,443	-5,232		
Tax	-	-		
Profit/(Loss) after tax	8,443	-5,232		
Cash at Beginning of the year	452,874	458,106		
Add: Net income over expenses	8,443	-5,232		
Closing cash balance	461,316	452,874		



**The South African Securitisation Forum
Annual Financial Statements
for the year ended 29 February 2020**

**The South African Securitisation Forum
Annual Financial Statements for the year ended 29 February 2020**

General Information

Nature of business and principal activities To promote the development of securitisation in South Africa.

Executive committee members	Name	Change in appointment
	E Deiner (Chairman)	
	O Ferriera (Deputy Chairman)	
	K Khan (Treasurer)	
	D Towers	
	B Harmse	
	M Veller	Resigned 13 February 2020
	R Kelso	Resigned 14 November 2019
	N Zeelie	
	S Howie	
	R Roothman	
	J Martin	Resigned 31 August 2019
	D Eraman	
	N Gunning	
	L Marais	
	L Dirker	
	H Ackerman	
	B Warnasuriya	Resigned 31 August 2019
	D Govender	
	R Thanthony	
	D Toerien	
	S Koert	Resigned 14 November 2019
	C Williams	Resigned 14 November 2019
	S Pienaar	Appointed 15 August 2019
	G Wakelin	Appointed 13 February 2020
	AK Ismail	Appointed 14 November 2019
	J Scheepers	Appointed 31 August 2019
	N Cloete	Appointed 14 November 2019

Auditors Nolands Inc
Per: Craig Stansfield CA (SA), RA
Registered Auditors

Secretary P Benbow-Hebbert

**The South African Securitisation Forum
Annual Financial Statements for the year ended 29 February**

2020 Index

The reports and statements set out below comprise the annual financial statements presented to the members:

Index	Pages
Independent Auditor's Report	3 - 4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Cash Flows	7
Accounting Policies	8
Notes to the Annual Financial Statements	9 - 10

The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income Statement	11
---------------------------	----

The annual financial statements set out on pages 5 to 11, which have been prepared on the going concern basis, were approved by the executive committee on 24 April 2020 and were signed on its behalf by:

Chairman

Deputy Chairman

Cape Town
24 April 2020

Independent Auditor's Report

To the members of The South African Securitisation Forum

Opinion

We have audited the annual financial statements of The South African Securitisation Forum set out on pages 5 to 10, which comprise the statement of financial position as at 29 February 2020, the statement of comprehensive income and the statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present, in all material respects, the financial position of The South African Securitisation Forum as at 29 February 2020 and its financial performance and cash flows for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the forum in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditor's Code of Professional conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the annual financial statements, which describes the basis of accounting. The annual financial statements are prepared in accordance with the committee's own accounting policies to satisfy the financial information needs of the executive committee members. As a result, the annual financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the members for the annual financial statements

The executive committee members are responsible for the preparation and presentation of the annual financial statements in accordance with the basis of accounting described in Note 1 and for such internal control as the executive committee members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive committee members are responsible for assessing the committee's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive committee members either intend to liquidate the committee or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

Auditor's responsibilities for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the committee's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee's members.
- Conclude on the appropriateness of the executive committee's members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the committee's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the committee to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Furthermore, we communicate with the executive committee members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nolands Inc
Registered Auditor
Practice Number: 900583e
Per: Craig Stansfield CA (SA), RA
Director

Cape Town
24 April 2020

The South African Securitisation Forum
Annual Financial Statements for the year ended 29 February 2020

Statement of Financial Position

Figures in Rand	Note(s)	2020	2019
Assets			
Current Assets			
Accounts receivable	2	45 000	-
Cash and cash equivalents	3	452 874	458 106
Total Assets		497 874	458 106
Funds and Liabilities			
Funds			
Accumulated funds	4	484 768	448 106
Liabilities			
Current Liabilities			
Accounts payable	5	13 106	10 000
Total Funds and Liabilities		497 874	458 106

The South African Securitisation Forum
Annual Financial Statements for the year ended 29 February 2020

Statement of Comprehensive Income

Figures in Rand	Note(s)	2020	2019
Revenue	6	477 500	427 500
Operating expenses		(469 163)	(516 604)
Operating profit / (loss)		8 337	(89 104)
Investment revenue	7	28 325	31 881
Profit / (loss) for the year		36 662	(57 223)
Taxation	8	-	-
Profit / (loss) for the year		36 662	(57 223)

The South African Securitisation Forum
Annual Financial Statements for the year ended 29 February 2020

Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Cash used in operations	9	(33 557)	(88 284)
Interest income		28 325	31 881
Net cash flow from operating activities		(5 232)	(56 403)
Net cash and cash equivalents movement for the year			
Cash and cash equivalents at the beginning of the year		458 106	514 509
Cash and cash equivalents at the end of the year	3	452 874	458 106

The South African Securitisation Forum
Annual Financial Statements for the year ended 29 February
2020 Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 Significant judgements

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates.

1.2 Financial instruments

Accounts receivables

Accounts receivable are items that the Forum has issued invoices for, but not received payment for, as at the reporting date. They are stated at their estimated realisable value, which means that the amount stated is the figure the Forum realistically expects to receive.

