



# Live with confidence

Corporate  
Governance  
Report

2021



Financial Planning | Investments | Insurance | Health | Retirement | Wealth

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# Sanlam at a **glance**

Sanlam Limited (Sanlam) was established as a life insurance company in South Africa but has since transformed into a diversified financial services group doing business primarily across Africa. The Group has been operating for more than 100 years, most of which as a mutual insurer. Sanlam demutualised in 1998 and is currently listed on the Johannesburg, A2X and Namibian stock exchanges.

Sanlam is a diversified financial services company headquartered in South Africa, with a strong presence in 33 countries on the African continent, India, Malaysia and selected developed markets. We are a purpose-led organisation, with all our efforts centred on helping our clients live with confidence. We promote financial inclusion, transformation and empowerment through our broad product and financial advice offering, inclusive culture and partnership approach. We have a proven track record of delivering superior value to clients, employees, shareholders and broader society.

We offer a large and diversified range of solutions. The Group's areas of expertise, products and services include:

- Insurance (life and general)
- Savings and investments
- Asset and wealth management
- Retirement
- Corporate and employee benefits
- Financial planning and advice
- Credit management
- Health insurance

We are driven by our purpose to empower generations to be financially confident, secure and prosperous.

Operations are conducted through four business clusters that deliver tailored, comprehensive and client-centric financial solutions to individual and institutional clients.





# About this corporate governance report

Sanlam's Corporate Governance Report forms part of the 2021 integrated annual reporting suite (reporting suite), which covers the activities of the Sanlam Group for the financial year ended 31 December 2021.

The Sanlam Board of directors (the Board) acknowledges its responsibility to ensure the integrity of the Group's disclosures, which includes the Integrated Report, the Annual Financial Statements, the Resilience Report, the Remuneration Report, the King IV™ Disclosure Report, and this Corporate Governance Report (the report).

The Board is committed to promoting sound corporate governance practices in all territories Sanlam operates in. The Board is pleased to report that, for the period ended 31 December 2021, the Group continued to demonstrate its commitment towards the implementation and disclosure of the core principles on good corporate governance practices as provided for in the King Report on Corporate Governance™ for South Africa, 2016 (King IV™)<sup>1</sup>. These include, but are not limited to, the mandatory corporate governance requirements as outlined in the JSE Listings Requirements and the Prudential Standards and Framework for Governance and Operational Standards for insurers and insurance groups.

The Board also applied its mind to the preparation of all Sanlam reporting elements and is of the view that the reporting suite addresses all material matters appropriately and according to the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework.

The Board, with the assistance of the Audit, Actuarial and Finance (Audit) committee, the Risk and Compliance committee, and the Social, Ethics and Sustainability (SES)

committee, ensures that the necessary controls are in place to verify, enhance and safeguard the integrity of the information reported on in the Group's reporting suite and any other disclosures published from time to time. In this regard, the Board oversees that Sanlam complies with the requisite disclosures.

The Audit committee reviews the integrated annual reporting process and the audited financial statements. This committee also approves the reporting frameworks, considers materiality and, in conjunction with the Risk and Compliance committee, ensures compliance with applicable regulatory requirements and their relevance to stakeholders. In the process of considering and approving the reporting suite, the Board appreciates that the Group's core purpose, risks and opportunities, strategy, business model, performance and sustainable development are inseparable elements that are being applied to create value for its stakeholders.

Therefore, the Group's 2021 reporting suite contains a comprehensive set of elements to provide a range of stakeholders with context and detail, i.e. historic and forward-looking. This ensures that they can make an informed assessment of the Group's performance and prospects. To this end, stakeholders are encouraged to access the Sanlam investor relations website ([www.sanlam.com](http://www.sanlam.com)) for all elements of the reporting suite and additional detail on governance, shareholder information, and sustainability matters.

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# 01

Our approach to  
corporate governance

**Confidence Rule 7:**

**THERE ARE NO  
SHORTCUTS  
TO ANYWHERE  
WORTH GOING.**

# Our approach to corporate governance

## Governance criteria and external guidelines

Sanlam's approach towards governance has been influenced and directed by various aspects. This includes, among others, regulatory requirements, governance-related best practices, in-country governance and regulatory requirements as well as company-specific requirements. The Group made a concerted effort to ensure that it adhered to the applicable suite of governance standards as outlined in the following regulatory requirements:

- The South African Companies Act, 71 of 2008 (as amended) (the Companies Act)
- The JSE Listings Requirements (as amended).
- The Insurance Act 18 of 2017 (as amended) (Insurance Act)
- The Prudential Standards and Framework for Governance and Operational Standards for insurers and insurance groups
- The Financial Sector Regulation Act, 9 of 2017 (as amended) (Financial Sector Regulation Act)
- The King Report on Corporate Governance™ for South Africa, 2016 (King IV™)<sup>1</sup>

Given the dynamic process of evolving and assessing the effectiveness of the Group's governance approach and structures, we also consider the criteria used by:

- the FTSE/JSE Responsible Investment Index Series; and
- the Dow Jones Sustainability Index.

In addition to the Board's fiduciary duties, these sets of standards and requirements necessitate the Board to accept accountability and to take responsibility for governance, ethical leadership and how relationships and decision-making should be approached. The Prudential Standards and the Financial Sector Regulation Act further require that the controlling company of an insurance group must establish an effective governance framework that provides for the sound and prudent management of the insurance group's business, including providing for the adequate protection of the interests of policyholders.

## King IV™ Compliance

The Board is satisfied with the efforts and resources allocated during 2021 to apply and explain all aspects

of King IV™, as appropriate. The Risk and Compliance committee, the Audit committee, the Human Resources and Remuneration committee, the Nominations committee, the Independent Non-Executive Directors committee, and the SES committee are all satisfied that Sanlam complied with the King IV™ principles. Appropriate actions, where required, are being implemented to ensure continued adherence to the obligations placed on the Group. Sanlam regularly assesses its compliance levels to ensure that all areas requiring improvement have been appropriately identified and addressed.

Sanlam's King IV™ 2021 Disclosure Report, which includes the Group's response to the 17 principles and recommended practices per principle, is available on the Sanlam investor relations website ([www.sanlam.com](http://www.sanlam.com)).

## Dealing in Sanlam securities

Sanlam complies with the JSE Listings Requirements regarding the share dealings of its directors and other affected persons. Under Sanlam's closed period policy, all Sanlam directors and employees with access to price-sensitive information are precluded from dealing in Sanlam securities until the Group's final and interim results are released. Similar ad hoc closed period arrangements apply to directors and those individuals who have access to and/or might be exposed to price-sensitive information due to their involvement in corporate transactions. A pre-approval policy and process for all dealings in Sanlam securities by directors and selected key employees are strictly followed and duly reported to the Board. Details of the directors' and the Company Secretary's dealings in Sanlam securities are disclosed to the JSE through the Stock Exchange News Service. Furthermore, Sanlam's investment management companies enforce stringent trading policies regarding personal transactions in all financial instruments. The Company Secretary regularly disseminates written notices to inform the directors, executives and employees of the latest insider trading legislation and advises them on closed periods. Sanlam's price-sensitive information policy was reviewed during 2021, focusing on ensuring compliance with the JSE Listings Requirements, the Financial Markets Act, 19 of 2012, and any other applicable regulatory requirements. In addition, dedicated efforts were made to implement stringent controls to ensure compliance with the abovementioned policy.

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## The governance of organisational ethics

Sanlam's core values support the Group's commitment towards advocating and promoting sound governance practices. The Group strengthens stakeholder trust by conducting business ethically and professionally.

Therefore, ethical leadership is regarded as a priority and forms an integral part of the Board's approach towards ethical and corporate governance practices. It influences and validates "the Sanlam way" and how the Group executes its corporate responsibilities, with the underlying objective to always act in the best interest of its key stakeholders.

## Our core values

01

Lead with courage to earn our clients' trust

02

Serve with pride as we are client- focused

03

Caring that comes from respect for each other

04

Winning with integrity to be the unrivalled industry leader in Africa

05

Creating value in everything that we do

At Sanlam, leadership is ultimately shaped by the Sanlam Group Business Philosophy, the Group's Code of Ethical Conduct, the Group Governance policy, and the Authorisations Framework. In addition, the Board charter recognises and defines the Board's role regarding its ethical responsibilities, including that:

- The Board determines, reviews and oversees that Sanlam's vision and values are congruent with Sanlam's business as a responsible corporate citizen.
- The Board assumes responsibility for Sanlam's performance by steering and setting the strategic direction for realising Sanlam's core purpose and values.
- The Board provides effective leadership on an ethical foundation and ensures that it acts ethically, beyond mere compliance.
- The Board ensures that Sanlam is, and is seen to be, a responsible corporate citizen by having regard for the financial aspects of the business as well as the impact business operations have on the Group's

stakeholders, natural resources, and the society it operates in.

In addition, the SES committee, which has been established as a statutory governance structure under the Companies Act, is mandated by the Board to monitor Sanlam's compliance with the relevant social, ethical and legal requirements and best practice codes. The SES committee reports any ethical breaches or material matters to the Board and discloses the nature thereof in its report at the annual general meeting (AGM). Sanlam also has a Group Ethics committee which operates as a sub-committee of the Group Executive committee (Group Exco) and is chaired by the Company Secretary. This committee includes representatives of all the clusters and the Group office and meets quarterly to discuss ethics-related aspects, trends, challenges, feedback from cluster representatives, and the outcome of climate surveys. The Group Ethics committee submits quarterly reports on material ethics-related aspects to the SES committee.

## Sanlam’s Code of Ethical Conduct

The Group’s Code of Ethical Conduct (the Code) applies to all Sanlam businesses and employees. It is reviewed frequently to ensure that the content remains relevant to all affected stakeholders, environments and markets Sanlam operates in. It guides organisational ethics across the business by ensuring the Group’s business practices and interactions with internal and external stakeholders and the broader society are aligned and consistent. This includes establishing the necessary platforms and means to respond to and address ethics-related risks.

Several key Group policies that support ethical behaviour include, but are not limited to the following:

- the Group Governance policy;
- the Group compliance policy;
- the Group conflicts of interest policy;

- Sanlam’s securities dealing and price sensitive information policy;
- the Group financial crime combating policy; and
- the Group anti-money laundering and the countering of financing of terrorism (AML/CFT) policy.

Sanlam has been conducting biennial ethical risk assessments to evaluate and assess the Group’s ethical climate for almost a decade. This process is being co-ordinated by the Group Compliance Office (GCO) in consultation with the Sanlam Group Ethics committee. The exercise conducted during the latter part of the 2021 financial year included approximately 15 000 employees who were invited to participate. The outcome of the 2021 ethical risk assessment was subsequently analysed by the respective business clusters, whereafter a consolidated feedback report would be presented to the Board in March 2022.

## Reporting ethical breaches, fraud and/or unlawful conduct

Various reporting channels were established for stakeholders to report a potential, actual and/or perceived ethical breach. These platforms can be summarised as:

<b>Business units, human resource departments and line management</b>	These primarily deal with employer/employee concerns. Management regularly reviews internal reports about ethics and fraud-related concerns.
<b>The GCO, the business unit level compliance and legal departments</b>	These departments manage Sanlam’s compliance-related matters and receive reports of potential ethical breaches and non-adherence to ethics and compliance requirements.
<b>Sanlam’s internal ombudsman and complaints department</b>	Primarily deals with clients’ service-related complaints.
<b>Sanlam’s Confidential Reporting Hotline</b>	This is managed through an external service provider and enables individuals to anonymously report potential ethics breaches and fraud.
<b>The Chair of the Group Ethics committee</b>	Primarily for guidance on and/or the escalation of ethical issues or concerns.

The Code is published and available on Sanlam’s investor relations website. It is also referred to in all employment contracts and agreements with independent contractors, agents, service providers and business partners, irrespective of their status being a natural person or a juristic person (legal entity).

Sanlam has commissioned an independent external service provider to manage the Group’s Confidential Reporting Hotline on its behalf. This guarantees the anonymity of anyone who wishes to report fraud, unethical or unlawful conduct without disclosing their identity. Anonymity, where required, is guaranteed by the Protected Disclosures Act, 26 of 2000. Concerted efforts are made to encourage stakeholders who suspect that fraud, unethical or unlawful conduct or non-compliance is perpetrated within the Company or against a Sanlam

company or client. Any such reports can be made via the following channels:

- Sanlam’s Confidential Reporting Hotline: 0800 777 54
- Email: [sanlam@tip-offs.com](mailto:sanlam@tip-offs.com)
- Via the website: [www.tip-offs.com](http://www.tip-offs.com)

International numbers are also available for callers outside of South Africa. The service extends to Sanlam businesses in and outside of South Africa and in most of the primary languages of the jurisdictions within which Sanlam operates. Several Sanlam Emerging Markets (SEM) businesses also operate their whistleblowing lines in addition to the Sanlam facility.

Each of the reports made via the hotline services is referred either to the forensics services department for



investigation and/or escalated to executive management in the cluster for investigation and resolution. The outcome of all investigations is reported to the Sanlam GCO.

## SANLAM AS A CORPORATE CITIZEN

Sanlam is the largest non-banking financial services group in Africa as measured by market capitalisation. It is also one of the largest international insurance groups, as measured by in-country presence.

The Group contributes to a stable financial system and is committed to supporting financial resilience, wellbeing, prosperity and inclusion. This is achieved sustainably by creating shared value for all stakeholders ethically and responsibly.

Sanlam actively engages all its stakeholders and appreciates that being a responsible corporate citizen entails being responsive to its key stakeholders' needs and expectations. With the assistance of the SES committee and the Group Exco, the Board oversees and monitors all processes and activities which support Sanlam's corporate citizenship responsibilities. This includes the Group's impact on the workplace, economy, society and the environment, and is measured against the performance targets agreed upon with management.

The successful execution of Sanlam's corporate strategy depends on the Group's ability to deliver on business promises and principles through sound practices and processes. This includes effective risk management and appropriately balancing key stakeholders' interests to ensure sustainable value creation.

The Sanlam Resilience Report provides more information on Sanlam's role, key focus areas, and the planned areas of future focus as a responsible corporate citizen.

### Group Governance summarised

Sanlam's business practices are predominantly governed by its Group Governance policy, which is annually reviewed and approved by the Board. The Group Governance policy aims to establish certain principles and minimum standards and provide the overarching framework for other Sanlam Group policies to support the relevant governance areas. Sanlam's Group Governance Policy, together with the Group's Business Philosophy and its Code of Ethical Conduct, establishes the framework for governance in the Group.

Sanlam Limited was designated as an insurance group by the Prudential Authority in January 2020 and Sanlam Limited was subsequently licensed as the controlling company of the Sanlam Limited Insurance Group in September 2020. Therefore, the Board of Sanlam Limited has a statutory obligation to adopt, implement, and document an effective governance framework. Through the Group Governance policy, the Board acknowledges and clarifies its responsibility for governance across the

business by defining the responsibility for how the relationships, decision-making powers, and the exercise of authority within Sanlam should be approached and conducted as required by all applicable regulatory requirements. These include, but are not limited to, the Insurance Act, the Companies Act, King IV™ and the Prudential Standards issued by the Prudential Authority (PA) which include the Governance and Operational Standards for Insurance Groups (GOGs) and Insurers (GOIs).

In addition, the Group Governance policy enables Sanlam Limited to discharge its obligations as a licensed controlling company (and financial institution) by law. One of the key objectives is to ensure that appropriate policies and governance structures are in place to effectively:

- influence the strategic direction of Group Companies;
- protect and grow the value of the Sanlam Group and its co-investors' investment in such a Group entity;
- manage the Sanlam Group's potential financial exposure;
- secure and protect the Sanlam Group's image and reputation;
- discharge the Group's obligations in respect of compliance with applicable regulatory requirements;
- manage the risks associated with the processing of information of Group Companies obtained during the execution of the Sanlam Board's oversight role;
- consider and meet the legitimate expectations of all relevant stakeholders;
- allow Sanlam Limited to discharge its obligations as a licensed controlling company of an insurance group under the law; and
- ensure the prudent management and oversight of the business of the Sanlam Limited Insurance Group and all persons that are part of it.

The Board of Sanlam Limited is responsible for meeting the requirements imposed on a controlling company and an insurance group under the Insurance Act, irrespective of the delegation or outsourcing of any responsibilities. Sanlam's minimum governance standards are regarded as "enablers" to allow the underlying businesses to pursue their approved business objectives fully. The Group Governance policy provides that compliance with the minimum governance standards is regarded as compulsory, and any exceptions or deviations require the approval of the Group Chief Executive, i.e. after considering the motivation and support presented by the business cluster CEO and the Group functionary responsible for the particular area.

Although the authority to approve all exceptions or deviations remains with the Group Chief Executive, all exceptions and deviations are reported to the Audit committee and the Board. This enables the Board to consider the impact (if any) on the legal and licensed entities concerned. In addition, each business cluster's CEO and Company secretarial functionaries at an

operational level are required to monitor all deviations and exceptions to the Group Governance policy after it has been assessed for qualitative and quantitative materiality and considering the Group and the relevant business cluster's enterprise risk management frameworks. Sanlam's Company Secretary maintains a register that contains all permanent deviations and exceptions.

Sanlam's Group Governance policy recognises each company within the Sanlam Group as a separate and independent juristic entity to whom its directors owe fiduciary duties. The adoption and implementation of the Group policies, structures and procedures thus remain a matter of consideration and approval by the boards of individual companies that are operating as separate legal entities. In this regard, due consideration is afforded to the regulations that govern the Sanlam Limited Insurance Group, which require the controlling company to adopt and implement Group-wide governance, risk management, and internal control systems. Therefore, to ensure alignment and facilitate consistent implementation across the Sanlam Group, an inclusive approach is followed to develop business philosophy, strategy, and policies and procedures.

