

# REMUNERATION Report



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# REPORT FROM THE GHRRC CHAIR

Sanlam achieved satisfactory operational performance in 2019 considering the weak operating environment and this evidences the resilience of our diversification strategy. In the past financial year we remained focused on executing on our strategic pillars, with a particular emphasis on progressing the integration of Saham and delivering synergies from this investment. Sanlam is confident that it has the depth of talent to continue delivering value to our shareholders and other stakeholders. Our remuneration policy is a key enabler in retaining and attracting this talent. A core principle of our approach to remuneration is to build value for the long term.

At the 2019 annual general meeting (AGM) (relating to the 2018 financial year) our remuneration policy received a positive vote of **98,35%**, while our implementation report received a positive vote of **93%**.

See summary below of shareholder voting outcomes over the past three years.

#### Shareholder voting results at AGM from 2016 to 2018

	For	Against
AGM in respect of 2018 remuneration policy	98,35%	1,65%
AGM in respect of 2018 implementation report	93%	7%
AGM in respect of 2017 remuneration policy	94,67%	5,33%
AGM in respect of 2017 implementation report	71,52%	28,48%
AGM in respect of 2016 remuneration report (one vote)	95,91%	4,09%

In 2019 our remuneration policy remained largely unchanged, apart from some enhancements to the performance conditions applicable to Performance Deferred Share Plans (PDSPs) and Restricted Share Plans (RSPs). The amendments were informed by a detailed review of market best practice and we proactively consulted with a selection of shareholders and other stakeholders on the changes.

**Our approach to this year's reporting is to highlight the changes to the remuneration policy, the rationale therefore and to provide an indication of focus areas for 2020.**

# KEY POLICY CHANGES

The design of performance conditions for PDSPs and RSPs was amended in 2019 as follows:

Changes to performance conditions	Rationale
<p><b>Moving from actual Return on Group Equity Value (RoGEV) to adjusted RoGEV</b></p>	<p>It is accepted as a sound principle that the Group Human Resources and Remuneration committee (GHRRC) should have discretion to ensure that unintended consequences of remuneration design are addressed for a fair outcome to all stakeholders. This discretion also exists for long-term incentives (LTI) and the performance conditions attached thereto. It is important that discretion be applied consistently and within disclosed parameters.</p> <p>Typically, events that warrant discretion being applied are those items included in the Company's calculations to adjust actual RoGEV in order to get to the reported adjusted RoGEV (for example, interest rates, exchange rate and equity market volatility and changes in tax legislation). Therefore, a move from actual RoGEV to adjusted RoGEV will ensure consistency, be more transparent and makes commercial sense. This approach is also supported by market benchmarking and in line with the approach followed by competitor companies.</p> <p>The cost of capital (CoC) hurdle for adjusted RoGEV was also increased in 2019 to create more stretch. See page 16 of this report where detailed performance conditions are disclosed as part of the 2019 remuneration policy.</p> <p>The principle of GHRRC discretion remains, but is expected to have limited application as most extraordinary events outside of management's control are already adjusted for in determining adjusted RoGEV.</p>
<p><b>Additional performance condition: dividend growth</b></p>	<p>Historically RoGEV was the only financial hurdle against which performance was measured for vesting (in addition to individual performance hurdles). As this is the key strategic metric for Sanlam, it remains the most prominent condition, however, dividend growth was introduced as an additional condition. Dividend growth is a good balance to RoGEV as a measure of the efficiency of our cash flow generation and is also an important part of Sanlam's investor value proposition.</p> <p>The weighting between the financial performance conditions for PDSPs and performance RSPs is as follows:</p> <ul style="list-style-type: none"> <li>⤵ Group RoGEV (70%)</li> <li>⤵ Group dividend growth (30%)</li> </ul> <p>PDSPs awarded to employees with LTI multiples (in total) exceeding 175% of total guaranteed package (TGP) carry a cluster RoGEV condition as well.</p> <p>See page 16 of this report for detail in respect of the 2019 performance conditions.</p>
<p><b>Linear vesting between hurdles (setting threshold and target performance levels)</b></p>	<p>To address the risk of "hit or miss" vesting where categories of PDSPs and performance RSPs only have one target, the principle of linear vesting between threshold and target hurdles for each category of performance hurdles was introduced. Therefore, for each category and type of PDSP and for performance RSPs there will be a minimum threshold level of performance (which will result in 50% vesting) and a target level of performance (which will result in 100% vesting).</p> <p>For detail in respect of the 2019 hurdles in terms of types of performance shares, types of performance conditions, weighting, minimum (threshold) and maximum (target) performance levels and the vesting percentage at the performance achieved refer to page 16 of the remuneration policy and page 28 of the implementation report.</p>

# ONGOING ENGAGEMENT WITH SHAREHOLDERS

In terms of our approach to ongoing shareholder dialogue, we proactively engaged with a selection of shareholders on the material changes to the design of performance conditions by way of individual conversations during 2019.

Our general approach to shareholder consultation is:

- The GHRRC welcomes engagement with shareholders and encourages shareholders to put their ideas to the GHRRC.
- Once shareholders have had time to study the Remuneration Report we would appreciate feedback, preferably in writing. The GHRRC chair will then respond to queries and input from shareholders in writing and he will be available for a discussion in this regard.
- If shareholders would like to make suggestions or provide input to the GHRRC at other times during the year, it will be appreciated and will be handled in the same manner as set out above.

**The feedback received from shareholders on the 2019 policy changes was positive. We commit to ongoing transparent shareholder dialogue on all material remuneration matters.**

For the 2020 AGM the remuneration policy and the implementation report of the Remuneration Report will be tabled separately for non-binding advisory votes by shareholders. In the event that either or both the policy or implementation report are voted against by 25% or more of the voting rights exercised, the ongoing engagement process as outlined herein will be followed.

## REMUNERATION GOVERNANCE

The Sanlam Limited Board of directors (Board) has responsibility for the governance of remuneration in the Sanlam Group. The GHRRC is mandated by the Board to ensure that the organisation remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long term. Sanlam's remuneration philosophy and policy support the Group strategy by incentivising the behaviour required to meet and exceed predetermined strategic goals. Both short and long-term strategic objectives are measured and rewarded. This blended approach mitigates excessive risk-taking and balances longer-term strategic objectives with short-term operational performance. The remuneration philosophy is therefore an integral part of Sanlam's risk management structure. In setting up the reward structures, cognisance is taken of prevailing economic conditions as well as local and international governance principles.

A great deal of attention is given to correctly position both the nature and the scale of remuneration relative to relevant comparator groups and international best practice.

Steps are also taken to ensure alignment with the applicable regulatory and governance requirements in each of the countries in which Sanlam operates. In South Africa, those specifically include the Prudential Standards (Governance and Operational Standards for Insurers, issued in terms of the Insurance Act) and the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™)<sup>(1)</sup>, while also conforming to the remuneration principles contained in the Codes of Good Practice which support employment equity legislation.

Sanlam is the sole or part owner of a number of subsidiaries, joint ventures and associates. While compliance with the Sanlam Group remuneration strategy and policy is primarily targeted at operating subsidiaries, Sanlam will use its influence to encourage the application of sound remuneration practices in those businesses where it does not hold a controlling interest. In businesses outside South Africa, where the Group remuneration policy is in conflict with local statutes or regulations, the local standards will apply.

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# GHRRC AND KEY MATTERS CONSIDERED

## During 2019, the GHRRC considered and where applicable approved the following matters:

- Review of market benchmarking on LTI scheme design and changes to the remuneration policy regarding the design of performance conditions for long-term incentive awards
- Refinements to the Sanlam malus and clawback policy and principles
- Benchmarking of Sanlam executive directors and members of the Executive committee's remuneration against a suitable market
- Benchmarking of Sanlam non-executive directors' remuneration against best practice and available market information and recommending increases to be considered by shareholders at the AGM for the 2020/2021 fees
- Review of Sanlam's remuneration policy and practices in South Africa against prudential standards, King IV™, applicable governance principles and market best practice
- The remuneration design of heads of control functions and persons whose actions may have a material impact on the Group's risk exposure
- The appointment of Group Executive committee members (internal and external appointments) and the ratification of the appointment of certain executive employees
- STI and LTI awards to Group Executive committee members
- STI measures achieved for the accrual of bonus pool/s and achievement of performance conditions for the vesting of LTIs
- Findings and analysis on gender pay equity across all levels in the Group and appropriate actions in this regard
- Measures to support existing strategies to correct the under-representation of black people at the executive and senior management levels in the Group
- The work and decisions of other Sanlam Group companies' human resources (HR) and remuneration committees and approval of overall mandates on remuneration increases and variable remuneration (short and long term) per the delegation of authority framework

The GHRRC is responsible for overseeing and monitoring the development, implementation and execution of the remuneration policy and strategy of the Group and ensuring that the policy objectives are met. The GHRRC is responsible for presenting the policy to the Board for approval. Its activities include approving the guidelines and philosophy to be applied in formulating mandates for all bonus and long-term incentive schemes, and setting remuneration packages of the Sanlam Group Executive committee (Executive committee) and the Sanlam heads of control functions (actuarial control, internal audit, compliance and risk management), relative to industry benchmarks. Recommendations made by business and subsidiary human resources and remuneration committees on the remuneration design of key persons (as defined in the Prudential Standards), other than the GHRRC's fees, are reviewed and approved by the GHRRC.

The GHRRC has the prerogative to make all remuneration decisions it deems appropriate within an approved framework and may propose amendments to any part of the remuneration policy as necessitated by changing circumstances. It also makes recommendations to the Board regarding the fees of Sanlam directors, other than the GHRRC's fees. To fulfil the role described above, the GHRRC undertakes the following:

- Oversees and recommends to the Board for approval, short-term incentive (STI) and LTI plans for the Group, subject to shareholder approval where applicable. This includes the setting of guidelines for annual remuneration mandates and a regular review of the appropriateness and structure of the variable remuneration plans to ensure alignment with Sanlam's strategy and shareholder and other stakeholder interests
- Sets appropriate performance drivers for short and long-term incentives, as well as monitoring and testing those drivers and vesting outcomes
- Ensures that the remuneration policy applies in a proportionate and risk-based way and contains specific arrangements for the review of remuneration for the roles of the directors, executives, heads of control functions, other key persons and persons whose actions may have a material impact on the insurer or Group's risk exposure
- Reviews the management of the contracts of employment of Sanlam executive directors, members of the Executive committee and heads of control functions to ensure that their terms are aligned with good practice principles
- Reviews the remuneration strategy for and finalises the remuneration of Sanlam executive directors, members of the Executive committee and heads of control functions, including TGP, STIs and LTIs, and other conditions of employment

## GHRRC AND KEY MATTERS CONSIDERED (continued)

- Develops and recommends to the Board for approval, STI and LTI schemes for the Group Chief Executive and other members of the Executive committee. It includes the setting of annual targets, monitoring those targets and reviewing the incentive schemes on a regular basis to ensure that there is a clear link between the schemes and performance in support of the Group strategy. Further to this, the GHRRC ensures that incentives are appropriate, supported by corporate governance standards and that the design thereof is aligned to long-term value creation for shareholders and other stakeholders
- Reviews the succession plans in place for the Group CEO and members of the Executive committee and provides for succession in both emergency situations and over the long term
- Recommends to the Board the remuneration of the Sanlam non-executive directors for approval at the AGM

Read more about the GHRRC's terms of reference online and about the composition and summarised terms of reference for the GHRRC in the online Governance Report.

The Companies Act, 71 of 2008 (Companies Act) introduced the concept of a prescribed officer. The duties and responsibilities of directors under the Companies Act also apply to "prescribed officers" as well as members of Board committees who are not directors. The Board has considered the definition of "prescribed officers" and resolved that the Sanlam executive directors and members of its Executive committee are the prescribed officers of Sanlam.

None of the Sanlam executive directors or members of the Executive committee occupy a control function at Sanlam as defined in the Insurance Act, 18 of 2017 (Insurance Act). Remuneration details of the Sanlam executive directors and members of the Executive committee are accordingly also disclosed in this report.

## FUTURE AREAS OF FOCUS

In 2020 the GHRRC will focus on a holistic review of variable remuneration design for Executive committee members, including cash bonuses, deferral mechanisms, types and levels of long-term incentive awards and risk alignment.

The review will be based on market best practice and will support performance outcomes and long-term value creation. Sanlam's approach to remuneration remains focused on long-term value creation for all stakeholders.

Sanlam's human capital risks and the actions to address these are reported on in the 2019 Integrated Report. The most significant of these being specialised and experienced employees experiencing excessive work pressure due to a range of factors, including scarcity of these specialist resources, expansion demands, increased regulatory pressure, new roles etc. The impact of specialist skilled employees emigrating from South Africa also negatively affected Sanlam in 2019. Working towards an inclusive demographic employee profile at management level, from a race and gender perspective, remains a key priority and a risk if not addressed adequately.

