



**Sanlam**

Live with confidence

# Corporate Governance REPORT

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

2022



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## Forward-looking information

In this report we make certain statements that are not historical facts and relate to analyses and other information based on forecasts of future results not yet determinable, relating, among others, to new business volumes, investment returns (including exchange rate fluctuations) and actuarial assumptions. These statements may also relate to our future prospects, developments and business strategies. These are forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements involve inherent risks and uncertainties and, if one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. Forward-looking statements apply only as of the date on which they are made, and Sanlam does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Any forward-looking information contained in this announcement has not been reviewed and reported on by Sanlam's external auditors.

# SANLAM AT A GLANCE

Sanlam Limited\* is a diversified financial services company headquartered in South Africa, with a strong presence across the African continent, and niche presence in India, Malaysia and the United Kingdom. We are a purpose-led organisation, with all our efforts centred on enabling our clients to live with confidence.

We promote financial inclusion, transformation and empowerment through our broad product and financial advice offering, inclusive culture and partnership approach. We have a proven track record of delivering superior value to clients, employees, shareholders and broader society. Sanlam has been operating for over 100 years, mostly as a mutual insurer. Sanlam demutualised in 1998. Sanlam Limited is the holding company with a primary listing on the Johannesburg Stock Exchange (JSE), a secondary listing on the Namibian Stock Exchange (NSX) and a listing on A2X, and is the controlling company of the Sanlam Insurance Group as designated by the Prudential Authority in terms of the Insurance Act.

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

- insurance (life and general);
- savings and investments;
- asset and wealth management;
- retirement;

\* Sanlam Limited (Sanlam, Sanlam Group or the Group)

- corporate and employee benefits;
- financial planning and advice;
- credit management; and
- health insurance.

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

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

**The Board has considered the integrity of the information provided in this report and has concluded that it appropriately provides material disclosures of the Group's overall corporate governance activities.**

**The Board approved this report on 8 March 2022.**





# SANLAM REPORTING SUITE

The Sanlam investor relations website ([www.sanlam.com/financial-reporting](http://www.sanlam.com/financial-reporting)) contains our annual reporting suite, which provides additional information on our financial results, sustainability performance, governance and remuneration approach and shareholding.



## This report

This report comprehensively discloses our governance structures, processes and policies in the context of recommended King IV™ principles and provides a synopsis of our application of the King IV™ principles.



## Integrated Annual Report

This report describes our ability to create and preserve value over the short, medium and long term.



## Remuneration Report

This report sets out our remuneration philosophy and policy and how it was implemented in the year under review.



## Sustainability Report

This report sets out our disclosure and communication of our environmental, social and governance (ESG) goals and the Group's progress towards achieving them. In addition, the report incorporates our climate change-related disclosures.



## Tax Report

This report provides material information and insights about our performance and commitment to tax transparency.



## Annual Results Presentation

This presentation provides an overview and highlights of our performance for 2022.



## Annual Financial Statements

Presents the Group's audited consolidated and Annual Financial Statements.



## Audited Annual Results Booklet

This booklet provides a review of our financial, strategic and operational review together with shareholder information and our Annual Financial Statements.



## Summarised Results Booklet

This booklet provides concise commentary on our performance for 2022 and our Summarised Financial Results.



IR Framework



IFRS



KING VI



JSE



IFRS Foundation



Companies Act

# ABOUT THIS CORPORATE GOVERNANCE REPORT

Sanlam's Corporate Governance Report forms part of the 2022 integrated annual reporting suite, which covers the activities of our Group for the financial year ended 31 December 2022.

The Sanlam Board of directors acknowledges its responsibility to ensure overall governance in the Group and the integrity of the Group's disclosures. These include the Integrated Report, Annual Financial Statements, Sustainability Report, Remuneration Report, King IV™ Disclosure Report, and this Corporate Governance Report.

The Board is committed to promoting sound corporate governance practices in all territories where Sanlam operates. Sanlam applies the highest levels of corporate governance in all our business. This promotes the long-term sustainability of our business as we continue to work on retaining the trust of our clients and protecting our strong reputation. The Group's corporate governance practices provide oversight of and support our philosophies around disciplined capital management and financial strength, resilience and consistent financial performance, financial inclusion and partnerships.

The Board is pleased to report that, for the year ended 31 December 2022, the Group continued to demonstrate its commitment to the implementation and disclosure of the core principles on good corporate governance practices in accordance with the King Report on Corporate Governance™ for South Africa, 2016 (King IV)<sup>1</sup>. These include the mandatory corporate governance requirements outlined in the Johannesburg Stock Exchange (JSE) Listings Requirements for debt and equities, as well as the Prudential Standards and Framework for Governance and Operational Standards for Insurers and Insurance Groups.

The Board also applied its mind to the preparation of all Sanlam reporting elements and believes the reporting suite addresses all material matters appropriately and according to the International Integrated Reporting Council's (IIRC's) Integrated Reporting Framework, now housed within the IFRS Foundation.

The Board, with the assistance of the Audit, Actuarial and Finance (Audit) committee, the risk and compliance committee, and the Social, Ethics and Sustainability (SES) committee, ensures that the necessary controls are in place to verify, enhance and safeguard the integrity of the information reported on in the Group's reporting suite and any other disclosures published from time to time. In this regard, the Board oversees that Sanlam complies with the requisite disclosures.

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

As such, the Group's 2022 reporting suite contains a comprehensive set of elements to provide a range of stakeholders with context, historical and forward-looking information. This ensures that they can make an informed assessment of the Group's performance and prospects. Stakeholders are encouraged to access the Sanlam investor relations website ([www.sanlam.com](http://www.sanlam.com)) for all elements of the reporting suite and additional detail on governance, shareholder information, and sustainability matters.

<sup>(1)</sup> Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

A photograph of two men on a rocky shore. One man, wearing a grey t-shirt, is crouching and reaching out to help another man, who is wearing a black and white striped long-sleeve shirt and blue jeans, stand up. The man in the striped shirt is smiling and looking down at the other man. The background shows a cloudy sky and the ocean. The image is framed by white curved lines.

# OUR APPROACH TO CORPORATE GOVERNANCE

**Confidence Rule 52:**

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



# OUR APPROACH TO CORPORATE GOVERNANCE

“Sanlam’s governance approach considers the trust of our clients who bestow their assets unto us, the regulatory requirements, best practices and country-specific requirements while safeguarding the long-term sustainability of our business.”

Sanlam’s approach to governance is influenced and directed by various aspects, including the trust of our clients, governance-related best practices, in-country governance and regulatory requirements as well as company-specific requirements and the long term sustainability of our businesses. The Group makes a concerted effort to ensure that it adheres to the applicable suite of governance standards as outlined in the following regulatory requirements:

- The South African Companies Act, 71 of 2008 (as amended) (the Companies Act).
- The JSE Listings Requirements (as amended) (JSE Listing Requirements).
- The Insurance Act, 18 of 2017 (as amended) (Insurance Act).
- The Prudential Standards and Framework for Governance and Operational Standards for Insurers and Insurance Groups (Prudential Standards).
- The Financial Sector Regulation Act, 9 of 2017. (as amended) (Financial Sector Regulation Act)
- King IV™.

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

- The FTSE/JSE Responsible Investment Index Series.
- The Dow Jones Sustainability Index.

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

## Group governance summarised

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

Because of its designation as an insurance group and as a licensed controlling company of the Sanlam Limited Insurance Group, the Board of Sanlam Limited has a statutory obligation to adopt, implement and document an effective governance framework.

Through the Group Governance Policy, the Board acknowledges and clarifies its responsibility for governance across the business by defining the responsibility for how the relationships, decision-making powers, and exercise of authority in Sanlam should be approached and conducted as stipulated by all applicable regulatory requirements.

The Group Governance Policy enables Sanlam Limited to discharge its obligations as a licensed controlling company (and financial institution) by law by ensuring that appropriate policies and governance structures are in place to effectively:

- Influence the strategic direction of Group companies.
- Protect and grow the value of Sanlam and its co-investors’ investment in such a group entity.
- Manage Sanlam’s potential financial exposure.
- Secure and protect Sanlam’s image and reputation.
- Discharge the Group’s obligations for compliance with applicable regulatory requirements.
- Manage risks associated with processing information of Group companies obtained while executing the Sanlam Board’s oversight role.
- Consider and meet the legitimate expectations of all relevant stakeholders.
- Allow Sanlam to discharge its obligations as a licensed controlling company of an insurance group under law.
- Ensure the prudent management and oversight of the business of the Sanlam Limited Insurance Group and all persons that are part of it.

Any exceptions or deviations from the Group Governance Policy requires approval from the Group Chief Executive and are reported to the Audit committee and Board. This enables the Board to consider any impact on the legal and licensed entities concerned. The business cluster's CEO and responsible Group functionary motivates and supports exceptions and deviations from the Group Governance Policy. The Company secretarial functionaries at an operational level are required to monitor all deviations and exceptions to the Group Governance Policy after it has been assessed for qualitative and quantitative materiality and considering the Group and the relevant business cluster's enterprise risk management frameworks. The Company Secretary maintains a register that contains all permanent deviations and exceptions.

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

## Delegation of authority

The Sanlam Group Governance Policy includes authorisation framework which specifies and clarifies each of the decision-making powers and signing authorities in alignment with applicable regulatory requirements, Sanlam's Memorandum of Incorporation (MOI), the delegation of authority from the Sanlam Limited and Sanlam Life Boards to the Group Chief Executive and the underlying cluster governance structures and key designations.

## Our application of governance in all markets

To support and develop mature governance and ethics structures and processes in all markets where Sanlam operates, all companies across the Group are expected to adhere to and confirm compliance with Sanlam's

governance principles and the Code of Ethical Conduct. Feedback in this regard is reported on in their respective annual Board representation letters, presented to the Audit committee. The Group also continually engages with its internal stakeholders to ensure there is a common understanding and application of how to report on ethical matters and the types of ethics-related breaches that need to be disclosed.