### **Delegation of Authority**

One of the annexures included in Sanlam's Group Governance Policy is the Authorisation Framework. This document specifies and clarifies each of the decision-making powers and signing authorities in alignment with applicable regulatory requirements, Sanlam's Memorandum of Incorporation (MOI), the delegation of authority from the Sanlam Limited and Sanlam Life Boards to the Group Chief Executive and the underlying cluster governance structures and key designations.

### **Our application of governance in all markets**

To support and develop mature governance and ethics structures and processes in all the markets where Sanlam operates, all companies across the Group are expected to adhere to and confirm compliance with Sanlam's governance principles and the Code of Ethical Conduct. Feedback in this regard is reported on in their respective annual Board representation letters, presented to the Audit committee. The Group also continually engages with its internal stakeholders to ensure there is a common understanding and application of how to report on ethical matters and the types of ethics-related breaches that need to be disclosed.

Furthermore, considering that Sanlam does not necessarily exercise control over its associates and joint ventures, the business cannot prescribe to these entities how they must be governed. However, Sanlam's nominated directors are tasked with advocating and promoting adherence to the governance principles set out in the Group Governance policy to ensure that Sanlam Limited and the Sanlam Limited Insurance Group can discharge their responsibilities in terms of insurance group supervision legislation. Sanlam is committed to regularly monitoring the governance practices of associates and joint ventures against the governance principles outlined in the Group Governance policy to determine and assess any potential governance-related risks posed to Sanlam. The maturity of Sanlam's risk management processes across the Group is frequently reviewed and assessed. A strong focus remains on increasing the awareness, capacity and knowledge among Group entities.

### **Managing conflicting interests**

Sanlam's Code of Ethical Conduct specifically includes a principle that manages and mitigates potential, actual and/or perceived conflicts of interest. This principle, together with enhanced regulatory scrutiny and intervention, necessitated a Group-wide approach to managing conflicts of interest. The Group conflicts of interest policy provides practical guidance regarding identifying potential, actual and/or perceived conflicts of interest and the governance aspects relating to Sanlam's relationships with third parties. Its objective is not to prevent employees from pursuing personal interests but rather to govern and mitigate any potential risks associated with such interests. The policy applies to all Sanlam Group subsidiaries and business entities. All individuals employed or contracted by Sanlam in any capacity whatsoever, including directors, are subject to the policy and must always ensure compliance.

In the absence of any potential, actual and/or perceived conflicts of interest, directors and employees are required to declare that they do not have any conflicting interest that warrants an annual declaration. It is also mandatory for the directors serving on Sanlam's Board to each submit a formal written declaration of interest at least once per quarter. In addition, declaration of interests is also a standard item on each Board and Board committee meeting's agendas to allow a further opportunity to the meeting participants to divulge any potential, actual and/or perceived conflict of interest. These declarations (if any) are included in each meeting's minutes.

In 2017, the Group established an Independent Non-Executive Directors committee as a sub-committee of the Board. This committee reviews and recommends to the Board any related-party transactions, including without limitation, any financial, economic interest, position, association or relationship, which when judged from the perspective of a reasonable and informed third party, could unduly cause bias in decision-making in the best interest of Sanlam.

### **Sanlam's Group gift and gratification policy**

In terms of the Group's Code of Ethical Conduct, no employee within the Group may offer or receive any gift, favour or benefit that may be regarded as an attempt to exert influence in unduly favouring any party. Sanlam has a formal Group gift and gratification policy that provides the official declaration and recording of all gifts received from and/or given to external stakeholders. The Board is satisfied that adequate grievance and disciplinary procedures are in place to ensure the effective enforcement of the Code and to address any unethical conduct or ethical breaches. The SES committee and the Risk and Compliance committee receive feedback regarding the Group's ethical climate at every quarterly meeting. During the period under review, no material non-compliance incidents to the Code were reported.





Sanlam's governance structure

**Confidence Rule 27:**

**HAVING THE RIGHT SUPPORT CAN HELP YOU THROUGH THE UNTHINKABLE.**

# Sanlam's governance structure

## The Boards of Sanlam and Sanlam Life

Sanlam is the holding company with a primary listing on the JSE, a secondary listing on the NSX and a listing on A2X, and the controlling company of the Sanlam Insurance Group as designated by the PA in terms of the Insurance Act.

Sanlam Life is a wholly owned subsidiary of Sanlam and conducts mainly life insurance business. In practice, the Boards of Sanlam Limited and Sanlam Life function as an

integrated unit, as far as reasonably possible. Both Boards have the same directors, Chairs, executive directors and Group Chief Executive.

The Sanlam and Sanlam Life Board meetings are combined and held concurrently, thereby removing one layer of discussions in the decision-making process. However, separate agendas and minutes are recorded for each Board meeting. This promotes the productivity and efficiency of the two respective Boards, thus reducing effort and duplication and optimises the flow of information.

### The Sanlam Board

The Board's agenda focuses mainly on the Group strategy, the execution of capital management, accounting policies, financial results and the dividend policy, human resource development, the JSE Listings Requirements and corporate governance throughout the Group. The Board is also responsible for overseeing the relationship with key stakeholders.

The Board has the following committees:

- Audit, Actuarial and Finance
- Risk and Compliance
- Independent Non-Executive Directors
- Human Resources and Remuneration
- Nominations
- Non-Executive Directors
- Customer Interest
- Social, Ethics and Sustainability

### The Sanlam Life Board

The Sanlam Life Board is responsible for the overall oversight of Sanlam Life as a solo insurer and the general risk management and oversight of the entity.

The Sanlam Life Board has the following committees:

- Audit, Actuarial and Finance
- Risk and Compliance
- Human Resources and Remuneration
- Customer Interest



## Sanlam's Group Exco and Group Office functionalities

The Group Chief Executive is supported by Sanlam's Group Executive committee (Group Exco), which comprises a diverse group of skilled and experienced executives. One of Group Exco's primary responsibilities is to assist the Group Chief Executive to execute the Board-approved corporate strategy and agreed deliverables. The Group Chief Executive appoints the members of Group Exco, after consulting the Human Resources and Remuneration committee.

The Human Resources and Remuneration committee periodically reviews and assesses their performance over time. These performance evaluations are based on a pre-determined set of targets and key performance indicators.

Sanlam's operating model allows the respective businesses to be individually responsible for applying the Group risk and compliance management policies and frameworks in their respective businesses to achieve the Group's strategic objectives. Each cluster is managed by a Chief Executive, supported by a cluster Exco and support functions that are appropriate to the cluster's particular operational needs. These Chief Executives form part of the Sanlam Group Exco and are the designated prescribed officers.

Furthermore, a centralised Group Office supports the Group Chief Executive and the respective businesses, which mainly performs the following functions:

- strategic directing;
- co-ordinating;
- encouraging collaboration;
- seeking synergies;
- performance monitoring and reporting;
- providing assurance;
- allocating capital; and
- rendering support services to the various business clusters across the Group.

During the year under review, progress continued to be made to ensure that diversity and transformation were enhanced. Similar to the methodology applied by the Board in terms of diversity attributes, Group Exco strives to be reflective of its workforce and the broader society in which Sanlam operates. From 1 January 2022, a new position was established by appointing the Group Chief Information Officer (an African male) to the Group Exco. Until 31 December 2021, the designated individual reported to one of the current members of Group Exco. However, due to the Group's enhanced focus on digital transformation and Information Technology (IT) governance and information management, the position was promoted to a Group Exco level.

### Group Executive committee (Group Exco)

Four business clusters supported by the Group Office



Cluster governance structures and committees



Various governance structures across the Group (not all statutory) exist for the business clusters. These cluster governance structures have committees and/or forums with a specific mandate, role and set of responsibilities. The cluster governance structures comprise non-executive and executive directors and senior management representatives. The non-executive directors include members of the Sanlam Board and, where appropriate, expert external appointees.

Most operating business decisions are made by these cluster governance structures and cluster management teams. These structures are responsible for generating memoranda and formulating matters for consideration by the Sanlam and Sanlam Life Boards, respectively.

The Board is satisfied that the delegation of Authority Framework (reviewed regularly) contributes to role clarity and makes it possible to effectively exercise decision-making powers and responsibilities. Sanlam's business approach requires that each business cluster operates in concert with its underlying business units. However, all entities within the Group are required to endorse the recommended practices as outlined in King IV™. This is done by putting appropriate measures in place to ensure good corporate governance business practices. All business clusters and governance structures within the Group are supported by clear approval frameworks and agreed-upon business principles to ensure a coherent and consistent application of the Group's governance approach across the businesses.

### **Sanlam's Group and Cluster Governance Review**

A comprehensive review of the Group and cluster governance structures was completed during the 2021 reporting period, which targeted efficiency improvements as well as due consideration of the changing requirements of regulatory developments and the Prudential Authority's insurance group supervision regime. This impacted on the mandates of the Sanlam Life Board and the boards of the underlying clusters and businesses across the Group. Some of the most significant changes that were introduced included the abolishment of the business cluster boards, the introduction of Quarterly Business Review (QBR) forums per business cluster, the establishment of cluster Finance and Risk forums as sub-committees of the Audit committee, a revised Authority Framework as well as the establishment of a new Digital Transformation and IT forum (which operates as a sub-committee of the Risk and Compliance committee) in response to the Group's heightened approach towards digital transformation, innovation, IT and information management.

### **The role of the Board**

The Board exercises an oversight role and overriding control over the Group (or Company and its subsidiaries). This includes the Board being responsible for setting the direction and approving the process to attain an

appropriate balance of knowledge, skills, experience, diversity and independence. This is to ensure that the Board can objectively and effectively discharge, among others, its governance role and responsibilities and that the necessary systems and processes are in place to enable the Group to achieve its key deliverables sustainably.

The Board, moreover, guides management on formulating the Group's corporate strategy, setting targets and developing plans while being cognisant of the business' impact on its stakeholders, its financial performance and the environment.

The Board's delegation of its responsibilities to a Board committee does not by itself constitute a discharge of the Board's accountability. The Board remains the custodian of corporate governance and is committed to the highest standards of business integrity, ethical values and corporate governance. It recognises Sanlam's responsibility to conduct its affairs ethically, transparently, with accountability, fairly and in a socially responsible way. This ensures that Sanlam operates a sustainable business that creates value for stakeholders.

### **The composition of the Board and the establishment of Board committees**

Sanlam's MOI requires the Board to consist of a minimum of six and a maximum of 20 directors. At the end of 2021, the Board's composition comprised 19 directors. The Board appoints Board committees and determines each Board committee's powers, authority, duties, and functions, outlined in their respective charters. Each charter, including the Board's own terms of reference, is reviewed and approved at least annually. This ensures that the content remains relevant and aligned to the expected deliverables associated with the Board's mandate and fiduciary duties. The Board and committee charters embrace, amongst others, the principles of King IV™.

### **Board and Board committee charters**

The Board delegates some of its functional responsibilities to its Board committees through clearly defined mandates. The various Board committees regularly report to the Board, as a collective, on their respective deliverables according to each committee's Board-approved charter. The Board committee charters and annual work plan, that was developed for each of the Board committees, are reviewed annually. These charters are available on Sanlam's investor relations website, and summaries thereof are included in this report on pages 32 to 44.

The Board discharges its responsibilities and control of Sanlam as outlined in Sanlam's Board charter and the MOI. The Board charter serves as a guide to the Board. It outlines the process for policies and practices regarding Board matters, such as dealing in securities, declaration of conflicts of interest and those matters delegated to management.

At every Board meeting, the Board, through the office of the Company Secretary, considers and deliberates on declarations whenever there is a potential, actual and/or perceived conflict of interest. This is in addition to each director being required to submit an official updated declaration of interest at least quarterly.

According to its charter, the responsibilities of the Board include, among others:

- determining Sanlam's overall objectives;
- developing strategies to meet those objectives in co-operation with management;
- formulating a clear and concise Group Governance policy and monitoring the adherence thereof;
- delegating and segregating the Board's responsibilities;
- evaluating and monitoring the performance of Sanlam relative to agreed strategic and operational objectives; and
- evaluating the performance of the Board, the Board committee structures, individual directors and the effectiveness of the Company Secretary.

The Board is satisfied that it fulfilled its responsibilities during the period under review, that the respective Board committees are appropriately constituted, and that it operated effectively. It is a standard protocol that the members of the Board are elected based on the recommendations made by the Nominations committee over time. In addition, the members of the Audit committee are nominated by the Board on an annual basis and formally appointed by Sanlam's shareholders.

The Board further ensures effective leadership in its Board committees by allowing collaboration between Board committees through cross-membership. It also ensures the co-ordinated timing of meetings to avoid duplication or fragmented functioning between the Board committees. When duplication or fragmented functions occur, the Board assumes the responsibility to outline a process of how each Board committee would deal with such matters by delegating specific roles and positions rather than permitting competing approaches.

The Board ensures a balanced distribution of power regarding membership across the Board committees so that no individual committee member can dominate decision-making and no undue reliance is placed on any individual member. The Board members recognise their responsibility to exercise effective leadership by always adhering to their fiduciary duties, collectively and individually.

## Independence at a Board level

Appropriate measures have been implemented to ensure that sound corporate governance practices are applied where required concerning related-party transactions, engagements and issues relating to any potential, actual and/or perceived conflicts of interest associated with the non-executive directors. These include:

- To ensure best practice in managing conflicts of interests, the Sanlam Board constituted an Independent Non-Executive Directors committee. This committee's mandate is clearly defined in its Board approved charter and it evaluates matters relating to independence and conflicts of interests in related-party transactions within Sanlam. The committee is chaired by Elias Masilela, the Chair of the Board. If the Chair is conflicted in any way considering the discussion points presented to the Independent Non-Executive Directors committee, he would be recused from the meeting, and the remaining members of the committee would elect an alternate Chair for that purpose.
- The Board developed a guidance note to evaluate and manage potential conflicts of interest that might arise in dealings between interested and related parties within Sanlam, including Ubuntu-Botho and African Rainbow Capital. The assessment criteria intend to ensure the Sanlam Board remains independent without favouritism to any other party. This continues to be reviewed annually by the Nominations committee and is also taken into account for succession planning purposes as well as when new appointments to the Board are being considered.
- Each Board member makes mandatory quarterly written declarations of interests. These are monitored by the Company Secretary and reported to the Nominations committee, who, in turn, considers each declaration as part of the individual Board member's annual independence review.
- Each director, member of Group Exco, management representative and any other invitee who participates or attends a Board and/or Board committee meeting is obliged to divulge any potential, actual and/or perceived conflicts of interest that may occur at the relevant meetings. These declarations (if any) are formally recorded in the minutes of the meeting that was held.
- From time to time, the Group's joint external auditors review and consider the directors' quarterly declarations and have access to minutes of meetings.
- Standard practice is that conflicted directors recuse themselves from Board and/or Board committee deliberations relating to any potential, actual and/or perceived conflict of interest matters when any might occur.
- When required, the Board and/or Board committees are at liberty to seek assurance or consult legal counsel.

In addition to the abovementioned protocols that are in place, Sanlam also takes guidance from best practices and recommendations from key stakeholders. The objective is to create opportunities for continual improvement and, where necessary, refine Sanlam's current approach applied at Board level. The Board also remains committed to ensuring that Sanlam's efforts are assessed, monitored

and reported on an ongoing basis. This includes enhancing governance, diversity and transparency. At the end of the 2021 financial year, the majority of the members serving on the Board were categorised as independent.

## Changes to the Board in 2021

The following three independent non-executive directors were appointed to the Board in 2021:

- Ebenezer (Ebby) Essoka (effective 18 June 2021)
- Willem Van Biljon (effective 13 August 2021)
- Ndivhuwo Manyonga (effective 06 December 2021)

## Governance-related milestones and focus areas during 2021

During the reporting period, the Board held five meetings and a two-day Board strategy session to consider and deliberate, among others, strategic matters. Other focus areas during the 2021 financial year include:

- reviewing and approving Sanlam's revised Group strategy and the Group's risk appetite statement;
- reviewing and approving Sanlam's Group own risk and solvency assessment (ORSA) supervisory report. This included assessing the capital targets contained in the ORSA report to be adequate (given the size, business mix and complexity of the Group's operations);
- adopting a heightened approach towards stakeholder inclusivity and exercising an oversight role over the implementation of Sanlam's Group stakeholder management policy;
- in pursuit of our objective to have a majority of independent Sanlam Board members, three new independent non-executive directors were recruited and appointed to the Board, resulting in the majority of the members serving on the Board as at 31 December 2021 being categorised as independent. This also responds to the recommendations made by shareholders and the PA and is in alignment with the JSE's criteria relevant to diversity attributes;
- reviewing and approving Sanlam's Group Governance Policy, the Authorisation Framework and the cluster governance structures;
- fulfilled an oversight role (with the assistance of the Audit committee) regarding reasonable financial reporting;
- regularly monitoring the impact of the COVID-19 pandemic and considering and reviewing the adequacy of the pandemic reserves;
- heightening the Group's focus and response towards client-centricity to obtain a better understanding of Sanlam's clients' requirements and expectations;
- designing and reviewing the Group's digital transformation roadmap and the implementation thereof;
- ensuring ongoing adherence to the Group information management and information technology

(IIT) governance framework and charter, and Sanlam's IIT policy framework and underlying Group policies;

- promoting and monitoring environmental, social and governance (ESG) and responsible investment principles in how Sanlam conducts business;
- continuously evaluating the independence status of Sanlam's directors following the criteria and recommended practices outlined in King IV™ on a substance-over-form basis; and
- dedicating concerted efforts to improve the disclosure of material and topical aspects relating to Sanlam's performance in the Group's reporting suite.