We are addressing these risks through an integrated approach, which includes a Group-wide approach to talent to attract, develop, motivate and retain top talent. This is supported by fit for purpose learning and development plans, a consistent and standardised performance and goals approach and fit-for-purpose remuneration philosophies in the businesses and from a Group level. An enabler for this is SuccessFactors, which is a cloud-based, human capital management solution.

I present our remuneration policy and implementation report as set out in this Remuneration Report and trust it will be met with your voting support at the upcoming AGM to be held on 10 June 2020.

Our commitment to ongoing consultation on an individual shareholder level is confirmed and the GHRRC welcomes any feedback or input from shareholders and other stakeholders throughout the year.



**AD Botha**

*Chair: Group Human Resources and Remuneration Committee*





# OVERVIEW OF REMUNERATION POLICY

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# REMUNERATION PHILOSOPHY

The Board recognises that appropriate remuneration for Sanlam executive directors, members of its Executive committee and other employees is inextricably linked to the attraction, development and retention of top-level talent and human capital within the Group. Given the current economic climate, changes in the regulatory requirements and the ongoing war for talent, it is essential that adequate measures are in place to attract and retain the required skills. In order to meet the strategic objectives of a high-performance Group, the remuneration philosophy is positioned to reward exceptional performance and to maintain that performance over time.

The primary objectives of the policy are to:

- ① attract, motivate, reward and retain key talent;
- ② promote the Group's strategic objectives, within its risk appetite;
- ③ promote positive outcomes across the inputs and resources which the Group uses or affects; and
- ④ promote an ethical culture and behaviour that are consistent with our values and which encourage responsible corporate citizenship.

Sanlam's remuneration philosophy aims to:

- ① inform stakeholders of Sanlam's approach to rewarding its employees;
- ② identify those aspects of the reward philosophy that are prescribed and to which all businesses should adhere;
- ③ provide a general framework for all the other elements of the reward philosophy;
- ④ offer guidelines for short and long-term incentive and retention processes; and
- ⑤ offer general guidelines about how the businesses should apply discretion in their own internal remuneration allocation and distribution.

The Board recognises certain industry-specific and other relevant differences between Sanlam businesses and where appropriate, allows the businesses relative autonomy in positioning themselves to attract, retain and reward their employees appropriately within an overarching framework. In this regard, there are some areas where the dictates of good corporate governance, the protection of shareholder interests and those of the Sanlam brand or corporate identity require full disclosure, motivation and approval by the HR committees, either at Group or business level.

The principle of management discretion with regard to individual employees is central to the remuneration philosophy on the basis that all rewards are based on merit. However, the overarching principles and design of the remuneration structure are consistent, to support a common philosophy and to ensure good corporate governance, with differentiation where appropriate. In other instances, the Sanlam remuneration philosophy implies that the businesses are mandated to apply their own discretion, given the role that their own remuneration/HR committees will play in ensuring good governance. Sanlam has continued to apply a total reward strategy for its employees. This offering comprises remuneration (which includes cash remuneration, STIs and LTIs), benefits (retirement funds, group life, etc.), learning and development, an attractive working environment and a range of lifestyle benefits.

Read more about Sanlam's Employee Value Proposition in the online Sustainability portal.

# DESIGN PRINCIPLES

In applying the remuneration philosophy and implementing the total reward strategy, a number of principles are followed:

- **Pay for performance:** Performance is the cornerstone of the remuneration philosophy. On this basis, all remuneration practices are structured in such a way as to provide for clear differentiation between individuals with regard to performance. It is also positioned so that a clear link is maintained between performance hurdles and the Sanlam strategy.
- **Competitiveness:** A key objective of the remuneration philosophy is that remuneration packages should enable the Group and its businesses to attract and retain employees of the highest quality in order to ensure the sustainability of the organisation.
- **Leverage and alignment:** The reward consequences for individual employees are, as far as possible, aligned with, linked to and influenced by:

  - the interests of Sanlam shareholders (and, where applicable, minority shareholders in subsidiaries);
  - the interests of other stakeholders (for example, employment equity, client service, the community);
  - sustainable performance of Sanlam as a whole;
  - the performance of any region, business unit or support function; and
  - the employee's own contribution.
- **Consistency and fairness:** The reward philosophy strives to provide a framework that encourages consistency, but allows for differentiation where it is fair, rational and explainable. Differentiation in terms of market comparison for specific skills groups or roles is necessary and differentiation concerning performance is imperative. Unfair differentiation is unacceptable.
- **Attraction and retention:** Remuneration practices are recognised as a key instrument in attracting and retaining the required talent to meet Sanlam's objectives and ensure its sustainability over the long term.
- **Shared participation in relevant components of remuneration:** Employee identification with the success of Sanlam is important owing to the fact that it is directly linked to both Sanlam's and individual performance. All employees should have the chance to be recognised and rewarded for their contribution and the value they add to Sanlam, and, in particular, for achieving excellent performance and results, in relation to Sanlam's stated strategic objectives. The performance management process contributes significantly towards obtaining this level of participation and towards lending structure to the process.
- **Best practice:** Reward packages and practices reflect local and international best practice, where appropriate and practical.
- **Communication and transparency:** The remuneration philosophy, policy and practices, as well as the processes to determine individual pay levels, are transparent and communicated effectively to all employees. In this process the link between remuneration and Sanlam's strategic objectives is understood by all employees.
- **Market information:** Accurate and up-to-date market information and information on best practice are crucial factors in determining the quantum of the remuneration packages.
- **Malus and clawback:** Where defined trigger events take place provision is made for redress against remuneration through either malus (pre-vesting forfeiture) or clawback (post-vesting forfeiture). Malus and clawback provisions and the application thereof to trigger events are governed by the Sanlam Group Malus and Clawback policy, which is a related policy to this Group remuneration policy and these provisions will be incorporated in relevant remuneration governance documents/rules.

**For Sanlam to remain competitive, remuneration policies and practices are evaluated regularly against both local and international remuneration best practice and governance frameworks, most notably King IV™ and the Prudential Standards.**

# EXECUTIVE CONTRACTS

Sanlam executive directors and members of the Executive committee are contracted as full-time, permanent employees for employment contracting purposes. As a standard element of these contracts, a restraint of trade (up to 12 months) is included, which Sanlam has the discretion to enforce depending on the circumstances at the time of the individual's departure.

Notice periods are three months' written notice. Bonus payments and the vesting of long-term incentives that are in

place at the time of an individual's termination of service are subject to the rules of the relevant scheme/s with some discretion being allowed to the GHRRC based on the recommendations of the Group Chief Executive. No clauses are included in employment contracts that relate to any form of payments in the event of a change in control of Sanlam. In the event of a change in control, the vesting of share awards will only be accelerated if an offer is made that does not substitute unvested LTIs with arrangements on terms similar to the existing terms and conditions.

## REMUNERATION OVERVIEW

### Structure

The different components of remuneration applied are summarised in the table below. These are applicable to all South African-based employees and are used as guidance by other international Sanlam businesses.

A detailed description of each component follows in the next section.

Where applicable, the quantum of the different components of the package is determined as follows:

- The guaranteed component is based on market-relatedness in conjunction with the individual's performance, competence and potential.
- The short-term incentive component of remuneration is based on a combination of individual and annual business performance.
- The long-term incentive component is based on the individual's performance, potential and strategic contribution to Sanlam and/or the business, and above a certain level also on Sanlam's and/or the business/cluster's performance.

Element	Purpose	Performance period and measures	Operation and delivery
<b>Total guaranteed package (TGP)</b>	Core element that reflects market value of role and individual performance	Reviewed annually based on performance against contracted output and market surveys. Benchmarked against comparator group and positioned on average on the 50th percentile	Guaranteed package is delivered to the employee as a cash salary and a mix of compulsory and discretionary benefits
<b>STIs (annual bonus)</b>	Creates a high-performance culture through a cash bonus in relation to performance against predetermined outputs	Annual, based on 12-month (financial year) performance with the aim to remunerate outstanding performance in excess of market mean	Based on different levels and predetermined performance hurdles for business and individual/ strategic targets  Cash settlement generally capped at 200% of TGP  In certain businesses deferral principles apply

Element	Purpose	Performance period and measures	Operation and delivery
LTIs	Alignment with shareholder interests	Annual awards vesting in tranches in years 3 (40%), 4 (30%) and 5 (30%)  Some legacy awards may vest up to 6 years	Upon satisfaction of financial performance hurdles as well as individual/strategic performance measures

## Total guaranteed package

### Purpose

TGP is a guaranteed component of the remuneration offering. It forms the basis of Sanlam’s ability to attract and retain the required skills. In order to create a high-performance culture, the emphasis is placed on the variable/performance component of remuneration rather than the guaranteed component. For this reason, TGP on average is positioned around the 50th percentile of the market.

As an integral part of TGP, Sanlam provides a flexible structure of benefits that can be tailored, within certain limits, to individual requirements. These include:

- > retirement funding;
- > Group life cover; and
- > medical aid/insurance.

### Process and benchmarking

Average TGP is normally set by reference to the median paid by a group of comparator companies which Sanlam considers to be appropriate. The comparator group is made up of a sizeable and representative sample of companies that have similar characteristics to Sanlam in terms of being in the financial services sector (but not limited only to this sector), market capitalisation and international footprint. In terms of the process followed in benchmarking TGP against these comparator companies, Sanlam obtains and analyses data from a number of local and global salary surveys. In addition to this benchmarking process, Sanlam also takes into account the skills, potential and performance of the individual concerned as well as the current consumer price index of the country.

### GHRRC’s role

Upon conclusion of the benchmarking process, proposals regarding increases for the following year are considered and approved by the GHRRC. The GHRRC also reviews and approves the adjustments to TGP for each of the Sanlam executive directors and members of the Executive committee.

### Levels

TGP levels are positioned on average around the 50th percentile of the comparator market. Where specific skills dictate, TGP levels may be set in excess of the 50th percentile. Benefits form part of TGP and in certain instances there may be a salary sacrifice in favour of a flexible benefit.

## Short-term incentives

### Purpose

The purpose of the annual bonus plan is to align the performance of employees with the goals of the Group and to motivate and reward employees who outperform the agreed performance hurdles. Over recent years, the focus has shifted from operational matters to growing the business and ensuring that it is managed in a sustainable way. The design and quantum of the annual performance bonus is regularly reviewed against best market practice and the quantum is benchmarked against the market using a relevant comparator group.

Group and business performance measures are multi-dimensional and are required to support positive outcomes on a range of strategic indicators, including economic, social and sustainability metrics.

## REMUNERATION OVERVIEW (continued)

### GHRRC's role

The GHRRC's role with regard to the annual performance bonus plan is to:

- determine the overall structure of the annual bonus plan, ensure that it provides a clear link to performance and is aligned with the Group's business strategy.
- set the overall principle in respect of thresholds, targets and stretch levels for the annual bonus plan as well as the percentage of total guaranteed package that can be earned at each employment level.
- in respect of Sanlam executive directors and members of the Executive committee:
  - agree on the performance drivers for their annual bonus plan; and
  - agree on the split between business, Group and individual/strategic performance criteria.
- the GHRRC has discretion regarding the final quantum of bonus payments across the Group to avoid any unintended consequences of bonus design principles and to support risk alignment.

### Vesting levels

The annual bonus plan is a cash-based bonus scheme. Where the annual business and individual bonus targets are achieved in full, 100% of the bonus will, under normal circumstances and subject to applicable bonus deferral rules in the Group, be paid. In instances where expected target goals have been exceeded, the cash component is capped at a percentage of TGP, however, outperformance value can be awarded in terms of the RSP (refer to RSP design later in this report) or in Sanlam shares subject to vesting restrictions.

Where the bonus targets are not achieved in full, a reduced bonus, based on a sliding scale, will be paid only if a threshold performance level has been achieved.

Where the annual financial bonus targets are not achieved, a modest amount may at the discretion of the GHRRC (on the Group Chief Executive's recommendation) be set aside to reward exceptional individual performance. This discretionary bonus pool's purpose is to retain key talent below Group Executive committee level and is not earmarked for Group Executive committee discretionary bonuses where financial targets are not achieved.

For certain individuals within Sanlam Investments, cash bonuses are capped at a multiple of TGP. Any bonus payable in excess of this cap, is deferred in a combination of cash and restricted Sanlam shares and vests in equal tranches over three years. Malus is applicable to deferred bonuses. Deferred cash bonuses to the value of R15 740 550 were converted into a total of 206 865 shares in 2019 in respect of 17 individuals.

Companies within the broader Sanlam Group may use other mechanisms such as deferred cash or equity (restricted shares of that specific company) for bonus deferral and alignment.

The annual bonus targets at a Group and business level incorporate a number of financial and non-financial performance measures that are directly linked to the Group strategy and key performance indicators, including net result from financial services, adjusted RoGEV and employment equity. The specific performance targets and relative weighting is determined per business cluster based on the cluster's strategic initiatives. The Group Office targets reflect the overall performance of the Group.

Sanlam delivered a satisfactory performance during the 2019 financial year, despite many headwinds, as elaborated upon in the 2019 Integrated Report. All of the targets set for 2019 were, however, not met given the challenging operating environment, with a particular underperformance in adjusted RoGEV. This resulted in a weighted average bonus achievement of 92,8% (2018: 114,3%) at a Group level.