Accounts payable

Accounts payable are items where the goods and services have been received by the Forum, but as at the reporting date have not yet been paid. They are stated at the amount of cash required to settle those liabilities.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently at amortised cost.

1.3 Revenue

Membership fees are recognised on the accrual basis in accordance with the substance of the relevant membership agreements.

The South African Securitisation Forum
Annual Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
2. Accounts receivable		
Membership fees receivable	45 000	-
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	452 874	458 106
4. Accumulated funds		
Opening balance	448 106	505 329
Profit / (loss) for the year	36 662	(57 223)
	484 768	448 106
5. Accounts payable		
Trade payables	13 106	10 000
6. Revenue		
Membership fees	477 500	442 500
7. Investment revenue		
Interest received		
Bank	28 325	31 881
8. Taxation		
<p>The Forum is registered as a Public Benefit Organisation. Its receipts and accruals derived from trading activities fall within the prescribed parameters as contained in Section 10(1)(d)(iv)(bb) of the Income Tax Act of South Africa. Accordingly, no provision for taxation has been made as all receipts and accruals are exempt from taxation.</p>		
9. Cash used in operations		
Profit / (loss) before taxation	36 662	(57 223)
Adjustments for:		
Interest received	(28 325)	(31 881)
Changes in working capital:		
Accounts receivable	(45 000)	-
Accounts payable	3 106	820
	(33 557)	(88 284)

**The South African Securitisation Forum
Annual Financial Statements for the year ended 29 February 2020**

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
------------------------	-------------	-------------

10. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

11. Events after the reporting date

The COVID-19 outbreak, together with the lockdown countermeasures implemented by government, has caused a great deal of uncertainty across the broader macro economy.

The executive committee members do not foresee that COVID-19 will have a major impact on the future financial position.

Save for the above, the executive committee members are not aware of any matter or circumstances of a material nature arising since the end of the financial year.

The South African Securitisation Forum
Annual Financial Statements for the year ended 29 February 2020

Detailed Income Statement

Figures in Rand	Note(s)	2020	2019
Revenue			
Membership fees	5	477 500	427 500
Other income			
Interest received	7	28 325	31 881
Operating expenses			
Auditors' remuneration		13 743	14 505
Bad debts		15 000	15 000
Bank charges		2 271	2 212
Consulting fees paid		359 827	337 870
Legal expenses		-	43 728
Sundry office costs		8 774	9 972
Travel - local		16 363	16 536
Website and computer costs		53 185	76 781
		469 163	516 604
Profit / (loss) before taxation		36 662	(57 223)
Taxation	8	-	-
Profit / (loss) for the year		36 662	(57 223)

APPROVAL OF 2020/2021 MEMBERSHIP FEES

It was agreed that the membership fees of R15 000 remain unchanged.



**SOUTH AFRICAN
SECURITISATION FORUM**

REPORTS FROM THE SUB-COMMITTEES

ANNEXURE D



Annual Report of the Legal & Regulatory Sub-Committee of the South African Securitisation Forum for the 2019/2020 year

Members of the Executive Committee of the South African Securitisation Forum (the “Forum”), Chairpersons of the various sub-committees of the Forum, Colleagues, Ladies and Gentlemen.

1. Introduction

I am presenting this report to you in my capacity as Chairperson of the Legal and Regulatory Sub-Committee (“sub-committee”). I would also like to extend my appreciation to all the members of the sub-committee for their input and time during the past term, which was a busy one on the legal and regulatory front 4 (four) formal sub-committee meetings were held during the term, namely in August and October 2019 and in January and May 2020. All the meetings were well attended.

2. Overview of the sub-committee’s 2019/2020 activities

2.1 **Securitisation Regulatory Framework**

A BASA task group has been working on an initiative for some time to enhance the securitisation regulatory landscape in South Africa and to update the Securitisation Regulations to comply with Basel III. The task group consists of representatives of the Banks, National Treasury, SASF, SARB and ASISA. SASF is contributing to the workings of this task group.

2.1.1 Securitisation Regulations and inclusion of a framework for simple and transparent securitisations

The sub-committee prepared a submission setting out deficiencies in the Securitisation Exemption Notice in 2016.

The sub-committee proposal was presented to the BASA working group and was incorporated into a submission presented to SARB.

SARB is also updating the Regulations Relating to Banks to incorporate the Basel Committee’s new Capital Framework for securitisation. SARB published for comment this new framework in December 2019 and BASA provided comments. A framework for Simple, Transparent and Comparable Securitisations was also published with a focus on preferential capital treatment for bank’s whose transactions comply with the STC framework.

Although SARB indicated that the new framework will be implemented in January 2021, this date has subsequently been extended to April 2021.

We have received no feedback on whether SARB will still revise the Securitisation Exemption Notice soon.

2.2 JSE Debt Listings Requirements

The regulatory agenda for 2019 was dominated by the proposed amendments of the JSE Debt Listing Requirements and a significant effort has gone into providing constructive comments as well as engaging with the JSE.

The Committee submitted comprehensive comments to the JSE in November 2018 and June 2019. The comments dealt primarily with the Forum's concerns relating to:

1. The proposed introduction of an investor representative; and
2. Enhanced mandatory compulsory corporate governance requirements (King IV).