## Board composition and functioning

### *Board composition*

The Board (with the assistance of the Nominations committee) regularly considers and evaluates its composition to ensure that the skills, expertise and experience of the individual Board members complement Sanlam's vision and the Group's strategic objectives. The Nominations committee also evaluates and determines the number of external directorships and other positions that a director may hold, taking the relative size and complexity of Sanlam into consideration.

Consequently, the Nominations committee makes recommendations to the Board on the process of nominating, electing and appointing Board members. This committee's mandate also includes succession planning regarding the Chair, appointments to the Board and Board committees, and the election of Alternate Chairs to the Board committees.

Whenever a vacancy arises at Board or Board committee level, and a prospective candidate is identified as eligible, he/she is first exposed to a strict fit-and-proper assessment to ensure that the candidate complies with the applicable regulatory requirements prior to being considered or recommended for appointment to the Board. In addition, criminal checks are performed on each candidate who is considered for appointment to the Board. Thereafter a formal application to the PA is submitted for approval due to the recommended change in key persons. This process is governed by the Prudential Standards and Framework for Governance and Operational Standards for insurers (Prudential Standards GOI 1, 2 and 4).

As a precedent, the Nominations committee follows a formal and transparent process to review the balance, effectiveness and diversity of the Board and its Board committees. It identifies the skills and expertise required and those individuals who could potentially be considered for appointment to the Board fairly and thoroughly.

At the end of the 2021 financial year, the Board comprised 19 members. The Board's composition is structured so that no individual director has unfettered decision-making powers. Therefore, the Board is satisfied that its

composition at the end of the reporting period reflects an appropriate mix of knowledge, skills, experience, and diversity. The Board has comfort that appropriate controls and measures are in place to ensure its independence.

As recommended by the Nominations committee, the Board had comfort that during the period under review, each of the non-executive directors met the requisite fit-and-proper requirements, including the criteria for independence. However, this assertion excludes Patrice Motsepe, Rejoice Simelane and Johan van Zyl due to their Ubuntu-Botho Investments involvement. In addition, the Board concluded in June 2020 that Anton Botha and Siphon Nkosi could, due to their tenure, no longer be regarded as independent non-executive directors. Both Board members are long-standing valuable members of

the Board and due to their wealth of knowledge and expertise, the Board has agreed to retain them as non-independent Board members.

Furthermore, Paul Hanratty, Jeanett Modise, Abigail Mukhuba and Heinie Werth are categorised as executive directors serving on the Board.

### Board matrix

While considering the Board members' individual skills, expertise, qualifications, and other board memberships they are affiliated to, the Nominations committee annually uses a matrix to assess and evaluate the composition of the Board. The matrix below provides a synopsis of the most significant criteria, applicable regulatory requirements and gaps (where necessary):

Director	Board member classification				Gender		Race		Tenure			Skills and expertise												
	Age (In 2021)	Executive Director	Non-Executive Director	Independent Director	Foreign Director	Male	Female	Black	White	<3 years' service	<6 years' service	>9 years' service	Accounting	Financial markets/ Investments	Actuarial	General business	International	Human Resources	Marketing	Risk Management	IT	Legal	Sustainability	Empowerment
A Birrell	52		x	x	x				x	x			x	x	x	x	x			x				
A Botha	68	x				x			x			x	x	x		x		x	x	x		x		
E Essoka*	66		x	x	x			x		x			x		x	x			x				x	x
P Hanratty	60	x			x				x	x			x	x	x	x				x				
N Kruger	54		x		x				x	x			x	x	x	x				x			x	x
N Manyonga*	40		x			x		x		x			x	x	x	x	x			x				
E Masilela	57		x		x			x		x			x	x		x	x			x			x	x
M Modise	58	x				x		x		x					x			x	x				x	x
M Mokoka	48		x			x		x			x		x	x		x				x			x	x
K Möller	62		x		x				x	x			x	x		x	x			x	x		x	x
P Motsepe	60	x			x			x			x		x	x		x	x			x		x	x	x
A Mukhuba	42	x				x		x		x			x	x		x	x			x	x		x	x
S Nkosi	67		x		x			x			x		x	x		x	x			x			x	x
K Nondumo	43		x			x		x		x			x	x		x	x			x			x	x
R Simelane	70		x			x		x			x		x	x		x				x		x	x	x
J van Zyl	65		x		x				x		x		x	x		x	x			x			x	x
W van Biljon*	60		x		x			x	x				x	x		x				x	x		x	
H Werth	58	x			x			x		x			x	x		x	x			x	x		x	
S Zinn	60		x			x		x		x			x	x		x				x			x	x
<b>Total</b>		<b>4</b>	<b>5</b>	<b>10</b>	<b>3</b>	<b>12</b>	<b>7</b>	<b>11</b>	<b>8</b>	<b>10</b>	<b>4</b>	<b>5</b>	<b>12</b>	<b>17</b>	<b>4</b>	<b>19</b>	<b>13</b>	<b>9</b>	<b>7</b>	<b>15</b>	<b>4</b>	<b>3</b>	<b>15</b>	<b>13</b>

\* These independent non-executive directors were appointed to the Board in 2021.

**KEY FACTS ABOUT SANLAM'S BOARD AS AT 31 DECEMBER 2021**

<b>5 years 7 months</b>	<b>19</b>	Number of Board members
		Average tenure as a Board member
	<b>57</b>	Average age of Board members
	<b>12</b>	Male Board members
	<b>4</b>	Black male Board members
	<b>7</b>	Black female Board members
	<b>5</b>	Board meetings held during 2021
	<b>29</b>	Total number of Board committees' meetings held during 2021
	<b>3</b>	Newly appointed Board members in 2021
<b>100%</b>		Attendance at Board meetings
	<b>8</b>	Board committees
	<b>5</b>	Non-executive Board members (non-independent)
	<b>10</b>	Independent non-executive Board members
	<b>4</b>	Executive directors

**Rotation of Board members**

In terms of Sanlam's MOI, at least a third of the non-executive directors must retire each year at the AGM. However, all retiring non-executive directors are eligible for re-election. The number of directors' positions, of which a third should rotate, is reduced with any number of appointments made to the Board during a specific financial year. The required number of non-executive directors who must rotate during 2022 is five. Based on the above, the following members of the Board will be standing for rotation at the 2022 AGM:

- Ebenezer Essoka (new director – appointment effective 18 June 2021)
- Willem van Biljon (new director – appointment effective 13 August 2021)
- Ndivhuwo Manyonga (new director – appointment effective 06 December 2021)
- Patrice Motsepe
- Shirley Zinn

These five Board members have made themselves available for re-election at the upcoming AGM. It is essential to highlight that each of the three independent non-executive directors appointed to the Board since the previous AGM must retire at the next AGM but are at the same time eligible for re-election.

As per the Board's decision to follow sound corporate governance practices at Sanlam, selected executive directors will voluntarily rotate every three years. To this end, Abigail Mukhuba (appointed as an *ex officio*

executive director in her capacity as Sanlam's Group Finance Director with effect from 1 October 2020) will also be rotating during 2022.

The Board considered and supported these rotations. Therefore, it is recommended to shareholders that they cast a vote for the reappointment of these Board members. A brief curriculum vitae of each director standing for election or re-election at the 2022 AGM is available on pages 19 to 29.

**Diversity at Board level**

Sanlam regards transformation, empowerment and diversity as a business imperative to help grow and sustain the business in a meaningful way. It strives to reflect the demographics of South Africa and those territories in which the Group operates. The Board's objective is to ensure that its composition is representative of the Company's profile and promotes, among others, race, culture and gender diversity. More importantly, by having diversity of thought and experience, the Board motivates and supports the different perspectives and points of view expressed by individual Board members. This allows for more profound and constructive debates with the ultimate objective to benefit Sanlam's key stakeholders.

The Board (supported by the Nominations committee) annually reviews the Group's policy regarding the promotion of diversity attributes at Board level. The policy aligns with the requirements outlined in the JSE's Listings Requirements (as amended) and sets out the approach to



diversity on the Boards of Sanlam and Sanlam Life. The Nominations committee reviews and assesses the Board's composition and recommends the appointment of new directors subject to obtaining PA approval. The Nominations committee also oversees the annual review process to evaluate the effectiveness of the Board and the respective Board committees.

The Nominations committee continuously considers the benefits of all attributes of diversity, including (but not limited to) race, gender, culture, age, field of knowledge, skills, and experience, to enable the Board to discharge its duties and responsibilities effectively. In identifying suitable candidates for appointment to the Board, the Nominations committee considers candidates based on merit against objective criteria and with due regard to the benefits of diversity applied at Board level. This includes affording consideration to the balance of skills, experience, independence, field of knowledge and that of Sanlam, and attributes such as race, gender, culture, the age groups of the respective Board members, and any other factors relevant to enhance the Board's effectiveness.

Given the benefits associated with a diverse Board, targets to increase the number of Black Board members (particularly Black female directors) were set and are annually reviewed by the Nominations committee and recommended to the Board for approval. The target achieved during the 2021 financial year included women being represented at 35% on the Board by year-end. Furthermore, non-executive and executive directorships were included in the Board's diversity targets. Targets set for the 2022 financial year include the retention of the Board's current diversity, knowledge and experience base.

## Roles and responsibilities within the Board structure

The Board's terms of reference, which is reviewed every year, governs and regulates how the Board members, collectively and individually, perform their duties according to the principles of good governance. However, the delegation of the duties and responsibilities of the Board to its Board committees does not reduce the Board's responsibilities regarding its fiduciary duties and responsibilities. As a minimum, the Board remains accountable and is required to continue to exercise due care and judgement. The Board must also apply its collective mind to the information, opinions, recommendations, reports and statements presented by the Board committees and management.

## The Chair of the Board

Elias Masilela (an independent non-executive director) assumed the role as the Chair of the Board in June 2020. Elias' primary role is to provide leadership to the Sanlam Board and to set the tone for the Board's performance. This includes him fulfilling an active role in engaging with

Board members, building upon their strengths, and addressing or developing any weaknesses when necessary.

## The Group Chief Executive

The Group Chief Executive is accountable to the Board for the successful execution of the Group's strategy and the overall management of Sanlam's performance. The Board agreed to delegate specific responsibilities, and decision-making powers to the Group Chief Executive as outlined in the reviewed Group Governance policy and the Board-approved Authorisations Framework.

The Group Chief Executive is an *ex officio* director on the Sanlam Board, and he also serves as the Chair of the Group Exco. He is not a member of the Human Resources and Remuneration committee, the Audit committee or the Nominations committee. However, he attends any meeting or part thereof by invitation to contribute to pertinent issues and provide information to the respective committees when required.

In consultation with the Nominations committee and the Human Resources and Remuneration committee, the Board considers and pre-approves whether the Group Chief Executive or other directors serving on the Board may take up additional professional positions, including membership of other governing bodies outside Sanlam. Time constraints and potential conflicts of interest are considered and balanced against professional development opportunities. The Board annually evaluates the performance of the Group Chief Executive against set criteria and the agreed performance measures and targets.

## The Company Secretary

The Company Secretary was appointed following the requirements of the Companies Act. All directors have access to the Company Secretary, who ensures that the Board procedures and applicable rules and regulations are fully observed and implemented. The Company Secretary is responsible for the administration of shareholders and the direct interface between the transfer secretaries, Computershare and Strate. In addition, he supports the Board with the execution of its governance role and responsibilities. The Company Secretary is also responsible for ensuring compliance with the JSE Listings Requirements (as amended), the requirements outlined in the Companies Act, and insider trading. His duties include executing statutory requirements applicable to the abovementioned responsibilities.

The Company Secretary has an arms-length relationship with the Board and is not a director of the Company or a member of the Group Exco. He is also not involved in the day-to-day operations of the Group other than the provision of statutory, company secretarial, and compliance services to the Group.

As required by the JSE Listings Requirements, the Board, upon the recommendation of the Nominations committee, confirms that:

- the Company Secretary is competent and has the relevant qualifications and experience to fulfil his role;
- the Company Secretary is not a director of the Company; and
- the roles and responsibilities of the Company Secretary are described in the Board charter.

All directors have unlimited access to the Company Secretary. He attends all Board and Board committee meetings. The Board is satisfied that there are adequate and effective arrangements for accessing professional corporate services with the assistance of the Company Secretary.

The Company Secretary oversees the induction of new directors, including the directors of subsidiary companies, and facilitates the ongoing training requirements of Board members. The Board's induction programme focuses on Sanlam's business, the statutory requirements applicable to the Group, Board matters, and the Board's duties and governance responsibilities according to each director's specific needs. Furthermore, the Company Secretary keeps the directors abreast of applicable legislation and regulations, changes to rules, standards and codes, and governance-related developments that could potentially affect the Group and its operations. Ongoing support and resources are provided to Board members as required to extend and refresh their skills, knowledge and understanding of the business.

### **External service providers and advisers to the Board**

The Board's charter authorises the Board and the Board committees to seek independent, external professional advice at Sanlam's expense concerning matters within the scope of their duties. This includes requesting documentation from and setting up meetings with management when required.

Standard Bank of South Africa Limited was appointed during the 2019 financial year as Sanlam's JSE sponsor and continued to render its services to Sanlam during the 2020 and 2021 reporting periods.

### **Annual Board effectiveness evaluation**

An annual Board effectiveness evaluation is conducted under the auspices of the Nominations committee and in consultation with the Chair. The objective is to determine ways to improve the Board's effectiveness. These assessments are transparent and documented. During the 2021 financial year, this assessment was performed with the assistance of an external service provider, who contributed to the integrity and objectivity of the process that was followed. The evaluation (a combination of a detailed questionnaire and interviews being held) confirmed that the Board and the Board committees were functioning effectively and that there were no material matters to report.

Each Board committee has a standing agenda point on training to ensure that members can effectively and efficiently execute their fiduciary duties. In addition, each committee's charter includes a reference to an annual performance assessment of the respective Board committees in alignment with its approved annual plans. This is to ensure that an annual evaluation is conducted to assess how effectively the Board committees executed their mandates that were delegated by the Board. The Nominations committee considers the results of the Board's evaluation process and the Board committees' performance reviews, whereafter it makes recommendations to the Board where appropriate.

03



Board member profiles

**Confidence Rule 53:**

**IF YOU WANT  
TO WIN, PICK A  
WINNING TEAM.**

# Board member profiles



## 1. Andrew Birrell

**Member of the Board:** independent non-executive director

**Nationality:** British/South African

**Year of birth:** 1969

Andrew Birrell was appointed to the Board on 1 September 2019 as an expert in life insurance, general insurance, health insurance, stock broking, asset management, and retail online banking. He serves as the Chair of the Risk and Compliance committee and was appointed as a member of the Audit, Actuarial and Finance committee, the Independent Non-Executive Directors committee, the Non-Executive Directors committee and the Customer Interest committee. His qualifications include a B.BusSci (Actuarial) (Hons) degree, obtained from the University of Cape Town in 1990. He is also a Fellow of the Faculty and Institute of Actuaries (1994), a Fellow of the Actuarial Society of South Africa (1994), a Chartered Enterprise Risk Actuary (CERA Global Association, 2009), and a member of the Institute of Directors (UK) since 2015.

Andrew is currently a non-executive director of Sun Life of Canada (UK), esure Group plc and subsidiaries, Sanlam Developing Markets and ELG Holding (Cayman) Limited. He is also an executive director of Universal Partners (Mauritius) and ARGO Fund Managers (Mauritius), and an alternate director of SC Lowy Partners.

His was previously the Chair of Assupol Life Limited and Assupol Holdings Limited (South Africa) from 1 July 2016 to 31 March 2019, having joined that board in 1 May 2013, where he also served as a member of the Audit committee, the Remuneration committee and the Risk and Compliance committee. Andrew's experience on several other boards and board committees of regulated companies include, among others, life insurance, health insurance, general insurance, stock broking, investment management and banking in the UK, South Africa, Ireland, Scandinavia and Canada.



## 2. Anton Botha

**Member of the Board:** non-executive director

**Nationality:** South African

**Year of birth:** 1953

Anton Botha has been a member of the Board since 2006. He qualified as an independent non-executive director until 10 June 2020, whereafter his status was recategorised as a non-independent non-executive director. He has since stepped down with effect from 11 June 2020 as the Chair of the Human Resources and Remuneration committee and a member of the Audit, Actuarial and Finance committee and the Risk and Compliance committee. Anton is an expert in finance, risk and compliance, financial markets, investments, general business, human resources, marketing, and international business.

He obtained a BProc from UNISA and holds a BCom degree in marketing from the University of Pretoria. He further holds a BCom (Hons) degree in Investment Management from the University of Johannesburg and completed an Executive Development Programme at Stanford University in the USA.

Anton advanced his career in investments at Gencor, Genbel and Gensec from 1981 to 2001. Between 1986 and 2001, he was the CEO of Gensec and developed the business into a leading South African investment banking group. Prior to becoming a wholly owned subsidiary of Sanlam in December 2000, Gensec was recognised as one of South Africa's 40 largest listed entities. Anton is currently a director and the co-founder of Imalivest, a private investment group that manages its owners' capital and the Imalivest unit trusts. He also serves as a non-executive director on the Board of African Rainbow Minerals Limited and the Chair of the UK Friends of the University of Pretoria.