In addition, given that Sanlam does not necessarily exercise control over its associates and joint ventures, it cannot prescribe to these entities how they must be governed. However, Sanlam's nominated directors are tasked with advocating and promoting adherence to the principles set out in the Group Governance Policy to ensure that Sanlam Limited and the Sanlam Limited Insurance Group can discharge their responsibilities in terms of insurance Group supervision legislation.

Sanlam is committed to regularly monitoring the governance practices of associates and joint ventures against the principles outlined in the Group Governance Policy to determine and assess any potential governance-related risks posed to Sanlam.

The maturity of risk management processes across the Group is frequently reviewed and assessed. A strong focus remains on increasing the awareness, capacity and knowledge among Group entities.

## Managing conflicting interests

Sanlam's Code of Ethical Conduct specifically includes a principle that manages and mitigates potential, actual or perceived conflicts of interest. This principle, together with enhanced regulatory scrutiny and intervention, necessitated a Group-wide approach to managing conflicts of interest.

The Group conflicts of interest policy provides practical guidance on identifying potential, actual or perceived conflicts of interest and governance aspects relating to Sanlam's relationships with third parties. Its objective is not to prevent employees from pursuing personal interests but rather to govern and mitigate any potential risks associated with such interests. The policy applies to all Sanlam Group subsidiaries and business entities. All individuals employed or contracted by Sanlam in any capacity, including directors, are subject to the policy and must always ensure compliance.

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

In 2017, the Group established the Independent Non-Executive Directors committee, a sub-committee of the Board that reviews and recommends to the Board any related-party transactions, including any financial, economic interest, position, association or relationship, which, when judged from the perspective of a reasonable and informed third party, could unduly cause bias in decision-making in the best interest of Sanlam.

## Sanlam's gift and gratification policy

In terms of the Group's Code of Ethical Conduct, no employee in the Group may offer or receive any gift, favour or benefit that may be regarded as an attempt to exert influence in unduly favouring any party. Sanlam has a formal Group gift and gratification policy that provides the official declaration and recording of all gifts received from or given to external stakeholders.

The Board is satisfied that adequate grievance and disciplinary procedures are in place to ensure the effective enforcement of the Code and to address any unethical conduct or ethical breaches.

The Social, Ethics and Sustainability (SES) committee and Risk and Compliance committee receive feedback on the Group's ethical climate at every quarterly meeting. In the period under review, no material non-compliance incidents to the Code were reported.



## Our core values

### CARE

**We are growing with empathy and consideration to leave a lasting impact and legacy**

### COLLABORATION

**We are connecting with each other's strengths towards a better outcome for all**

### INNOVATION

**We are leading to make a tangible difference for all our stakeholders, our society and the world**

### INTEGRITY

**We are trusting in our unwavering pursuit to do the right thing**

## The governance of organisational ethics

Sanlam's core values support the Group's commitment to advocating and promoting sound governance practices. The Group strengthens stakeholder trust by conducting business ethically and professionally. Therefore, ethical leadership is regarded as a priority and forms an integral part of the Board's approach to ethical and corporate governance practices. It influences and validates 'the Sanlam Way' and how the Group executes its corporate responsibilities, with the underlying objective to always act in the best interest of its key stakeholders.

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

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

In addition, the SES committee, which has been established as a statutory governance structure under the Companies Act, is mandated by the Board to monitor Sanlam's compliance with the relevant social, ethical and legal requirements and best-practice codes. This committee reports any ethical breaches or material matters to the Board and discloses their nature in its report at the annual general meeting (AGM).

Sanlam has a Group Ethics committee which operates as a sub-committee of the Group Executive committee (Group Exco) and is chaired by the Company Secretary. The Group Ethics committee includes representatives from the business clusters as well as the Group office and meets quarterly to discuss ethics-related aspects, trends, challenges, feedback from cluster representatives, and the outcome of climate surveys. The Group Ethics committee submits quarterly reports on material ethics-related aspects to the SES committee.

## Sanlam's Code of Ethical Conduct

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

The Board has approved several key policies to support ethical behaviour across the Group, including:

- the Governance Policy;
- the Code of Ethical Conduct;
- the compliance policy;
- the conflicts of interest policy;
- the giving and receipt of gratification policy;
- the securities dealing and price-sensitive information policy;
- the financial crime combating policy; and
- the anti-money laundering and countering of financing of terrorism (AML/CFT) policy.

Sanlam conducts biennial ethical risk assessments to evaluate and assess its ethical climate for over a decade. This process is coordinated by the Group compliance officer in consultation with the Sanlam Group Ethics committee.

The exercise was conducted in the latter part of the 2021 financial year. The outcome of this ethical risk assessment was analysed by the respective business clusters, and a consolidated feedback report was presented to the Board in June 2022. The results of the ethical risk assessment are aligned with the outcomes of the Barrett Culture Surveys performed in the Group in that most areas that returned higher entropy scores in the survey were highlighted in the assessment. The next ethical risk assessment will be conducted in 2023.

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

Various reporting channels were established for stakeholders to report a potential, actual and/or perceived ethical breach:

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

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

Sanlam has commissioned an independent external service provider to manage the confidential reporting hotline. This guarantees the anonymity of anyone wanting to report fraud, unethical or unlawful conduct without disclosing their identity. Anonymity, where required, is guaranteed by the Protected Disclosures Act, 26 of 2000. We regularly encourage stakeholders who suspect that fraud, unethical or unlawful conduct or non-compliance is perpetrated in Sanlam or against a Sanlam company or client to report this via the following channels:

- Confidential reporting hotline: 0800 777 54
- Email: [sanlam@tip-offs.com](mailto:sanlam@tip-offs.com)
- Via the website: [www.tip-offs.com](http://www.tip-offs.com).

International numbers are also available for callers outside South Africa. Several Sanlam Emerging Markets (SEM) businesses also operate their whistleblowing lines in addition to the Sanlam facility.

Each report made via the hotline services is referred either to the forensics services department for investigation and/or escalated to executive management in the cluster for investigation and resolution. The outcome of all investigations is reported to the Sanlam Group compliance officer.

## Dealing in Sanlam securities

Sanlam complies with the JSE Listings Requirements on share dealings of its directors and other affected persons. Under our securities dealing and price-sensitive information policy, all Sanlam directors and employees with access to price-sensitive information are precluded from dealing in Sanlam securities until the Group's final and interim results are released.

Similar ad hoc closed-period arrangements apply to directors and those individuals who have access to and/or might be exposed to price-sensitive information due to their involvement in corporate transactions. A pre-approval policy and process for all dealings in Sanlam securities by directors and selected key employees are strictly followed and duly reported to the Board.

Details of directors' and the Company Secretary's dealings in Sanlam securities are disclosed to the JSE through the Stock Exchange News Service. In addition, Sanlam's investment management companies enforce stringent trading policies on personal transactions in all financial instruments. The Company Secretary regularly disseminates written notices to inform the directors, executives and employees of the latest insider-trading legislation and advises them on closed periods.

Sanlam's price-sensitive information policy was reviewed in 2022, focusing on ensuring compliance with the JSE Listings Requirements, the Financial Markets Act (19 of 2012), and any other applicable regulatory requirements. Stringent controls were implemented to ensure compliance with this policy.

## Sanlam as a corporate citizen

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

The Group contributes to a stable financial system and is committed to supporting financial resilience, wellbeing, prosperity and inclusion.

With the assistance of the SES committee, inclusivity forum and Group Exco, the Board oversees and monitors all processes and activities that support Sanlam's corporate citizenship responsibilities. This includes the Group's impact on the workplace, economy, society and the environment, and is measured against the performance targets agreed with management.

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

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

## King IV™ compliance and application

The Board is satisfied with the work and resources allocated in 2022 to apply and explain all aspects of King IV™, as appropriate. The Risk and Compliance committee, Audit committee, Human Resources and Remuneration committee, Nominations committee, Independent Non-Executive Directors committee, and the SES committee are all satisfied that Sanlam complied with and applied King IV™ principles.

Appropriate actions, where required, are implemented to ensure continued adherence to these obligations. Sanlam regularly assesses its application and compliance levels to ensure all areas requiring improvement have been appropriately identified and addressed.

Sanlam's King IV™ 2022 Disclosure Report, which includes the Group's response to the 17 principles and recommended practices per principle, is available on the Sanlam investor relations website ([www.sanlam.com](http://www.sanlam.com)).





# SANLAM'S GOVERNANCE STRUCTURE

Confidence Rule 18:

AN AVERAGE LIFE  
DOESN'T TAKE MUCH  
PLANNING. A GOOD  
ONE DOES.



# SANLAM'S GOVERNANCE STRUCTURE

“Our governance structure supports the productivity and efficiency of our two Boards, reducing effort and duplication and optimising the flow of information.”

## The Boards of Sanlam and Sanlam Life

Sanlam Life is a wholly owned subsidiary of Sanlam and conducts mainly life insurance business. In practice, the Boards of Sanlam Limited and Sanlam Life function as an integrated unit, as far as reasonably possible. Both Boards have the same directors, Chairs, executive directors and Group Chief Executive.

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

### The Sanlam Board

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

The Sanlam Board has the following committees:

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

### The Sanlam Life Board

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

- The Sanlam Life Board has the following committees:
- Audit, Actuarial and Finance
- Risk and Compliance
- Human Resources and Remuneration
- Customer Interest

## The role of the Board

The Board exercises an oversight role and ultimate control over the Group and its subsidiaries. The Board is responsible for setting and steering the direction and culture of the Group. The Board approves the process to attain an appropriate balance of knowledge, skills, experience, diversity and independence on the Board. This ensures the Board can objectively and effectively discharge its governance role and responsibilities and that the necessary systems and processes are in place to enable the Group to achieve its key deliverables sustainably.

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

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

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

Sanlam's MOI requires the Board to comprise a minimum of six and a maximum of 20 directors. At the end of 2022, the Board comprised of 18 directors. The Board appoints Board committees and determines each committee's powers, authority, duties and functions, outlined in their respective charters.

Each charter, including the Board's own terms of reference, is reviewed and approved at least annually. This ensures the content remains relevant and aligned to the expected deliverables associated with the Board's mandate and fiduciary duties. The Board and committee charters embrace, among others, the principles of King IV™.