The JSE considered our comments favourably and has dealt with the Forum's concerns relating to the proposed introduction of an investor representative and enhanced compulsory corporate governance requirements (King IV). This relief is now also granted to other asset backed structures.

The JSE has now finalised their consultation process and the Financial Sector Conduct Authority (FSCA) has published via Board Notice 50 of 2020, the draft listing requirements for public comment. At the request of market participants, the date to provide final comments has now been extended to 20 May 2020. BASA and the DIA still has several comments that they feel still needs to be considered whereas its public knowledge that some ASISA members are not in agreement with the current proposal.

2.3 Proposed Directive in relation to the Commercial Paper Regulations

The SARB published a draft directive in 2017 in terms of the Banks Act in terms of which they express their view that the Commercial Paper Regulations was intended only for traditional corporate issuers to raise operating capital. Ostensibly they are of the view that SPV issuers are required to issue commercial paper to the public in terms of the Securitisation Regulations or not at all.

While SARB is ad idem that the Commercial Paper Regulations is outdated and needs to be updated to align with current market practice, no timetable has been set for the publishing of a draft. It is unlikely that we will see a draft this year considering SARB's legislative workload and the focus on Covid-19.

3. Outlook and Conclusion

In conclusion, 2020 will continue to be a busy year on the legal and regulatory front. The amended JSE Debt Listing Requirements are expected to be finalised in the next couple of months and a further draft new securitisation framework will be published for comments shortly with an implementation date of April 2021.

Covid-19 is putting pressure on the economy and it is expected that the Securitisation market will be tested. Current market conditions are not conducive for new transactions considering conditions in the local Debt Capital Markets.

Hendrik Ackermann
Chairperson
May 2020

ANNEXURE E



REPORT OF THE COMMUNICATION AND EDUCATION SUB-COMMITTEE OF THE SOUTH AFRICAN SECURITISATION FORUM FOR THE 2019/2020 YEAR

Members: David Towers, David Toerien, Louis Dirker, Evelyn Deiner, Gill Raine, Nick Gunning,
Richard Roothman, Rishendrie Thanthony, Dhesegan Govender and Brendan Harmse.

EDUCATION

UCT Securitisation Course

The UCT Securitisation Course was last held in 2017 and was very successful, however, despite the intention to hold it again in September 2018, interest in the course in 2018 dropped significantly and ultimately did not warrant offering it in that year.

After much deliberation and having considered various options, the sub-committee decided against holding the course in 2019.

We will keep the Forum updated on when we believe it will be useful to run the course again but, given current circumstances it will not be held this year.

IMN African Capital Markets Conference

The Capital Markets conference was last held in 2016. It remains uncertain when it will be held again.

The Bonds and Loans conference which was to have been held in March had scheduled a topic on Securitisation but the conference was cancelled as a result of the COVID-19 crisis.

Reconstitution of the Sub-Committee

In 2019 the sub-committee was reconstituted to expand its reach and influence in the capital markets and to enable it to be more inclusive of parties in the industry.

The number of members were increased to 10.

The ultimate aim of the sub-committee is to expand the base of parties interested in and knowledgeable of Securitisation and other ABS structures in order to grow the market.

SASF Outreach and Sponsored Event

The sub-committee's aim was to embark on a broad ranging outreach to various parts of the industry. As part of this outreach, a cash flow model training which had been offered by Standard Bank off the back of its existing platform to clients while Moody's would be approached to offer its credit training free to members. A legal overview of Securitisation was also to be offered by Werksmans in conjunction with the cash flow presentations. The intention was to offer these training sessions at various junctures throughout the year and would be aimed primarily, though not exclusively, at Investors.

Certain members undertook to engage with the asset consultants to educate them on Securitisation structures and to encourage them to recommend and support investment into Securitisation structures.

An outreach to the regulators, such as the PA, FSCA and the JSE and any new exchanges, would also be made a priority.

Further, in place of the now defunct IMN conference, it was proposed that a SASF sponsored event be offered which would focus on growing/restarting the Securitisation market. GR suggested we remind the industry of the history and early successes of the product in SA and introduce some current comparisons with the European and Australian markets. The idea was to try to keep the message positive rather than focus on the usual stumbling blocks such as regulatory and compliance. The members suggested that we invite the larger, regular issuers to speak about the success of Securitisation. It was also proposed that alternative transactions be discussed such as DPR deals, especially now that the downgrade of SA's rating to sub-investment has now taken place across the board from all the rating agents. It was originally proposed that the event be held after the Easter break in May in Johannesburg and would target investors, arrangers, corporate treasurers, and potentially entities such as the IDC, DBSA and other similar large institutions. The intention was for the to be free, and SASF would attempt to use a high-profile facilitator. We would expect that a budget of R50,000 should be more than enough to cover the event. The finalization of this decision would be made at the Exco. However, given the current lockdown position this decision will be held back until a later date.

Standard Bank Training Sessions

Over the past year Standard Bank held open training sessions at its offices in Rosebank on various aspects of Securitisation. These were well attended by players in the market, including investors and issuers. They were considering a session in Cape Town but this had not yet been confirmed.