### 3. Ebenezer (Ebby) Essoka

**Member of the Board:** independent non-executive director

**Nationality:** Cameroonian

**Year of birth:** 1955

Ebby Essoka was appointed to the Board on 18 June 2021. He currently serves as a member of the Customer Interest committee, the SES committee, the Non-Executive Directors committee and the Independent Non-Executive Directors committee. The Board appointed him as an expert in finance, financial markets, audit, risk investments, and international business. He holds an MBA in Finance, and a Diploma in International Business from Seton Hall University South Orange, New Jersey, USA and attended several senior executive development programmes at INSEAD, London Business School, Templeton College, Oxford University and Cambridge University.

Ebby's banking career began in the USA with the Bank of Boston (1982-1983). Thereafter he joined the Bank of Boston: Cameroon in 1984. He was employed by Standard Chartered Bank (SCB) in 1986, and in 1993 he was the first African to be appointed as CEO of an SCB subsidiary after 135 years of the Group's presence in the continent. He is currently appointed as the Executive Chair of IBURU, an advisory firm focused on economic development across Sub-Saharan Africa. He retired from the SCB Group as Vice Chair, Africa, in November 2015 after 30 years in senior leadership roles. Prior to becoming Vice Chair: Africa, Ebby was the CEO: South Africa and Southern Africa (2008-2013) and the CEO: Central and West Africa (2004-2008).

In addition to his responsibilities at IBURU, he is an Independent non-executive Chair of CogeBanque, Rwanda, an independent non-executive Chair of United Bank for Africa, Cameroon SA; an independent non-executive director and Chair of the Audit, Risk and Compliance committee of Mobile Money Corporation of Cameroon, a Senior Adviser to the President of the African Development Bank, working on the African Investment Forum, a former independent non-executive Chair of SCB: Côte d'Ivoire (03/2021), former Chair of SCB: Cameroon (11/2019), a former independent non-executive director and Chair of the Audit committee of SCB: Mauritius (12/2019), a former non-executive director CRDB Bank plc: Tanzania (IFC/CDC Nominee - 01/ 2020) and a former member of the Global Advisory Council of the London Business School (12/2016).



### 4. Paul Hanratty

**Member of the Board:** executive director (*ex officio*)

**Nationality:** Irish

**Year of birth:** 1961

Paul Hanratty was appointed to the Board as an independent non-executive director in 2017. After he assumed the role as Group Chief Executive with effect from 1 July 2020, his status on the Board was reclassified as an *ex officio* executive director. Shareholders were informed during May 2020 after a robust selection and recruitment process was followed under the auspices of the Nominations committee's mandate. Paul succeeded Ian Kirk, who retired during the 2020 financial year after a five-year tenure.

Paul's qualifications include a B.BusSci (Actuarial) (Hons) degree, obtained from the University of Cape Town in 1984, whereafter he completed an Advanced Management Programme at Harvard Business School. He is a Fellow of the Institute of Actuaries (FIA) and previously served as the CEO of Old Mutual South Africa before 2009, when he was appointed as CEO of Old Mutual Long-Term Savings in London and subsequently designated as an Executive of Old Mutual plc.

He started his career in the insurance industry in 1984 and has since worked in various financial services businesses in South Africa, Africa, Scandinavia, the UK and several other markets. He was also appointed in 2016 as an independent non-executive director of MTN and is currently the independent non-executive Chair of Intelligent Debt Management.





**5. Nicolaas Kruger**

**Member of the Board:** independent non-executive director  
**Nationality:** South African  
**Year of birth:** 1967

Nicolaas Kruger was appointed to the Board on 26 May 2020. He currently serves as the Chair of the Customer Interest committee and has been appointed as a member of the Risk and Compliance committee, the Audit, Actuarial and Finance committee, the Independent Non-Executive Directors committee and the Non-Executive Directors committee. His qualifications include a BCom (Mathematics) (cum laude) degree, and he is a Fellow of the Faculty of Actuaries (1992) (FIA) and a Fellow of the Actuarial Society of South Africa (1992) (FASSA). He also completed an Advanced Management Programme (Oxford) (2001) and is a Chartered Director (CD(SA) 2020) and a member of the Institute of Directors SA.

He has 30 years of experience in the insurance-based financial services industry in South Africa and acts as a non-executive director, an investor and a mentor. For several years until 2018, he served as the South African insurance group Momentum Metropolitan Holdings Group Chief Executive. He also obtained exposure to banking from 1998 to 2010, when Momentum was an integral part of the FirstRand banking group. In addition, Nicolaas gained extensive experience doing business in international markets, including various countries in the rest of Africa, the UK, and India. Earlier in his career, he served as Chief Actuary and Chief Financial Officer of Momentum. He has extensive historical experience as a member of various boards and governance forums. His expertise includes accounting, financial markets and investments, actuarial, general business, international, risk management, sustainability and empowerment.

Nicolaas currently serves as the Chair of the boards of agriculture businesses Brenn-O-Kem and Griekwaland Wes Korporatief (GWK). He is also a non-executive director for General Reinsurance Africa (Gen Re), Granor Passi, I7 Capital and various private companies.



**6. Ndivhuwo Manyonga**

**Member of the Board:** independent non-executive director  
**Nationality:** South African  
**Year of birth:** 1981

Ndivhuwo Manyonga is an expert in the designing, pricing and valuation of insurance and retirement funding products. She was appointed to the Board on 6 December 2021 and holds a B.BusSci (Actuarial Science) degree, a Post-Graduate Diploma in Actuarial Science (University of Cape Town), and a Diploma in Actuarial Techniques (FIA). She also obtained a Certificate in Board Leadership (GIBS) and a Certificate of Competence in Enterprise Risk Management (Alexander Forbes Risk Services) and is a Fellow of the Actuarial Society of South Africa.

She started her professional career in 2002 as an actuarial assistant with her academic sponsor, Old Mutual, where she was employed for five years. She has since rendered independent employee benefits, risk and actuarial consultancy services and gained valuable experience in actuarial concepts, employee benefits, retirement funding and investment strategies. She also fulfilled the role of Managing Director of a greenfield business that provides employee benefits consulting services. During 2012, she joined Aon Hewitt as Deputy CEO and thereafter assumed the role of Executive Head of Aon Employee Benefits prior to her appointment at the Federated Employee Mutual Assurance Company (RF) Proprietary Limited (FEM).

Apart from Ndivhuwo's appointment to the Sanlam Board, she is currently the CEO of FEM and a member of FEM's Risk and Compliance committee, its Social and Ethics committee and its Investment committee. She is also appointed as the Chair of the FEM Education Foundation and serves as a director of the FEM Trust, the FEM Construction Industry Loan Fund, and is a member of the Advisory Board of the Compensation Fund.



### 7. Elias Masilela

**Member of the Board:** independent non-executive director  
**Nationality:** South African  
**Year of birth:** 1964

Elias Masilela joined the Board in 2019 and has served as Chair of the Board since June 2020. He was appointed due to his expertise in economics, policy, investments, general business, marketing, sustainability and empowerment. He holds a BA degree in Social Science, obtained from the University of Eswatini (formerly the University of Swaziland), an MSc in Economic Policy and Analysis from Addis Ababa University, and graduated with several other professional certificates from Harvard University.

He is currently the Chair of DNA Economics. He further serves as the Chair of Impact Investing South Africa and is a non-executive director of the boards of Multichoice Group, Multichoice Holdings, Alternative Prosperity Group, Future Planet Capital in London and Strate. He is also an executive director for Capital Harvest and BuMa Consulting. Elias recently stepped down as a Commissioner of the first and second National Planning Commissions.

During previous years, Elias functioned as the CEO of the PIC, the Head of Policy Analysis at Sanlam, acting deputy director-general of economic policy in the National Treasury and director of research for the Central Bank of Swaziland (now Eswatini). He was also a member of the boards of the South African Reserve Bank, the Government Employee Pension Fund, the Airports Company SA and the United Nations Global Compact (UNGC). Until recently, Elias served as the Chair of Economic Research Southern Africa, the Chair of Absa Asset Management and as a Board member of Avior Capital Markets, Absa Financial Services, Eskom Pension and Provident Fund, and the V&A Waterfront. Elias was one of the founders of many initiatives such as the Financial Sector Charter Council, the Social Security and Retirement Reform, the UNGC Africa Implementation Agenda for the SDGs and the Ratepayers Association Network in Eswatini. He was also instrumental in listing the Multichoice Group and Avior Capital Markets on the JSE (2019 and 2017), including CA Sales on the BSE (2018).



### 8. Jeanett Modise

**Member of the Board:** executive director  
**Nationality:** South African  
**Year of birth:** 1963

Jeanett Modise joined the Sanlam Group in 2014 as Executive: Human Resources and Transformation at Santam Limited, where she spent three years before she was appointed as Chief HR Officer at Sanlam Investments. This was until she assumed the role of Chief Executive: HR for the Sanlam Group with effect from 1 September 2019. She was appointed to the Board as an executive director during the same year.

Jeanett's academic background includes a BCom degree in Business Management, a Management Development Programme (MDP), a Masters degree in Business Leadership (MBL), a Senior Executive Programme (Harvard) and an Advanced Management Development Programme (INSEAD). She is a professional coach and is currently completing her MPhil in Management Coaching through the University of Stellenbosch's Business School. Jeanett is an accomplished HR executive with 20 years' experience in other blue-chip and multinational companies such as SAP, Hewlett Packard, Nedbank and AngloGold Ashanti, where she worked before joining the Sanlam Group.

She previously served as a non-executive director and Chair of the Human Resources and Remuneration committee for Foskor, a non-executive director for MiWay Insurance and Save the Children South Africa (a global non-governmental organisation that promotes the rights of children).



**9. Mathukana Mokoka**

**Member of the Board:** independent non-executive director  
**Nationality:** South African  
**Year of birth:** 1974

Mathukana Mokoka is a qualified CA(SA) and was appointed to the Board in March 2018. She is a member of the Audit, Actuarial and Finance committee, the Risk and Compliance committee, the SES committee, the Customer Interest committee, the Independent Non-Executive Directors committee and the Non-Executive Directors committee. The Board has appointed her due to her finance, risk and compliance, and ethics governance skills and expertise.

Mathukana holds a B.Com degree in Accounting (University of Limpopo), a Post-Graduate Diploma in Management (Financial Accounting) (University of Cape Town), a Post-Graduate Qualification in Accounting (University of Natal) and a Post-Graduate Diploma in Auditing (University of Cape Town). She has diverse work experience, ranging from strategic and financial management to corporate finance, including working extensively in the deal-making environment. She held several senior positions at Woolworths, Cadiz Corporate Solutions and Standard Bank during her career.

Mathukana currently also serves as an independent non-executive director at Contract Services Group Holdings, Palabora Mining (Pty) Ltd, Alviva Holdings (Pty) Ltd, Energy Partners, Stadio Holdings and Strate.



**10. Jacobus (Kobus) Möller**

**Member of the Board:** independent non-executive director  
**Nationality:** South African  
**Year of birth:** 1959

Kobus Möller was appointed to the Board with effect from 1 January 2020. He is a qualified Chartered Accountant and holds a BCom degree (cum laude) from the University of Pretoria. He also obtained a BCompt Hons (UNISA) and completed an Advanced Management Programme at Harvard Business School.

Prior to his retirement in 2016, Kobus was employed by the Sanlam Group for several years. During his tenure, he served as the Finance Director of Sanlam (2006-2016). He previously fulfilled the positions of Chief Executive: Finance of the Sanlam Group and Executive Head: Operations and Finance of Sanlam Personal Finance. Since his retirement, Kobus also held various non-executive directorships of major Sanlam subsidiaries such as Sanlam Emerging Markets, Sanlam Investments and Santam. Before joining the Sanlam Group, he was Executive Director: Finance of Impala Platinum Holdings. Given Kobus' previous affiliation with Sanlam, the Board (with the assistance and guidance of the Nominations committee) performed a rigorous exercise to review and assess his independence before his appointment to the Board in 2020. This process resulted in the Board confirming its satisfaction with Kobus being categorised as an independent non-executive director. Kobus afterwards succeeded Paul Hanratty as Chair of the Audit, Actuarial and Finance committee, after Paul's status was recategorised in July 2020 as an *ex officio* executive director.

Kobus is currently the Chair of Sanlam's Audit committee and a member of the Risk and Compliance committee, the SES committee, the Independent Non-Executive Directors committee, the Non-Executive Directors committee, the Actuarial Forum, and the clusters' Finance and Risk Forums (which are all sub-committees of the Audit committee).



## 11. Patrice Motsepe

**Member of the Board:** non-executive director

**Nationality:** South African

**Year of birth:** 1962

Patrice Motsepe has been a member of the Board since 2004 and was appointed as the Deputy Chair of Sanlam. He currently serves as a member of the Nominations committee, the Non-Executive Directors committee and the Human Resources and Remuneration committee.

Patrice holds a BA Law degree (University of Eswatini), an LLB degree and a Doctorate of Commerce Honoris Causa (University of Witwatersrand), a Doctorate of Commerce Honoris Causa (Stellenbosch University), a Doctorate in Management and Commerce Honoris Causa (University of Fort Hare) and a Doctorate of Laws Honoris Causa (University of Eswatini).

He is the founder and executive Chair of African Rainbow Minerals Limited and the founder and Chair of Ubuntu-Botha Investments, African Rainbow Capital, African Rainbow Energy and Power, and Ubuntu-Botha Investments General Partner (Pty) Ltd. He is also the Chair of Harmony Gold and the President of Mamelodi Sundowns Football Club. Patrice is, furthermore, a member of the International Business Council of the World Economic Forum, which comprises 100 of the most highly respected and influential Chief Executives from all industries. He is also serving as a member of the Harvard Global Advisory Council and the International Council on Mining and Metals. His past business responsibilities include being the President of the National African Federated Chamber of Commerce and Industry from 2002 to 2006, the founding President of Business Unity South Africa (January 2004 to May 2008 in South Africa), the founding President of the Chamber of Commerce and Industry in South Africa, the President of the Black Business Council, and the founding Chair of the Brazil, Russia, India, China, South Africa (BRICS) Business Council (March 2013).

In 2002, Patrice was voted South Africa's Business Leader of the Year by the Chief Executive Officers of the top 100 companies in South Africa. He was the winner of the Ernst & Young Best Entrepreneur of the Year Award in the same year. Forbes Magazine commemorated its 100th Anniversary and honoured Patrice during 2017 as one of the "100 Greatest Living Business Minds" in the world alongside many prominent global business leaders including Warren Buffet, Bill Gates, Jeff Bezos, Mark Zuckerberg and Jack Ma. Patrice has been the recipient of numerous accolades and global business and leadership awards which include, amongst others:

- the World Economic Forum Global Leader of Tomorrow (1999);
- the Afrikaanse Handelsinstituut MS Louw Award for Exceptional Business Achievement (2003);
- the South African Jewish Report Special Board Members Award for Outstanding Achievement (2004);
- the African Business Roundtable USA, Entrepreneur & Freedom of Trade Award (2009);
- the McGuireWoods Outstanding Alumnus Award (2009);
- the Black Management Forum Presidential Award for Business Excellence (2010);
- the BRICS Business Council Outstanding Leadership Award (2014);
- Harvard University's Veritas Award for Excellence in Global Business and Philanthropy (2014); and
- the Sunday Times Lifetime Achiever Award (2017).



**12. Abigail Mukhuba**

**Member of the Board:** *ex officio* executive director  
**Nationality:** South African  
**Year of birth:** 1979

Abigail Mukhuba was appointed to the Board as an executive director from 1 October 2020 when she assumed the role of Group Finance Director of Sanlam. She is a qualified Chartered Accountant and holds the following qualifications: an MBA (UCT), an MCom (RSA and International Tax) (RAU), a BCom (Hons) in Accounting (RAU) and a BCompt (UNISA).

She joined Sanlam in 2020 from a leading mining company, African Rainbow Minerals Limited, where she held the position of Finance Director since 2017. She was previously employed in various senior financial positions at Exxaro Resources Limited and BMW SA. She has over 15 years working experience in the financial reporting and tax specialist environments in both the automotive and mining industries.

Abigail is currently a director of Santam Limited, Sanlam Emerging Markets, Sanlam Investment Holdings, Sanlam Capital Markets and Genbel Securities. Apart from her appointment as an *ex officio* executive director on the Sanlam Board, she also serves as a member of Sanlam’s Risk and Compliance committee.



**13. Siphon Nkosi**

**Member of the Board:** non-executive director  
**Nationality:** South African  
**Year of birth:** 1954

Siphon Nkosi has been a member of the Board since 2006 and was appointed as an expert in governance, marketing and general business. He holds a BCom degree (University of Zululand), a BCom (Hons)(Economics) degree (UNISA), an MBA (University of Massachusetts, USA) and a Diploma in Marketing Management (UNISA). He also completed the Advanced Management Programme at the University of Oxford (UK) and received several accolades and awards throughout his professional career.

During his tenure on the Sanlam Board, he fulfilled the role as Chair of the SES committee, the Independent Non-Executive Directors committee and the Nominations committee. He was also appointed as a member of the Non-Executive Directors committee and, since 2016, served as Sanlam’s lead independent director (LID). However, as per the review performed on Siphon’s independence status during 2019, his Board membership was recategorised as a non-independent non-executive director with effect from 11 June 2020. He subsequently stepped down as the Group’s LID and the Chair and member of the Independent Non-Executive Directors committee and the SES committee.

Following a distinguished career in mining, Siphon co-founded an investment holding company, Talent10 Holdings, in 2012, where he currently serves as non-executive Chair. He also assumed the role of Chair of Sasol and SBI and was appointed as a non-executive director on the boards of KZN Philharmonic Orchestra, Tronox and Partners for Possibility (PFP). He is also a member of the Risk committee of the Council at the University of Witwatersrand. During previous years, he fulfilled the role as country manager of ABB Alstom Power (SA) and was also employed by Anglo Coal and Ingwe, whereafter he was appointed as the Chief Executive of Exxaro Resources Limited. Furthermore, he is a past President of the Chamber of Mines of South Africa and has been serving on the Executive Council of the Chamber of Mines since November 2006. Prior to his appointment to the Council, he played a meaningful role as a member of the Chamber’s Collieries committee.





