

**SANLAM LIMITED (“SANLAM”)  
THE SANLAM INCLUSIVITY COMMITTEE CHARTER****TABLE OF CONTENTS**

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**1. CONSTITUTION**

- 1.1 The Sanlam Inclusivity Committee (“the Committee”/“SIC”) is an *ad hoc* Committee of the Board of Directors of Sanlam Limited (“Sanlam”/“the Group”/“the Company”). This document sets out the duties assigned to it by the Board.
- 1.2 The Committee is constituted in alignment with the King IV Report on Corporate Governance 2016 (“King IV”) to the extent that its recommended practices have been adopted by the Company.
- 1.3 The duties and responsibilities of the Committee as set out in this document are in addition to those duties and responsibilities that they have as members of the Board.
- 1.4 The deliberations of the Committee do not reduce their individual and collective responsibilities as members of the Board with regards to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their legal obligations.
- 1.5 These Terms of Reference are subject to the provisions of the Companies Act, Sanlam’s Memorandum of Incorporation, the JSE Listing Requirements (“JSE”) and any other applicable law or regulatory provision.

**2. PURPOSE OF THE TERMS OF REFERENCE**

- 2.1. The purpose of these Terms of Reference is to document *inter alia* the Committee’s functions in relation to its role and responsibilities delegated to it by the Board, the duty of oversight of and reporting on stakeholder inclusivity and empowerment related matters.
- 2.2. The Terms of Reference seeks to outline:
  - 2.2.1 The Committee’s role and responsibilities
  - 2.2.2 The requirements for its composition
  - 2.2.3 Meeting procedures
  - 2.2.4 The Committee’s delegation of authority to management to support and assist the Board to exercise independent judgement and
  - 2.2.5 The Committee’s role to assist the Board in ensuring the balance of power to effectively discharge its duties.

**3. ROLE OF THE COMMITTEE**

- 3.1 The Committee has an independent role, operating as an overseer and a maker of recommendations to the Board for its consideration and final approval.
- 3.2 The Committee does not assume the functions of management, which remain the

responsibility of the executive directors, officers and other members of senior management.

3.3 The role of the Committee includes, but are not limited to:

3.3.1 Assisting the Board to discharge its collective governance role and responsibilities by adopting a stakeholder-inclusive approach that balances the needs and expectations of material stakeholders in the best interest of the Company over time; and

3.3.2 Assisting the Board in ensuring that Sanlam is seen as a responsible corporate citizen in the way it responds to the needs and the reasonable expectations of its material stakeholders.

#### **4. RESPONSIBILITIES OF THE COMMITTEE**

4.1. The Committee's primary responsibility is to assist the Sanlam Board to discharge its governance oversight responsibility and obligations in relation to its material stakeholders (e.g. employees, suppliers, *et al*) in a way that supports Sanlam being regarded as an ethical and a good corporate citizen.

4.2. The Committee's main function is to act as an advisory body and to provide guidance to the Sanlam Board on strategic issues relating to its material stakeholders as well as approving Sanlam's Policy that articulates and give effect to the Sanlam Board's direction on stakeholder inclusivity related matters;

4.3. The Committee will also provide guidance to management on relevant issues as and when required;

4.4. The Committee will endeavour to ensure Sanlam has effective systems and processes in place to address empowerment and/or transformation related risks;

4.5. The Committee shall consider, monitor and give direction to Sanlam's strategy and policy with respect to the Group's relationship with key stakeholders such as employees, suppliers and other stakeholders. The Committee will also:

4.4.1 Consider any reports presented to it by the Chief Executive: Group Human Resources ("HR");

4.4.2 Consider any human capital and/or stakeholder related matter referred to it by the Sanlam Board or any of the other Board committees;

4.4.3 Review relevant Board, Risk and Compliance Committee, Social, Ethics and Sustainability Ethics Committee as well as Audit Committee memoranda with a view to identify stakeholder inclusivity related issues that may require attention;

4.6 The Committee may escalate any stakeholder inclusivity related matter to the Sanlam Board, directly or via the appropriate Board Committees;

4.7 The Committee will be responsible for the continuous monitoring and reporting of Sanlam's response to ensure a stakeholder inclusive approach and will provide feedback to the Board on related matters, issues of concerns and/or risks at least once per quarter.

#### **5. DELEGATION**

5.1 Any delegation by the Board of any of its responsibilities to the Committee, will not by or of itself constitute a discharge of the Board's accountability; and

5.2 The Board remains accountable to apply its collective mind to the information, opinions, recommendations, reports and statements presented by the Committee.

#### **6. RELATIONSHIP WITH OTHER BOARD COMMITTEES**

6.1 The Committee will ensure appropriate information flows between itself and other Board Committees on all matters relating to stakeholder inclusivity related matters, risks and/or other information required to execute its responsibilities.

6.2 The Committee will provide input to other Board Committees on such matters that are

relevant to those Committees to enable it to perform its responsibilities, in circumstances where aspects of those matters fall within the scope of responsibility of other Board Committees.