Other Matters

RT and DT had met with the Tribunal in Pretoria in mid- December to educate them on the SPV structures with a view to obtaining exemptions from the requirement to establish Social & Ethics committees for these entities. Although there was some understanding the members

present requested a follow up presentation to educate a broader base of members of the Tribunal who are involved in deciding on exemption requests. RT has subsequently given a further presentation in Cape Town to a varied audience at an event sponsored by the Tribunal. It appears that further engagement will still be required in order to make progress in this regard.

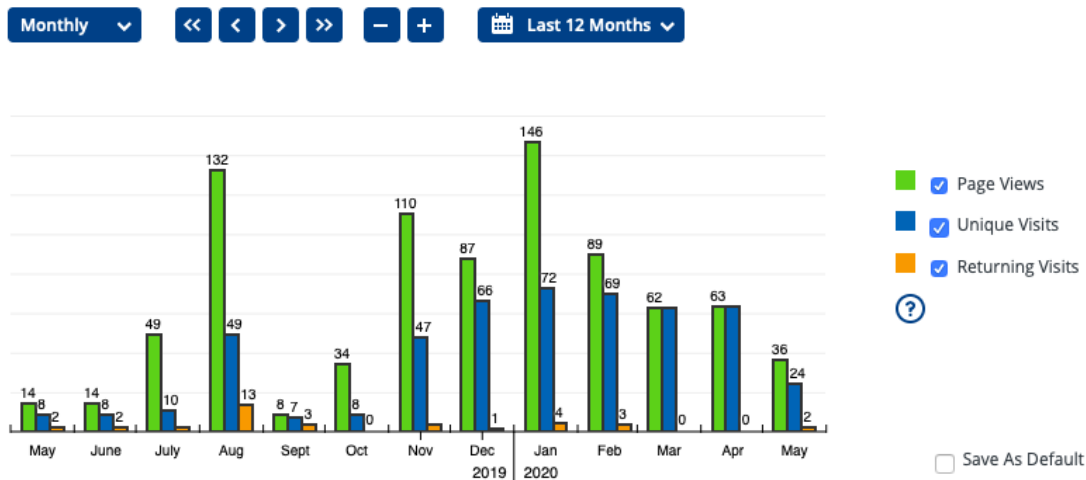
All the above plans have been put on hold following the outbreak of the COVID-19 virus and the subsequent lockdown imposed on the country. At the time of writing it is unclear when the lockdown will be lifted to allow these endeavours to continue.

COMMUNICATION:

The main instrument for communication between the Forum and its stakeholders continues to be our website. The site presently contains all relevant details of the Forum and its members. It also contains news, publications, investor reporting, information on education, our constitution, links to other international securitisation forums, as well as basic information on securitisations and its history in South Africa. Our aim is to provide all available securitisation investor reporting on the SASF website shortly after they are released. The majority of the JSE listed transaction reports are listed on the website.

Copies of all reports tabled at the AGM of the Forum will also be posted on the site immediately after the AGM.

SASF website usage up to 8 May 2020.



Average Monthly Page Views

64.9

Average Monthly Unique Visits

37.9

Average Monthly First Time Visits

35.2

Average Monthly Returning Visits

2.7

[Export](#)

	Page Views	Unique Visits	First Time Visits	Returning Visits
+ May 2020	36	24	22	2
+ Apr 2020	63	63	63	0
+ Mar 2020	62	62	62	0
+ Feb 2020	89	69	66	3
+ Jan 2020	146	72	68	4
+ Dec 2019	87	66	65	1
+ Nov 2019	110	47	44	3
+ Oct 2019	34	8	8	0
+ Sept 2019	8	7	4	3
+ Aug 2019	132	49	36	13
+ July 2019	49	10	8	2
+ June 2019	14	8	6	2
+ May 2019	14	8	6	2
Total	844	493	458	35

Returning Visits - Based purely on a cookie, if this person is returning to your website for another visit an hour or more later

First Time Visits - Based purely on a cookie, if this person has no cookie then this is considered their first time at your website.

Unique Visitor - Based purely on a cookie, this is the total of the returning visits and first time visits - all your visitors.

Page Load - The number of times your page has been visited.

SASF: Investor reports on the website as of 8 May 2020

Please see below a list of all the latest Investor Reports currently displayed on the SASF website, together with the date of the latest issue available.

Residential Mortgage-Backed Securitisations

Amber House Fund 5 – SA Homeloans
February 2020

Amber House Fund 6 – SA Homeloans
February 2020

Fox Street 1 (RF) Ltd – Investec
Closed – last report June 2018 - Archived

Fox Street 2
May 2019

Fox Street 3
November 2019

Greenhouse III – Nedbank
October 2019

Nqaba Finance 1 - Eskom Finance Company (EFC)
November 2019

Thekwini Funds- SA Homeloans
Thek 9: July 2019
Thek 10: Closed – last report July 2017 - archived
Thek 11: Closed – last report July 2018 - archived
Thek 12: August 2019
Thek 13: February 2020
Thek 14: February 2020
Thek 15: February 2020
Thek 16: February 2020

Commercial Mortgage-Backed Securitisation

Precinct Funding 2 (RF) Limited - Nedbank Capital
January 2020

Asset-Backed Securitisations

SA Securitisation Programme (previously Equipment Rentals Securitisation) - Sasfin Bank
Series1
February 2020

Series 2
February 2020

Series 3
February 2020

Asset-Backed Securitisations - Autos

Nitro Securitisation 5 (Pty) Ltd – Wesbank

September 2018 – email sent on 11 April 2019 requesting updated reports – no response as of yet.