#### 14. Karabo Nondumo

**Member of the Board:** independent non-executive director  
**Nationality:** South African  
**Year of birth:** 1978

Karabo Nondumo joined the Sanlam Board with effect from 4 December 2015. She was since appointed on various Board committees and currently serves as a member of the Audit, Actuarial and Finance committee, the Risk and Compliance committee, the SES committee, the Independent Non-Executive Directors committee, the Non-Executive Directors committee, the Nominations committee and the Human Resources and Remuneration committee. The Board appointed her as an expert in risk and compliance, accounting, governance, human resources and remuneration. She currently also fulfils the role of Chair of the SES committee.

Karabo obtained her BCom degree in Accounting from the University of Natal in 1999 and her HDip in Accounting from the University of Witwatersrand in 2000, whereafter she qualified as a CA(SA) in 2003. She started her career at PwC, where she gained valuable experience in financial services (insurance and banking), manufacturing and telecommunications. From 2004 to 2007, she worked as an investment principal at Shanduka Group, where she was responsible for analysing and implementing transactions for the resource, financial services, and energy divisions. She was also an executive assistant to the Chair of the Shanduka Group. In 2008, she became the inaugural Chief Executive of AWCA Investment Holdings, an investment company for Black female chartered accountants. She further fulfilled various positions in the Vodacom Group, which included the Executive Head: Corporate Finance, Mergers and Acquisitions, and Executive Head: Enterprise Business Unit. Through her investment company, Soraspace Capital (Pty) Ltd, Karabo is also a shareholder and director of Safic (Pty) Ltd.

She further serves on several Boards within the Sanlam Group and is the Chair of the Audit, Actuarial and Risk committees of African Rainbow Life Limited, Sanlam Developing Markets and Safrican Insurance Company Ltd. She is an independent non-executive director of Harmony Gold Mining Company Ltd, MTN Rwandacell plc, Swazi MTN Ltd, MTN Uganda Ltd, and MTN (Zambia) Ltd. She is also a Trustee of Ubuntu-Botho Women's Trust and the Mabindu Trust and serve as an advisory board member of Senatla Capital.



#### 15. Rejoice Simelane

**Member of the Board:** non-executive director  
**Nationality:** South African  
**Year of birth:** 1952

Rejoice Simelane has been a member of the Board since 2004. Her areas of expertise include economics, finance, risk, compliance, law, governance and general business. She obtained her PhD in Economics from the University of Connecticut (USA) in February 1994 and thereafter an LLB from the University of South Africa in 2010. She started her career at the University of Eswatini as a lecturer in economics and was employed by the Department of Trade and Industry and the National Treasury between 1998 and 2001. She was subsequently appointed as a Special Adviser (Economics) to the then Premier of Mpumalanga until mid-2004, before assuming the position of CEO of Ubuntu-Botho Investments (UBI), Sanlam's empowerment partner, until 2016. While she remains an executive director of UBI, she also serves as a non-executive director on the Board of ARC, a wholly owned subsidiary of UBI.

Rejoice's other board directorships include African Rainbow Minerals, where she serves as the Chair of the Social and Ethics committee and as a member of the Audit, Risk, Nominations and the Non-Executive Directors committees. She is also a director on the boards of African Rainbow Energy and Power, Elandsfontein Exploration and Mining (Pty) Ltd, Uyanda Stl Careers (Pty) Ltd, Consumer Friend (Pty) Ltd, the Blue Bulls, and Mamelodi Sundowns Football Club (Pty) Ltd.

Furthermore, Rejoice was elected to the Executive committee of the Premier Soccer League in 2016 and was re-elected in 2020. Rejoice, a CIDA scholarship recipient and a Fulbright Fellow, was also privileged to serve as a member of the Presidential Economic Advisory Panel under former President Thabo Mbeki. She will be stepping down from the Board in March 2022 due to her reaching the Board retirement age.



**16. Willem Van Biljon**

**Member of the Board:** independent non-executive director  
**Nationality:** South African  
**Year of birth:** 1961

Willem van Biljon was appointed to the Board on 13 August 2021. He holds a BSc. (Hons) degree in Computer Science from the University of Cape Town. The Board appointed him as an expert in risk management, information technology and technology management. He currently serves as a member of the Risk and Compliance committee, the Customer Interest committee, the Independent Non-Executive Directors committee and the Non-Executive Directors committee.

Willem is an astute technology pioneer. His career spans over 30 years, during which he gained valuable experience in Fintech, Cloud computing and the broader information technology industry. He was the co-founder of Mosaic Software that built the Postilion payment transaction system, a leader in the team that developed Amazon’s Elastic Compute Cloud (EC2) and the co-CEO and Chief Technology Officer of Takealot.com.

Willem’s other board directorships include serving as a non-executive director of Entersekt (Pty) Ltd, BrandsEye Ltd (operating as DataEQ with effect from 18 February 2022), TallOrder (Pty) Ltd and Clickatell Inc., where he is also appointed as a member of the Audit committee and the Chair of the Ethics and Social Responsibility committee.



**17. Johan van Zyl**

**Member of the Board:** non-executive director  
**Nationality:** South African  
**Year of birth:** 1956

Johan van Zyl has been a member of the Board since 2016. He served as the Chair of the Board from 2017 until mid-2020. Johan is an expert in insurance, financial markets, investments, general business, human resources, marketing and international business.

He trained initially as an agricultural economist and holds two doctorates – a PhD in Economics and a DSc in Agriculture. After working for the South African government and NAMPO as an economist, he lectured agricultural economics at the University of Pretoria from 1983 to 1994. During this period, he was appointed as the Dean of the Natural and Agricultural Sciences faculty. He subsequently spent two years at the World Bank as co-ordinator of Rural Development. In 1996, he became the Vice-Chancellor and Principal of the University of Pretoria, whereafter he joined Santam Limited as the Group Chief Executive in 2001. He was subsequently appointed as the Group Chief Executive of Sanlam from 2003–2015.

Johan is currently an executive director of African Rainbow Capital (Pty) Ltd and Ubuntu-Botha Investments (Pty) Ltd. He is also a non-executive director of Ubuntu-Botha Investments General Partner (Pty) Ltd, Rain Group Holdings (Pty) Ltd, Dippenaar & Reinecke (Pty) Ltd, Blue Bulls, Vumelana Advisory Fund and Neil Ellis Wines (Pty) Ltd. He has a keen interest in economic development and has published several books, articles and academic journals relating to rural development and agriculture in South Africa, the broader southern African region, eastern Europe and South America.



### 18. Heinie Werth

**Member of the Board:** executive director  
**Nationality:** South African  
**Year of birth:** 1963

Heinie Werth was appointed as CEO of Sanlam Emerging Markets on 1 August 2019. He also held this position during previous years from 2005 until 2016, before assuming the role as Sanlam's Group Finance Director. Prior to being appointed as the CEO of Sanlam Emerging Markets in 2005, his career included being designated as a senior General Manager (IT) at Sanlam Life, Finance Director at Sanlam Life and Sanlam Employee Benefits, Manager: Corporate Finance at Gencor, and Finance Director at Kelgran.

Heinie is a qualified CA(SA) and holds a Hons B. Accountancy, an MBA and an EDP (Manchester). He is an expert in accounting, finance, audit, financial markets and investments, governance, general business and risk management.

He is also an executive director for Shriram Capital Limited and previously served as a non-executive director of Santam Ltd, Sanlam Investments Group, Sanlam Capital Markets, Shriram Capital (India), Saham Finances (Morocco), Botswana Insurance Holdings, Sanlam Namibia and various other subsidiaries in the Sanlam Emerging Markets cluster.



### 19. Shirley Zinn

**Member of the Board:** independent non-executive director  
**Nationality:** South African  
**Year of birth:** 1961

Shirley was appointed to the Board in December 2018 as an expert in HR, transformation, and ethics governance. She holds a BA (University of the Western Cape), a Post-Graduate Higher Diploma in Education (University of the Western Cape), BEd (Hons) (UNISA); MEd (University of the Western Cape), EdM (Harvard) and a Doctorate in Education (Harvard).

Shirley is the former Group Head of HR at Woolworths Holdings Limited. Prior to this, she was the Head of HR at Standard Bank South Africa and the Deputy Global Head of HR for the Standard Bank Group. She also registered her own company, Shirley Zinn Consulting, which provides consulting and advisory services in human resources, transformation, leadership and education. Shirley's career further includes her appointment as the Group Executive: HR at Nedbank and General Manager: HR at the South African Revenue Service (SARS). Before her appointment at SARS, she fulfilled the role of Regional HR Director for the Middle East and Africa for Reckitt Benckiser, a global company listed on the London Stock Exchange. She is also the former Chair of the Institute of Bankers, DHL: Global Forwarding SA and the Starfish Greathearts Foundation.

She currently serves as an independent non-executive director on the boards of The LRMG (Pty) Ltd, Advtech Holdings\*, MTN SA, NPI, Business Engage, Empowerment Capital Investment Partners, Tuesday Consulting, the Spur Group and as an executive director of Boston Consulting Group. Furthermore, she is appointed as the Chair of Nedbank Eyethu Community Trust and serves as an independent Chair of the V&A Waterfront. In addition, Shirley was an extraordinary professor at the University of Pretoria's department of HR management and previously fulfilled the position of Adjunct Professor at the University of Cape Town. She is also the past President of the Institute for People Management in South Africa and was registered as a Master HR Professional with the South Africa Board for People Practices. She is also a former President of the Harvard Alumni Association South Africa,

a Fellow member of the IoDSA and was appointed as the patron for the South Africa Council of Businesswomen. Her career and experience were complimented and acknowledged by various accolades and awards, including, among others:

- the award from the World Human Resources Congress in Mumbai in 2007 and 2013 respectively for Excellence in Global HR Leadership;
- the Top Woman in Business and Government award (2008);
- the Top Executive in Corporate South Africa award by Topco Media (2008); and
- she was included in the Top 30 Wonder Women in South Africa by the Wits Business School Journal (2012).

\* Shirley retired from the board of Advtech Holdings as at the end of December 2021.



## Board and committee meeting attendance for 2021

The Sanlam Board meets at least once per quarter to consider strategic issues, review and set risk parameters, approve financial results and budgets, and monitor the implementation of delegated responsibilities. Feedback from its committees and several key performance indicators, variance reports, and industry trends are also being considered.

In addition to the quarterly Board meetings, a two-day session is held annually and attended by Board members and the members of the Group Exco to review and approve the Group's strategic objectives.

The attendance at the Board and committee meetings during the 2021 financial year can be summarised as follows:

Directors	Board meetings		Audit committee	Risk and Compliance committee	Human Resources and Remuneration committee	Nominations committee	Social, Ethics and Sustainability committee		Customer Interest committee	Independent Non-Executive Directors committee	Non-Executive Directors committee
	Scheduled (3 meetings)	Ad hoc (1 meeting)	Scheduled (4 meetings)	Scheduled (4 meetings)	Scheduled (4 meetings)	Scheduled (4 meetings)	Scheduled (4 meetings)	Ad hoc (1 meeting)	Scheduled (4 meetings)	Scheduled (4 meetings)	Scheduled (4 meetings)
A Birrell	5	1	4	4	-	-	-	-	3 (out of 3)**	4	4
AD Botha	5	1	-	-	4**	-	-	-	-	4**	4
E Essoka*	3 (out of 3)	1	-	-	-	-	1 (out of 1)	-	1 (out of 1)	2 (out of 2)	3 (out of 3)
PB Hanratty	5	1	4***	4***	4***	4***	4***	1***	4***	4***	1***
NAS Kruger	5	1	4	4	-	-	-	-	4	4	4
N Manyonga*	1 (out of 1)	-	-	-	-	-	-	-	-	-	1 (out of 1)
E Masilela	5	1	4**	4**	4	4	4**	1**	4**	4	4
PT Motsepe	5	1	-	-	4	4	-	-	-	-	4
M Mokoka	5	1	4	4	-	-	4	1	4	4	4
JP Möller	5	1	4	4	-	-	4	1	-	4	4
AM Mukhuba	5	1	4***	4	1***	-	1***	-	-	4***	-
KT Nondumo	5	1	4	4	4	4	4	1	-	4	4
SA Nkosi	5	1	-	-	-	4**	-	-	-	4**	4
RV Simelane	5	1	-	-	-	-	4	1	-	-	4
HC Werth	5	1	-	-	-	-	-	-	-	4***	-
J Modise	5	1	-	-	4***	-	4	1	-	4***	-
J van Zyl	5	1	3 (out of 3)**	4**	4**	4**	-	-	-	-	4
W van Biljon*	2 (out of 2)	-	1 (out of 1)**	2 (out of 2)	-	-	1 (out of 1)**	-	1 (out of 1)	2 (out of 2)	2 (out of 2)
SA Zinn	5	1	-	-	4	-	-	-	-	4	4

# Ad hoc Board and Board committee meetings for specific subjects by selected members.

\* Non-executive directors who were appointed as members of the Board in 2021.

\*\* Non-executive directors, attending in the capacity as an invitee.

\*\*\* Executive directors, attending in the capacity as an invitee.

External advisers and members of management attend Board and Board committee meetings by invitation.





# 04

Committee profiles  
and composition

**Confidence Rule 52:**

**YOU'RE ONLY AS  
SUCCESSFUL AS THE  
TEAM YOU HAVE  
SUPPORTING YOU.**

# Committee profiles and composition

## COMMITTEE PROFILES AND COMPOSITION

The Board established several permanent standing Board committees with specific responsibilities to assist the Board in discharging its obligations. The responsibilities of these Board committees are defined in their respective charters as approved by the Board. The Board accepts that it cannot abdicate what it is accountable for to its Board committees or management and therefore exercises what it is held responsible for accordingly.

There is full disclosure, transparency and reporting from the Board committees to the Board at each Board meeting. The Chairs of the respective Board committees also annually attend the AGM and are available to respond to any enquiries that shareholders may raise. All the Board committees conducted an annual self-assessment to evaluate their effectiveness and procedures during the financial year. The outcome was reported to the Nominations committee, who considered it part of the performance review conducted on the Board and the Board committees' effectiveness.

The Board committees' members confirmed that they were satisfied that they had fulfilled their responsibilities according to each committee's terms of reference.

### Audit, Actuarial and Finance committee (Audit committee)

#### *Members and dates of appointment*

- Kobus Möller (member since 1 January 2020; Chair since 11 March 2020 until present)
- Andrew Birrell (member since 1 September 2019, Alternate Chair since December 2021 until present)
- Nicolaas Kruger (10 June 2020 until present)
- Mathukana Mokoka (14 March 2018 until present)
- Karabo Nondumo (1 January 2016 until present)

#### *Meetings*

The Audit committee meets quarterly. However, should the need arise, additional meetings are held. The joint external audit partners and other assurance providers attend committee meetings in their capacity as invitees.

During the reporting period, meetings were also attended by Sanlam's Group Chief Executive, the Group Finance Director, the Group Chief Actuary and Chief Risk Officer, the Chief Audit Executive, the heads of business clusters (as required), the heads of control functions, the Chair of the Central Credit committee, the Chair of the Actuarial Forum and the Chairs of the business clusters' Finance and Risk Forums.

#### *Composition and role*

According to the requirements of the Companies Act, all members of the committee are independent non-executive directors and appointed annually by the shareholders at the AGM for the following financial year. As at 31 December 2021, the committee consisted of five members with financial, actuarial and other relevant experience (as described in its charter).

This committee carries out all statutory and oversight responsibilities in terms of section 94 of the Companies Act on behalf of the majority of subsidiary companies within the Group. It oversees the preparation of the financial and non-financial information provided in the reporting suite. To review the assurances obtained regarding non-financial information, the Chair of the Audit committee is also a member of the SES committee and the Risk and Compliance committee. To ensure cross-membership, the Chair of the Risk and Compliance committee and the Chair of the SES committee are both members of the Audit committee. They are regarded as instrumental in disclosing sustainability-related aspects, internal controls and risk mitigation.

In addition, one of the key outcomes of the recent governance review process that was conducted was to review the ambit and completeness of the Audit committee's roles and responsibilities as defined in its charter. This included confirming that the Actuarial Forum and the business clusters' Finance and Risk Forums were functioning as sub-committees of the Audit committee.



## KEY FOCUS AREAS DURING THE FINANCIAL YEAR

- Ensuring that the integrated annual reporting suite addresses all stakeholders' needs.
- Ongoing focus on solvency and capital management and preparing for International Financial Reporting Standard (IFRS) 17.
- Assurance coverage of the internal and joint external audit function across the Group.
- Monitoring the process associated with the transition (onboarding) of the Group's joint external auditor (KPMG).
- Assessing the effectiveness of the internal audit function and evaluating the competence and independence of the Chief Audit Executive.
- Reviewing the effectiveness, completeness and adequacy of the business clusters' management representation letters (e.g., full coverage of all businesses, quality of reporting).
- Ensuring appropriate, transparent and fair reporting of financial results.
- Monitoring the implementation and progress made on key Group projects (e.g., IFRS17 reporting).
- Reviewing the adequacy of reserving for the impact of the COVID-19 pandemic and affording consideration to the assumption changes from an actuarial perspective.
- Reviewing and assessing the fair value of unlisted investments.
- Reviewing and assessing the effectiveness of internal financial control.
- Assisting the Board with oversight of Group governance practices and processes.
- Reviewing the Group Governance policy and Authorisation Framework.
- Approving the policy, framework and monetary limits for non-audit services provided by the joint external auditors. This includes the ongoing monitoring of non-audit services that the joint external auditors provided for compliance with the agreed framework to prevent any potential negative impacts on the joint external auditors' independence and/or objectivity.
- Assessing the effectiveness of the joint external audit firms (EY and KPMG) and the designated external audit partners as well as reviewing and confirming their independence.
- Recommending the reappointment of the joint external audit firms (EY and KPMG) and the reappointment of the respective external audit firms' designated audit partners for approval by shareholders at the 2022 AGM.
- Assessing and recommending the proposed appointment of PwC and its designated audit partner as joint external auditors (replacing EY with effect from the 2023 financial year), for approval by shareholders at the 2022 AGM.
- Evaluating the performance of the Group Finance Director and the effectiveness and adequacy of the finance function during the reporting period.