### Board and Board committee charters

The Board delegates some of its functional responsibilities to its committees through clear mandates. These committees regularly report to the Board, as a collective, on their respective deliverables according to each committee's Board-approved charter. The committee charters and annual work plan, developed for each of the Board committees, are reviewed annually. These charters are available on Sanlam's investor relations website, with summaries in this report on pages 27 to 38.

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

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

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

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

The Board ensures effective leadership in its committees by allowing collaboration between these committees through cross-membership. It delegates specific rules and ensures the coordinated timing of meetings to avoid duplication or fragmented functioning between committees.

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

### Independence at a Board level

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

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

In addition to these protocols, Sanlam also takes guidance from best practices and recommendations from key stakeholders. The objective is to create opportunities for continual improvement and, where necessary, refine Sanlam's current approach applied at Board level. The Board also remains committed to ensuring that Sanlam's initiatives are assessed, monitored and reported continually. This includes enhancing governance, diversity and transparency. At the end of the 2022 financial year, the majority of members serving on the Board were categorised as independent.



## Changes to the Board in 2022

The following changes were effected by the Board in 2022:

- Thembisa Skweyiya was appointed independent non-executive director (effective from 18 October 2022).
- Rejoice Simelane retired as director on 05 March 2022.
- Jeanett Modise resigned as director (effective 30 September 2022).

## Governance-related milestones and focus areas in 2022

In the reporting period, the Board held five meetings and a two-day Board strategy session to consider and deliberate on strategic matters. Other focus areas in the 2022 financial year include:

- reviewing performance against Sanlam's Group strategy and approving the Group's risk appetite statement;
- maintaining oversight of strategic projects and key strategic partnerships to deliver sustainable outcomes for Sanlam and its key stakeholders;
- reviewing and approving the Sanlam Group's own risk and solvency assessment (ORSA) supervisory report. This included assessing capital targets contained in the ORSA report to be adequate (given the size, business mix and complexity of the Group's operations);
- maintaining a heightened approach towards stakeholder inclusivity and exercising an oversight role on the implementation of Sanlam's Group stakeholder management policy;
- in pursuit of our objective to have a majority of independent Sanlam Board members, a new independent non-executive director was appointed to the Board, resulting in an increase in the number of members serving on the Board as at 31 December 2022 being categorised as independent;
- reviewing and approving Sanlam's Group Governance Policy, the authorisation framework and cluster governance structures;
- fulfilled an oversight role (with the assistance of the Audit committee) over the preparations to ready the Group to implement IFRS 17;
- ongoing monitoring of the impact of the Covid-19 pandemic and considering and reviewing the adequacy of pandemic reserves;
- monitoring and providing oversight over unexpected disasters that impact the business or our clients such as the impact of natural disasters (floods; fires) and ongoing wars around the world;
- continued oversight on the effects of pandemics, natural and man-made disasters such as floods and wars;
- the Board (with the assistance of the Human Resources and Remuneration committee) reviewed and improved the remuneration philosophy heightening the Group's focus and response towards client-centricity to obtain a better understanding of the requirements and expectations of Sanlam's clients;
- advancing the Group's digitisation agenda and monitoring the implementation of its digital transformation roadmap;

- ensuring ongoing adherence to the Group information management and information technology (IIT) governance framework and charter, and Sanlam's IIT policy framework and underlying Group policies;
- as part of its role to set and steer culture, the Board reviewed and renewed the Group values to ensure it supports the employees, clients and investor confidence promoting and monitoring environmental, social and governance (ESG) and responsible investment principles in how Sanlam conducts business;
- continuously evaluating the independence status of Sanlam's directors, following the criteria and recommended practices in King IV™ on a substance-over-form basis; and
- continually improving the disclosure of material and topical aspects relating to Sanlam's performance in the Group's reporting suite.

## Board composition and functioning

### Board composition

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

Consequently, the committee makes recommendations to the Board on the process of nominating, electing and appointing Board members. This committee's mandate includes succession planning for the Chair, appointments to the Board and its committees, and electing alternate Chairs to Board committees.

When a vacancy arises at Board or Board committee level, and a prospective candidate is identified as eligible, they are first exposed to a strict fit-and-proper assessment to ensure they comply with applicable regulatory requirements prior to being considered or recommended for appointment to the Board.

In addition, criminal checks are performed on each candidate considered for appointment to the Board. In accordance with regulatory requirements, a formal application to the PA is submitted for approval due to the recommended change in key persons.

The Board's composition is structured so that no individual director has unfettered decision-making powers. The Board is satisfied that its composition at the end of the reporting period reflects an appropriate mix of knowledge, skills, experience and diversity. The Board is satisfied that appropriate controls and measures are in place to ensure its independence.

As recommended by the Nominations committee, the Board had comfort that, during the review period, each of the non-executive directors met the requisite fit-and-proper requirements, and each of the independent non-executive directors met the criteria for independence, including the criteria for independence.

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

## Board matrix

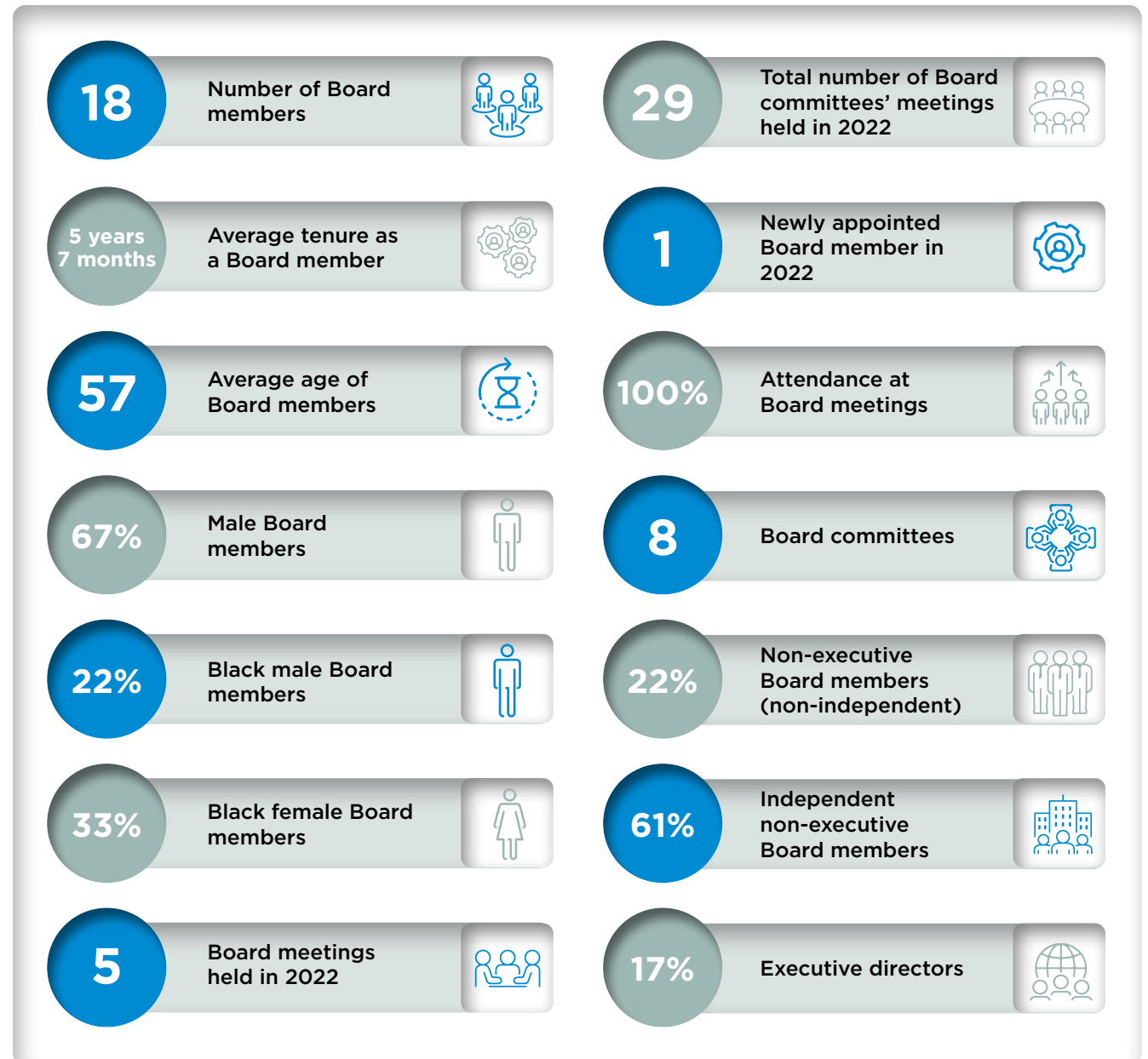
While considering Board members' individual skills, expertise, qualifications, and other board memberships they are affiliated to, the Nominations committee annually uses a matrix to assess and evaluate the composition of the Board. The matrix below provides a synopsis of the most significant criteria,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

Director	Age (in 2022)	Board member classification				Gender		Race		Tenure				Skills and expertise												
		Executive director	Non-executive director	Independent director	Foreign director	Male	Female	Black	White	<3 years' service	<6 years' service	<9 years' service	>9 years' service	Accounting	Financial markets / Investments	Actuarial	General business	International	Human Resources	Marketing	Risk Management	IT	Legal	Sustainability	Empowerment	
A Birrell	53			x	x	x			x		x			x	x	x	x	x				x				
A Botha	69		x			x			x				x	x		x	x		x	x			x			
E Essoka	67			x	x	x		x		x						x	x			x				x	x	
P Hanratty	61	x			x	x			x		x				x	x	x									
N Kruger	55			x		x			x		x			x	x	x	x							x	x	
N Manyonga	41			x			x		x		x			x	x	x	x		x							
E Masilela	58			x		x		x		x				x	x		x		x					x	x	
M Mokoka	48			x			x		x			x		x	x		x							x	x	
K Möller	63			x		x			x		x			x	x		x							x	x	
P Motsepe	60		x			x			x				x		x		x		x				x		x	
A Mukhuba	43	x					x		x		x			x	x		x					x		x	x	
S Nkosi	68		x			x			x				x		x		x		x					x	x	
K Nondumo	44			x			x						x		x		x		x					x	x	
J van Zyl	66		x			x			x				x		x		x		x					x	x	
W van Biljon	61			x		x			x		x				x							x		x		
H Werth	59	x				x			x				x		x		x					x		x		
S Zinn	61			x			x		x					x			x							x	x	
T Skweyiya*	49			x			x		x								x						x	x	x	
<b>Total</b>		3	4	11	3	12	6	10	8	8	5	2	3	11	17	4	18	14	8	6	15	5	3	14	12	

\* Independent non-executive director appointed to the Board in 2022.