Nitro Securitisation 6 (Pty) Ltd – Wesbank

March 2020

Nitro Securitisation 7 (Pty) Ltd – Wesbank

March 2020

SuperDrive Investments (Pty) Ltd - BMW FS securitisation - Standard Bank

February 2020

Torque Securitisation (RF) Limited – RMB

August 2019

Transsec (RF) Limited

February 2019 - There would be no more Transsec reports

Transsec 2 (RF) Limited

May 2019 - There would be no more Transsec reports

Transsec 3 (RF) Limited

January 2019 - There would be no more Transsec reports

ABCP Conduits

Inkotha Investments (Pty) Ltd - Firstrand Bank

April 2020

Ivusi Investments (Pty) Ltd - Firstrand Bank

February 2020

Thekwini Warehousing Conduit - SA Homeloans

March 2020

Synthetic Securitisations

Micro-Lending Receivables

ANNEXURE F

Annual Report of the Membership Sub-Committee for the 2019/2020 year



The Executive Committee agreed to maintain the annual membership fees at R15,000 per member and the SASF membership currently stands at 32 members.

As at 29 February 2020 fees invoiced for 2019/2020 totalled R477 500. This was in respect of 33 members and included pro rata amounts for Hypoport and Mosaic.

Five new members were recruited during the year namely; Hypoport Africa Limited, Mosaic Financials Solutions (Pty) Ltd, Centrafin (Pty) Limited, Ernst & Young Inc and TUHF Limited.

The membership fees for Hogan Lovells have been written off as the company had significantly restructured and previous contacts were no longer employed there.

The membership fees of R45 000 outstanding as at 29 February 2020 have since been received.

SA Securitisation Forum Members
ABSA Capital
Allen & Overy LLP
Ashburton Investments
Bayport Securitisation (RF) Limited
BMW Financial Services (SA)(Pty)Ltd
Bowman Gilfillan
Centrafin (Pty) Limited
Cliffe Dekker Hofmeyr Inc
Deloitte & Touche
ENS
Ernst & Young
Hypoport Africa Limited
Investec Asset Management SA
Investec Bank Limited
KPMG Inc
Maitland Group South Africa Limited
Mosaic Financial Solutions (Pty)Ltd
Nedbank Capital
PricewaterhouseCoopers
Quadridge Trust Services (Pty) Ltd
Quince Capital
Rand Merchant Bank
SA Home Loans (Pty) Limited
SA Taxi Development Finance (Pty)Limited
Sanlam Investments
Sasfin Bank Limited
Standard Bank of South Africa Limited
STANLIB
TMF Corporate Services (South Africa) (Pty)Ltd
TUHF Limited
Webber Wentzel
Werksmans Inc

Nick Gunning
May 2020



ELECTION OF OFFICE BEARERS FOR 2020/2021

All EXCO members had confirmed their willingness to continue serving in their current roles for the next financial year.



THE SOUTH AFRICAN SECURITISATION FORUM CONSTITUTION

1. Objects

1.1 **Objects.** The objects of the South African Securitisation Forum (“SASF”) are: To promote the development of securitisation in South Africa through education of government, regulatory and other authorities, the public, investors, originators and others with an interest or potential interest, both in South Africa and overseas, in the benefits of securitisation to South Africa and aspects of the South African securitisation industry.

1.2 **Co-ordinate with other forums.** It is expected that the SASF would co-ordinate, where appropriate, with the European Securitisation Forum, the Australian Securitisation Forum and other industry advocacy groups in order to act as a constructive force in the world securitisation markets.

2. Nature of the Association and its Profits

2.1 **Universitas personarum.** The SASF is a universitas personarum, constituted under the South African common law, and as such:

- (i) the SASF is a non-profit association that does not have the object of carrying on any business whereby profit or gain is generated for the SASF;
- (ii) (ii) the SASF has perpetual succession, that is, it continues as an entity notwithstanding changes of membership;
- (iii) the SASF holds its assets distinct from its members and no member has any right, title, claim or interest to the assets of the SASF by reason of membership; and
- (iv) the SASF is responsible for payments of its own debts.

2.2 **Use of funds.** The SASF is required to utilise its funds and assets solely for the objects for which it has been established.

3. Powers

3.1 **Give effect to the objects.** The SASF shall have the necessary powers to give effect to its objects. This includes the power to:

- (i) enter into any arrangement with any governments or authorities, supreme, municipal or otherwise;
- (ii) invest and deal with the money of the SASF that is not immediately required in such a manner as the SASF may deem fit;
- (iii) remunerate any person or company or services rendered or to be rendered in respect of organising or managing the SASF's affairs;
- (iv) open bank accounts, and to draw, make, accept, endorse, discount, execute and issue negotiable or transferable instruments or any kind;
- (v) borrow money;
- (vi) apply for and to obtain any law, order, regulation or other authorisation or provision that is to the benefit of the SASF;
- (vii) make such rules as are conducive to the SASF attaining its goals; and
- (viii) generally do or have all such things done as may appear in the SASF to be incidental or conducive to the attainment of the objects of the SASF.