In terms of the JSE Listings Requirements (as amended), the Audit committee performed an annual evaluation of Sanlam's finance function. The committee executed this responsibility at its meeting in December 2021 and was satisfied that Sanlam's finance function had appropriate resources, skills, expertise and experience. The Audit committee also considered the outcome of the Group Internal Audit external quality assurance review conducted during 2021. The Audit committee confirmed that it was satisfied with the outcome thereof.

As a standard protocol, Sanlam's Chief Audit Executive (Andre Nortier) is appointed and, if need be, removed by the Audit committee. While he reports functionally to the Audit committee, he also reports administratively to the Group Finance Director. The designated individual continues to act as the head of the internal audit control function for the Sanlam Group. He has unfettered access to meetings, minutes, documentation and risk registers of Sanlam's businesses and functions. During the year under review, the Audit committee evaluated his performance and expressed its comfort that the Chief Audit Executive

has the necessary authority, competence, skills, expertise and independence to execute his duties. The Audit committee also assessed whether the necessary arrangements are in place to ensure that the internal audit function, as a collective, is adequately resourced with the requisite skills required for effective governance, risk management and control. It also reviews and approves the Group Internal Audit charter and considers each of the findings and overall conclusions of the internal audit functions. Overall, the Group Internal Audit function received a satisfactory external quality assurance review rating during 2021.

Furthermore, the Audit committee regularly meets with the Chief Audit Executive and the joint external auditors independently of management.

One of the key aspects that the Audit committee attended to during the year under review was to continuously ensure that the joint external auditors were executing their statutory duties, among others, independently and objectively. The 2021 reporting period presented the first year Sanlam appointed joint external

auditors (Ernst & Young Inc. and KPMG Inc.). This process was brought about by the anticipated regulations of the PA, which will require significant financial insurance groups (such as Sanlam) to have joint external auditors with the objective of improving the quality of the audits. The Audit committee monitored the transition closely and was satisfied with the process followed and the collaboration of the two joint external audit firms.

The Board instituted a policy that governs the level and nature of non-audit services that are allowed to be performed by the Group's external auditors. After due consideration of the non-audit services performed during the report period, the Audit committee satisfied itself that the provision of those services did not impede on the independence of Sanlam's external auditors. Having assessed their performance and being satisfied that they executed their duties independently and objectively, the Audit committee recommended to shareholders for approval at the 2022 AGM, the reappointment of Ernst & Young and KPMG as well as the two designated registered auditors (Ernst & Young: Christo Du Toit and KPMG: Pierre Fourie) as Sanlam's joint external auditors for the 2022 financial year.

The Mandatory Audit Firm Rotation regulations require that Ernst & Young rotate off the Sanlam audit by no later than the Group's 2024 financial year. After due process and consideration, the Audit committee also recommended to shareholders to, at the 2022 AGM, appoint PricewaterhouseCoopers (PwC) to replace Ernst & Young with effect from the 2023 financial year. This recommendation was endorsed by the Prudential Authority.

### *Assurance and effective control*

The Board endorses the principle of combined assurance as defined in King IV™. To this end, the Board opted to align the Group's assurance provision to the ORSA at Group and cluster level. The Audit committee, together with the Risk and Compliance committee, further ensures that combined assurance principles are applied to provide a balanced and co-ordinated approach to all assurance activities around key areas of risk.

Additional assurance and governance principles have also been added where necessary to various risk policies. Risk-based assurance plans are considered and approved annually on planned areas of focus and monitoring. Where appropriate, the governance oversight structures, key controls and the assurances provided by the control functions are detailed in the particular risk policy. The Audit committee and the Risk and Compliance committee are evaluating the performance and effectiveness of the various control functions annually. This is apart from the annual self-assessments performed by each control function.

The Group further maintains internal financial control systems that are designed to provide quality and integrity assurances on maintaining proper accounting records and the reliability of financial information used by the business for decision-making and external publication. Sanlam also maintains an inventory of financial reporting controls and utilises the general ledger replacement and IFRS 17 projects to further enhance the actuarial and financial control environments.

The Audit committee confirmed its satisfaction with the effectiveness of the arrangements in place for combined assurance. The Audit committee, and the Board, have both confirmed their comfort with the quality of the management information that they receive on key areas of risk and financial performance in the organisation.

### *The Audit committee report for the 2021 financial year*

During the year under review, the Audit committee comprised of five independent non-executive directors. They performed their duties and responsibilities as described in section 94 of the Companies Act and the supplementary functions assigned by the Board. The Audit committee fulfilled its oversight responsibility and all other relevant aspects relating to the independence of the auditors and the audit quality in alignment with the JSE Listings Requirements (as amended).

The Audit committee's roles and responsibilities are outlined in its Board-approved charter. Some of these functions are elaborated on in this report. It evaluated the Company's internal financial controls and has satisfied itself that there were no material breakdowns in these controls during the reporting period, which impacted on the reasonability of financial reporting to stakeholders. The Audit committee is also satisfied that the joint external auditors have considered all significant matters concerning the Group's Annual Financial Statements and how, in response thereto, these were addressed by the Audit committee. Furthermore, the Audit committee expressed its satisfaction with the independence of the joint external auditors and confirmed that they are thereby able to conduct their audit functions objectively without any undue influence from the Company.

The Audit committee herewith confirms that it carried out its legal, regulatory and other responsibilities in alignment with its annual work plan.

**Kobus Möller**

*Chair: Audit committee*

## Risk and Compliance committee

### *Members and dates of appointment*

- Andrew Birrell (member since 1 September 2019, Chair effective from 11 June 2020 until present)
- Nicolaas Kruger (member since 10 June 2020 until present, Alternate Chair since December 2021)
- Mathukana Mokoka (14 March 2018 until present)
- Kobus Möller (from 1 January 2020 until present)
- Abigail Mukhuba (1 October 2020 until present)
- Karabo Nondumo (1 January 2016 until present)
- Willem van Biljon (02 December 2021 until present)\*

\* *Willem is also the Chair of the Digital Transformation and IT Forum.*

### *Meetings*

The Risk and Compliance committee meets at least quarterly. Because of this committee's Group-wide role, the joint external audit partners and other assurance providers attend the committee meetings in their capacity as standing invitees. Committee meetings are also attended by Sanlam's Group Chief Executive, the Group Chief Actuary and Chief Risk Officer, the Chief Audit Executive, the heads of business clusters (as required), the heads of control functions, the Chair of the Digital Transformation and IT Forum, the Chair of the Central Credit committee, the Chairs of the business clusters' Finance and Risk Forums and the Chair of the Actuarial Forum.

### *Composition and role*

As at 31 December 2021, the Risk and Compliance committee comprised of six independent non-executive directors and one *ex officio* executive director (the Group Finance Director). The committee's mandate is clearly defined in its charter, which is reviewed and approved by the Board annually. The committee's primary role is to advise and assist the Board in fulfilling its responsibilities regarding overseeing the design and implementation of Sanlam's Group risk assurance framework and responsibilities. The committee primarily assists the Board with:

- maintaining an independent risk management function;
- determining the risk appetite and level of risk tolerance for the Group;
- setting and implementing the Group risk assurance framework and supporting policies;
- setting and implementing compliance-related policies;
- evaluating the adequacy and efficiency of the Group's risk management system, business continuity and emerging risk assessments;
- identifying the build-up and concentration of the various risks to which the Group is exposed;
- establishing a process for appropriate risk disclosures to stakeholders;

- ensuring that formal assessments of the Group's governance, risk and compliance management processes are undertaken; and
- overseeing IT governance, information management and security across the Group.

Furthermore, the committee evaluates and considers several risk areas, including but not limited to the following:

- strategic risks;
- governance risks;
- market and credit risks;
- asset-liability mismatch risks;
- funding liquidity risks;
- insurance risks (life business and general insurance business);
- fraud-related risks;
- operational risks;
- reputational risks;
- compliance risks;
- legal and regulatory risks;
- IT governance, information systems and cyber-related risks;
- environment-related risks; and
- market conduct risks.

The performance of Sanlam's Group Chief Actuary and Chief Risk Officer, the head of control function of risk management, and the head of control function of compliance are assessed annually. The Risk and Compliance committee confirmed its satisfaction with the outcome of the performance review that was conducted during the 2021 reporting period. It was confirmed that each function operates effectively and continuously supports the committee in responding to and executing its obligations.

The Group's Central Credit committee and the newly established Digital Transformation and IT Forum are functioning as sub-committees of the Risk and Compliance committee. The reason for this is due to these governance structures' roles and responsibilities that are predominantly derived from the Risk and Compliance committee's mandate and/or closely aligned to the committee's role and key focus areas.

Furthermore, the Risk and Compliance committee confirmed that it is satisfied with the effectiveness and performance of the Company's risk management processes and the quality of the management information that is presented to the committee for its consideration relating to Sanlam's approach towards governance, risk and compliance management.

### *Effective and strategic risk management*

The Board is responsible for the governance of risk. The Risk and Compliance committee advises and assists the Board in overseeing risk governance by setting the direction for how risk management should be approached

and addressed at Sanlam. The Board approves the enterprise risk management policy and framework, reaffirming that Sanlam is committed to effective enterprise risk management in pursuit of its strategic goals. The enterprise risk management process includes identifying key risks, which are monitored as part of a regular review of processes and procedures. This ensures the effectiveness of internal systems of control so that decision-making capability and the accuracy of reporting and financial results are always maintained at a high level.

Sanlam's enterprise risk management policy, framework and plan ensures that:

- all risks that could jeopardise or enhance the achievement of the Sanlam Group's strategic objectives are identified;
- appropriate structures, policies, procedures and practices are in place to manage and mitigate these risks;
- Sanlam takes a portfolio view of risk;
- sufficient organisational resources are assigned and applied to ensure the effective implementation of these structures, policies, procedures and practices; and
- Sanlam remains within its Board approved risk appetite at all times, and that any exceptions are appropriately understood, mitigated, managed or accepted, depending on the nature of the risk.

The Group Exco ensures that the business achieves its strategic objectives to optimise the business risk-adjusted return performance. It has the executive responsibility of assuring the Board that risk management is governed and responded to in a way that supports Sanlam to achieve its strategic objectives.

Further details regarding Sanlam's strategic and operational risks are provided in the integrated annual report. This includes the nature and extent of the risks and opportunities that Sanlam is willing to take.

### *Compliance management*

One of the key roles that the Risk and Compliance committee fulfils is to advise and assist the Board in

overseeing the governance of compliance by setting the direction for how compliance should be approached and addressed within the business. Sanlam continues to be committed to conducting its business ethically, responsibly, and in compliance with all applicable legislation, regulation, adopted industry codes and standards, and adhering to all internal policies and sound corporate governance principles. The Group has no appetite for deliberate or purposeful violations of legislative or regulatory requirements adopted industry codes and standards, internal policies or governance principles. Sanlam seeks to conduct its business with due skill, care and diligence to minimise violations arising from negligence.

The Board, supported by the Risk and Compliance committee, sets and oversees the implementation of Sanlam's corporate culture, business objectives and strategies for achieving those objectives, including its compliance strategy and risk appetite in alignment with Sanlam's long-term interests and viability.

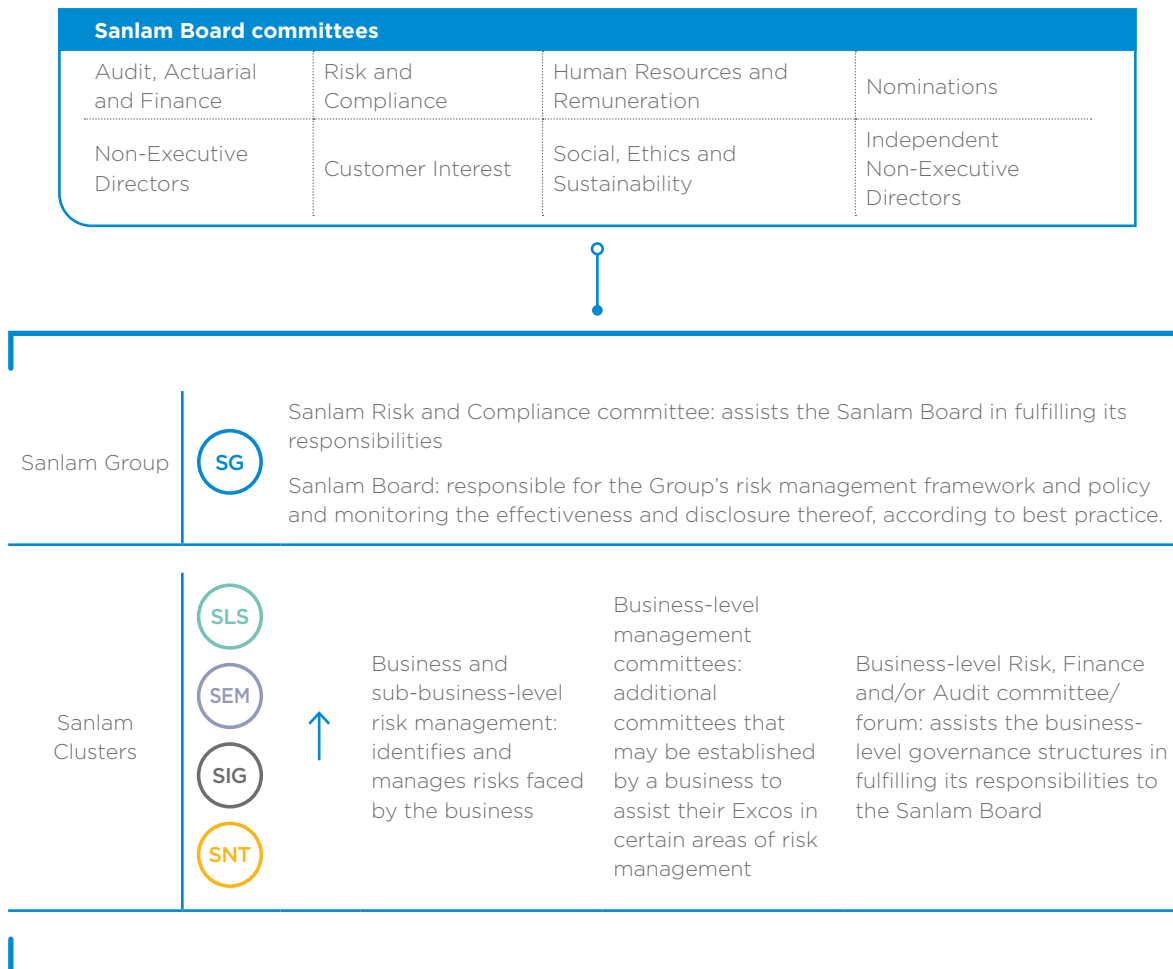
The Risk and Compliance committee also assists the Board in implementing a robust corporate culture of compliance for the Sanlam Group to execute its compliance strategy and stated compliance risk appetite. Management is responsible for ensuring the implementation of business objectives and strategies that are aligned to and affect the Group's compliance strategy and risk appetite. The Group compliance function is responsible for promoting and monitoring the Group's compliance culture. The Group Compliance Officer (supported by the various compliance functions within the business clusters and units) also facilitates the management of compliance through analysing statutory and regulatory requirements and monitoring the implementation and execution thereof. The Risk and Compliance committee and the Board receive regular reports on compliance matters through the Group Compliance Officer (Jacques Marnewicke), who is suitably skilled and experienced. He reports directly to Sanlam's Group Chief Actuary and Chief Risk Officer.

## KEY FOCUS AREAS DURING THE 2021 FINANCIAL YEAR

- Sanlam’s response to the COVID-19 pandemic and reviewing the impact thereof on the Sanlam Group’s clients, its employees and the business. The committee also afforded specific attention to the resulting increase of cyber-related risks due to remote working conditions and ensuring that proper and effective internal controls were implemented to safeguard the business.
- Overseeing the development and implementation of balance sheet management strategies, including optimising the required capital for South African life insurance subsidiaries.
- Work was performed with management to further develop and embed the ORSAs within the Group.
- Although part of the ORSA process, specific attention was given to the implications of a sovereign downgrade of South Africa and improving the understanding of cyber-risk and actions taken by management to mitigate Sanlam’s exposure.
- Overseeing the various control functions in alignment with the requirements outlined in the Prudential Standard GO13.
- Given the Group’s system of governance, policy framework and guiding artefacts that were significantly revised during 2020, dedicated focus was placed on ensuring the successful implementation of the newly developed Group policies relevant to IT, information and data management, information and cybersecurity, and digital end-user behaviour.
- Reviewing the Group’s digital transformation strategy and roadmap. This was influenced by Sanlam’s heightened approach towards digital transformation and ensuring that the business adapts appropriately to change and the trending expectations of the Group’s key stakeholders.
- Enhancing Sanlam’s approach towards compliance management. The objective was to complement and improve the Group’s response to regulatory compliance in the various jurisdictions Sanlam operates in. A key focus during the period under review was to develop and implement additional measures and internal governance protocols that could assist the Board in demonstrating how it executed its oversight responsibilities. Concerted efforts were also made to define accountability at all levels of the organisation and establish effective protocols for escalation and reporting purposes.
- Applying an oversight role of Sanlam’s investment performance together with the Customer Interest committee.
- Considering the risks associated with the prolonged COVID-19 pandemic, including credit risk.
- Reviewing and considering the Retail Credit Risk strategy.
- Incorporating ESG principles (particularly climate change considerations) into the Group’s approach to risk management and responsible investing.