### Adjusted RoGEV for STIs

In order to exclude the impact of investment market volatility during the performance period in question, adjusted RoGEV is used. This assumes that the embedded value investment return assumptions as at the beginning of the reporting period were achieved for purposes of the investment return earned on the supporting capital of covered business and the valuation of Group operations. Any other ad hoc items, which are not under the control of management are also excluded, for example tax changes, interest rate movements and exchange rate volatility.

The adjustment for uncontrollable items ensures that the incentive is based on achievement and not "windfalls" due to external circumstances.

## Retention arrangements

Retention arrangements are for the retention of specific employees for a specific period of time, where it is a strategic business imperative. Such retention arrangements (cash payments or share awards) are subject to a retention period, in certain instances performance conditions or agreed outputs, and where the condition of continued employment is not met the payment is repayable in full or shares are forfeited.

Where bonuses are forfeited by incoming senior and key employees upon sign-on with the Group, it may be necessary to agree a sign-on bonus with such employees.

This sign-on bonus will be subject to retention conditions and repayment terms if conditions are not met.

Sanlam's non-executive directors are not eligible for any STIs or retention arrangements.

## Long-term incentives

### Overview and general policy

Sanlam currently make awards under the following LTIs:

- The Sanlam Deferred Share Plan (DSP)
- The Sanlam Performance Deferred Share Plan (PDSP)
- The Sanlam Restricted Share Plan (RSP)
- The Sanlam Outperformance Plan (OPP)

#### GHRRC's role

The GHRRC's role as far as the LTI plans are concerned is to:

- ensure that their structure contributes to shareholder value through performance, employee retention and the long-term sustainability of Sanlam;
- set appropriate performance measures for each award and take responsibility for monitoring and agreeing on the level of achievement of performance measures; and
- approve award levels and at vesting ensure that performance and other vesting conditions have been met, or subsequently that incentives are forfeited where conditions are not met.

With the exception of the OPP, LTIs are equity-settled plans from a Sanlam perspective. The OPP is a cash or share-based plan, which rewards long-term performance.

In respect of the DSP and the PDSP, Sanlam's general policy is that awards are made annually to ensure that the total face value of outstanding awards (calculated on their face value at date of grant) is equal to a set multiple of the individual's TGP.

Sanlam's policy is therefore not to make the same annual DSP or PDSP award (expressed as percentage of TGP), but to ensure that employees' value of outstanding awards (or share lock-in/multiple) is maintained. The set multiples are determined by reference to the individual's role. In addition, transformation considerations and the performance of an individual and the need to attract and/or retain key talent are taken into account when determining the final multiple.

In general, the total multiple for award ranges from 35% to 280% of TGP but may exceed this in the specific circumstances referred to above.

LTIs awards granted are split between:

- individual/strategic performance awards (granted under the DSP and awards made without financial performance conditions under the RSP); and
- performance awards (granted under the PDSP with financial conditions and awards made with financial performance conditions under the RSP).

Awards granted to any one individual under all equity-settled plans (the DSP, PDSP, RSP and OPP) are subject to an overall limit of 5 million unvested shares.

### Participation

The LTIs are aimed at attracting and retaining key employees and aligning employees' interests with that of shareholders. While participation is available to all employees, the practice is to allocate to employees in management or key functional roles. Non-executive directors do not participate in any of the LTIs.

### Deferred Share Plan

Awards granted in terms of the DSP are conditional rights to acquire shares for no consideration subject to vesting conditions being satisfied. The award has individual/strategic performance hurdles attached to it. For senior employees and Group Executive committee members, these hurdles are derived from business scorecards reflecting key financial and strategic objectives.

## REMUNERATION OVERVIEW (continued)

The Group Executive committee members have the following financial and strategic metrics for vesting of DSPs:

Financial: Group and business level	Ian Kirk	Heinie Werth Financial Director role	Heinie Werth CE: SEM role	Anton Gildenhuys	Lizé Lambrechts	Temba Mvusi	Robert Roux	Jurie Strydom	Junior Ngulube	Thinus Alsworth-Elvey	Jeanett Modise	Sydney Mbhele	Wikus Olivier
Value of new covered business	✓	✓	✓			✓ <sup>(2)</sup>		✓	✓	✓			
Net result from financial services	✓	✓	✓			✓ <sup>(2)</sup>	✓	✓	✓	✓			
RoGEV/return on Capital (Adjusted and/or Actual)	✓	✓	✓		✓	✓	✓	✓	✓	✓			
Investment performance							✓						
Net fund flows							✓						
Optimisation of capital	✓	✓	✓		✓								
Share price performance (relative and absolute)	✓	✓											
Net insurance revenue					✓								
Growth targets		✓	✓		✓	✓		✓	✓	✓			

<sup>(1)</sup> Except for the chief actuary and risk officer due to the role. The chief executives of HR and brand and the interim Chief Financial Officer have 50% exposure to Group financial achievement which incorporate these metrics.

<sup>(2)</sup> Applicable to the period when he held the role of Acting Chief Executive: Sanlam Corporate.

Strategic measures supporting Group business strategy	Ian Kirk	Heinie Werth Financial Director role	Heinie Werth CE: SEM role	Anton Gildenhuys	Lizé Lambrechts	Temba Mvusi	Robert Roux	Jurie Strydom	Junior Ngulube	Thinus Alsworth-Elvey	Jeanett Modise	Sydney Mbhele	Wikus Olivier
Cost efficiencies/optimisation	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Growth and diversification	✓	✓	✓		✓	✓	✓	✓	✓	✓			✓
Strategic partnerships	✓	✓	✓			✓		✓	✓	✓			
Transformation and sustainability factors	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Leadership and collaboration	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Governance and risk management	✓	✓	✓	✓							✓	✓	✓
Regulatory strategy				✓									✓
Balance sheet management <sup>(2)</sup>				✓									
Advanced analytics				✓									
New products and channels/effective distribution channels			✓					✓					
Actuarial compliance				✓									
Treating Customers Fairly (TCF)			✓		✓	✓	✓	✓	✓	✓			
Brand and marketing												✓	

<sup>(1)</sup> Chief actuary and risk officer have 100% weighting to strategic objectives due to the role. The Chief Executives of HR and Brand and the interim Chief Financial Officer have 50% exposure to these metrics.

<sup>(2)</sup> Includes elements of embedded value enhancements.



Group Executive committee members' performance per these strategic metrics are measured over the vesting period. In addition, they need to meet the continued employment condition. See page 29 of the implementation report for vesting outcomes of DSPs for 2019.

Typically, the total award granted to employees under the DSP has a face value of up to 105% of TGP, with awards higher than 105% of TGP granted as PDSPs (see below). For Group Executive committee members DSPs comprise less than 30% of their total LTI multiple/lock-in value.

In line with the Sanlam LTI policy to maintain an unvested value equal to a set multiple of TGP, to the extent that this percentage falls, whether through annual vesting or due to a promotion or salary increase, an additional award may be granted on an annual basis to maintain the level of participation under the DSP.

For the year ended 31 December 2019 allocations in respect of 4 513 920 shares (2018: 3 978 478) were made to 916 participants (2018: 915) under the DSP.

### Performance Deferred Share Plan

To the extent that the face value of the awards granted under the DSP does not satisfy the applicable total multiple of TGP to be granted as LTIs awards, the individual will be granted an award under the PDSP. Awards granted under the PDSP are conditional rights to acquire shares for no consideration subject to financial and other vesting conditions being satisfied.

In addition to the individual remaining employed by the Group throughout the measurement period and achieving agreed individual/strategic performance hurdles, the vesting of the award is also subject to financial performance conditions.

The current Group performance measures applied are the following:

- **Adjusted RoGEV:** RoGEV is the key driver of the Group's strategy as it is a measure of our current and expected future growth in earnings and the use of this measure ensures a direct link between the incentive plans and the Group's business strategy.
- **Dividend growth:** Indication of the efficiency of cash flow generation and is an important part of Sanlam's investor value proposition.

The cluster/business-level performance measures which could apply to PDSP awards above 175% of TGP are determined by the specific business RoGEV hurdles or other appropriate business hurdles (for participants not on the Group Executive committee) for each award and the business performance measure is appropriately weighted.

Below is a summary of the performance conditions applicable to the relevant unvested tranches held by employees:

#### Pre-2016 awards:

Adjusted RoGEV and the measurement is over a six-year period with the opportunity of early vesting after year three (40%), year four (30%) and year five (30%).

#### 2016 awards:

Actual RoGEV and the measurement is over a six-year period with the opportunity of early vesting after year three (40%), year four (30%) and year five (30%).

#### 2017 and 2018 awards:

Actual RoGEV and the awards are measured over fixed periods for vesting: 40% over three years, 30% over four years and 30% over five years. Where performance conditions are not achieved and the GHRRC does not exercise its discretion to adjust the impact of extraordinary events (within the parameters as set out in this policy) to determine otherwise, the awards will forfeit and lapse.

## REMUNERATION OVERVIEW (continued)

### 2019 awards:

Adjusted RoGEV and dividend growth for the different classes of PDSPs. The performance conditions have threshold and target levels, with linear vesting in between. The higher the PDSP multiple, the more stretching the performance conditions, as summarised below:

Total LTI multiple <sup>(1)</sup> as % of TGP	Category of shares	Group adjusted RoGEV (70% weighting) <sup>(3)</sup>					Dividend growth (30% weighting)		
		CoC = i + 500bps <sup>(2)</sup>	CoC = i + 600bps	CoC = i + 675bps	CoC = i + 750bps	CoC = i + 850bps	CPI + 200bps	CPI + 300bps	CPI + 400bps
105% - 175%	PDSP A shares	50% vesting	100% vesting				50% vesting	100% vesting	
175% - 240%	PDSP B shares <sup>(3)</sup>		50% vesting	100% vesting				50% vesting	100% vesting
240% - 315%	PDSP C shares <sup>(3)</sup>			50% vesting	100% vesting				100% vesting
315% - 380%	PDSP D shares <sup>(3)</sup>				50% vesting	100% vesting			100% vesting
Ad hoc allocations with very limited use <sup>(4)</sup>	RSP performance shares	50% vesting	100% vesting						

### Notes:

CoC is the nine-year South African risk-free rate (i) plus the basis points (bps) as indicated.

Linear vesting is between 50% threshold and 100% target.

<sup>(1)</sup> The total LTI multiple does not constitute an annual award, but depicts the total award value of unvested awards as a percentage of TGP.

<sup>(2)</sup> The 2018 hurdle based on actual RoGEV was  $i + 400\text{bps}$ . The target was increased by 200bps upon the move from Actual RoGEV to adjusted RoGEV, but to address the cliff vesting risk a threshold target of 50% vesting was introduced at  $i + 500\text{bps}$ .

<sup>(3)</sup> Group Adjusted RoGEV represents 50% of the RoGEV hurdle and Business Adjusted RoGEV 20% for these categories with similar targets in respect of cluster staff members.

<sup>(4)</sup> Where performance hurdles apply.

The exact performance conditions (and their weightings) are determined annually by the GHRRC at the relevant date of award and are based on Group business strategy, market benchmarking and institutional best practice.

See page 28 of the implementation report regarding the achievement of RoGEV targets for the three, four and five-year measurement periods.

To the extent that the value of performance awards falls below the applicable total multiple of TGP, whether through vesting or due to a promotion or salary increase, an additional award may be granted on an annual basis to maintain the level of performance awards and encourage ongoing long-term performance.

For the year ended 31 December 2019 allocations in respect of 1 215 891 shares (2018: 1 517 182) were made to 215 participants (2018: 237) under the PDSP.

### Discretion of the GHRRC in relation to LTIs performance conditions

In order to ensure that performance conditions do not result in unintended consequences, the GHRRC can apply discretion in reviewing performance condition outcomes when considering/approving vesting for LTIs.

In applying its discretion the GHRRC will recognise external factors that significantly impacts on the calculation of the Actual RoGEV such as the impact of new or revised International Financial Reporting Standards (IFRS), and the impact of extraordinary currency, bond and equity market movements, which may be totally beyond the control of management. The GHRRC has the discretion to exclude the impact of such extra-ordinary events (both positive and negative) and determine that a percentage of the award may vest, subject to any additional conditions which may be determined. The move in 2019 from actual to adjusted RoGEV should address the impact of extraordinary events, therefore limiting GHRRC discretion in this regard.

In particular, decisions concerning potential investment opportunities should not be influenced or compromised by prescribed IFRS accounting requirements or actuarial guidance notes. The GHRRC, therefore, approved that goodwill relating to new covered business acquisitions can be amortised over a 10-year period instead of the once-off upfront deduction prescribed by actuarial guidance notes for purposes of the calculation of RoGEV for LTIs measurement purposes.

Where GHRRC discretion is exercised it will be fully disclosed in the annual Remuneration Report to shareholders.