## Key facts about the Sanlam Board as at 31 December 2022





## Rotation of Board members

In terms of Sanlam's MOI, at least one third of non-executive directors must retire each year at the AGM. However, all retiring non-executive directors are eligible for re-election. The number of directors' positions, of which a third should rotate, is reduced with any number of appointments made to the Board in a specific financial year. The required number of non-executive directors who must rotate in 2023 is five. Based on this, the following members of the Board will be standing for rotation at the 2023 AGM:

- Thembisa Skweyiya (new director – appointment effective from 18 October 2022);
- Elias Masilela;
- Andrew Birrell;
- Mathukana Mokoka; and
- Nicolaas Kruger.

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

As per the Board's decision to follow sound corporate governance practices at Sanlam, selected executive directors will voluntarily rotate every three years. Accordingly, Heinie Werth (executive director) will also be rotating in 2023.

The Board considered and supported these rotations. Therefore, it is recommended to shareholders that they cast a vote for the reappointment of these Board members. A resumé of each director standing for election or re-election at the 2023 AGM is available on pages 19 to 24.

## Diversity at Board level

Sanlam regards transformation, empowerment and diversity as a business imperative to meaningfully grow and sustain the business. It strives to reflect the demographics of South Africa and those territories in which the Group operates. The Board ensures that its composition is representative of the Company's profile and promotes, among others, race, culture and gender diversity.

By having diversity of thought and experience, the Board motivates and supports the different perspectives and points of view expressed by individual Board members. This allows for more profound and constructive debates, with the ultimate objective to benefit Sanlam's key stakeholders.

The Board (supported by the Nominations committee) annually reviews the Group's policy on promoting diversity attributes at Board level. The policy aligns with the requirements outlined in the JSE Listings Requirements and sets out the approach to diversity on the Boards of Sanlam and Sanlam Life. The Nominations committee reviews and assesses the Board's composition and recommends the appointment of new directors to shareholders, subject to obtaining PA approval. The committee also oversees the annual review process to evaluate the effectiveness of the Board and the respective Board committees.

In identifying suitable candidate, the Nominations committee considers the benefits of all attributes of diversity, including race, gender, culture, age, field of knowledge, skills and experience, to enable the Board to discharge its duties and responsibilities effectively.

Given the benefits associated with a diverse Board, targets to increase the number of black Board members (particularly black female directors) were set and are annually reviewed by the Nominations committee and recommended to the Board for approval. The target achieved during the 2022 financial year included women representing 33% of the Board by year-end. Targets for the 2023 financial year include retaining the Board's current diversity, knowledge and experience base.

## Roles and responsibilities in the Board structure

The Board's charter, reviewed every year, governs and regulates how its members, collectively and individually, perform their duties according to the principles of good governance. Delegation of the duties and responsibilities of the Board to its committees does not reduce the Board's obligations regarding its fiduciary duties and responsibilities.

As a minimum, the Board remains accountable and is required to continue to exercise due care and judgement. The Board must also apply its collective mind to the information,

opinions, recommendations, reports and statements presented by the Board committees and management.

## The Chair of the Board

Elias Masilela, an independent non-executive director, was appointed Chair of the Board in June 2020. His primary role is to provide leadership to the Sanlam Board and to set the tone for its performance. This includes playing an active role in engaging with Board members, building on their strengths, and addressing or developing any weaknesses when necessary.

## The Group Chief Executive

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

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

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

## The Company Secretary

All directors have access to the Company Secretary, who ensures that Board procedures and applicable rules and regulations are fully observed and implemented. The Company Secretary is responsible for the administration of

shareholders and the direct interface between the transfer secretaries, Computershare and Strate. In addition, the Company Secretary supports the Board in executing its governance role and responsibilities. The Company Secretary is also responsible for ensuring compliance with the JSE Listings Requirements, requirements outlined in the Companies Act, and the Financial Markets Act. The duties of the Company Secretary includes executing statutory requirements applicable to these responsibilities.

The Company Secretary has an arm's-length relationship with the Board and is not a director of the Company or a member of Group Exco. Neither is the Company Secretary involved in the day-to-day operations of the Group other than providing statutory, Company secretarial, and compliance services to the Group. As required by the JSE Listings Requirements, the Board, on the recommendation of the Nominations committee, confirms that:

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

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

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

Mr Sana-Ullah Bray resigned as Company Secretary, effective 31 December 2022, to take the role of Group Executive: Human Capital. Ms Adela Fortune was appointed Company Secretary in terms of the requirements of the Companies Act and the JSE Listing Requirements on 1 January 2023. The Board is satisfied that Ms Fortune has the necessary experience, skills and expertise to fulfil the role.

## External service providers and advisers to the Board

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

Standard Bank of South Africa Limited is Sanlam's JSE equity sponsor and Absa Bank Limited is Sanlam's JSE debt sponsor.

## Annual Board-effectiveness evaluation

An annual Board-effectiveness evaluation is conducted under the auspices of the Nominations committee and in consultation with the Chair. The objective is to determine ways to measure and improve the Board's effectiveness. These assessments are transparent and documented.

In the 2022 financial year, this assessment was performed with the assistance of an external service provider, which contributed to the integrity and objectivity of the process. The evaluation (a combination of a detailed questionnaire and interviews) confirmed that the Board and its committees were functioning effectively and that there were no material matters to report.

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



# CUSTODIANS OF GOVERNANCE

Confidence Rule 53:

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





# BOARD MEMBER PROFILES

“Our Board members have been selected for their varied perspectives, proven capabilities and depth of experience.”



## 1. Andrew Birrell

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

**Nationality:** British/South African

**Year of birth:** 1969 (53)

Andrew Birrell was appointed to the Sanlam Board on 1 September 2019. He is an expert in financial reporting, investment management, audit and risk management, accounting, actuarial, life insurance, general insurance, health insurance, stockbroking, asset management and retail online banking. He chairs the Risk and Compliance committee and serves as a member of the Audit, Actuarial and Finance committee, Independent Non-Executive Directors committee and Non-Executive Directors committee.

He also serves as non-executive director of Sun Life of Canada UK, Esure Group Plc and subsidiaries, Clara Pensions Group, ELG Holding (Cayman) Limited, Sanlam Developing Markets and committees, Lifetri Groep BV (Netherlands) and ARGO Fund Managers (Mauritius).

Andrew holds BBusSc (Actuarial)(Hons) degrees (University of Cape Town, 1990), and is a Fellow of the Faculty of Actuaries (1994), Fellow of the Actuarial Society of South Africa (FASSA), a Chartered Enterprise Risk Actuary (CERA Global Association, 2009) and a member of the Institute of Directors (UK, 2015).



## 2. Anton Botha

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

**Nationality:** South African

**Year of birth:** 1953 (69)

Anton Botha was appointed to the Sanlam Board in March 2006. He is an expert in finance, Risk and Compliance as well as in financial markets, investments, general business, human resources, marketing and international business.

He is also a Board member of Bostco (Edms) Beperk and Keylaunch Limited. He is a non-executive director and co-founder of Imalivest, a private investment group and the Imalivest unit trusts. He is also a non-executive director on the Board of African Rainbow Minerals.

Anton enjoyed a successful career in investments at Gencor, Genbel and Gensec, which he led and developed into a leading investment banking group.

Anton obtained a BProc degree from Unisa, a BCom in Marketing from the University of Pretoria and a BCom (Hons) degree in Investment Management from the University of Johannesburg. He has completed an executive development programme at Stanford University in the United States.



## 3. Ebenezer (Ebby) Essoka

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

**Nationality:** Cameroonian

**Year of birth:** 1955 (67)

Ebby Essoka was appointed to the Sanlam Board in June 2021 as an expert in finance, financial markets, audit, risk, investments, and international business.

He is executive Chairman of IBURU, an advisory firm focused on economic development across sub-Saharan Africa. He previously held senior leadership positions at Standard Chartered Bank (SCB) Group as Vice Chairman for Africa, CEO South Africa and Southern Africa, and CEO Central and West Africa.

Ebby is also Chairman and an independent non-executive director of United Bank for Africa, Cameroon South Africa; Chairman of COGEBANQUE, Rwanda; and independent non-executive director of Mobile Money Corporation of Cameroon where he chairs the audit, Risk and Compliance sub-committee of the Board. He is a former senior advisor to the president of the African Development Bank, working on the Africa Investment Forum, former Chairman of SCB Côte d'Ivoire, former Chairman of SCB Cameroon, and former Chairman of the Audit committee of SCB Mauritius. He has served on Boards in other jurisdictions, including Botswana, Ghana, Nigeria, Pakistan, Sierra Leone, South Africa, Tanzania, The Gambia and Uganda. He was a member of the global advisory council of the London Business School (2000-2016).

Ebby holds a BSc degree in Finance, an MBA in Finance and a Diploma in International Business from Seton Hall University, USA. In addition, he has attended senior executive development programmes at INSEAD, London Business School, Templeton College, Oxford University and Cambridge University.



#### 4. Paul Hanratty

**Member of the Board:** Executive director (*ex officio*)  
**Nationality:** Irish  
**Year of birth:** 1961 (61)

Paul Hanratty joined the Sanlam Board in April 2017 as an independent non-executive director and was Chair of the Audit committee and member of the Risk and Compliance as well as the Social, Ethics and Sustainability (SES) committees. He was appointed the Sanlam Group Chief Executive officer in 2020.

He is an independent non-executive director of MTN.