4. Method of Operation

4.1 **Meet with regulators, etc.** It is anticipated that members of the SASF and appropriate committees will meet with regulators and other relevant parties on a regular basis to develop a constructive dialogue that serves to educate regulators and improve industry

appreciation for, and influence on, the development of legal, accounting, regulatory, capital and other related issues.

- 4.2 **Inform members.** The SASF will regularly keep members informed of important ongoing issues and developments.
- 4.3 **Education programs.** The SASF will sponsor high level education programmes that will attempt to be more focused on serving the securitisation community than those currently available from commercial programmes.
- 4.4 **Industry communication.** The SASF will promote discussion and consensus between all member groups of the SASF.
- 4.5 **Standards.** The SASF will develop industry standards and endeavour to standardise matters within the industry. The SASF will also sponsor research into new developments.

5. **Executive Committee**

- 5.1 **Final authority.** The governing body of the SASF will be an Executive Committee. Final authority for the SASF, including the winding up of this constitution, will however, unless otherwise specified, reside with a majority of the members of the SASF.
- 5.2 **Conduct business; delegation.** The Executive Committee shall conduct its own business when in session and may delegate its authority to Committees and Task Forces. If the Chairperson decides it is impractical to meet in person, meetings may be conducted telephonically or by the circulation of written materials.
- 5.3 **Number of members.** The Executive Committee will consist of up to 21 members plus any officers given the power to vote on the Executive Committee who have not otherwise been appointed to the Executive Committee.
- 5.4 **Open to all SASF members.** The membership of the Executive Committee will be open to all members of the SASF.
- 5.5 **Election of Chairperson and Deputy Chairperson.** Each of the Chairperson and the Deputy Chairperson of the Executive Committee will be elected by majority vote of the Executive Committee.
- 5.6 **Term.** Each Executive Committee member's term will be 2 years, except for the initial Executive Committee members, whose term will be a period of 2 or 3 years in order that

approximately one half of the Executive Committee membership will rotate each year (other than after the first year) except that:

- (i) the terms of the Executive Committee members elected as Officers (being Chairperson, Deputy Chairperson, Secretary, Treasurer, or other Executive Officer) must automatically be extended to coincide with their terms in such office;
- (ii) the terms of the Executive Committee members may be extended by the Executive Committee as the Executive Committee shall deem appropriate; and
- (iii) the terms of office of Executive Committee members shall end on the last day of February of the year in which those terms are scheduled to expire, which date is intended to follow closely in time the date of the SASF's annual meeting, at which elections of Executive Committee members and officers shall take place.

5.7 **Initial members.** The initial members of the Executive Committee (and any other Committee) will be appointed by the founding members of the SASF then present at the meeting first establishing the SASF.

5.8 **Categories.** Executive Committee membership will be divided between member categories as set out in the table below. It is intended that membership of the Executive Committee be representative of the diversity of participants in the securitisation industry, to the extent practicable, taking into consideration the SASF's overall goals set out in Clause1.

Member category	Maximum number of Executive Committee members
Issuer/Originator	3
Investor	4
Commercial Banks	6
Trustees	3
Law firms	2
Accounting firms	2
Other	1

5.9 **Members.** A person is qualified to be appointed to the Executive Committee if at the time of their appointment that person is employed by or is an officer or director of a member of the SASF or otherwise has an association, approved by the Executive Committee, with a member of the SASF. Each member of the Executive Committee may appoint an alternate and the representative and the alternate may both attend and participate at meetings of the Executive Committee. However, each member of the Executive Committee has only 1

vote, notwithstanding that the member and his/her alternate may both be present at a meeting.

- 5.10 **Cessation of employment.** A member of the Executive Committee shall not be required to resign his/her appointment on the termination of that member's employment or directorship with a member of the SASF, subject to the power of the Executive Committee to
- (i) remove such member in terms of Clause 5.12 and
 - (ii) fill a casual vacancy in terms of Clause 5.13.

5.11 **Regular meetings.** The Executive Committee will meet not less than 4 times per year with such other interim meetings (including via teleconference) as deemed necessary by the Chairperson. The Chairperson or his or her designee, in consultation with the Executive Committee, will set dates for such meetings.

5.12 **Removal.** The Executive Committee may remove a member from the Executive Committee for any reason by vote of at least 75% of the full Executive Committee. Failure of any Executive Committee member or his alternate to attend, in person or by telephone, more than 2 Executive Committee meetings in any calendar year, constitutes sufficient cause for removal.

5.13 **Casual vacancies.** In the event of a casual vacancy occurring in the membership of the Executive Committee, the Executive Committee may appoint a member of the SASF to fill the vacancy and the member so appointed shall hold office, subject to this Constitution, until the conclusion of the annual general meeting at which that position would have been otherwise eligible to be filled but for the casual vacancy.

6. Officers of the Executive Committee

6.1 **Number of Officers.** The Executive Committee will consist of such number of officers as shall be decided by the Executive Committee.

6.2 **Officers.** Subject to the Executive Committee deciding otherwise, the officers of the Executive Committee will consist of:

- (i) the Chairperson;

- (ii) the Deputy Chairperson;
- (iii) the heads of each Subcommittee of the Executive Committee;
- (iv) the Treasurer;
- (v) the Secretary.