**Legacy policy: Measurement of performance and vesting profile pre and post 2017**

There was a change in policy (effective from the 2017 DSP and PDSP awards) with regards to the testing of performance conditions and the vesting profile.

The pre-2017 vesting period was aimed at encouraging performance that will result in the performance hurdles being met earlier than the agreed six-year measurement period.

In line with global vesting practices, awards granted under the DSP and PDSP from 2017 onwards are subject to a fixed period for the measurement of performance conditions, if the condition is not met that portion of the award will lapse, to the extent that GHRRC does not exercise its discretion (as detailed in this policy) otherwise.

The change is summarised below:

Policy component	Awards made before 2017	Awards made in 2017 and thereafter
<b>DSPs</b>		
<b>Employment period, performance (individual/strategic) condition and % which may vest</b>	<p>The measurement period is five years and staggered vesting may occur as follows provided that all the vesting conditions have been met:</p> <ul style="list-style-type: none"> <li>• After three years: 40%</li> <li>• After four years: 70%, less any portion vested earlier</li> <li>• After five years: 100%, less any portion that vested</li> </ul>	<p>Tranche vesting over five years:</p> <ul style="list-style-type: none"> <li>• 40% of the award to be measured after three years since the date of grant and to the extent that the vesting/performance hurdle is not achieved the entitlement to that portion of the DSP shares will lapse*;</li> <li>• 30% of the award to be measured after four years since the date of grant and to the extent that the vesting/performance hurdle is not achieved the entitlement to that portion of the DSP shares will lapse*; and</li> <li>• 30% of the award to be measured after five years since the date of grant and to the extent that the vesting/performance hurdle is not achieved the entitlement to that portion of the DSP shares will lapse*.</li> </ul>
* Subject to GHRRC discretion being exercised within parameters.		
<b>PDSPs</b>		
<b>Employment period, performance (financial and individual/strategic) condition and % which may vest</b>	<p>PDSPs can vest prior to the end of the six-year performance measurement period on a proportional basis to the extent that all the vesting conditions are met earlier, as follows:</p> <ul style="list-style-type: none"> <li>• After three years: 40%</li> <li>• After four years: 70%, less any portion vested earlier</li> <li>• After five years: 100%, less any portion that vested</li> </ul>	<p>Same performance testing and vesting profile as for DSPs above.</p>

## REMUNERATION OVERVIEW (continued)

### Restricted Share Plan

The RSP has, to date, largely been operated in conjunction with the short-term bonus scheme for Group Executive committee members and key senior staff. Awards granted under the RSP are motivated by the Group Chief Executive and approved by the GHRRC. The GHRRC also approves the vesting conditions linked to the award and specifically the performance conditions for vesting.

Instances where RSPs may be awarded include:

- Recognition of outperformance (motivated by Group CEO): where cash bonus levels are limited or capped, the GHRRC may award RSPs subject to appropriate vesting conditions
- To increase LTI lock-in for Group Executive members and senior key staff: Financial performance conditions (currently Group adjusted RoGEV and dividend growth) plus individual performance and continued employment need to be met for vesting
- To aid critical retention requirements (on levels below Group Executive committee members) or attract key talent by compensating for LTIs which may be forfeited upon sign-on: Applicable vesting conditions, i.e. minimum levels of individual performance and continued employment will apply

In terms of the RSP, individuals receive fully paid-up Sanlam shares. The individual owns the shares from the date of award and is entitled to receive dividends. However, the shares are subject to appropriate vesting conditions and may be forfeited and dividends repayable if these conditions are not met during the measurement period.

Awards granted under the RSP require the individual to remain employed within the Group until the final vesting date and achieve agreed individual performance hurdles. Awards may also be subject to Group financial performance conditions (refer to page 16 detailing 2019 performance conditions for RSPs). Where a financial performance condition is attached to RSP, the weighting of performance condition may vary between 0% and 100% of the award depending on the individual's role.

Group Executive committee members that are defined as prescribed officers only receive RSP awards subject to financial performance conditions.

For RSP awards pre-2017 the measurement period is six years, but early vesting can occur on a basis similar to that of the pre-2017 DSP and PDSP on the third, fourth and fifth anniversary of the date of grant, provided that all vesting conditions are met on such dates, as determined by the GHRRC. The performance measurement and vesting profile for RSP grants from 2017 are similar to those of the DSP and PDSP detailed in this report.

For the year ended 31 December 2019 allocations in respect of 433 037 shares (2018: 390 433) were made to 20 participants (2018: 18) under the RSP.

### Out-performance Plan

From time to time, at the discretion of the GHRRC, participation in an individual OPP is extended to the Group Chief Executive and certain members of the Executive committee who are leaders of the Group's main operating businesses or in very limited circumstances to key business executives. The GHRRC will set relevant and stretching targets. The OPP rewards superior performance over a three to five-year period and is used infrequently. No payment/equity settlement is made in terms of the OPP unless minimum growth targets over the period are exceeded and full payment/equity settlement is only made if the agreed stretch performance target is met. OPPs are designed to be fully self-funded from exceptional income generated over the OPP vesting period.

The maximum payment/equity settlement that can be made in terms of the OPP is 200% of TGP per annum over the respective three to five-year measurement period (e.g. six or 10 times the annual TGP of the final measurement year) if the payment is made in cash. In the event that the OPP is equity-settled, the number of shares is calculated with reference to the TGP at the date that the award is made. Of the shares awarded the percentage of shares which ultimately vest (if any) depends upon the OPP achievement between minimum and maximum hurdles. See page 34 of the implementation report for further details on all OPPs to Group Executive committee members.

In exceptional circumstances, OPP arrangements may be extended to senior leaders not part of the Executive committee.

### Use of Sanlam shares subject to vesting restrictions

To support long-term alignment with shareholders where remuneration is deferred (subject to certain conditions) the preference is to award this remuneration value in Sanlam shares. Such shares will be held by the individual in a restricted account and will become unrestricted only if vesting and continued employment conditions are met.

Instances where cash amounts may be converted into restricted Sanlam shares include, but are not limited to, deferred remuneration and deferred sign-on payments/bonuses.

These Sanlam shares are also subject to malus and clawback provisions per the malus and clawback policy.

## Risk adjustment

Provision is made to protect the Company from inappropriate risk-taking behaviour in relation to remuneration. These include:

- The mix of short-term and long-term financial performance conditions combined with a material weighting towards non-financial/strategic conditions ensures that risk-taking behaviour is not encouraged
- Minimum shareholding requirements which require executives to hold a percentage of vested LTIs as shareholders and not to sell LTIs upon vesting
- Deferral of bonuses above the cash cap to enable risk alignment provisions
- A measurement period of three to five (and in some instances six years) for LTI performance hurdles, before vesting takes place
- Malus and clawback of remuneration for “trigger events”. Defined trigger events include dishonesty, fraud, misrepresentation, gross misconduct, misstated financial results and actions resulting in reputational damage for the Company attributable to the employee. In assessing whether defined trigger events have taken place, the GHRRC will work with the relevant Board committee, the Board, professional advisers and/or any other department within the Group to ensure that any assumptions are correct
- Compliance with legislation and governance best practice standards in the financial services industry

## Minimum shareholding requirement (MSR)

To encourage alignment between executive and shareholder interests, Sanlam applies a minimum shareholding policy to all current and future members of the Sanlam Executive committee defined as prescribed officers, including Sanlam executive directors (participating executives). In terms of these arrangements, the following minimum shareholding levels, expressed as a percentage of annual TGP, must be reached by the later of 31 December 2021 or within six years from the date of appointment of a participating executive:

Group Chief Executive	175%
Financial Director	125%
Business executives	100%
Support executives (with business responsibilities)	75%
Support executives	50%

Participating executives are required to maintain the target shareholding throughout their tenure with the Group. Unvested shares under any LTI arrangement will not be taken into account when assessing compliance with the MSR policy.

Incentive arrangements implemented after 1 January 2016 may include MSR terms and conditions as determined by the GHRRC to ensure compliance with the prescribed levels in the prescribed periods, as well as the implications of not adhering to the MSR.

For purposes of determining compliance with the MSR levels, the value of a participating executive's shareholding at the end of each financial year will be determined by using the average closing price of Sanlam ordinary shares on the Johannesburg Stock Exchange Limited (JSE) for the trading days in that financial period and expressed as a percentage of the participating executive's annual TGP at the end of such financial year.

Participating executives are able to maintain a maximum shareholding of up to double their minimum requirement.

## Non-executive directors' fees

Fee structures are reviewed annually based on data from independent service providers and, where applicable, external advice. Recommendations are reviewed for reasonableness by the GHRRC and the Board and are then proposed to shareholders for approval at the AGM. See special resolution number 1 in the 2019 Notice of AGM.

The fee structure will remain in place for one year, from 1 July until 30 June the following year. Non-executive directors receive annual Board and committee retainers. In addition, a fee is paid for attending Board meetings. Sanlam pays for all travelling and accommodation expenses in respect of Board meetings. The Chair receives a fixed annual fee that is inclusive of all Board and committee attendances, as well as all other services performed on behalf of the Group.

Non-executive directors are not eligible to participate in incentive plans (whether short-term or long-term) and do not receive fees which are linked to the share price growth or corporate performance hurdles.



# IMPLEMENTATION REPORT

# REMUNERATION DETAILS FOR EXECUTIVE DIRECTORS AND MEMBERS OF THE GROUP EXECUTIVE COMMITTEE THAT ARE DEFINED AS PRESCRIBED OFFICERS

## Executive remuneration summary

Remuneration earned by executive directors and members of the Sanlam Executive committee were as follows:

### Remuneration for the year ended 31 December 2019

For the purposes of total remuneration, the vesting value of LTIs is disclosed in the table below as opposed to the fair value of LTIs on award date, which was disclosed in prior years. The disclosure approach was amended in 2019 to align closer with King IV™ recommendations. Separate disclosure is provided in respect of the number and value of LTIs that were awarded and vested in the year (refer to pages 30 to 33).

2019 R'000	Months in service	Salary	Company contributions	Subtotal: Guaranteed package	Annual bonus	Attributable value of LTIs vested <sup>(2)</sup>	Total remuneration
Ian Kirk	12	9 385	210	9 595	10 000	7 191	26 786
Heinie Werth	12	5 693	210	5 903	4 600	3 882	14 385
Temba Mvusi <sup>(1)</sup>	12	4 345	757	5 102	3 650	2 423	11 175
Jeanett Modise <sup>(3)</sup>	6	1 840	160	2 000	2 800	1 757	6 557
<b>Subtotal: executive directors</b>		<b>21 263</b>	<b>1 337</b>	<b>22 600</b>	<b>21 050</b>	<b>15 253</b>	<b>58 903</b>
Anton Gildenhuys	12	4 878	210	5 088	5 100	3 223	13 411
Lizé Lambrechts	12	5 620	210	5 830	7 200	6 135	19 165
Junior Ngulube	12	4 364	279	4 643	2 500	2 113	9 256
Robert Roux	12	5 048	210	5 258	5 600	2 731	13 589
Jurie Strydom <sup>(4)</sup>	12	5 283	210	5 493	4 300	8 535	18 328
Sydney Mbhele <sup>(5)</sup>	9	3 038	172	3 210	2 250	-	5 460
Thinus Alsworth-Elvey <sup>(6)</sup>	9	3 571	171	3 742	3 000	-	6 742
Wikus Olivier <sup>(7)</sup>	5	1 696	88	1 784	2 800	-	4 584
<b>Executive committee</b>		<b>54 761</b>	<b>2 887</b>	<b>57 648</b>	<b>53 800</b>	<b>37 990</b>	<b>149 438</b>

<sup>(1)</sup> Includes an amount of R369 250 paid by Santam.

<sup>(2)</sup> Fair value of LTIs (excluding equity-settled OPPs) vested during the year – refer to page 32.

<sup>(3)</sup> Appointed as chief executive: human resources on 1 July 2019.

<sup>(4)</sup> Appointed Chief Executive of Sanlam Personal Finance on 1 June 2017. An OPP was granted with effect from 1 January 2016 in respect of his role as Deputy Chief Executive: Sanlam Personal Finance. Achievement in respect of this OPP was measured on 31 December 2017 with the amount converted into RSP shares awarded in March 2018 that vested in April 2019.

<sup>(5)</sup> Appointed as chief executive: brand on 1 April 2019.

<sup>(6)</sup> Appointed as Chief Executive: Sanlam Corporate on 1 April 2019.

<sup>(7)</sup> Appointed as interim Chief Financial Officer on 1 August 2019.