A Fellow of the Institute of Actuaries, Paul obtained his BBusSc (Actuarial Science)(Hons) from the University of Cape Town. He began his career in the insurance industry and has worked in various financial services businesses in Africa, the UK and several other markets.



#### 5. Nicolaas Kruger

**Member of the Board:** Independent non-executive director  
**Nationality:** South African  
**Year of birth:** 1967 (55)

Nicolaas Kruger was appointed to the Sanlam Board in May 2020. He currently serves as Chair of the Customer Interest committee. He is a member of the Risk and Compliance committee; Audit, Actuarial and Finance committee; Independent Non-Executive Directors committee; and Non-Executive Directors committee.

Nicolaas is a member of various boards and governance forums, with in-depth financial, business and stakeholder management experience. He is a non-executive director of various companies, including Gen Re, Granor Passi, and Chairman of GWK, Brenn-O-Kem and other private companies. He was part of the FirstRand banking group from 1998 to 2010 (when Momentum was part of FirstRand) and served as Group CEO of Momentum Metropolitan Holdings.

Nicolaas has a BCom (Mathematics)(cum laude), is a Fellow of the Faculty of Actuaries (FFA) and a Fellow of the Actuarial Society of South Africa (FASSA). He completed the Advanced Management Programme at Oxford and is a chartered director (CD(SA)).



#### 6. Ndivhuwo Manyonga

**Member of the Board:** Independent non-executive director  
**Nationality:** South African  
**Year of birth:** 1981 (41)

Ndivhuwo Manyonga was appointed to the Sanlam Board in December 2021. She is an expert in designing, pricing and valuing insurance and retirement funding products.

Ndivhuwo is the CEO of Federated Employers Mutual (RF) Proprietary Limited (FEM), chairs the FEM Education Foundation and is a director of the FEM Trust and FEM Construction Industry Loan Fund. She also serves on FEM's Risk and Compliance committee, social and ethics committee and investment committee.

She holds a BBusSc (Actuarial Science) and Post-graduate Diploma (Actuarial Science) from the University of Cape Town as well as a Diploma in Actuarial Techniques, Certificate in Board Leadership and Certificate of Competence in Enterprise Risk Management. She is a Fellow of the Actuarial Society of South Africa.



### 7. Elias Masilela

**Member of the Board:** Independent non-executive director  
**Nationality:** South African  
**Year of birth:** 1964 (58)

Elias Masilela joined the Sanlam Board in October 2019 and has served as Chair of the Board since June 2020. He was appointed due to his expertise in economics, policy, investments, general business, marketing, sustainability and empowerment.

Elias is Chairman of DNA Economics and Capital Harvest. He is also a member of the boards of MultiChoice Group, MultiChoice Holdings, Alternative Prosperity Holdings, Future Planet Capital in London, Strate Pty Ltd, BuMa Consulting as well as BuMa Investment Holdings.

A business leader of considerable impact and experience, over the past three decades Elias has held significant positions as CEO of the Public Investment Corporation, acting deputy director-general of economic policy in the National Treasury and director of research for the Central Bank of Swaziland. He was also a member of the boards of the South African Reserve Bank, the Government Employees Pension Fund, Airports Company SA and the United Nations Global Compact (UNGC). He was commissioner of the national planning commission for two terms and Chairman of the national advisory Board.

Elias holds a BA Social Science degree from the University of Swaziland, an MSc in Economic Policy and Analysis from Addis Ababa University as well as several professional certificates from Harvard University.



### 8. Thembisa Skweyiya

**Member of the Board:** Independent non-executive director  
**Nationality:** South African  
**Year of birth:** 1973 (49)

Thembisa Skweyiya was appointed to the Sanlam Board on 18 October 2022. She is an expert in several business sectors and fields that include mergers and acquisitions, private equity, development finance, empowerment transactions and structured corporate finance. She is a member of the Risk and Compliance committee, Customer Interest committee, Independent Non-Executive Directors committee and Non-Executive Directors committee.

Thembisa is also a director of Woolworths Limited. She assumed her first professional role in 1997 at White & Case in New York and moved to the Johannesburg office in 1998. She later joined CitiGroup as a resident vice-president in the corporate finance team before moving to Nedbank's structured and leveraged debt team as a senior transactor focusing on building the acquisition finance business. She joined Wipcapital as a manager of debt products in 2002 where she was involved in domestic and cross-border transactions exceeding R6 billion.

An admitted attorney of the New York State Bar (United States), she holds a BProc and LLB (University of KwaZulu-Natal), LLM (Harvard University) and HDip Tax (University of the Witwatersrand).



### 9. Mathukana Mokoka

**Member of the Board:** Independent non-executive director  
**Nationality:** South African  
**Year of birth:** 1974 (48)

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

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

She currently serves as an Independent non-executive director of Palabora Mining; Alviva Holdings (Pty) Ltd; Contract Services Group (CSG) Holdings; Stadio Holdings; Energy Partners and STRATE.





#### 10. Jacobus (Kobus) Möller

**Member of the Board:** Independent non-executive director  
**Nationality:** South African  
**Year of birth:** 1959 (63)

Kobus Möller was appointed to the Sanlam Board in January 2020. He is a qualified chartered accountant and holds a BCom (cum laude) from the University of Pretoria. He obtained a BCompt (Hons) (Unisa) and completed an advanced management programme at Harvard Business School.

Kobus chairs the Audit, Actuarial and Finance committee and is a member of the Risk and Compliance committee, Independent Non-Executive Directors committee and Non-Executive Directors committee. He also serves on the Actuarial Forum, and the clusters' Finance and Risk Forums (all sub-committees of the Audit committee).



#### 11. Patrice Motsepe

**Member of the Board:** Non-executive director  
**Nationality:** South African  
**Year of birth:** 1962 (60)

Dr Patrice Motsepe has been a member of the Sanlam Board since April 2004 and is deputy Chairman of Sanlam. He currently serves as a member of the Nominations committee, Non-Executive Directors committee and Human Resources and Remuneration committee.

Patrice holds a BA (Law) (University of Eswatini) and LLB (University of Witwatersrand). He has been awarded honorary doctorates by Stellenbosch University, University of Fort Hare, and University of Eswatini.

He is the founder and executive Chairman of African Rainbow Minerals (ARM). He is also founder and Chairman of Ubuntu-Botho Investments, African Rainbow Capital, African Rainbow Energy and Power, and UBI General Partners. In addition, he is the Chairman of Harmony Gold Mining Company.

In 2017, Forbes Magazine commemorated its 100th anniversary and honoured Patrice as one of the '100 Greatest Living Business Minds' in the world alongside Bill Gates, Warren Buffet, Jeff Bezos and others. In 2013, Patrice and his wife, Dr Precious Moloi-Motsepe, joined the Giving Pledge started by Warren Buffett and Bill and Melinda Gates. The Motsepe family committed to give half their wealth to the poor and for philanthropic purposes during their lifetime and beyond. In 2019, Forbes Magazine stated that US\$500 million was donated by the Motsepe family to the poor and for philanthropic purposes.

Patrice is a member of the Board of trustees of the World Economic Forum (WEF), the global network advisory Board of the WEF Centre for the Fourth Industrial Revolution and the WEF International Business Council (IBC), which comprises 100 of the most highly respected and influential chief executives from all industries. He is also a member of the Harvard global advisory council and the International Council on Mining and Metals (ICMM).

Patrice is president of the Confederation of African Football (CAF) and vice-president of FIFA.



#### 12. Abigail Mukhuba

**Member of the Board:** *Ex officio* executive director  
**Nationality:** South African  
**Year of birth:** 1979 (43)

Abigail Mukhuba was appointed to the Sanlam Board as an executive director in October 2020 when she assumed the role of Group Finance Director.

She joined Sanlam from African Rainbow Minerals Limited, where she was finance director. She has held senior financial positions at Exxaro Resources Limited, BMW SA and KPMG Inc.

Abigail is a qualified chartered accountant and holds the following qualifications: MBA (UCT), BCompt (Unisa), and MCom (South African and International Tax) and BCom (Hons) in Accounting (both from University of Johannesburg).

She is a member of the South African Institute of Chartered Accountants and the Institute of Directors South Africa.



### 13. Siphon Nkosi

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

**Nationality:** South African

**Year of birth:** 1954 (68)

Siphon Nkosi has been a member of the Sanlam Board since March 2006 and was appointed as an expert in governance, marketing and general business. He holds a BCom (University of KwaZulu-Natal), BCom (Economics)(Hons) (Unisa), MBA (University of Massachusetts, USA) and Diploma in Marketing Management (Unisa). He also completed the advanced management programme at the University of Oxford (UK) and received several accolades and awards throughout his professional career.

Following a distinguished career in mining, Siphon co-founded an investment holding company, Talent10 Holdings, in 2012, and currently serves as non-executive Chairman. He also assumed the role of Chairman of Sasol and SBI and was appointed a non-executive director on the boards of KZN Philharmonic Orchestra, Tronox and Partners for Possibility (PFP). He is a member of the risk committee of the council at the University of Witwatersrand. In previous years, he was country manager of ABB Alstom Power (SA) and was employed by Anglo Coal and Ingwe, after which he was appointed as Chief Executive of Exxaro Resources Limited. He is a past president of the Chamber of Mines of South Africa and has served on the executive council of the renamed Minerals Council of South Africa since November 2006. Prior to his appointment to the council, he played a meaningful role as a member of its collieries committee.



### 14. Karabo Nondumo

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

**Nationality:** South African

**Year of birth:** 1978 (44)

Karabo Nondumo joined the Sanlam Board in December 2015. She was then appointed to various board committees and currently serves as Chair of the SES committee, member of the Audit, Actuarial and Finance committee, Risk and Compliance committee, Independent Non-Executive Directors committee, Non-Executive Directors committee, Nominations committee and Human Resources and Remuneration committee. She is an expert in risk and compliance, accounting, governance, sustainability, human resources and remuneration.

Karabo also holds independent non-executive directorship roles in some Sanlam Group subsidiaries and is an independent non-executive director of Harmony Gold, MTN RwandaCell PLC, MTN Uganda Ltd, MTN Zambia Limited and Swazi MTN.