The following diagram depicts the flow of risk management information from the individual business units to the Sanlam Board:



**Andrew Birrell**

*Chair: Risk and Compliance Committee*

**Human Resources and Remuneration committee**

*Members and dates of appointment*

- Shirley Zinn (Chair) (member since 6 December 2018; Chair since 11 June 2020 until present)
- Karabo Nondumo (member since 6 December 2017 until present, Alternate Chair since December 2021)
- Elias Masilela (10 June 2020 until present)
- Patrice Motsepe (2 March 2004 until present)

*Meetings*

The Human Resources and Remuneration committee meets quarterly. During the 2021 financial year, meetings were also attended by the Group Chief Executive, the Group Finance Director, the Group Human Resources

Director, and the Head: Group Rewards. These individuals participated in the meetings in their capacity as invitees and did not exercise any voting rights or decision-making powers. In addition, Johan van Zyl and Anton Botha also attended the committee meetings as standing invitees during 2021. This was mainly to ensure continuity and due to their knowledge and expertise pertaining to installed group remuneration practices and structures.

*Committee composition and role*

This committee is responsible for monitoring and advising on the Group's human intellectual capital, diversity management and transformation processes regarding employees. In particular, the committee is consulted by the Group Chief Executive on all executive appointments and it reviews succession planning relevant to all the Group Exco members and the Group Chief Executive's position.



Furthermore, the committee is responsible for the remuneration strategy of the Group, the approval of guidelines for incentive schemes and the annual determination of remuneration packages for members of the Group Exco. The committee recognises local and international industry trends and benchmarks, ensures that incentive schemes align with good business practices, and rewards excellent performance. It makes recommendations to the Board regarding directors' remuneration, except for the fee structure applicable to the Human Resources and Remuneration committee (which is attended to by the Nominations committee). The Chair of the Board (Elias Masilela) is a member of the Human Resources and Remuneration committee.

## KEY FOCUS AREAS DURING THE FINANCIAL YEAR

- A comprehensive benchmarking exercise was conducted on the non-executive directors' fees, after which a recommendation was made to the shareholders for approval at the 2022 AGM.
- A benchmarking exercise of Group Exco reward with suitable comparable groups was performed. The objective was to simplify the executive bonus structure by introducing an automatic 30% deferral of cash bonuses into Sanlam restricted shares.
- The long-term incentive (LTI) structure was reviewed to simplify it and to remove layers of LTI instruments (i.e. each having a set of performance conditions and pre-determined targets). A review was conducted on internal pay equity across all levels of the Group.
- Another key remuneration decision was to discontinue awards of deferred share plan shares (DSPs) to senior management from 2022 onwards. This was to ensure alignment to Sanlam's "pay for performance" principle.
- Continuously ensuring compliance with the SARS Binding General Ruling 41, which requires non-executive directors to register for Value Added Tax.
- Consideration of the draft governance and operational standards for insurers and insurance groups, governed by the FSCA and the requirements imposed by the PA's GOGs and GOIs.
- A review of the progress made against Sanlam's employment equity and transformation targets and plans.
- Consideration was afforded to the core human resources-related risks across the Group, which include COVID-19 arrangements, people development, talent management and succession planning.
- Considering and reviewing the Group's Diversity, Equity and Inclusion framework to drive and influence the Group's strategic pillar of transformation.
- Evaluating Sanlam's Employment Equity Plan, which had been developed according to legislative requirements and best practices.
- Considering the proposed amendments to the Companies Act relating to remuneration and the extensive pay gap disclosure requirements.
- Reviewing the Group's approach towards "new ways of work" in response to Sanlam's hybrid operating environment.
- Considering Sanlam's approach to mandatory vaccination and the implications thereof on employees and the business operations.
- Facilitating and overseeing the selection and recruitment processes to appoint the new Chief Executive: Sanlam Investments Group, who assumed his new role with effect from 1 January 2022. Carl Roothman succeeded Robert Roux, who retired on 31 December 2021. The committee also exercised an oversight role over the Group Chief Information Officer's promotion when he was appointed during 2021 as a member of Group Exco with effect on 1 January 2022.
- Responding to shareholder recommendations regarding Sanlam's remuneration policy that was presented for approval at the 2021 AGM.
- Reviewing Sanlam's corporate values and the outcome of the culture survey that was conducted.
- Reviewing the Group's reporting and disclosure on remuneration aspects to simplify the content while enhancing transparency.
- Ensuring that appropriate steps are taken to attract, recruit, develop and retain key talent that is required to enable the Group to execute its Board-approved corporate strategy. This includes succession planning and talent retention considering the organisational and structural changes that occurred during 2020 and 2021.

The committee will continue to review value drivers in the Group to ensure that incentives are directly aligned and address the integration of acquired businesses. The principles of simplification and transparency will inform any forward-looking policy decisions made.

In accordance with the King IV™ recommendations, the Company's remuneration policy is annually tabled to shareholders for a non-binding advisory vote at its AGM. This vote enables the shareholders to express their views on the Group's remuneration policies and the implementation thereof. Sanlam supports the benefit of an advisory vote, which aims to promote constructive dialogue between Sanlam and its shareholders. It also highlights the compensation criteria that is of interest to investors, such as linking performance and strategy. At the previous AGM, held in 2021, Sanlam's shareholders endorsed the Company's remuneration policy. Sanlam, however, continues to invite shareholders to individual engagements to discuss specific concerns and/or enquiries (if any) relating to the implementation report.

Read more in the Remuneration Report that forms part of the 2021 Sanlam reporting suite.

**Shirley Zinn**

*Chair: HR and Remuneration Committee*

**Nominations committee**

*Members and dates of appointment*

- Elias Masilela (Chair, 11 June 2020 until present)
- Karabo Nondumo (member since 6 December 2017 until present, Alternate Chair since December 2021)
- Patrice Motsepe (member since 1 July 2006 until present)

*Meetings*

The Nominations committee meets at least four times a year. During the 2021 financial year, meetings were also

attended by other members of the Board (Johan van Zyl and Siphon Nkosi) and the Group Chief Executive. These three individuals attended and participated in the meetings with an invitee status.

*Committee composition and role*

The committee is responsible for reviewing the composition of the Board and Board committees and making recommendations to the Board in that regard. This includes overseeing the selection and recruitment process relevant to new directors. The committee follows a formal and transparent process by reviewing the balance, effectiveness, expertise and diversity attributes of the Board and its committees, including the cluster governance structures. It identifies the skills required and those individuals who can provide such skills fairly and thoroughly. In addition to an annual Board evaluation exercise being conducted to assess the effectiveness of the Board and the Board committees, a thorough review of the independence and performance of non-executive directors serving on the Board for longer than nine years is undertaken.

Furthermore, to ensure business continuity, succession planning is regarded as a key focus area across the Group and at Board and Board committee level. Therefore, the committee assists the Board in reviewing succession planning annually and includes the identification, mentorship, and development of future candidates. Given the outcome of the 2021 review that was conducted, the Board confirmed that it was satisfied that the current talent pool available within the Group and the work being done to strengthen it provide Sanlam with a group of candidates that have the necessary skills and experience to fill any vacancies that may arise in the short and long term.

Subject to PA approval, the Board approves all director appointments. However, final appointments are made annually by shareholders at the AGM.

**KEY FOCUS AREAS DURING THE 2021 REPORTING PERIOD**

- Reviewing the composition of the Board, the Board committees and the clusters' governance structures.
- Facilitating the annual Board evaluation process.
- Facilitating and overseeing the selection and recruiting processes that resulted in three new independent non-executive directors' appointments that were made during 2021.
- In the interest of business continuity, rotation and succession planning, the committee considered and recommended to the Board the appointment of Alternate Chairs to the Board committees.
- Considering Sanlam's policy regarding the Promotion of Diversity Attributes at Board level, which had been reviewed in alignment with the JSE Listings Requirements (as amended).

## Non-Executive Directors committee

### *Members and dates of appointment*

- Andrew Birrell (1 September 2019 until present)
- Anton Botha (8 March 2006 until present)
- Nicolaas Kruger (10 June 2020 until present)
- Elias Masilela (member since 1 October 2019; Chair since 11 June 2020 until present)
- Mathukana Mokoka (14 March 2018 until present)
- Patrice Motsepe (1 April 2004 until present)
- Siphon Nkosi (8 March 2006 until present)
- Karabo Nondumo (4 December 2015 until present)
- Rejoice Simelane (1 April 2004 until present)
- Kobus Möller (1 January 2020 until present)
- Johan van Zyl (19 January 2016 until present)
- Shirley Zinn (6 December 2018 until present)
- Ebenezer Essoka (18 June until present)
- Willem van Biljon (13 August 2021 until present)
- Ndivhuwo Manyonga (06 December 2021 until present)

### *Meetings*

The Non-Executive Directors committee meets after every scheduled Board meeting.

### *Committee composition and role*

The committee comprises all directors appointed to the Board, except executive directors. The committee is responsible for the governance and effective functioning of the Board. The committee gives due consideration to the general requirements of the JSE Listings Requirements and King IV™ and simultaneously ensures that appropriate and balanced corporate governance practices and processes are entrenched within Sanlam. The committee objectively oversees and gives due and careful consideration to the interests of Sanlam and its stakeholder groups.

## SES committee

### *Members and dates of appointment*

- Karabo Nondumo (member and Chair since 11 June 2020 until present)
- Mathukana Mokoka (member since 9 December 2020, Alternate Chair since December 2021 until present)
- Kobus Möller (member since 11 June 2020 until present)
- Rejoice Simelane (member since 5 September 2006 until present)\*
- Jeanett Modise (member since 01 January 2021 until present)
- Ebenezer Essoka (member since 07 December 2021 until present)

\* Rejoice will be retiring in March 2022.

### *Meetings*

The SES committee is attended by the members of the committee and the following individuals who participate as standing invitees:

- the Group Chief Executive;
- the Chief Executive: Group Brand;
- the Group Compliance Officer (GCO);
- the Head: Group Sustainability;
- the head of the Sanlam Foundation;
- the Group Executive: Market Development and Sustainability; and
- the heads of business clusters (as required).

Meetings are held at least once per quarter. However, during the year under review, five meetings were held.

### *Committee composition and role*

The SES committee is constituted as a statutory committee. It performs its duties in terms of Regulation 43 of the Companies Act (as amended), the requirements outlined in King IV™, the JSE Listings Requirements, the Insurance Act and the Prudential Governance and Operational Standards for Insurance Groups insofar as it relates to the performance of the statutory functions of the committee.

The committee's composition includes a majority of independent non-executive directors (four members), as well as one non-executive director and one executive director. Its primary role is to monitor Sanlam's activities regarding ethics and compliance management, social and economic development, good corporate citizenship, stakeholder relations, the environment, the health and safety of Sanlam's employees, transformation, diversity, and other labour-related aspects. The committee also considers and reviews Sanlam's social, ethics and sustainability strategies annually.

It oversees the Group's disclosure on ESG ratings, the FTSE/JSE Responsible Investment Index reporting requirements, and the Group's B-BBEE performance. It also monitors Sanlam's performance against specific targets and objectives and makes recommendations to the Board when required. The committee undertakes to review any material non-financial and sustainability-related matters. This includes affording consideration to the work that the Sanlam Foundation is doing as it responds to several key aspects that form an integral part of the SES committee's mandate.

The SES committee is satisfied that it executed each of the responsibilities assigned to it by the Board, as recorded in the committee's Board-approved charter.

## KEY FOCUS AREAS DURING THE FINANCIAL YEAR

- Considering COVID-19 relief and contributions and the impact of the prolonged pandemic on employees, clients and other key stakeholders.
- Environmental performance against corporate targets.
- Sustainability reporting and the disclosure on material non-financial aspects.
- Adopting a heightened approach towards governance, ethics management, and compliance and risk management processes.
- Reviewing the Group's Sustainability strategy, whereafter a recommendation was made to the Board for its approval.
- Reviewing of the Group stakeholder management policy to ensure alignment with the 2020 revised organisational structure.
- Conducting a stakeholder perception survey to obtain a baseline understanding and assessment of stakeholders' perceptions, their expectations, and the quality of Sanlam's material relationships. The intention is to review the Stakeholder Relations strategy during 2022 to ensure alignment with the outcomes of the stakeholder perception survey.
- Considering the risks and opportunities associated with the committee's mandate and key deliverables, including reviewing emerging risks on an ongoing basis.
- Exercising an oversight role over the Group's "new ways of work" initiatives and the Company's culture journey assessment conducted in 2021. The insights shared by stakeholders assisted the Group in obtaining a better understanding of a culture that could enable and complement the Group strategy.
- Influencing the Group's investment mandate and policy to ensure that Sanlam practices responsible investment principles. The objectives include promoting good governance principles and decision-making, including creating value through the companies and initiatives in which Sanlam invests.

### **Karabo Nondumo**

*Chair: SES Committee*

## **Customer Interest committee**

### *Members and dates of appointment*

- Nicolaas Kruger (member and Chair since 10 June 2020 until present)
- Mathukana Mokoka (member since 11 June 2020 until present, Alternate Chair since December 2021)
- Elias Masilela (1 October 2019 until present)
- Andrew Birrell (10 March 2021 until present)
- Ebenezer Essoka (07 December 2021 until present)
- Willem van Biljon (10 September 2021 until present)

### *Meetings*

The Customer Interest committee meets at least four times per annum. The Group Chief Executive, the Group Chief Actuary and Chief Risk Officer, and selected senior management members attended the committee meetings during the financial year.

### *Committee composition and role*

The committee's role is to assist the Board to discharge its responsibilities relating to the fair treatment of customers. Its primary function is to act as an advisory body and provide guidance to the Sanlam Board on strategic customer-related aspects. This includes keeping the Board abreast of topical and material customer-related issues and ensuring that the reports issued by Sanlam enable its stakeholders to make an informed assessment of the way the Group treats its customers.

The committee also provides guidance on questions that could arise from time to time regarding the six fairness outcomes as defined by the FSCA under the proposed Treat Customers Fairly (TCF) legislation. These are:

**Outcome 1:** Customers are confident that they are dealing with firms where the fair treatment of customers is central to the entity's culture.

**Outcome 2:** Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly.

**Outcome 3:** Customers are given clear information and are kept appropriately informed before, during and after the time of contracting.

**Outcome 4:** Where customers receive advice, the advice is suitable and takes account of their circumstances.

**Outcome 5:** Customers are provided with products that perform as firms have led them to expect, and the associated service is both of an acceptable standard and what they have been led to expect.

**Outcome 6:** Customers do not face unreasonable post-sale barriers to change a product, switch from a provider, submit a claim or lodge a complaint.

To this end, the committee continuously monitors how effectively Sanlam meets its obligations towards its clients. It also exercises ongoing oversight of Sanlam's approach to managing market conduct and compliance-related risks. Furthermore, it affords consideration to Sanlam's products' performance, including client or policyholder investment performance relative to appropriate benchmarks.

It is responsible for performing the compliance monitoring function regarding Sanlam Life's Principles and Practices of Financial Management as applicable to its smoothed bonus, reversionary bonus and participating annuity types of businesses. It is also responsible for the continuous monitoring and reporting of the Sanlam TCF delivery and provides quarterly feedback to the Board on TCF compliance-related matters, issues of concerns and/or risks.

## KEY FOCUS AREAS DURING THE FINANCIAL YEAR

- The committee considered the persistency and premium collection measures and the payment relief mechanisms that were implemented during the reporting period due to COVID-19.
- Product development and benefit enhancements were considered to make allowance for the financial impact of COVID-19 on clients.
- The committee guided management regarding strategic client-related initiatives and focus areas.
- Work was performed to ensure the TCF principles are appropriately embedded across the Group.
- Although part of the TCF management information indicators, specific attention was paid to complaints management and reporting.
- The committee reviewed and monitored the business' smoothed-bonus portfolios and the outcome of an independent analysis that was conducted on investment performance benchmarking for Sanlam Life balance sheet assets.
- It kept abreast of all significant regulatory developments and how these impact Sanlam's clients (i.e., with a specific focus on those developments relating to market conduct).
- It considered the strategic objectives aimed at accelerating the Group's digital customer experience platforms and the data analytics platforms.
- It reviewed and considered adviser turnover and how to improve Sanlam's value proposition.
- It applied the South African client principles and best practice in other countries with no regulations dealing with customer interests.

The committee is pleased to report that it fulfilled all its obligations as determined in its charter. No significant new TCF-related risks were reported across the Group during the period under review. The committee received quarterly feedback regarding developing and implementing the roadmap that aims to enhance and improve the customers' experience across the Sanlam Group.