REMUNERATION DETAILS FOR EXECUTIVE DIRECTORS AND MEMBERS OF THE GROUP EXECUTIVE COMMITTEE THAT ARE DEFINED AS PRESCRIBED OFFICERS (continued)

Remuneration for the year ended 31 December 2018

2018 R'000	Months in service	Salary	Company contributions	Subtotal: Guaranteed package	Annual bonus	Attributable value of LTIs vested <sup>(2)</sup>	Total remuneration
Ian Kirk	12	8 910	210	9 120	11 000	10 418	30 538
Heinie Werth	12	5 178	210	5 388	5 000	12 231	22 619
Temba Mvusi <sup>(1)</sup>	12	4 138	720	4 858	3 500	3 283	11 641
<b>Subtotal: executive directors</b>		<b>18 226</b>	<b>1 140</b>	<b>19 366</b>	<b>19 500</b>	<b>25 932</b>	<b>64 798</b>
Anton Gildenhuys	12	4 530	210	4 740	4 300	4 391	13 431
Lizé Lambrechts	12	5 330	210	5 540	6 900	6 884	19 324
Junior Ngulube	12	4 521	289	4 810	3 750	-	8 560
Robert Roux	12	4 788	210	4 998	6 100	2 708	13 806
Jurie Strydom <sup>(3)</sup>	12	4 811	209	5 020	4 300	1 331	10 651
<b>Executive committee</b>		<b>42 206</b>	<b>2 268</b>	<b>44 474</b>	<b>44 850</b>	<b>41 246</b>	<b>130 570</b>

<sup>(1)</sup> Includes an amount of R356 937 paid by Santam.

<sup>(2)</sup> Fair value of LTIs (excluding equity-settled OPPs) vested during the year - refer to page 32

<sup>(3)</sup> Appointed Chief Executive: Sanlam Personal Finance on 1 June 2017. An OPP was granted with effect from 1 January 2016 in respect of his role as Deputy Chief Executive: Sanlam Personal Finance. Achievement in respect of this OPP was measured on 31 December 2017 with the amount converted into RSP shares awarded in March 2018 that will vest in April 2019.



## Total guaranteed package

The TGP (in rand) of the executive directors and members of the Group Executive committee that are defined as prescribed officers are reflected in the table below. Due to increases in TGP being granted during the year (i.e. April), the TGP amounts reflected in the table will not correspond to those included in the summary remuneration tables above, which relate to the financial year January to December.

Individual	TGP as at 1 Jan 2020 R	TGP as at 1 Jan 2019 R	TGP as at 1 Jan 2018 R	% increase in TGP 2019	% increase in TGP 2018
Ian Kirk <sup>(1)</sup>	9 710 000	9 250 000	8 730 000	4,97	5,96
Heinie Werth <sup>(1)(2)</sup>	6 040 000	5 490 000	5 080 000	10,02	8,07
Thinus Alsworth-Elvey <sup>(3)</sup>	5 100 000	-	-	n/a	n/a
Anton Gildenhuys	5 150 000	4 900 000	4 260 000	5,10	15,02
Lizé Lambrechts	5 900 000	5 620 000	5 300 000	4,98	6,04
Sydney Mbhele <sup>(4)</sup>	4 280 000	-	-	n/a	n/a
Jeanett Modise <sup>(1)(5)</sup>	4 000 000	-	-	n/a	n/a
Temba Mvusi <sup>(1)(6)</sup>	4 790 000	4 560 000	4 325 000	5,04	5,43
Junior Ngulube <sup>(7)</sup>	4 104 000	4 890 000	4 570 000	(16,07)	7,00
Wikus Olivier <sup>(8)</sup>	4 281 000	-	-	n/a	n/a
Robert Roux	5 320 000	5 070 000	4 780 000	4,93	6,07
Jurie Strydom <sup>(2)</sup>	5 620 000	5 110 000	4 750 000	9,98	7,58

<sup>(1)</sup> Executive director.

<sup>(2)</sup> Increase in TGP 2019 reflects adjustment based on market benchmarking.

<sup>(3)</sup> Appointed to Executive committee 1 April 2019. TGP as at 1 January 2020 reflects remuneration on date of appointment as Chief Executive: Sanlam Corporate.

<sup>(4)</sup> Appointed to Executive committee 1 April 2019. TGP as at 1 January 2020 reflects remuneration on date of appointment as chief executive: brand.

<sup>(5)</sup> Appointed to Executive committee 1 July 2019. TGP as at 1 January 2020 reflects remuneration on date of appointment as chief executive: human resources.

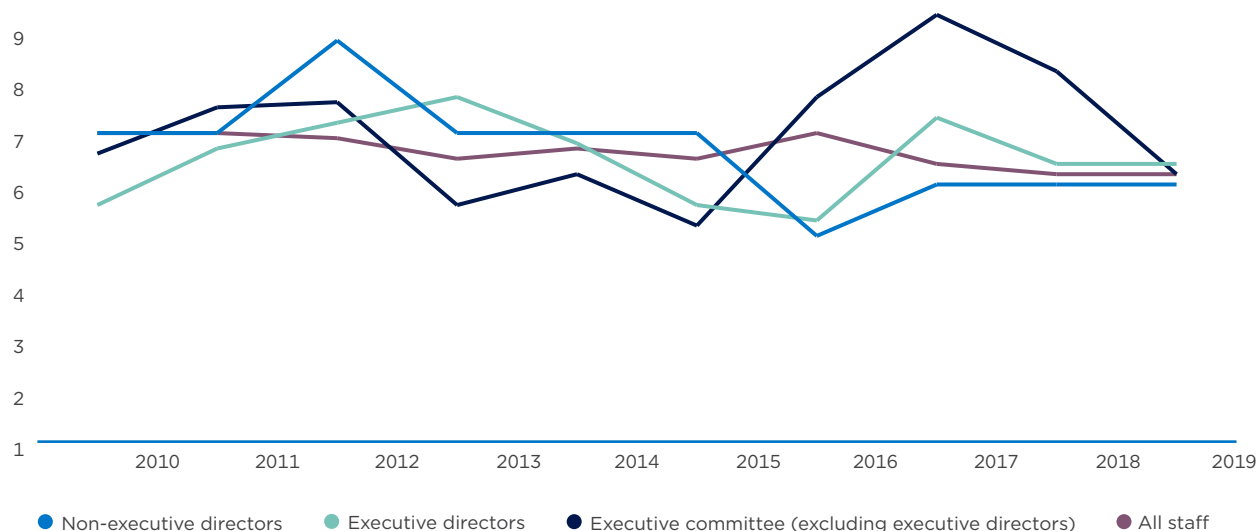
<sup>(6)</sup> Receives an additional amount of R369 250 (2018: R356 937) from Santam for services rendered to Santam.

<sup>(7)</sup> Decrease in TGP 2019 reflects adjustment for the change in responsibilities and flexible working arrangements at Sanlam Emerging Markets.

<sup>(8)</sup> Appointed as interim Chief Financial Officer on 1 August 2019.

## REMUNERATION DETAILS FOR EXECUTIVE DIRECTORS AND MEMBERS OF THE GROUP EXECUTIVE COMMITTEE THAT ARE DEFINED AS PRESCRIBED OFFICERS (continued)

The average salary increase paid to executive directors for 2019 was 6,4% (2018: 6,4%) and that of members of the Executive committee (defined as prescribed officers) for 2019 was 6,2% (2018: 8,2%), excluding new members compared with an average salary increase paid to all employees of 6,2% (2018: 6,2%). The remuneration increase trends for the last nine years are as follows:



## Short-term incentives

### Performance targets

The performance targets for the annual bonus plan are set by the GHRRC on an annual basis for executive directors and Executive committee members. In respect of the 2019 annual bonus, the split between business, Group and individual/strategic performance criteria for executive directors and Executive committee members was as follows:

Individual	Business %	Group %	Individual/strategic %
Ian Kirk		50	50
Heinie Werth (Financial Director)		50	50
Heinie Werth (Chief Executive: SEM) <sup>(1)</sup>	50	25	25
Anton Gildenhuis			100
Lizé Lambrechts	100*		
Temba Mvusi	40	35	25
Junior Ngulube	35	25	40
Robert Roux	60	15	25
Jurie Strydom	50	25	25
Thinus Alsworth-Elvey <sup>(2)</sup>	50	25	25
Jeanett Modise		50	50
Sydney Mbhele		50	50
Wikus Olivier <sup>(3)</sup>		50	50

\* Includes Santam financial and non-financial/strategic measures.

<sup>(1)</sup> Appointed as Chief Executive: SEM from 1 August 2019. For the period prior to this he held the role of Financial Director.

<sup>(2)</sup> Appointed as chief executive: corporate from 1 April 2019.

<sup>(3)</sup> Appointed interim Chief Financial Officer from 1 August 2019.

The payments that can be achieved by executive directors and Executive committee members at the target and stretch levels are as indicated below. These levels are benchmarked with comparator groups together with other components of remuneration.

Individual	% of TGP at target performance	Performance cash cap as % of TGP
Ian Kirk	100	200
Heinie Werth	56	112
Anton Gildenhuis	56	112
Lizé Lambrechts	112	160
Temba Mvusi	56	112
Junior Ngulube	56	112
Robert Roux	100	200
Jurie Strydom	56	112
Thinus Alsworth-Elvey <sup>(1)</sup>	56	112
Jeanett Modise	56	112
Sydney Mbhele	56	112
Wikus Olivier <sup>(2)</sup>	44	88

<sup>(1)</sup> Appointed chief executive: corporate from 1 April 2019.

<sup>(2)</sup> Appointed interim Chief Financial Officer from 1 August 2019.

Sanlam's Group performance measures applied in 2019 for executive bonuses (excluding the Group Chief Executive and Financial Director roles which are disclosed separately below) can be summarised as:

- ⊙ Adjusted RoGEV: RoGEV is the key performance indicator of Sanlam's strategy and the use of this measure means a direct link between the annual bonus plan and Sanlam's business strategy
- ⊙ Group net result from financial services
- ⊙ Clusters' aggregate performance against targets
- ⊙ Performance against transformation targets

The actual achievement of Sanlam's Group performance measures for 2019 is as follows:

Sanlam Group	Weight	Threshold	Target	Stretch	Score	Weighted score %
		0%	100%	200%	0% – 200%	
Adjusted RoGEV	18,2%	13,5%	15,5%	17,5%	0%	0%
Group net result from financial services	27,3%	R9 290m	R9 667m	R9 929m	102,6%	28%
Clusters' actual performance against targets	36,3%					46,6%
Transformation: weighted Financial Sector Charter score	9,1%	21,50%	22,36%	23,2%	106,6%	9,7%
Achievement excluding pool for outperformers	90,9%					84,3%
Outperformance pool	9,1%					8,5%
<b>Total</b>	<b>100%</b>					<b>92,8%</b>

## REMUNERATION DETAILS FOR EXECUTIVE DIRECTORS AND MEMBERS OF THE GROUP EXECUTIVE COMMITTEE THAT ARE DEFINED AS PRESCRIBED OFFICERS (continued)

The following performance measures applied to Ian Kirk and Heinie Werth as Group Chief Executive and Financial Director respectively (sliding scales apply between the various hurdles):

Group Chief Executive/Financial Director 2019 annual bonus targets				
KPI	Weighting	Minimum hurdle	Hurdle for achievement	Stretched hurdle
RoGEV	20%	13,5%	15,4%	17,0%
Growth in net result from financial services	15%	5,5%	7,0%	10,0%
Growth in value of new business (VNB)	10%	7,0%	14,0%	20,0%
Share price performance:	5%			
<ul style="list-style-type: none"> <li>⊗ share price premium to GEV on 31/12/2019, based on volume weighted traded price in December 2019 and January 2020</li> </ul>		0%	15%	25%
<ul style="list-style-type: none"> <li>⊗ share price change relative to FTSE/JSE FINI and FTSE/JSE SWIX</li> </ul>		90%	100%	110%
Strategic initiatives:				
<ul style="list-style-type: none"> <li>⊗ Capital and cost efficiencies</li> <li>⊗ Growth and diversification of the business (e.g. acquisitions, grow and consolidate offshore capacity, Pan-African footprint, deliver on new business cases and strategic partnerships, alternative distribution/markets/products through strategic partnerships and alliances, disruptive businesses)</li> <li>⊗ Transformation and sustainability</li> <li>⊗ Leadership</li> <li>⊗ Optimisation of business structure</li> <li>⊗ Governance and risk management</li> </ul>	50%		Achievement measured by GHRRC on a quantitative basis.	

The business-level performance measures applicable to the business chief executives are based on the specific strategic objectives of each business, which are aligned to the achievement of the Group performance measures.

The individual/ strategic performance measures for Group Executive committee members that are defined as prescribed officers are based on the contracted output of each individual (as agreed with the Group Chief Executive) for the 2019 financial year and are summarised on page 14 of this report.