She is a chartered accountant and obtained her Bachelor's degree in Accounting from the University of KwaZulu-Natal and Higher Diploma in Accounting from Wits University.



### 15. Willem van Biljon

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

**Nationality:** South African

**Year of birth:** 1961 (61)

Willem van Biljon was appointed to the Sanlam Board in August 2021. He is a member of the Risk and Compliance committee, Customer Interest committee, Independent Non-Executive Directors committee and Non-Executive Directors committee. He is Chair of the Digital Transformation and IT Forum, a sub-committee of the Risk and Compliance committee. He holds a BSc (Hons) in Computer Science from the University of Cape Town. He is an expert in risk management, information technology and technology management.

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

Willem is a non-executive director of Entersekt Pty Ltd, BrandsEye Ltd (operating as DataEQ from 18 February 2022), TallOrder Pty Ltd and Clickatell Inc, where he is a member of its Audit committee and Chair of its ethics and social responsibility committee.



### 16. Johan van Zyl

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

**Nationality:** South African

**Year of birth:** 1956 (66)

Dr Johan van Zyl has been a member of the Sanlam Board since January 2016, and its immediate past Chairman. He is an expert in insurance, financial markets, investments, general business, human resources, marketing and international business.

He joined the Sanlam Group in 2001 as Chief Executive of Santam and was appointed Group Chief Executive officer of Sanlam in 2003, a position he held until 2015.

Johan is a non-executive director for Rain Group Holdings Pty Ltd, Blue Bulls Pty Ltd (where he is also Chairman), Neil Ellis Wines Pty Ltd and Aenigma Investments Holdings Pty Ltd. He holds directorships and associations in African Rainbow Capital, Ubuntu-Botho Investments and the Vumelana Advisory Fund, which he chairs. He is a former vice-chancellor and principal of the University of Pretoria.

He initially trained as an agricultural economist and holds a PhD in Economics and DSc in Agricultural Economics.



### 17. Heinie Werth

**Member of the Board:** Executive director

**Nationality:** South African

**Year of birth:** 1963 (59)

Heinie Werth has been a member of the Sanlam Board since October 2016. He is currently the Chief Executive officer of Sanlam Emerging Markets (SEM). He served as Group financial director from 2016 to 2019. He is a non-executive director of Shriram Capital Limited.

Heinie previously served as a non-executive director of Santam Ltd, SAHAM Finances (Morocco), Botswana Insurance Holdings, Sanlam Namibia and other subsidiaries in the SEM cluster. He has worked as a senior general manager (IT) at Sanlam Life, financial director at Sanlam Life and Sanlam Employee Benefits, manager: corporate finance at Gencor and financial director at Kelgran.

Heinie is an expert in accounting, finance, audit, financial markets and investments, governance, general business and risk management. He is a chartered accountant CA(SA) and holds a Bachelor of Accountancy (Hons) degree and an MBA from University of Stellenbosch, and Executive Development Programme (Manchester).



### 18. Shirley Zinn

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

**Nationality:** South African

**Year of birth:** 1961 (61)

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

Shirley is the independent Chair at the V&A Waterfront and serves as a director on the boards of The LRMG Pty Ltd, Tuesday Consulting, Empowerment Capital Investment Partners, MTN SA, NPI, Knowledge Resources, Business Engage, the Boston Consulting Group SA, the Spur Group and WWF South Africa. In addition, she is Chair of the Nedbank Eyethu Community Trust and a trustee on the Roeland Greaver Foundation.



## BOARD AND COMMITTEE MEETING ATTENDANCE FOR 2022

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

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

Attendance at Board and committee meetings in the 2022 financial year is shown below:

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

\* Non-executive director who was appointed as a member of the Board in 2022.

Several 'non-member' directors use the standing invite to also regularly attend committee meetings. External advisers and members of management attend Board and Board committee meetings by invitation.



# IMPLEMENTERS OF GOVERNANCE

Confidence Rule 30:

**TO PROTECT  
WHAT MATTERS,  
YOU NEED TO KNOW  
WHAT MATTERS.**

# IMPLEMENTERS OF GOVERNANCE

“Our Board committees operate effectively to assist the Board in discharging its obligations.”

## Committee profiles and composition

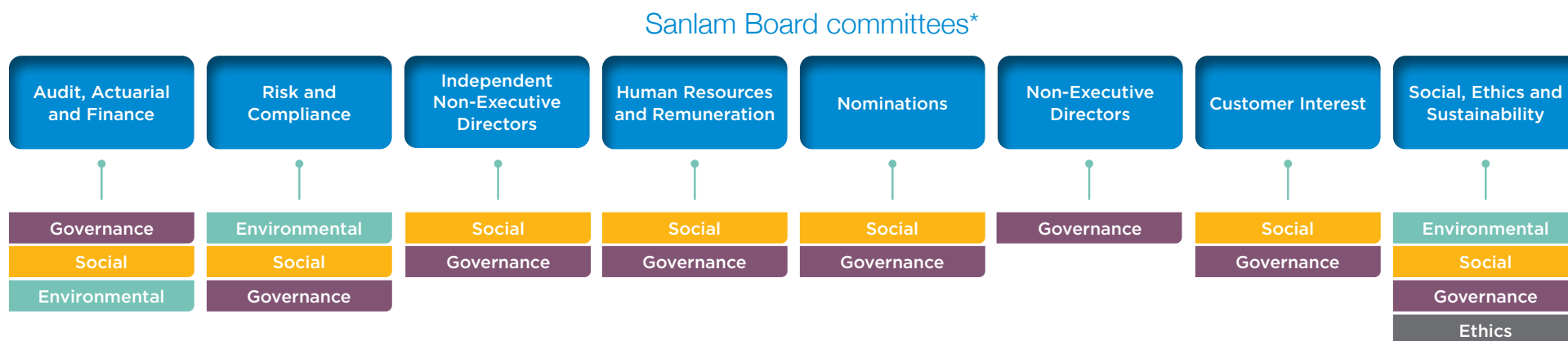
The Board established several permanent standing Board committees with specific responsibilities to assist the Board in discharging its obligations. The responsibilities of these committees are defined in their charters as approved by the Board. The Board accepts that it cannot abdicate its accountability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

There is full disclosure, transparency and reporting from these committees to the Board at each Board meeting. The Chairs of the respective Board committees also annually attend the AGM and are available to respond to any enquiries shareholders may raise.

All Board committees conducted an annual self-assessment to evaluate their effectiveness and procedures during the review period. For the 2022 financial year, an independent assessment provided an objective evaluation of Board-committee effectiveness. The outcome was reported to the Nominations committee, which considered it part of the performance review conducted on the Board and Board committees’ effectiveness.

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

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



\* Board Diversity: The target achieved during the 2022 financial year included women representing 33% of the Board by year-end.



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

### Members and dates of appointment

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

### Meetings

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

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

### Composition and role

In compliance with the requirements of the Companies Act, all members of the committee are independent non-executive directors and appointed annually by shareholders at the AGM for the following financial year. As at 31 December 2022, the committee consisted of five members with financial, actuarial and other relevant experience (as described in the committee charter).

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

The Actuarial Forum and the business clusters' Finance and Risk Forums function as sub-committees of the audit committee.

The Audit committee performed an annual evaluation of Sanlam's finance function. The committee executed this responsibility at its meeting in December 2022 and was satisfied that Sanlam's finance function had appropriate resources, skills, expertise and experience. The Audit committee also considered the outcome of the Group internal audit external quality assurance review conducted in 2022. The Audit committee confirmed that it was satisfied with the outcome.

As a standard protocol, the Sanlam Chief Audit Executive (André Nortier) is appointed and, if need be, removed by the Audit committee. He reports functionally to the Audit committee and administratively to the Group Finance Director. The designated individual continues to act as the head of the internal audit control function for the Sanlam Group. He has unfettered access to meetings, minutes, documentation and risk registers of Sanlam's businesses and functions. The Audit committee annually assesses the performance of the head of internal audit control.

### Audit, Actuarial and Finance committee key focus areas during the financial year

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

In the review period, the Audit committee evaluated his performance and expressed its comfort that the Chief Audit Executive has the necessary authority, competence, skills, expertise and independence to execute his duties. The committee further assessed whether the necessary arrangements are in place to ensure that the internal audit function, as a collective, is adequately resourced with the requisite skills required for effective governance, risk management and control. It reviews and approves the Group internal audit charter and considers each of the findings and overall conclusions of the internal audit functions. Overall, the Group internal audit function received a satisfactory external quality assurance review rating in 2022. The Audit committee also annually assesses the performance of the head of control: actuarial (Barry Laggar) and was satisfied that he has the necessary skills, expertise and experience to execute his duties.

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

One of the key aspects that the Audit committee attended to in the review period was to continuously ensure that the joint external auditors were executing their statutory duties independently and objectively. The committee is satisfied with the process followed and the collaboration between the joint external audit firms especially with regards to the onboarding of KPMG as the new joint auditor.

The Audit committee continues to closely monitor the rotation of EY and smooth transition of PwC as joint auditors with effect from 2023.

In accordance with the Board-approved non-audit services policy that governs the level and nature of non-audit services permitted by the Group's external auditors, the Audit committee considered the non-audit assignments performed during the report period, and has satisfied itself that the provision of those services did not impede on the independence of Sanlam's external auditors.

Having assessed their performance and being satisfied that they executed their duties independently and objectively, the Audit committee recommended to shareholders for approval at the 2023 AGM the reappointment of KPMG and PwC as well as the two designated registered auditors (KPMG: Pierre Fourie and PwC: Alsue du Preez) as Sanlam's joint external auditors for the 2023 financial year.

## Assurance and effective control

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

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

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

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

### The Audit committee report for the 2022 financial year

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

The Audit committee's roles and responsibilities are outlined in its Board-approved charter. Some of these functions are elaborated on in this report. It evaluated the Company's internal financial controls and has satisfied itself that there were no material breakdowns in these controls in the reporting period that impacted on the reasonability of financial reporting to stakeholders.

The committee is also satisfied that the joint external auditors have considered all significant matters concerning the Group's Annual Financial Statements and how, in response, these were addressed by the committee. Furthermore, the committee expressed its satisfaction with the independence of the joint external auditors and confirmed that they are able to conduct their audit functions objectively without any undue influence from the Company.