- 6.3 The Committee will receive regular feedback from management regarding the effectiveness and/or significant stakeholder related risks that the Group might be exposed to from time to time.

## **7. COMMITTEE COMPOSITION**

- 7.1 The Committee will consist of executive and non-executive directors serving on the Sanlam Limited Board.
- 7.2 Each member will have one vote to exercise for the purposes of decision-making.
- 7.3 Members of the Group Executive Committee of the Company will not be members of the Committee but will be regarded permanent invitees/attendees to all SIC meetings.
- 7.4 The Board will appoint the Chair on a rotational basis and determine the period for which she/he will hold office.
- 7.5 If the Chair of the Committee is not available or absent from a meeting, the Committee members present shall elect one of the members present to act as Chair.
- 7.6 The members of the Committee as a whole, must have adequate qualifications and experience to fulfil their duties.
- 7.7 The Committee may request any other officer or employee of Sanlam or Sanlam's outside counsel to attend a meeting as an invitee or to meet with any members of, or consultants to, the Committee.
- 7.8 The Company Secretary of Sanlam will act as the Secretary to the Committee.

## **8. COMMITTEE AUTHORITY**

- 8.1 The Committee's authority will be subject to statutory limits and it will function within the authority levels delegated to it by the Sanlam Board ("the Board");
- 8.2 The Committee has the power to request reports on any stakeholder related issues from any appropriate Sanlam Executive and has reasonable access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities.
- 8.3 The Committee, in performing its tasks under these Terms of Reference, may in consultation with the Chair of the Sanlam Board, and in cooperation with Sanlam Limited's Company Secretary, obtain such outside or other independent professional advice (both inside and outside Sanlam) in order for it to perform its duties.
- 8.4 The Committee acts in terms of the delegated authority of the Board as recorded in these Terms of Reference.
- 8.5 The Committee, in the fulfilment of its duties, is authorised to call upon the Chairs of the other Board Committees, any of the executive directors, company officers, the Company Secretary and/or assurance providers including any employees within the Sanlam Group, to provide it with information, at the Company's cost subject to following the relevant Board-approved process.
- 8.6 The Committee is authorised to investigate any activity within its Terms of Reference and to seek any information it requires from any employee in the Sanlam Group. All employees are expected to co-operate with any request made by the Committee.
- 8.7 The Committee makes recommendations to the Board that it deems appropriate on any area within the ambit of these Terms of Reference, where action and/or improvements are required.

## **9. MEETINGS**

- 9.1 The Committee will meet at such time and venue as it deems appropriate, but it will normally meet at least once a quarter.
- 9.2 Any member of the Committee may call a meeting as and when required.

- 9.3 The notice of each Committee meeting, confirmation of the venue, the medium, time and date as well as enclosing an agenda of items to be discussed, will other than under exceptional circumstances be forwarded to each Committee member at least 2 (two) working days prior to the date of the meeting.
- 9.4 Committee members must attend all scheduled Committee meetings, including meetings called on an *ad hoc* basis for special matters, unless prior apology with reasons, has been submitted to the Chair of the Committee and/or the Company Secretary.
- 9.5 The quorum for the Committee to transact business will be more than one half of the members of the Committee.

## **10. PROCEEDINGS**

- 10.1 Unless varied by these Terms of Reference, meetings and proceedings of the Committee will be governed by Sanlam's Memorandum of Incorporation ("MOI") regulating the meetings and proceedings of directors and committees.
- 10.2 Any director may, provided there is no conflict of interest, obtain copies of the Committee's minutes.
- 10.3 The Chair of the Committee will regularly provide summarised feedback to the Sanlam Board on the Committee's activities and deliberations. Where appropriate detailed feedback on the issues addressed by the Committee will be provided.
- 10.4 The Chair of the Committee will also attend the Company's Annual General meeting.
- 10.5 A round robin resolution in writing adopted by the majority of the Committee members will be valid and effective as if it had been passed at a duly called and constituted meeting – i.e. provided that each Committee member received notice of the matter to be decided. Such resolution will be presented at the next meeting for noting and record purposes.
- 10.6 The Committee must report at least annually to the Sanlam Board on its function, responsibilities and activities. It will include the evaluation of the effectiveness of the Committee as well as recommending amendments (if any) to its Charter.

## **11. FEES**

- 11.1 Having regard to the functions performed by the members of the Committee (in addition to their functions as directors) in relation to the activities of the Committee and pursuant to the specific power conferred upon the Sanlam Board by the MOI, the Committee members shall not receive any form of compensation and/or remuneration. This includes mentoring and/or support services rendered by Committee members to Sanlam employees.

## **12. PERFORMANCE EVALUATION**

- 12.1 The Committee must evaluate its performance each year, having regard to the principles and requirements of its Terms of Reference and the overall objective of the Committee's work.
- 12.2 Such evaluation of the Committee's performance is to ensure that its own performance, its Chair and the respective Committee members support the Committee to improve its performance and effectiveness.

## **13. REVIEW OF THE CHARTER**

- 13.1 These Terms of Reference was recommended to the Board for its approval and will be due for review annually thereafter.