## Payments

The table below shows the annual bonus payments (in rand) to each of the executive directors and Executive committee members in respect of the performance achieved in 2019. Final individual payments are based on the outcome relative to the set performance criteria, but may be adjusted by the GHRRC within a discretionary margin to take account of any relevant facts or circumstances that may have impacted on performance during the measurement period. These bonuses are paid in March 2020:

Individual	% of TGP achieved 2019	Payment 2020 R	% of TGP achieved 2018	Payment 2019 R
Ian Kirk	103	10 000 000	119	11 000 000
Heinie Werth	76	4 600 000	91	5 000 000
Thinus Alsworth-Elvey <sup>(1)</sup>	78 <sup>(2)</sup>	3 000 000	-	-
Anton Gildenhuys	99	5 100 000	88	4 300 000
Lizé Lambrechts	122	7 200 000	123	6 900 000
Temba Mvusi	76	3 650 000	77	3 500 000
Sydney Mbhele <sup>(1)</sup>	70 <sup>(2)</sup>	2 250 000	-	-
Jeanett Modise <sup>(1)</sup>	70	2 800 000	-	-
Junior Ngulube	61	2 500 000	77	3 750 000
Wikus Olivier <sup>(3)</sup>	65	2 800 000	-	-
Robert Roux	105	5 600 000	120	6 100 000
Jurie Strydom	77	4 300 000	84	4 300 000

<sup>(1)</sup> Appointed to the Executive committee in 2019.

<sup>(2)</sup> Calculated on a full-year bonus amount.

<sup>(3)</sup> Appointed as interim Chief Financial Officer on 1 August 2019.

REMUNERATION DETAILS FOR EXECUTIVE DIRECTORS AND MEMBERS OF THE GROUP  
EXECUTIVE COMMITTEE THAT ARE DEFINED AS PRESCRIBED OFFICERS (continued)

## LTIs

### Performance measurement for June 2019 LTI vesting

#### PDSP and RSPs subject to Company financial performance conditions

Due to Sanlam's vesting profile three LTI tranches were performance measured in 2019 for vesting (June 2019) from a financial metric perspective, namely:

- Award 2016 (40% of award and three financial years reviewed for performance testing) for early vesting
- Award 2015 (30% of award and four financial years reviewed for performance testing) for early vesting
- Award 2014 (30% of award and five financial years reviewed for performance testing) for final vesting

A summary of the performance measurement and achievement for LTI vesting in June 2019 is shown below as it pertains to the Group RoGEV condition:

Group RoGEV	Award 2014 %	Award 2015 %	Award 2016 %
<b>Target</b>			
PDSP category A/RSP	12,9	13,1	13,4
PDSP category B	13,6	13,8	14,1
PDSP category C	14,2	14,4	14,7
<b>Actual achievement (Adjusted RoGEV for 2014 and 2015 awards) Actual RoGEV for 2016 award</b>			
	<b>17,2</b>	<b>17,0</b>	<b>13,1</b>
PDSP category A/RSP	✓	✓	✗
PDSP category B	✓	✓	✗
PDSP category C	✓	✓	✗
Vesting achievement	100	100	No early vesting

The outcome of RoGEV achievement resulted in 100% vesting in June 2019 in relation to the 2014 and 2015 awards where performance measurement was met in respect of Group RoGEV. The first tranche of the 2016 award did not qualify for early vesting and the GHRRC decided not to exercise a discretion in accordance with the legacy policy and the rules attached to this award.

A Sanlam Investment Group RoGEV hurdle is applicable to the vesting of Robert Roux's PDSPs awarded in 2014 and 2015, in addition to the Group RoGEV hurdle. The target and actual achievement of the Sanlam Investment Group RoGEV was as follows:

Sanlam Investment Group RoGEV	Award 2014 %	Award 2015 %
<b>Measurement period</b>	<b>5 years</b>	<b>4 years</b>
Target	15,0	15,4
Actual achievement	17,3	16,8
Vesting achievement	100	100

As both the Group and Sanlam Investment Group RoGEV hurdles were met, 100% LTI vesting in June 2019 was applied to Robert Roux's two LTI tranches.

### DSP

For DSP vesting, Executive committee members' cluster/business scorecard achievement is evaluated. Due to their roles and line of sight, these scorecards are based on financial metrics and some strategic metrics which support the Sanlam business strategy. Refer to page 14 of the remuneration policy above for more information in respect of the financial and strategic metrics applied as well as the weighting attributed to each. Business Group Executive committee members' DSP vesting is dependent on financial metrics being achieved (>65% of the vesting condition), with some weighting attached to strategic non-financial measures. Due to the nature of their roles, the chief actuary and risk officer and chief executives: Group HR and brand have higher exposure to strategic metrics with significant exposure to the Sanlam Group performance outcome.

The applicable Executive committee members' scorecard achievements were evaluated over the DSP performance period/s for June 2019 vesting as follows:

Name	Policy on-target % of TGP for bonus	Calculated as the average of the actual achievement over the on-target achievement for the respective measurement period/s %	>100% actual achievement warrants achieving DSP performance hurdle for vesting
Ian Kirk	100	125	Vesting 100%
Heinie Werth	56	143	Vesting 100%
Anton Gildenhuys	56	159	Vesting 100%
Lizé Lambrechts <sup>(1)</sup>	92	123	Vesting 100%
Robert Roux	100	165	Vesting 100%
Temba Mvusi	56	141	Vesting 100%
Junior Ngulube	56	139	Vesting 100%
Jurie Strydom	56	150	Vesting 100%

<sup>(1)</sup> On-target averaged over the measurement period.

REMUNERATION DETAILS FOR EXECUTIVE DIRECTORS AND MEMBERS OF THE GROUP  
EXECUTIVE COMMITTEE THAT ARE DEFINED AS PRESCRIBED OFFICERS (continued)

The participation by executive directors and Executive committee members defined as prescribed officers in the Group's LTI schemes (excluding the OPP) at 31 December 2019 was as follows:

Number of shares

	Balance 31-12-18	Awarded in 2019	Shares vested	Shares forfeited	Balance 31-12-19	Vesting in				
						2020	2021	2022	2023	2024
<b>Ian Kirk<sup>(1)</sup></b>										
Sanlam	430 337	122 611	(79 872)	-	473 076	126 493	104 648	119 466	85 684	36 785
Santam	3 379	-	(3 379)	-	-	-	-	-	-	-
DSP										
Sanlam	151 947	40 922	(34 691)	-	158 178	42 597	35 976	40 413	26 915	12 277
Santam	1 515	-	(1 515)	-	-	-	-	-	-	-
PDSP										
Sanlam	253 671	68 547	(45 181)	-	277 037	83 896	58 785	66 380	47 411	20 565
Category A <sup>(2)</sup>	99 162	27 217	(12 715)	-	113 664	33 568	26 186	27 915	17 830	8 165
Category B <sup>(2)</sup>	103 833	26 145	(18 710)	-	111 268	35 251	23 580	25 777	18 816	7 844
Category C <sup>(2)</sup>	50 676	15 185	(13 756)	-	52 105	15 077	9 019	12 688	10 765	4 556
Santam	1 864	-	(1 864)	-	-	-	-	-	-	-
RSP	24 719	13 142	-	-	37 861	-	9 887	12 673	11 358	3 943
<b>Heinie Werth</b>										
DSP	94 911	26 754	(22 354)	-	99 311	24 248	25 470	26 156	15 411	8 026
PDSP	109 307	22 285	(9 041)	-	122 551	34 108	32 033	32 945	16 779	6 686
Category A <sup>(2)</sup>	63 117	18 149	(9 041)	-	72 225	22 287	16 513	17 433	10 547	5 445
Category B <sup>(2)</sup>	46 190	4 136	-	-	50 326	11 821	15 520	15 512	6 232	1 241
RSP	81 817	26 284	(19 155)	-	88 946	31 288	18 567	16 917	14 289	7 885
<b>Anton Gildenhuys</b>										
DSP	83 986	19 467	(18 921)	-	84 532	20 316	22 452	22 228	13 696	5 840
PDSP - category A <sup>(2)</sup>	55 687	13 130	(7 833)	-	60 984	20 072	13 966	14 053	8 954	3 939
RSP <sup>(5)</sup>	225 133	122 879	(15 211)	-	332 801	62 307	69 681	103 423	60 526	36 864
<b>Lizé Lambrechts<sup>(3)</sup></b>										
Santam	50 655	15 547	(14 716)	-	51 486	16 411	10 794	11 747	7 870	4 664
Sanlam	53 172	-	(21 880)	-	31 292	4 924	11 287	9 387	5 694	-
DSP										
Sanlam	21 254	6 197	(5 404)	-	22 047	6 586	5 367	5 157	3 078	1 859
Sanlam	21 423	-	(6 473)	-	14 950	3 092	5 208	4 485	2 165	-
PDSP - category A										
Sanlam	29 401	9 350	(9 312)	-	29 439	9 825	5 427	6 590	4 792	2 805
Sanlam	20 483	-	(4 141)	-	16 342	1 832	6 079	4 902	3 529	-
RSP - Sanlam	11 266	-	(11 266)	-	-	-	-	-	-	-
<b>Temba Mvusi<sup>(4)</sup></b>										
DSP	77 151	16 030	(14 409)	-	78 772	16 866	22 787	21 443	12 867	4 809
PDSP	29 387	12 664	(7 527)	-	34 524	14 840	5 193	6 893	3 799	3 799
Category A <sup>(2)</sup>	23 995	12 664	(5 120)	-	31 539	12 028	5 020	6 893	3 799	3 799
Category B <sup>(2)</sup>	5 392	-	(2 407)	-	2 985	2 812	173	-	-	-
RSP	65 932	13 142	(9 578)	-	69 496	21 385	17 858	15 965	10 345	3 943



	Balance 31-12-18	Awarded in 2019	Shares vested	Shares forfeited	Balance 31-12-19	Vesting in				
						2020	2021	2022	2023	2024
<b>Junior Ngulube</b>	<b>181 186</b>	<b>43 988</b>	<b>(27 369)</b>	<b>-</b>	<b>197 805</b>	<b>56 001</b>	<b>57 335</b>	<b>49 142</b>	<b>22 130</b>	<b>13 197</b>
DSP	88 529	25 959	(27 369)	-	87 119	26 545	27 066	16 414	9 306	7 788
PDSP - category A <sup>(2)</sup>	56 961	4 887	-	-	61 848	23 716	17 426	16 762	2 478	1 466
RSP	35 696	13 142	-	-	48 838	5 740	12 843	15 966	10 346	3 943
<b>Robert Roux</b>	<b>229 103</b>	<b>62 038</b>	<b>(35 371)</b>	<b>-</b>	<b>255 770</b>	<b>73 499</b>	<b>64 404</b>	<b>62 884</b>	<b>36 372</b>	<b>18 611</b>
DSP	88 983	22 750	(23 057)	-	88 676	24 931	24 152	21 326	11 442	6 825
PDSP	56 645	13 004	(12 314)	-	57 335	13 688	13 075	16 030	10 641	3 901
Category A <sup>(2)</sup>	42 102	13 004	(3 609)	-	51 497	7 850	13 075	16 030	10 641	3 901
Category B <sup>(2)</sup>	9 483	-	(6 175)	-	3 308	3 308	-	-	-	-
Category C <sup>(2)</sup>	5 060	-	(2 530)	-	2 530	2 530	-	-	-	-
RSP	83 475	26 284	-	-	109 759	34 880	27 177	25 528	14 289	7 885
<b>Jurie Strydom</b>	<b>343 501</b>	<b>69 010</b>	<b>(111 886)</b>	<b>-</b>	<b>300 625</b>	<b>123 458</b>	<b>74 679</b>	<b>53 171</b>	<b>28 613</b>	<b>20 704</b>
DSP	86 974	24 202	(19 126)	-	92 050	27 126	20 157	23 475	14 031	7 261
PDSP - category A <sup>(2)</sup>	60 203	11 953	-	-	72 156	28 852	18 439	16 554	4 725	3 586
RSP <sup>(6)(7)</sup>	196 324	32 855	(92 760)	-	136 419	67 480	36 083	13 142	9 857	9 857
<b>Jeanett Modise<sup>(8), (9)</sup></b>										
Sanlam	-	-	-	-	85 045	4 682	19 469	27 075	23 350	10 469
Santam	-	-	-	-	7 098	5 421	1 530	147	-	-
DSP										
Sanlam	-	-	-	-	63 510	549	17 668	20 792	18 691	5 810
Santam	-	-	-	-	4 628	4 201	325	102	-	-
PDSP - category A <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-
Sanlam	-	-	-	-	21 535	4 133	1 801	6 283	4 659	4 659
Santam	-	-	-	-	2 470	1 220	1 205	45	-	-
<b>Sydney Mbhele<sup>(8)</sup></b>	<b>-</b>	<b>64 476</b>	<b>-</b>	<b>-</b>	<b>64 476</b>	<b>-</b>	<b>-</b>	<b>25 790</b>	<b>19 343</b>	<b>19 343</b>
DSP	-	64 476	-	-	64 476	-	-	25 790	19 343	19 343
<b>Thinus Alsworth-Elvey<sup>(8)</sup></b>	<b>-</b>	<b>118 637</b>	<b>-</b>	<b>-</b>	<b>118 637</b>	<b>22 016</b>	<b>22 016</b>	<b>29 841</b>	<b>22 382</b>	<b>22 382</b>
DSP	-	73 816	-	-	73 816	-	-	29 526	22 145	22 145
PDSP - Category A <sup>(2)</sup>	-	789	-	-	789	-	-	315	237	237
RSP <sup>(7)</sup>	-	44 032	-	-	44 032	22 016	22 016	-	-	-
<b>Wikus Olivier<sup>(11)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>155 604</b>	<b>48 806</b>	<b>40 569</b>	<b>37 665</b>	<b>18 595</b>	<b>9 969</b>
DSP	-	-	-	-	58 617	15 802	14 594	15 142	8 754	4 325
PDSP - Category A <sup>(2)</sup>	-	-	-	-	18 309	7 188	3 422	3 302	2 696	1 701
RSP <sup>(10)</sup>	-	-	-	-	78 678	25 816	22 553	19 221	7 145	3 943

<sup>(1)</sup> Participated in the Santam LTIs as former employee of Santam.