7. Officers

7.1 Chairperson and Deputy Chairperson

- (i) The principal duties of the Chairperson and Deputy Chairperson shall be to create policies, and strategies for effecting those policies, to accomplish the goals of the SASF set forth in Clause 1. Together, they will have all of the powers enumerated elsewhere in this Constitution and, in addition, will lead the Executive Committee. The Chairperson shall preside at, be a member and serve as the Chairperson of, all meetings by the Executive Committee, and shall call special meetings of any committee as necessary and appropriate, except as may otherwise be provided at the time any committee is established. The term of the appointment of each of the Chairperson and Deputy Chairperson shall be 2 years, except as extended by action of the Executive Committee as it shall deem appropriate.
- (ii) In the absence of the Chairperson, the Deputy Chairperson shall perform the duties of the Chairperson. The Deputy Chairperson shall generally assist the Chairperson and shall have such other powers and perform such other duties and services as the Chairperson or the Executive Committee shall prescribe, provided that the Deputy Chairperson shall report to the Chairperson.
- (iii) The Chairperson and Deputy Chairperson must have a broad understanding of and experience with the securitisation industry, and demonstrated leadership ability and experience with relevant trade or professional organizations and must be willing to devote the time necessary to carry out their responsibilities during their term.

7.2 Secretary

- (i) The Executive Committee shall appoint a Secretary. The term of the appointment of the Secretary shall be 2 years, except as extended by action of the Executive

Committee as it shall deem appropriate.

- (ii) The responsibilities of the Secretary shall include, in conjunction with the staff of the SASF, (a) the oversight of all records of the Executive Committee, the subcommittees and the members; (b) recording or causing to be recorded the minutes of each meeting of the Executive Committee and (c) performing such other duties as may be requested by the Chairperson or the Executive Committee.

7.3 Treasurer

- (i) The Executive Committee shall appoint a Treasurer. The term of the appointment of the Treasurer shall be 2 years, except as extended by action of the Executive Committee as it shall deem appropriate.
- (ii) The Treasurer shall be responsible for preparation of the budget and shall present the annual financial statements to the Executive Committee for its final approval. The Treasurer shall report the financial condition of the SASF at each regular meeting of the Executive Committee. The Treasurer shall also perform such other duties as may be assigned to such office by the Chairperson or the Executive Committee.

8. Meetings

- 8.1 **Quorum.** The quorum for meetings of any committee shall be a majority of the voting membership of that committee at the time of the meeting, present in person or by proxy. No committee may conduct official business without a quorum.
- 8.2 **Voting.** Any matter to be voted upon by a committee shall, except where otherwise specifically required, be approved by the affirmative votes of a majority of members of that committee present in person (which includes presence by telephone) or by proxy.

9. Constitution

- 9.1 **Adoption and Ratification.** The Executive Committee will adopt the Constitution of the SASF.
- 9.2 **Amendment.** The Constitution may only be amended by a super-majority vote of two thirds of the members of the Executive Committee present in person or by proxy at a meeting at which a quorum is present.

9.3 **Additional Operating Procedures.** Any committee may establish additional operating procedures with regard to its own business to the extent not inconsistent with these Operating Procedures.

10. Committees

- 10.1 **Establishment and staffing.** The Executive Committee will establish and staff the other standing or ad hoc committees and task forces.
- 10.2 **Members.** Committees established by the Executive Committee will be open to any member of the SASF. The Executive Committee will appoint the members of each Committee.
- 10.3 **Head.** The head of each Committee must be an Executive Committee member, Officer or their principal alternate. The Executive Committee will appoint the head of each Committee.
- 10.4 **Term of head.** The head of each Committee will have a term of 1 year with a consecutive 3-year maximum, except as extended by action of the Executive Committee, as it shall deem appropriate.
- 10.5 **Initial Subcommittees.** The Executive Committee may decide from time to time to establish any subcommittee at its discretion. The initial subcommittees will be:
- (i) Legal and Regulatory Subcommittee;
 - (ii) Accounting and Tax Subcommittee;
 - (iii) Membership Subcommittee;
 - (iv) Market Standards and Practices Subcommittee;
 - (v) Communication and Education Subcommittee;
 - (vi) Investor Subcommittee;
- 10.6 **Meetings.** The Subcommittees may meet at any time they may choose. Dates for such meetings will be set by the head of the relevant subcommittee in consultation with the subcommittee.

11. Employees and Employment Matters

- 11.1 **Staff.** A dedicated, full-time professional and administrative staff at a level necessary to support and carry out its activities effectively and efficiently may be appointed to support the SASF.