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

**Kobus Möller**

*Chair: Audit committee*

## Risk and Compliance committee

### Members and dates of appointment

- Andrew Birrell (member since 1 September 2019, Chair from 11 June 2020)
- Nicolaas Kruger (member since 10 June 2020, alternate Chair since December 2021)
- Mathukana Mokoka (14 March 2018)
- Kobus Möller (1 January 2020)
- Abigail Mukhuba (1 October 2020)
- Karabo Nondumo (1 January 2016)
- Willem van Biljon (2 December 2021)\*
- Thembisa Skweyiya (appointed 1 January 2023).

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

### Meetings

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

### Composition and role

As at 31 December 2022, the Risk and Compliance committee comprised six independent non-executive directors and one *ex officio* executive director (Group Finance Director). The committee's mandate is clearly defined in its charter, which is reviewed and approved by the Board annually. Its primary role is to advise and assist the Board in fulfilling its responsibilities for overseeing the design and implementation of the Sanlam Group's risk assurance framework and responsibilities. The committee primarily assists the Board with:

- maintaining an independent risk management function;
- determining the risk appetite and level of risk tolerance for the Group;
- setting and implementing the Group risk assurance framework and supporting policies;
- setting and implementing compliance-related policies;
- evaluating the adequacy and efficiency of the Group's risk management system, business continuity and emerging risk assessments;

- identifying the build-up and concentration of various risks to which the Group is exposed;
- establishing a process for appropriate risk disclosures to stakeholders;
- ensuring formal assessments of the Group's governance, Risk and Compliance management processes are undertaken; and
- overseeing IT governance, information management and security across the Group.

The committee also evaluates and considers several risk areas, including:

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

The performance of Sanlam's Group Chief Actuary and Chief Risk Officer, the head of control function of risk management, and head of control function of compliance are assessed annually. The Risk and Compliance committee confirmed its satisfaction with the outcome of the performance review conducted in the 2022 reporting period. It was confirmed that each function operates effectively and continuously supports the committee in responding to and executing its obligations.

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

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

## Effective and strategic risk management

The Board is responsible for the governance of risk. The Risk and Compliance committee advises and assists the Board in overseeing risk governance by setting the direction for how risk management should be approached and addressed at Sanlam. The Board approves the enterprise risk management policy and framework, reaffirming that Sanlam is committed to effective enterprise risk management in pursuit of its strategic goals.

The enterprise risk management process includes identifying key risks, which are monitored as part of a regular review of processes and procedures. This ensures the effectiveness of internal systems of control so that decision-making capability and the accuracy of reporting and financial results are maintained at a high level.

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

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

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

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



## Compliance management

One of the key roles of the Risk and Compliance committee is to advise and assist the Board in overseeing the governance of compliance by setting the direction for how compliance should be approached and addressed in the business.

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

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

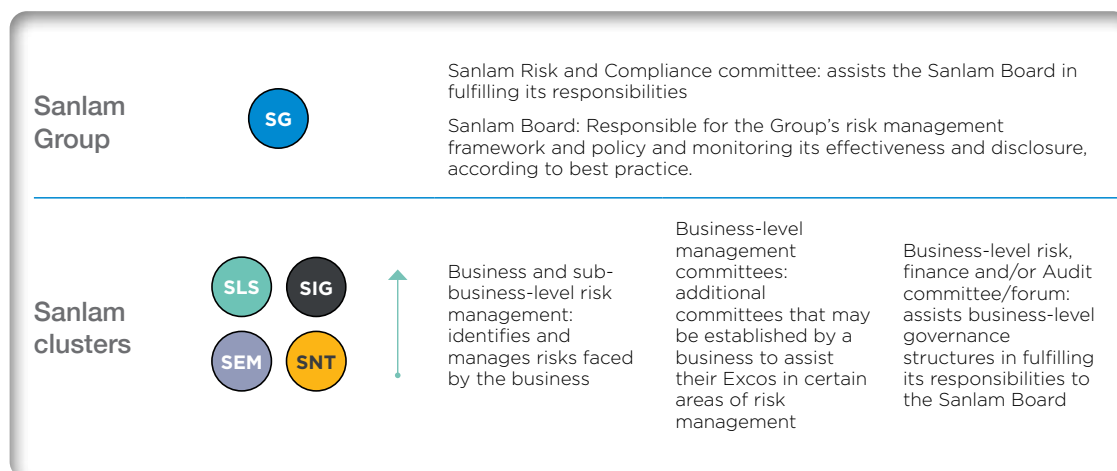
The committee also assists the Board in implementing a robust corporate culture of compliance for the Sanlam Group to execute its compliance strategy and stated compliance risk appetite. Management is responsible for ensuring the implementation of business objectives and strategies that are aligned to and affect the Group's compliance strategy and risk appetite.

The Group compliance function is responsible for promoting and monitoring the Group's compliance culture. The Group compliance officer (supported by various compliance functions in business clusters and units) also facilitates the management of compliance through analysing statutory and regulatory requirements and monitoring their implementation and execution.

The Risk and Compliance committee and Board receive regular reports on compliance matters through the Group compliance officer (Jacques Marnewicke), who is suitably skilled and experienced. He reports directly to Sanlam's Group Chief Actuary and Chief Risk Officer.

### Andrew Birrell

*Chair: Risk and Compliance Committee*



## Risk and Compliance committee key focus areas in the 2022 financial year

- Sanlam's response to the Covid-19 pandemic, modelling and scenario testing, and reviewing its impact on the Group's clients, employees and the business. The committee also paid specific attention to the resulting increase of cyber-related risks due to remote working conditions and monitoring that proper and effective internal controls were implemented to safeguard the business.
- Overseeing the implementation of balance-sheet management strategies, including optimising the required capital for South African life insurance subsidiaries.
- Receiving and reviewing ORSA reports in the Group, which includes cluster 'bottom-up' top risk identification as well as 'top-down' strategic risk reporting. The committee was satisfied with the effectiveness of the integrated approach and the balance between various internal and external assurance providers.
- Specific attention was given to the macro-outlook, geopolitical environment, the risk and implications of a potential Financial Action Task Force (FATF) greylisting, and oversight of the management of Sanlam's exposures.
- Overseeing risks associated with acquisitions, mergers and transition implementation.
- Commissioned a risk assessment of outsourced service providers to limit risk exposures and safeguard the business.
- With the support of the Digital Transformation and IT Forum, oversight of technology strategy execution across business clusters and monitoring the continuous advancement of the Group's defences against cybercrime.
- Overseeing the various control functions in alignment with requirements in Prudential Standard GO13.
- Reviewing Group policies relevant to IT, information and data management, information and cybersecurity, and digital end-user behaviour to ensure these remain adequate and effective to mitigate risks.
- Ongoing review of the Group's digital transformation strategy, influenced by Sanlam's heightened approach to digital transformation and ensuring the business adapts appropriately to the expectations of the Group's key stakeholders.
- Monitoring the Group's compliance management function and its response to regulatory compliance in the various jurisdictions Sanlam operates in. Effective escalation protocols are in place across the Group.
- Applying an oversight role to Sanlam's investment performance, together with the Customer Interest committee.
- Reviewing and considering the retail credit risk strategy.
- Incorporating ESG principles, including climate-change considerations, into the Group's approach to risk management and responsible investing.
- Evaluating the performance of the Group risk officer and the effectiveness and adequacy of the Risk and Compliance function in the reporting period.

## Human Resources and Remuneration committee

### Members and dates of appointment

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

### Meetings

The Human Resources and Remuneration committee meets quarterly, and met five times in the review period. In the 2022 financial year, meetings were also attended by the Group Chief Executive, Group Finance Director, Group human resources director (acting Group human capital executive from 1 October 2022), and head: Group rewards.

These individuals participated in meetings as invitees and did not exercise any voting rights or decision-making powers. In addition, Johan van Zyl and Anton Botha attended committee meetings as standing invitees in 2022. This was mainly to ensure continuity and due to their knowledge and expertise on established Group remuneration practices and structures.

### Committee composition and role

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

The committee is also responsible for the remuneration strategy of the Group, approving guidelines for incentive schemes and the annual determination of remuneration

### Human resources and remuneration committee key focus areas in the financial year

- A comprehensive benchmarking exercise was conducted on non-executive directors' fees, after which a recommendation was made to shareholders for approval at the 2023 AGM.
- The committee approved that ESG metrics will comprise 10% of Group Exco's annual performance scorecard from 2023, which includes people and culture metrics.
- Another key remuneration decision was to discontinue awards of deferred share plan shares (DSPs) to senior management from 2023; for historical DSPs, strategic and individual (non-financial) metrics will be considered for vesting. This was to ensure alignment to Sanlam's pay-for-performance principle.
- Consideration of the draft governance and operational standards for insurers and insurance groups, governed by the FSCA and the requirements imposed by the PA's Governance and Operational Standards for Insurance Groups and Insurers.
- A review of progress against Sanlam's employment equity and transformation targets and plans.
- Considering core human resources-related risks across the Group, which include Covid-19 arrangements, people development, talent management and succession planning.
- Considering and reviewing the Group's diversity, equity and inclusion framework to drive and influence the Group's strategic pillar of transformation.
- Evaluating Sanlam's employment equity plan, developed according to legislative requirements and best practices.
- Considering proposed amendments to the Companies Act on remuneration and extensive pay-gap disclosure requirements.
- Reviewing the Group's approach to 'new ways of work' in response to Sanlam's hybrid operating environment.
- Facilitating and overseeing the recruitment processes for the Group Executive: human capital, who assumed his new role from 1 January 2023. Sana-Ullah Bray succeeded Jeanette Modise, who resigned on 30 September 2022. The committee also exercised an oversight role on the Group Company Secretary's appointment and other Group executive organisational changes.
- Responding to shareholder recommendations on Sanlam's remuneration policy that was presented for approval at the 2022 AGM.
- Reviewing Sanlam's corporate values and the outcome of the culture survey. Received regular feedback on the Group's culture journey.
- Reviewing the Group's reporting and disclosure on remuneration aspects to simplify the content while enhancing transparency.
- Ensuring appropriate steps are taken to attract, recruit, develop and retain key talent that is required to enable the Group to execute its Board-approved corporate strategy. This includes succession planning and talent retention, considering the organisational and structural changes in 2022.