<sup>(2)</sup> The performance conditions of the PDSP categories (in addition to the individual performance conditions) are as follows:

a. Category A: Adjusted RoGEV for the Group exceeds the Group's cost of capital

b. Category B: Adjusted RoGEV for the Group exceeds 105% of the Group's cost of capital (in addition to the Sanlam Group hurdle, a Sanlam Investments business hurdle is also applicable for Robert Roux)

c. Category C: Adjusted RoGEV for the Group exceeds 110% of the Group's cost of capital (in addition to the Sanlam Group hurdle, a Sanlam Investments business hurdle is also applicable for Robert Roux)

<sup>(3)</sup> Participated in the Sanlam LTIs as former employee of Sanlam.

<sup>(4)</sup> Temba Mvusi was also granted participation in the business partners trust of the Santam broad based black economic empowerment (B-BBEE) structure. This grant was made at the discretion of the trustees and does not form part of the Sanlam Group long-term incentive schemes.

<sup>(5)</sup> The majority of the allocation is in respect of an incentive arrangement rewarding embedded value enhancement and balance sheet management deliverables.

<sup>(6)</sup> The March 2018 award emanates from achievement of an OPP (for his role as deputy Chief Executive: Sanlam Personal Finance) where achievement was measured on 31 December 2017 and the amount was converted to RSP shares (vesting in April 2019). See footnote 4 on page 21 of this report.

<sup>(7)</sup> Include shares awarded on appointment that are only subject to time based and individual performance.

<sup>(8)</sup> Appointed to the Executive committee in 2019.

<sup>(9)</sup> No shares were awarded or vested after appointment to the Executive Committee.

<sup>(10)</sup> Only subject to time based and individual performance.

<sup>(11)</sup> Appointed as interim Chief Financial Officer on 1 August 2019.

REMUNERATION DETAILS FOR EXECUTIVE DIRECTORS AND MEMBERS OF THE GROUP  
EXECUTIVE COMMITTEE THAT ARE DEFINED AS PRESCRIBED OFFICERS (continued)

Value

R'000	2019			2018		
	Value of shares awarded <sup>(1)</sup>	Value of shares vesting <sup>(2)</sup>	Value of shares forfeited <sup>(2)</sup>	Value of shares awarded <sup>(1)</sup>	Value of shares vesting <sup>(2)</sup>	Value of shares forfeited <sup>(2)</sup>
<b>Ian Kirk</b>	<b>8 098</b>	<b>7 191</b>	<b>-</b>	<b>10 929</b>	<b>10 418</b>	<b>-</b>
DSP	2 653	3 138	-	3 214	3 634	-
PDSP	4 445	4 053	-	5 895	6 784	-
RSP <sup>(3)</sup>	1 000	-	-	1 820	-	-
<b>Heinie Werth</b>	<b>5 180</b>	<b>3 882</b>	<b>-</b>	<b>5 791</b>	<b>12 231</b>	<b>-</b>
DSP	1 735	1 726	-	1 621	1 687	-
PDSP	1 445	698	-	2 216	1 158	-
RSP <sup>(3)</sup>	2 000	1 458	-	1 954	9 386	-
<b>Temba Mvusi</b>	<b>2 860</b>	<b>2 423</b>	<b>-</b>	<b>3 723</b>	<b>3 283</b>	<b>-</b>
DSP	1 039	1 113	-	1 769	1 033	-
PDSP	821	581	-	-	986	-
RSP <sup>(3)</sup>	1 000	729	-	1 954	1 264	-
<b>Jeanett Modise<sup>(4), (6)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
DSP	-	-	-	-	-	-
PDSP	-	-	-	-	-	-
RSP <sup>(3)</sup>	-	-	-	-	-	-
<b>Subtotal: executive directors</b>	<b>16 138</b>	<b>13 496</b>	<b>-</b>	<b>20 443</b>	<b>25 932</b>	<b>-</b>
<b>Anton Gildenhuys</b>	<b>11 463</b>	<b>3 223</b>	<b>-</b>	<b>10 045</b>	<b>4 391</b>	<b>-</b>
DSP	1 262	1 461	-	1 725	1 447	-
PDSP	851	605	-	1 101	818	-
RSP <sup>(3)(5)</sup>	9 350	1 157	-	7 219	2 126	-
<b>Lizé Lambrechts</b>	<b>4 732</b>	<b>6 135</b>	<b>-</b>	<b>4 200</b>	<b>6 884</b>	<b>-</b>
DSP	1 886	2 137	-	1 597	2 070	-
PDSP	2 846	3 141	-	2 603	3 518	-
RSP <sup>(3)</sup>	-	857	-	-	1 296	-
<b>Junior Ngulube</b>	<b>3 000</b>	<b>2 113</b>	<b>-</b>	<b>2 509</b>	<b>-</b>	<b>-</b>
DSP	1 683	2 113	-	333	-	-
PDSP	317	-	-	222	-	-
RSP <sup>(3)</sup>	1 000	-	-	1 954	-	-
<b>Robert Roux</b>	<b>4 318</b>	<b>2 731</b>	<b>-</b>	<b>4 448</b>	<b>2 708</b>	<b>-</b>
DSP	1 475	1 780	-	1 014	938	-
PDSP	843	951	-	1 480	1 770	-
RSP <sup>(3)</sup>	2 000	-	-	1 954	-	-

R'000	2019			2018		
	Value of shares awarded <sup>(1)</sup>	Value of shares vesting <sup>(2)</sup>	Value of shares forfeited <sup>(2)</sup>	Value of shares awarded <sup>(1)</sup>	Value of shares vesting <sup>(2)</sup>	Value of shares forfeited <sup>(2)</sup>
<b>Jurie Strydom</b>	<b>4 844</b>	<b>8 535</b>	<b>-</b>	<b>8 733</b>	<b>1 331</b>	<b>-</b>
DSP	1 569	1 477	-	1 487	1 331	-
PDSP	775	-	-	286	-	-
RSP <sup>(3)</sup>	2 500	7 058	-	6 960	-	-
<b>Sydney Mbhele<sup>(4)</sup></b>	<b>4 181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
DSP	4 181	-	-	-	-	-
PDSP	-	-	-	-	-	-
RSP <sup>(3)</sup>	-	-	-	-	-	-
<b>Thinus Alsworthy-Elvey<sup>(4)</sup></b>	<b>8 187</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
DSP	4 786	-	-	-	-	-
PDSP	51	-	-	-	-	-
RSP <sup>(3)</sup>	3 350	-	-	-	-	-
<b>Wikus Olivier<sup>(7)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
DSP	-	-	-	-	-	-
PDSP	-	-	-	-	-	-
RSP <sup>(3)</sup>	-	-	-	-	-	-
<b>Executive committee</b>	<b>56 863</b>	<b>36 233</b>	<b>-</b>	<b>50 378</b>	<b>41 246</b>	<b>-</b>

<sup>(1)</sup> Based on fair value of shares on grant date, assuming 100% vesting. Actual vesting percentage on final measurement date.

<sup>(2)</sup> Based on market value of shares on vesting and forfeiture dates respectively.

<sup>(3)</sup> Grants during a year relate to performance in the prior financial year (refer to description of scheme) and carry a performance condition that the Group RoGEV has to exceed the Group's cost of capital for the vesting period. Awards have a 3, 4, and 5 year vesting profile.

<sup>(4)</sup> Appointed to Executive committee in 2019.

<sup>(5)</sup> The majority of the allocation is in respect of an incentive arrangement rewarding embedded value enhancement and balance sheet management deliverables.

<sup>(6)</sup> No shares were awarded or vested after appointment to the Executive Committee.

<sup>(7)</sup> Appointed as interim Chief Financial Officer on 1 August 2019.

It is anticipated that LTIs awards will be granted in 2020 to executive directors and Executive committee members on a basis consistent with that described above.

REMUNERATION DETAILS FOR EXECUTIVE DIRECTORS AND MEMBERS OF THE GROUP  
EXECUTIVE COMMITTEE THAT ARE DEFINED AS PRESCRIBED OFFICERS (continued)

Current participants in the OPP and achievement to date are as follows:

Individual	Measurement period and description	Performance measures <sup>(1)</sup>	Achievement to 2019	Payment
Ian Kirk	1 January 2016 – 31 December 2020 1 375 000 Sanlam shares were awarded in 2016 and will vest in accordance with performance hurdles for net result from financial services (40% weighting) and RoGEV (60% weighting).	<p><b>Net result from financial services:</b></p> <ul style="list-style-type: none"> <li>• Base value: 2015 net result from financial services of R7 270 million</li> <li>• Minimum hurdle: annualised real growth of 5%</li> <li>• Hurdle for 100% vesting: annualised real growth of 15%</li> </ul> <p><b>RoGEV:</b></p> <ul style="list-style-type: none"> <li>• Base rate: annual Group RoGEV hurdle, e.g. 14,1% in 2016</li> <li>• Minimum hurdle: average annual out-performance of base rate by 2%</li> <li>• Hurdle for 100% vesting: average annual out-performance of base rate by 5%</li> </ul>	N/A	Final measurement and vesting in March 2021
Robert Roux	1 January 2017 – 31 December 2020 550 454 Sanlam shares were awarded in 2016 and will vest in accordance with performance hurdles for net result from financial services (30% weighting), RoGEV (40% weighting) and net new business flows (30% weighting).	<p><b>Net result from financial services:</b></p> <ul style="list-style-type: none"> <li>• Base value: 2016 SI cluster net result from financial services of R1 093 million</li> <li>• Minimum hurdle: annualised real growth of 5%</li> <li>• Hurdle for 100% vesting: annualised real growth of 15%</li> </ul> <p><b>RoGEV:</b></p> <ul style="list-style-type: none"> <li>• Base rate: annual SI cluster RoGEV hurdle</li> <li>• Minimum hurdle: average annual RoGEV equal to base rate</li> <li>• Hurdle for 100% vesting: average annual outperformance of base rate by 5%</li> </ul> <p><b>Net new business flows:</b></p> <ul style="list-style-type: none"> <li>• Base value: aggregate investment management fees earned (after acquisition costs) on net new third-party business flows (NF) of R43,75 million</li> <li>• Minimum hurdle: annual NF equal to base value</li> <li>• Hurdle for 100% vesting: annual NF of R87,5 million</li> </ul>	N/A	Final measurement and vesting in March 2021

<sup>(1)</sup> Sliding scale applies to determine vesting percentage between minimum and maximum hurdles.

Growth targets may be adjusted by the GHRRC for material reorganisation, acquisitions or disposals during the measuring period.

Actual RoGEV achieved in each year can be adjusted by the GHRRC for any material economic or market events during the measuring period.

Individual	Measurement period and description	Performance measures <sup>(1)</sup>	Achievement to 2019	Payment
Jurie Strydom	1 January 2018 – 31 December 2020  338 480 Sanlam shares were awarded in 2018 and will vest in accordance with performance hurdles for net result from financial services (30% weighting), RoGEV (30% weighting), net value of new covered business (25% weighting) and key strategic initiatives (15% weighting).	<p><b>Net result from financial services:</b></p> <ul style="list-style-type: none"> <li>Base value: 2018 SPF budgeted net result from financial services of R4 292 million</li> <li>Minimum hurdle: year 1 growth of 2,5% on base value, thereafter annualised real growth of 2,5%</li> <li>Hurdle for 100% vesting: year 1 growth of 5% on base value, thereafter annualised real growth of 5%</li> </ul> <p><b>RoGEV:</b></p> <ul style="list-style-type: none"> <li>Base rate: SPF budgeted RoGEV hurdle for each year as determined by Sanlam Group</li> <li>Minimum hurdle: budgeted RoGEV hurdle rate</li> <li>Hurdle for 100% vesting: budgeted RoGEV plus 2,5%</li> </ul> <p><b>Net value of new covered business:</b></p> <ul style="list-style-type: none"> <li>Base value: 2018 SPF budgeted net value of new covered business of R1 636 million</li> <li>Minimum hurdle: year 1 growth of 5% on base value, thereafter annualised real growth of 10%</li> <li>Hurdle for 100% vesting: year 1 growth of 10% on base value, thereafter annualised real growth of 10%</li> </ul> <p><b>Key strategic initiatives:</b> Advance disclosure of these measures cannot be disclosed due to the sensitive and market sensitive nature thereof. Disclosure will be provided on vesting date.</p>	N/A	Final measurement and vesting in March 2021
Heinie Werth	1 January 2020 – 31 December 2023  702 000 Sanlam shares were awarded on 1 August 2019 and will vest in accordance with performance hurdles for RoGEV for Saham and SEM (weighted 75%) and Net Result from Financial Services for SEM (weighted 25%).	<p><b>RoGEV (Saham) (50%):</b></p> <ul style="list-style-type: none"> <li>Base rate: 12% return on Moroccan dirham (MAD) purchase price paid.</li> <li>Minimum hurdle (below which nil shares will vest): &lt;10,8% return based on the 12% MAD base rate</li> <li>Hurdle for 100% vesting: &gt;13,2% return based on the 12% MAD base rate</li> </ul> <p><b>RoGEV (SEM) (25%):</b></p> <ul style="list-style-type: none"> <li>Base rate: SEM budgeted RoGEV hurdle for each year as determined by Sanlam Group</li> <li>Minimum hurdle (below which nil shares will vest): Risk-free rate (Rfr) + 700bp</li> <li>Hurdle for 100% vesting: Rfr + 1 000bp</li> </ul> <p><b>Net Result from Financial Services (NRFS) (SEM) (25%):</b></p> <ul style="list-style-type: none"> <li>Base rate: 2019 NRFS for SEM R2 632 million</li> <li>Minimum hurdle (below which nil shares will vest): cumulative annual real growth of 7,5%</li> <li>Hurdle for 100% vesting: cumulative annual real growth of 12,5%</li> </ul>	N/A	Final measurement and vesting in March 2024

<sup>(1)</sup> Sliding scale applies to determine vesting percentage between minimum and maximum hurdles. Growth targets may be adjusted by the GHRRC for material reorganisation, acquisitions or disposals during the measuring period. Actual RoGEV achieved in each year can be adjusted by the GHRRC for any material economic or market events during the measuring period.