### Nicolaas Kruger

*Chair: Customer Interest Committee*

## Independent Non-Executive Directors committee

### *Members and dates of appointment*

- Elias Masilela (member since 1 October 2019; Chair since 11 June 2020 until present)
- Andrew Birrell (1 September 2019 until present)
- Nicolaas Kruger (10 June 2020 until present)
- Mathukana Mokoka (14 March 2018 until present)
- Kobus Möller (1 January 2020 until present)
- Karabo Nondumo (4 December 2015 until present)
- Shirley Zinn (6 December 2018 until present)
- Ebenezer Essoka (18 June 2021 until present)
- Willem van Biljon (13 August 2021 until present)
- Ndivhuwo Manyonga (06 December 2021 until present)

### *Meetings*

The Independent Non-Executive Directors committee meets when required. However, during the 2021 financial year, it met four times.

## *Committee composition and role*

The committee's responsibilities and duties are to:

- Review and recommend for approval by the Board any related-party transaction, including, without limitation, any financial, economic interest, position, association or relationship, which, when judged from the perspective of a reasonable and informed third party, could unduly cause bias in decision-making in the best interest of Sanlam.
- Periodically review and assess ongoing relationships with related persons to ensure that Sanlam always complies with the principles of good corporate governance.
- Review and consider actual, perceived and/or potential conflicts of interests where applicable, as they exist from time to time.

## KEY FOCUS AREAS DURING THE FINANCIAL YEAR

- Considering and diligently evaluating strategic related-party transactions before making recommendations to the Board for approval.
- Continuously enhancing the effectiveness and management of conflicts of interest at Board level.

### *Ad hoc Board committees*

The Board has the prerogative to appoint and authorise special ad hoc Board committees from time to time to perform specific tasks. The appropriate Board members would be designated to serve on these Board committees when required.

### *General*

Sanlam's non-executive directors do not have service contracts. Remuneration paid to non-executive directors for their services rendered as members of the Board is reviewed annually and, afterwards, recommended for approval by the shareholders at the AGM. Executive directors are regarded as full-time employees of Sanlam and, as such, are subject to Sanlam's conditions of service.

For more information on the directors' fees, Sanlam's Remuneration Report can be accessed on [www.sanlam.com](http://www.sanlam.com).



## Group Exco

### *Committee composition and role*

The committee comprises the Group Chief Executive, the heads of the respective business clusters, and the Group Office functionaries. The members of Group Exco are each regarded as prescribed officers as defined in the Companies Act. They have been designated as a “key person” as required under section 14 and section 15 of the Insurance Act.

Group Exco supports and assists the Group Chief Executive with the operational management of Sanlam, subject to statutory and delegated limits of authority. Its main functions include executing the Group’s strategy, co-ordination, performance monitoring and reporting.

To ensure that Group Exco (as a collective) is able to deliver its mandate, it is of fundamental importance that the individuals appointed to the committee consist of the requisite skills, expertise, attributes and experience. The Group Chief Executive serves as the Chair of Group Exco. As at the date of publication of this report, the following 15 executives served as members of the committee.

### *Members of Group Exco*

- Paul Hanratty (*ex officio* executive director and Group Chief Executive)
- Abigail Mukhuba (*ex officio* executive director and Group Finance Director)
- Heinie Werth (executive director and Chief Executive: SEM)
- Jeanett Modise (executive director and Chief Executive: Group Human Resources)
- Jurie Strydom (Chief Executive: Sanlam Life and Savings)
- Lizé Lambrechts (Chief Executive: Santam Limited)\*
- Anton Gildenhuys (Chief Executive: SA Retail Affluent)
- Bongani Madikiza (Chief Executive: SA Retail Mass)
- Lotz Mahlangu (Group Chief Actuary and Chief Risk Officer)
- Wikus Olivier (Group Executive: Strategy)
- Sydney Mbhele (Group Executive: Brand)
- Kanyisa Mkhize (Chief Executive: Sanlam Corporate)
- Robert Roux (Chief Executive: Sanlam Investment Group; retired on 31 December 2021)
- Karl Socikwa (Group Executive: Market Development and Sustainability)

The following two appointments, which were finalised during the 2021 reporting period, were made to Group Exco, effective 1 January 2022:

- Carl Roothman (he succeeded Robert Roux as the Chief Executive: Sanlam Investment Group)
- Theo Mabaso (Group Chief Information Officer)

\* Lizé will be retiring in mid-2022. To this end, a process was embarked upon by the Board of Santam Limited during 2021, to select and recruit her successor. The successful candidate will be assuming the role as Chief Executive: Santam Limited after Lizé retired and will simultaneously, also serve as a member of Sanlam’s Group Exco.

### *Meetings*

The Group Exco meets formally at least monthly, whereas weekly check-in meetings are held. Ad hoc meetings are also scheduled when required.





# 05

Additional governance disclosures

**Confidence Rule 9:**

**THE RIGHT CHOICES  
AREN'T ALWAYS THE  
EASY ONES. CHOOSE  
THEM ANYWAY**

# Additional governance disclosures

## **Information Management and Information Technology (IIT) governance**

At Sanlam, IIT continues to be regarded as a strategic focus area. Sanlam acknowledges the pivotal role that IIT governance and digital transformation play in conducting business in a highly competitive environment. The Board, supported and assisted by the Risk and Compliance committee, has the ultimate responsibility and accountability for the management and governance of IIT. IIT management and governance are deemed essential for Sanlam to achieve its strategic objectives and is deeply entrenched in how the Group conducts its business. This ensures that it remains relevant and creates a “future-fit” culture that would enable the Group to respond appropriately to its stakeholders’ expectations and demands.



The roles and responsibilities of the Board and, where applicable, the relevant committees in respect of IIT governance, include among others, the following governance structures:

- **The Board** exercises an oversight role over implementing IIT governance practices across the Group. It directs the strategic and operational application and use of technology and information to ensure that benefits are realised in the clusters and businesses within an acceptable and articulated level of risk. Furthermore, the Group's IIT governance framework and reporting system enable the Board to reinforce and verify that value is derived through the appropriate use of IT and that IT change initiatives are aligned to the business strategy. The framework continues to holistically provide centralised oversight and guidelines in alignment with the broader Group governance framework.
- **The Risk and Compliance committee** is responsible for IIT governance and oversees the management of Sanlam's top technology and information-related risks. This is assessed based on materiality and aligned with the Group's risk appetite and risk management framework. The committee oversees the development and review of Sanlam's technology strategy and the Group's digital transformation roadmap. It also oversees technology architecture, and operational excellence of the Group's shared IT infrastructure.
- **The Digital Transformation and IT forum** replaced the Group's IT Steering committee and was established as a sub-committee of the Risk and Compliance committee. It assists the Risk and Compliance committee in fulfilling its duties of strategic oversight on digital transformation and IT. The forum co-ordinates and provides oversight for digital transformation activities (strategy, governance, compliance and risk) within the Sanlam Group by liaising with the Group's Digital Council and the Technology Council and directly engaging with the respective business clusters.
- **The Digital and Technology Councils** provide quarterly reports on the progress made on digital transformation, the implementation of the Group's IT strategy and IT governance practices. This is done in line with the QBR reporting cycle to the Digital Transformation and IT forum.
- **External and internal audits** frequently perform reviews and assessments as part of their IT management and governance audits.
- **The various cluster governance structures** are responsible for monitoring performance and reporting to the Digital and Technology Councils and the Digital Transformation and IT forum frequently.
- **Management** assures the Digital Transformation and IT forum, the Risk and Compliance committee, and the Audit committee that effective IT governance practices are in place and that material IIT-related risks are mitigated appropriately.
- All significant technology, governance and information-related audit findings are reported to the **Audit committee**, which ensures that these are addressed accordingly. This process is aligned to the application of the Group's approach towards combined assurance. It is an integral part of what the Audit committee affords consideration to ensure the integrity of the information disclosed and reported on from time to time.
- **The Group's internal audit function** further exercises oversight of the management of technology and information risks and the effectiveness of the identified controls. To this end, assurance is being provided to the Audit committee, which satisfies itself of the effectiveness of the Group IIT governance system and applied controls.

### *IIT oversight relates to the following elements:*

- IIT governance frameworks and charters; and
- the information security charter, which defines the information security management system.

IIT governance capacity and awareness are supported by the Board and management structures within the clusters and businesses. The governance of the cyber and information security strategy and shared infrastructure is centralised. Sanlam revised the structure of policies on information and technology by consolidating all previous policies and charters into the four Group policies listed below. An adaptive governance model is currently being used, which applies tight control around the core matter while business units can adapt governance to meet their specific operational requirements.

The aim is to retain Group policies at a principal level and apply Group standards to define requirements for tight controls. Furthermore, guidelines were developed to direct the implementation thereof, which is supported by a working group for each domain. These IIT governance elements are, among others, supported by the following Group-wide policies, which are being reviewed frequently:

- the Sanlam Group IT policy;
- the Sanlam Group information and data policy;
- the Sanlam Group cybersecurity policy; and
- the Sanlam Group digital behaviour (user) policy.

With the assistance of the Risk and Compliance committee, the Board has satisfied itself that an appropriate IIT governance framework exists and that it is functioning effectively.

### **Focus areas during 2021**

- Due to digital technology advances, a heightened approach was adopted towards digital transformation to ensure that the Group continues to meet its clients' expectations and needs.
- Reviewing and executing the Group's technology strategy.
- The Group's system of governance, its IT policy framework and guiding artefacts were significantly revised, resulting in the development of new Group policies for IT, information and data management, information and cybersecurity, and digital end-user behaviour. The Board duly approved these during the 2020 financial year and reviewed them during 2021.

- An increased focus was placed on enhancing the effectiveness of the Group's internal controls
- considering the impact of COVID-19, data privacy and cybersecurity threats.
- IT resources were allocated, and concerted efforts were made to ensure Sanlam operated effectively during the prolonged global pandemic. This included creating and maintaining secured platforms to allow the business to continue rendering services to its clients and enabling Sanlam's employees to continue to work remotely in a hybrid operating environment.
- Addressing systems architecture complexity and entrenching a culture of sharing digital initiatives across the Group and creating synergies.
- Improving business intelligence and the Group's analytics capability.
- Ensuring compliance to applicable regulatory requirements.
- Reviewing and improving centralised information security capability with a focus on cyber-resilience.
- Benchmarking of the shared IT infrastructure division and implementing key actions aimed at enhancing efficiencies.
- Simplifying the management of legacy products and platforms by considering a combination of product conversions, modernisation and/or platform renewal.
- To drive digital transformation across the Group and due to the heightened approach towards IIT governance, the following changes came into effect:
  - the newly established Digital Transformation and IT forum; and
  - the Group Chief Information Officer's role was promoted. Theo Mabaso was appointed as a member of Sanlam's Group Exco from 1 January 2022.

### **IIT governance performance monitoring**

The Group's shared IT division, Sanlam Group Technology, reports progress made regarding the execution of the Group's technology strategy by using a scorecard that is linked to management's key performance areas and annual performance bonuses. All clusters in the Group report on their respective execution of the Group's technology strategy on an annual basis and the effectiveness of technology management to their respective cluster governance structures and oversight committees.



## PLANNED AREAS OF FUTURE FOCUS

Guided by the Group's approach towards digital transformation, regulatory developments, Sanlam's technology strategy and its exposure to risk, dedicated efforts would be made towards the following key aspects:

- Further execution of the Group's technology and digital transformation strategy in alignment with Sanlam's Group strategy.
- Continuously improving Sanlam's regulatory compliance capabilities.
- Establishing and maintaining effective cloud sourcing capabilities.
- Developing coherent target technology architectures for digital technologies and initiatives.
- Improving the core capabilities for authenticated self-service platforms for clients.
- Continuously improving the Group's cyber-resilience service and reviewing the effectiveness of the Group's internal controls.
- An enhanced digital focus combined with the need to prioritise the implementation of regulatory projects while effectively managing resources in alignment with the strategic objectives.
- While the Group remains focused on exploiting digital opportunities and embracing new innovative ways of doing business, the Group would continue to position itself digitally.

### New regulatory developments

Sanlam embraces every opportunity to influence and participate in policy-making processes at industry and/or Company level by engaging key regulatory bodies on an ongoing basis. This ensures that the Group's views on topical regulatory issues are properly documented and communicated to the relevant enforcement and regulatory bodies.

Monitoring developments and changes to applicable regulatory requirements also remain a standing item on the Risk and Compliance committee's agenda. The Risk and Compliance committee assists the Board by frequently updating it regarding key regulatory developments relevant to the Company and its operations.

### A zero-tolerance approach to financial crime

Sanlam recognises that financial crime and unlawful conduct are against the principles of ethical behaviour as set out in the Code and that it undermines the organisational integrity of the Group. Sanlam supports those efforts by the international community, South Africa and all jurisdictions in which we do business to combat financial crime. The Group financial crime combating policy was developed to set out the overall framework for combating financial crime by specifying tight principles to be adhered to. It is further supported by the insurance fraud risk management policies adopted by all licensed insurers in South Africa, as required by the Prudential Standards on the Governance of Insurers in terms of the Insurance Act.

Although the abovementioned Group policy does not prescribe the establishment of a dedicated forensics or financial crime combating function, the cluster Chief Executives are held responsible for the implementation thereof within their respective businesses. Currently, the Sanlam Life and Savings cluster and the Santam cluster have dedicated forensic functions as these clusters represent the areas where the highest volumes of incidents are likely to occur. They maintain statistics on financial crime incidents and the actions taken in response to them. The remaining clusters within the Group deal with financial crime as part of their broader risk management business practices.

Group forensic services also submit quarterly reports to the Sanlam Risk and Compliance committee on financial crime incidents and unlawful conduct in the Group. This includes reflecting on the measures taken to prevent, detect, investigate and deal with such conduct. Furthermore, the Group's existing fraud controls are being reviewed continuously, focusing on creating awareness to alert staff and clients to fraud-related risks.

Anti-money laundering and the countering of the financing of terrorism (AML/CFT) also continue to be a focus area for Sanlam (and regulators globally). As a result, the Group deployed several solutions that form the foundation of the Company's response to regulatory requirements to ensure compliance with AML/CFT measures and enforce targeted financial sanctions. Therefore, a heightened approach was adopted to enhance the level of scrutiny placed on onboarding new clients and transactions with existing clients. However, the Board is pleased to report that no material losses were suffered during the reporting period due to fraudulent activities.

## Political party support

While it is Sanlam's policy to support the development of democratic institutions and social initiatives across party lines, it does not provide support to any political party, financially or otherwise.

## Stakeholder inclusivity

The Group continuously strives to improve its engagement and communication with its key stakeholders. This is being done through various channels and mediums that encourage feedback and engagement.

During the reporting period, the Board reviewed and approved the Group stakeholder management policy that was developed in alignment with the principles and recommendations in King IV™. The purpose of the policy is to define Sanlam's key stakeholder groups and outline the basic principles and requirements that need to be complied with. The policy further highlights how stakeholder management should be approached across the business and how it will be governed, monitored and reported on. On behalf of the Board, the SES committee oversees and monitors the implementation and compliance to the Group stakeholder management policy.

Sanlam's investor relations (IR) team facilitates communication with Sanlam's institutional shareholders and the investment community. A comprehensive IR programme is in place to ensure that appropriate communication channels are maintained with domestic and international institutional shareholders, fund managers and investment analysts. A new position was also established during 2021 for an Executive Head: Investor Relations within the Group finance team. The objective of same was to provide dedicated services to the Group and ensure interactive engagements with Sanlam's investor constituencies.

Further details regarding Sanlam's approach towards stakeholder management and an overview of some of the initiatives embarked on during the 2021 reporting period are available in the reporting suite and published on the investor relations website.

## Responsible investment

As institutional investors, Sanlam must act in the best long-term interests of its customers. The Board has an oversight role and exercises its responsibility, rights and obligations through elected representatives in the various companies it has invested in. It is ultimately accountable to ensure that the Group promotes good governance by investing responsibly. The Board achieves this through its Group Exco and the respective governance structures within each business cluster. The business clusters' Excocs are responsible for ensuring that Sanlam's investments are managed according to the policies and Board-approved investment mandates. The Board requires that these

governance practices should always promote responsible investment, achieve good governance, promote an ethical culture and enhance effective control, good performance and legitimacy. Examples of responsible investments include investing in support of economic growth and financial stability.

Sanlam (through the auspices of the mandate delegated to the Sanlam Investment Group) subscribes to the Code for Responsible Investing in South Africa (CRISA), which was launched in 2011. CRISA encourages institutional investors and service providers to integrate ESG issues into their investment decisions. Following a year of research and consultation, the CRISA committee released a draft revised CRISA Code for public comment during November 2020. However, it is anticipated that the new revised Code will be launched in 2022. Where applicable, amendments to Sanlam's internal governance structures' terms of references would be made during its 2022 annual review processes.

Sanlam also subscribes to the UN's Principles for Responsible Investment as an asset owner (Sanlam) and an asset manager (Sanlam Investment Group). It frequently assesses their policy framework and implementation against the PRI principles to evaluate the progress made. The Board believes that the Group's approach towards responsible investment will improve Sanlam's ability to meet its commitments to beneficiaries and better align investment activities with the broader interests of society.

Sanlam further continues to integrate the following six principles relevant to responsible investment, which had been developed by an international group of institutional investors who reflected on the increasing relevance of environmental, social and corporate governance issues to investment practices.

- **Principle 1:** Incorporating ESG issues into investment analysis and decision-making processes.
- **Principle 2:** Being active owners and incorporating ESG issues into ownership policies and practices.
- **Principle 3:** Seeking appropriate disclosure on ESG issues by the entities we invest in.
- **Principle 4:** Promoting acceptance and implementation of the Principles within the investment industry.
- **Principle 5:** Working together to enhance our effectiveness in implementing the six Principles referred to herein.
- **Principle 6:** Reporting on our activities and progress towards implementing these Principles.

Read more about Sanlam's approach and response to responsible investment in the Resilience Report and Sanlam Investment Group's Stewardship Report.



# Contact

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