12. Notices

- 12.1 **Types of notice.** If mailed, all notices, ballots or other material to be provided to members, officers or committee members of the SASF shall be deemed delivered when deposited with the South African Post Office or any courier service for certified delivery. Any notice delivered by facsimile shall be deemed delivered upon successful transmission of such facsimile. Any notice delivered by electronic message shall be deemed delivered upon successful transmission of such electronic message.
- 12.2 **Waiver of notice.** Whenever any notice is required to be given to any member, officer or committee member of the SASF under the provision of any statute or this Constitution, a waiver thereof in writing signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

13. Membership, Budget and Finance

- 13.1 **Membership of SASF.** Membership of the SASF will be open to all professional participants in the securitisation industry, including without limitation issuers, originators, dealers, arranging banks, underwriters and other financial intermediaries, investors, servicers, guarantors, rating agencies, trustees, information technology specialists, lawyers and accountants. A member (whether an individual or institution) need not be a South African resident. The Membership Subcommittee may develop further membership criteria from time to time, subject to approval by the Executive Committee.
- 13.2 **Application for membership.** An application for membership to the SASF by any individual or business organisation must be made in writing in the form approved by the Membership Subcommittee from time to time, signed by its nominated representative (who must be specified as such in the application) and lodged with the Secretary.
- 13.3 **Executive Committee must approve application for membership.** The Secretary must refer an application for membership of the SASF to the Executive Committee as soon as

practicable after receiving the application. The Executive Committee may approve or reject an application for membership of the SASF in its sole and absolute discretion.

- 13.4 **Nominated representatives.** All notices and other communications to a member will be sent to its nominated representative. A member may from time to time replaced its then nominated representative by notification to the Secretary.
- 13.5 **Membership entitlements not transferable.** A right, privilege or obligation which a business organisation has by reason of being a member of the SASF
- (i) is not capable of being transferred or transmitted to another person or organisation,
 - (ii) terminates upon the cessation of the organisation's membership of the SASF and
 - (iii) is capable of being exercised only by the nominated representative of that organisation.
- 13.6 **Cessation of membership.** A business organisation will cease to be a member of the SASF if
- (i) the organisation resigns as a member by written notice to the Secretary or
 - (ii) the Executive Committee determines that such organisation's membership of the SASF should be terminated.
- 13.7 **Funding.** The SASF will be entirely self-funded through membership dues and other sources of revenue (such as educational conferences).
- 13.8 **Levels and dues.** Membership dues will vary according to organization size and scope of operations in the South African securitisation market. Anticipated membership levels are attached as Schedule 1. The Membership Committee may vary dues and levels from time to time, subject to approval by the Executive Committee.
- 13.9 **Appropriate membership level.** The Membership Committee may determine the appropriate membership level for an applicant, provided that such determinations shall be consistently applied in respect of all applicants.
- 13.10 **Pay dues.** In the year in which a member first joins the SASF, after 30 days (or such other period as shall be determined by the Chairperson in the reasonable exercise of his or her discretion) from notification by the membership committee of acceptance of that

member, that member will not be able to attend meetings unless it shall have paid the required amount of membership dues. In subsequent years, a member will not be able to attend meetings unless it shall have paid the required amount of membership dues by March 31 of that year.

13.11 **Policies for broken periods.** Dues payable for new SASF members will be calculated based upon the pro-rata number of months of membership the new participant will enjoy, rounded to the closest month end. For instance, if a new larger financial intermediary were to join as of August, then they would owe membership dues for 5 out of 12 months at the R30K level (i.e. R12.5K). Pro-rata dues are payable after the end of June for the remainder of the year. This policy applies to new SASF members only.

13.12 **Yearly membership.** Members' financial commitment to the SASF will be on a yearly basis.

13.13 **Fiscal year.** The fiscal year of the SASF shall be from March 1 to February 28 each year and annual financial statements, prepared in terms of generally accepted account practice, shall be prepared as this date. These accounts shall be subject to annual examination by an independent firm of registered accountants and auditors. The annual financial statements shall be audited within 90 days after year end and shall be presented to the annual general meeting of SASF for ratification, after having been approved by the executive committee of SASF.

14. Indemnity

14.1 **Liability.** Every member of the Executive Committee, agent, auditor, secretary, servant and any other officer or employee for the time being of the SASF, shall be indemnified out of the assets of the SASF, against any liability incurred by him arising out of his aforesaid office in defending any proceedings, whether criminal or civil, on which judgment is given in his favour or in which he is acquitted, provided that the SASF's liability pursuant to such indemnity shall only extend to such amount which the Executive Committee in its discretion may decide.

14.2 **Dissolution and winding-up.** Should the SASF be dissolved or wound up, the assets of the SASF must be given or transferred to another society, association or company that has a similar non-profit goal to that of the SASF, after all obligations of the SASF have been met.

SCHEDULE I

SASF Membership Categories and Dues

As of February 2009

Type	Level	Due
Larger Rating Agencies (First year free)	I	R15 000
Financial Guarantors	I	R30 000
Larger Accounting Firms	I	R30 000
Larger Banks and/or other Financial Intermediaries	I	R30 000
Larger Law Firms	I	R30 000
Larger Issuers/Originators	I	R30 000
Larger Investors (First year free)	I	R15 000
Trustees	II	R15 000
Medium Banks and/or other Financial Intermediaries	II	R15 000
Medium Law Firms	II	R15 000
Medium Issuers/Originators	II	R15 000
Servicer Companies	II	R15 000
Smaller Rating Agencies (First year free)	II	R15 000
Medium Investors (First year free)	II	R15 000
Smaller Banks and/or other Financial Intermediaries	III	R10 000
Smaller Accounting Firms	III	R10 000
Smaller Investors (First year free)	III	R15 000
Mortgage Insurers	IV	R 7 500
Smaller Issuers	IV	R7 500
Smaller Law Firms	IV	R 7 500
Other Financial Entities	IV	R 7 500
Suppliers	IV	R 7 500