**Design applicable to all OPPs**

1. Nil vesting will happen below minimum achievement, with full vesting of shares at maximum achievement.
2. Sliding scales will be used to do extrapolation between minimum and maximum achievements for vesting outcomes.
3. The GHRRC will approve OPP share vesting at the end of the measurement periods (taking cognisance of any significant conditions, for example exchange rate movements, inflation, investment markets, acquisitions, corporate actions).

To the extent that any awards are granted under the OPP in 2020, it will occur on a basis consistent with that described above.

REMUNERATION DETAILS FOR EXECUTIVE DIRECTORS AND MEMBERS OF THE GROUP  
EXECUTIVE COMMITTEE THAT ARE DEFINED AS PRESCRIBED OFFICERS (continued)

## Minimum shareholding requirement

The table below reflects the actual qualifying Sanlam shares held by executive directors and Executive committee members relative to the minimum shareholding requirement (MSR).

### Number of shares as at 31 December 2019

Individual	MSR	Actual qualifying shareholding	Date at which MSR must be reached
Ian Kirk	219 441	225 415	31 December 2021
Heinie Werth	97 501	198 787	31 December 2021
Jeanett Modise	25 828	-	30 June 2025
Temba Mvusi	61 858	113 603	31 December 2021
Thinus Alsworth-Elvey	65 861	-	30 June 2025
Anton Gildenhuys	49 880	76 754	31 December 2021
Lizé Lambrechts <sup>(1)</sup>	-	-	N/A
Sydney Mbhele	27 636	-	30 June 2025
Junior Ngulube	52 999	-	31 December 2021
Robert Roux	68 702	115 830	31 December 2021
Jurie Strydom	72 577	83 577	30 June 2023

<sup>(1)</sup> Participates in the Santam MSRP with effect from 1 January 2019.

<sup>(2)</sup> MSR does not apply to Wikus Olivier given his interim appointment.

# SANLAM SHARE SCHEME ALLOCATION (DILUTION LIMITS)

Following on engagement with shareholders, institutional investors and proxy voting advisers, shareholders approved a special resolution at the 2019 AGM to replace the original scheme allocation of 160 million shares (of which 84 407 557 shares was unused on 31 December 2018) with a new allocation of 110 million shares) with a limit on annual usage of 11 million shares (16 million shares previously) and the limit for any individual to 5 million shares (6,5 million shares previously).

The following table illustrates the usage for 2019 and the capacity position as at 31 December 2019:

	Number of shares	
Scheme allocation originally approved*	110 000 000	
Allocation under DSP and PDSP in 2019	(5 729 811)	
Allocation under RSP in 2019	(433 037)	(6 162 848)
Shares forfeited in 2019	1 020 238	
<b>Balance of scheme allocation carried forward at 31 December 2019</b>	<b>104 857 390</b>	

\* New scheme allocation approved at the AGM held on 5 June 2019 and applies with effect from 1 January 2020

# REMUNERATION DETAILS FOR NON-EXECUTIVE DIRECTORS

The policy for non-executive directors' fees is summarised under the remuneration policy part of this report.

Disclosure of individual directors' emoluments, as required in terms of the JSE Listings Requirements, is detailed below.

## Non-executive directors' emoluments for the year ended 31 December 2019

R'000	Directors' fees	Attendance and committees	Fees from Group	Total
AS Birrell	403	253	-	656
AD Botha	410	1 194	654	2 258
PB Hanratty (Non-resident)	902	1 842	-	2 744
E Masilela	105	37	-	142
M Mokoka	410	660	49	1 119
PT Motsepe (Deputy Chair)	624	482	-	1 106
KT Nondumo	410	1 233	1 456	3 099
SA Nkosi (LID)	768	1 055	-	1 823
RV Simelane	410	346	-	756
CG Swanepoel	410	1 319	2 078	3 807
J van Zyl (Chair)	3 503	-	-	3 503
SA Zinn	384	398	-	782
<b>Total non-executive directors</b>	<b>8 739</b>	<b>8 819</b>	<b>4 237</b>	<b>21 795</b>

Travel and subsistence paid in respect of attendance of Board and committee meetings amounted to R920 322 (2018: R471 450).



## Non-executive directors' emoluments for the year ended 31 December 2018

R'000	Directors' fees	Attendance and committees	Fees from Group	Total
MM Bakane-Tuoane	93	233	-	326
AD Botha	386	1 125	653	2 164
PB Hanratty	792	1 475	-	2 267
KT Nondumo	386	1 179	811	2 376
M Mokoka	293	595	-	888
MV Moosa	187	241	-	428
PT Motsepe	587	559	-	1 146
SA Nkosi	606	819	-	1 425
RV Simelane	386	400	-	786
CG Swanepoel	386	1 447	1 859	3 692
J van Zyl	3 297	-	-	3 297
<b>Total non-executive directors</b>	<b>7 399</b>	<b>8 073</b>	<b>3 323</b>	<b>18 795</b>

Travel and subsistence paid in respect of attendance of Board and committee meetings amounted to R471 450.

## Fees from Group companies for the year ended 31 December 2019

R'000	Directors' fees	Attendance fees	Committee fees	Total
AD Botha	236	296	122	654
M Mokoka	26	23	-	49
KT Nondumo	956	200	300	1 456
CG Swanepoel	353	200	1 525	2 078
<b>Total fees from Group companies</b>	<b>1 571</b>	<b>719</b>	<b>1 947</b>	<b>4 237</b>

## Fees from Group companies for the year ended 31 December 2018

R'000	Directors' fees	Attendance fees	Committee fees	Total
AD Botha	181	373	99	653
KT Nondumo	236	87	488	811
CG Swanepoel	228	126	1 505	1 859
<b>Total fees from Group companies</b>	<b>645</b>	<b>586</b>	<b>2 092</b>	<b>3 323</b>



# INTEREST OF DIRECTORS IN SHARE CAPITAL

# SANLAM LIMITED BOARD INFORMATION

as at 31 December 2019

## Total interest of directors in share capital at the date of this report

Directors	Beneficial		UB shares
	Direct	Indirect	
<b>Executive directors</b>			
HC Werth	306 140	578 438	-
IM Kirk	263 276	-	-
TI Mvusi	192 303	-	4 000
J Modise	-	-	-
<b>Total executive directors</b>	<b>761 719</b>	<b>578 438</b>	<b>4 000</b>
<b>Non-executive directors</b>			
J van Zyl (Chair)	-	2 894 288	-
PT Motsepe (Deputy chair)	-	-	Refer note <sup>(3)</sup>
AD Botha	-	-	-
AS Birrell <sup>(2)</sup>	-	-	-
PB Hanratty <sup>(2)</sup>	-	-	-
E Masilela	-	-	-
M Mokoka	-	-	-
KT Nondumo	-	-	-
SA Nkosi	-	-	-
RV Simelane	-	-	10 092
CG Swanepoel	10 000	-	-
SA Zinn	-	-	-
<b>Total non-executive directors</b>	<b>10 000</b>	<b>2 894 288</b>	<b>10 092</b>
<b>Total</b>	<b>771 719</b>	<b>3 472 726</b>	<b>14 092</b>

<sup>(1)</sup> At the date of this report there are no material differences with the shareholding disclosed above as at 31 December 2019.

<sup>(2)</sup> UK citizen

<sup>(3)</sup> Ubuntu-Botho Investments Proprietary Limited (UB) is the direct beneficial holder of 292 471 806 Sanlam ordinary shares. Sizanani-Thusanang-Helpmekaar Investments Proprietary Limited (Sizanani), beneficially holds 56% of the ordinary share capital (which includes the "A" ordinary shares) in UB. The entire share capital of Sizanani is held by a company, the entire issued share capital of which is in turn held by trusts which, with the exception of the Motsepe Foundation, hold those shares for the benefit of Dr Patrice Motsepe and his family. This results in Dr Patrice Motsepe having an indirect interest in the securities of Sanlam amounting to 56% of UB's shareholding in Sanlam. Dr Motsepe also has an indirect non-beneficial interest in another 20% of UB's shareholding in Sanlam which he holds as a trustee of the Sanlam Ubuntu-Botho Community Development Trust. A number of other directors also have a beneficial interest in the share capital of UB through its shareholding structure as disclosed above.

<sup>(4)</sup> Dr Motsepe also has an indirect interest through UB and the Sanlam Ubuntu Botho Community Development Trust's 20% indirect interest in SU BEE Funding SPV (RF) Pty Ltd (SU BEE Funding), the holding company of SU BEE Investment SPV (RF) Pty Ltd (SU BEE Investments) that acquired 111 349 000 Sanlam ordinary shares during 2019 (with external funding and Sanlam shareholder approved financial assistance). UB has the ability to appoint the majority of the directors of both SU BEE Funding and SU BEE Investments.

REMUNERATION DETAILS FOR NON-EXECUTIVE DIRECTORS (continued)

**Total interest of directors in share capital at 31 December 2018**

	Beneficial		UB shares
	Direct	Indirect <sup>(3)</sup>	
<b>Executive directors<sup>(1)</sup></b>			
IM Kirk	170 262	-	-
HC Werth	299 409	557 859	-
TI Mvusi	176 001	-	4 000
<b>Total executive directors</b>	<b>645 672</b>	<b>557 859</b>	<b>4 000</b>
<b>Non-executive directors</b>			
J van Zyl (Chairman)	1 914 530	2 894 288	-
PT Motsepe (Deputy Chairman) <sup>(2)</sup>	-	-	-
MM Bakane-Tuoane	-	-	-
AD Botha	-	-	-
PB Hanratty	-	-	-
MV Moosa	-	-	-
SA Nkosi <sup>(5)</sup>	-	-	7 142
KT Nondumo <sup>(5)</sup>	-	-	1 000
RV Simelane	-	-	10 092
CG Swanepoel	10 000	-	-
PL Zim	-	-	-
<b>Total non-executive directors</b>	<b>1 924 530</b>	<b>2 894 288</b>	<b>18 234</b>
<b>Total</b>	<b>2 570 202</b>	<b>3 452 147</b>	<b>22 234</b>

<sup>(1)</sup> Includes participation in the Restricted Share Plan and share-based Outperformance Plan.

<sup>(2)</sup> Ubuntu-Botho Investments Pty Ltd (Ubuntu-Botho) is the direct beneficial holder of 292 471 806 Sanlam ordinary shares. Sizanani-Thusanang-Helpmekaar Investments Pty Ltd (Sizanani), beneficially holds 55% of the ordinary share capital in Ubuntu-Botho.

The entire share capital of Sizanani is held by a company, the entire issued share capital of which, with the exception of the Motsepe Foundation, hold those shares for the benefit of Mr Patrice Motsepe and his immediate family. This results in Mr Patrice Motsepe having an indirect interest in the securities of Sanlam amounting to 55% of Ubuntu-Botho's shareholding in Sanlam.

A number of other directors also have a beneficial interest in the share capital of Ubuntu-Botho through its shareholding structure.

<sup>(3)</sup> Includes full shareholding by trusts, companies and other entities where director has a financial interest in the entity. In some instances, the effective economic interest of the director can be less than 100% of the shares reflected.

A number of other directors also have a beneficial interest in the share capital of Ubuntu-Botho through its shareholding structure.

<sup>(4)</sup> SA Nkosi and KT Nondumo have sold all their UB shares in March 2019.



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