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

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

In line with King IV™ recommendations, the Company's remuneration policy is annually tabled to shareholders for a non-binding advisory vote at its AGM. This vote enables shareholders to express their views on the Group's remuneration policies and their implementation. Sanlam supports the benefit of an advisory vote, which aims to promote constructive dialogue between Sanlam and its shareholders. It also highlights the compensation criteria of interest to investors, such as linking performance and strategy.

At the AGM in 2022, Sanlam's shareholders endorsed the Company's remuneration policy. However, we continue to invite shareholders to individual engagements to discuss specific concerns and/or enquiries relating to the implementation report.

Read more in the Remuneration Report that forms part of the 2022 Sanlam reporting suite.

#### **Shirley Zinn**

*Chair: HR and remuneration committee*

## Nominations committee

### Members and dates of appointment

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

### Meetings

The Nominations committee meets at least four times a year, and met five times in the review period. During the 2022 financial year, meetings were also attended by other members of the Board (Johan van Zyl and Sipho Nkosi) and the Group Chief Executive. These three individuals attended and participated in meetings as invitees.

### Committee composition and role

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

To ensure business continuity, succession planning is regarded as a key focus area across the Group and at Board and Board committee level. Therefore, the committee assists the Board in reviewing succession planning annually and includes the identification, mentorship and

development of future candidates. Given the outcome of the 2022 review, the Board confirmed it was satisfied that the current talent pool available in the Group and the work being done to strengthen it give Sanlam a Group of candidates with the necessary skills and experience to fill any vacancies that may arise in the short and long term.

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

### Nominations committee key focus areas in the 2022 reporting period

- Reviewing the composition of the Board, its committees and the clusters' governance structures.
- Facilitating the annual Board-evaluation process.
- Facilitating and overseeing selection and recruiting processes that resulted in a new independent non-executive director's appointment in 2022, the appointment of the Group Executive: human capital and the Group Company Secretary (the latter two appointments are effective from 1 January 2023).
- Considering Sanlam's policy on the promotion of diversity attributes at Board level, which was reviewed in alignment with the JSE Listings Requirements.



## SES committee

### Members and dates of appointment

- Karabo Nondumo (member and Chair since 11 June 2020)
- Mathukana Mokoka (member since 9 December 2020, alternate Chair since December 2021)
- Kobus Möller (11 June 2020)
- Rejoice Simelane (5 September 2006 to 18 March 2022)\*
- Jeanett Modise (1 January 2021 until 30 September 2022)\*
- Ebenezer Essoka (8 September 2021)

\* *Resigned*

### Meetings

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

- The Group Chief Executive.
- The Chief Executive: Group brand.
- The Group compliance officer.
- The head: Group sustainability.
- The head of the Sanlam Foundation.
- The Group Executive: market development and sustainability.
- The heads of business clusters (as required).

Meetings are held at least once per quarter. In the review period, five meetings were held.

### Committee composition and role

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

The committee's composition includes a majority of independent non-executive directors (four members), one non-executive director (who resigned on 18 March 2022) and one executive director who resigned on 30 September 2022. Its primary role is to monitor Sanlam's activities regarding ethics and compliance management, social and economic development, good corporate citizenship, stakeholder relations, the environment, the health and safety of Sanlam's employees, transformation, diversity, and other labour-related aspects. The committee also considers and reviews Sanlam's social, ethics and sustainability strategies annually.

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

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

#### **Karabo Nondumo**

*Chair: SES committee*

### SES committee key focus areas in the financial year

- Considered the impact of the prolonged pandemic on employees, clients and other key stakeholders. Implemented a mandatory Covid-19 vaccination policy.
- Environmental performance against corporate targets.
- Sustainability reporting and disclosure on material non-financial aspects.
- Maintaining a heightened approach to governance, ethics management, and compliance and risk management processes. The committee receives regular reports on each of those items.
- Reviewing the Group's sustainability strategy, and making a recommendation to the Board for its approval.
- Reviewing the Group stakeholder management policy to ensure it remained relevant and appropriate.
- Review the stakeholder relations strategy to ensure alignment with the outcomes of the stakeholder perception survey.
- Considering the risks and opportunities associated with the committee's mandate and key deliverables, including reviewing emerging risks continually.
- Endorsed proposed amendments in the climate-change resilience report and recommended same to the Board for approval.
- Exercising an oversight role over the Group's 'new ways of work' initiatives and its culture journey assessment in 2022. The insights shared by stakeholders assisted the Group in obtaining a better understanding of a culture that could enable and complement the Group strategy.
- Influencing the Group's investment mandate and policy to ensure Sanlam practices responsible investment principles. The objectives include promoting good governance principles and decision-making, including creating value through the companies and initiatives in which Sanlam invests.
- Oversight of ESG matters, namely the implementation of the newly approved Group sustainability strategy and setting key metrics with business clusters; review and approval of Sanlam's TCFD report; identifying and reviewing the Group's exposure and response to climate-related risks; and publishing Sanlam's 2021 carbon footprint report in March 2022.
- The 2022 S&P Global Corporate Sustainability Assessment began in April 2022 and positioning sustainability as a key feature of Sanlam's 'Equity Story' via Project Lift-Off.
- Ensured topical issues were presented on a range of matters, including global reporting trends and convergence relevant to ESG reporting and disclosure requirements with a view to adopting the so-called double-materiality principle.
- Other topics included an overview of digital marketing trends, the metaverse and its impact on the financial services industry; as well as money laundering in the financial sector. These presentations were conducted via webinar and well attended by Sanlam directors and members of management.
- Performed a self-assessment of the committee's effectiveness. No concerns were raised.

## Customer Interest committee

### Members and dates of appointment

- Nicolaas Kruger (member and Chair since 10 June 2020)
- Mathukana Mokoka (member since 11 June 2020, alternate Chair since December 2021)
- Elias Masilela (1 October 2019)
- Andrew Birrell (10 March 2021)
- Ebenezer Essoka (7 December 2021)
- Willem van Biljon (10 September 2021)
- Thembisa Skweyiya (appointed 1 January 2023)

### Meetings

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

### Committee composition and role

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

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

<b>Outcome 1:</b>	Customers are confident that they are dealing with firms where the fair treatment of customers is central to the entity's culture.
<b>Outcome 2:</b>	Products and services marketed and sold in the retail market are designed to meet the needs of identified customer Groups and are targeted accordingly.

<b>Outcome 3:</b>	Customers are given clear information and are kept appropriately informed before, during and after the time of contracting.
<b>Outcome 4:</b>	Where customers receive advice, the advice is suitable and takes account of their circumstances.
<b>Outcome 5:</b>	Customers are provided with products that perform as firms have led them to expect, and the associated service is both of an acceptable standard and what they have been led to expect.
<b>Outcome 6:</b>	Customers do not face unreasonable post-sale barriers to change a product, switch from a provider, submit a claim or lodge a complaint.

Accordingly, the committee continuously monitors how effectively Sanlam meets its obligations to its clients. It also has ongoing oversight of Sanlam's approach to managing market conduct and compliance-related risks. In addition, it considers Sanlam's product performance, including client or policyholder investment performance relative to appropriate benchmarks.

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

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

#### Nicolaas Kruger

*Chair: Customer Interest committee*

### Customer Interest committee key focus areas in the financial year

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

## Non-Executive Directors committee

### Members and dates of appointment

- Andrew Birrell (1 September 2019)
- Anton Botha (8 March 2006)
- Nicolaas Kruger (10 June 2020)
- Elias Masilela (member since 1 October 2019; Chair since 11 June 2020)
- Mathukana Mokoka (14 March 2018)
- Patrice Motsepe (1 April 2004)
- Sipho Nkosi (8 March 2006)
- Karabo Nondumo (4 December 2015)
- Kobus Möller (1 January 2020)
- Johan van Zyl (19 January 2016)
- Shirley Zinn (6 December 2018)
- Ebenezer Essoka (18 June 2021)
- Willem van Biljon (13 August 2021)
- Ndivhuwo Manyonga (06 December 2021)
- Thembisa Skweyiya (18 October 2022)

### Meetings

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

### Committee composition and role

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

## Independent Non-Executive Directors committee

### Members and dates of appointment

- Elias Masilela (member since 1 October 2019; Chair since 11 June 2020)
- Andrew Birrell (1 September 2019)
- Nicolaas Kruger (10 June 2020)
- Mathukana Mokoka (14 March 2018)
- Kobus Möller (1 January 2020)
- Karabo Nondumo (4 December 2015)
- Shirley Zinn (6 December 2018)
- Ebenezer Essoka (18 June 2021)
- Willem van Biljon (13 August 2021)
- Ndivhuwo Manyonga (6 December 2021)
- Thembisa Skweyiya (18 October 2022)

### Meetings

The Independent Non-Executive Directors committee meets when required. In the 2022 financial year, it met four times.

### Committee composition and role

The committee's responsibilities and duties are to:

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

### Independent Non-Executive Directors committee key focus areas in the financial year

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

### Ad hoc Board committees

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

### Director's Fees

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

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



## Sanlam's Group Exco and Group office functionalities

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

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

A centralised Group office supports the Group Chief Executive and the respective businesses, mainly by performing the following functions:

- Strategic direction, coordinating and collaboration and liaising with key stakeholders.
- Encouraging innovation and seeking synergies.
- Performance monitoring and reporting.
- Providing assurance.
- Allocating capital.
- Rendering support services to business clusters across the Group.

Group Exco's composition exemplifies its responsibilities to execute on strategic deliverables, while striving to be reflective of its workforce and the broader society in which Sanlam operates.

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

In terms of leadership changes, Ms Jeanett Modise, Human Capital Director and Mr Sydney Mbhele, Group Executive: Brand and Marketing resigned from office effective 31 December 2022. Mr Wikus Olivier resigned from his role as Group Executive: Strategy to take up a new position within the Sanlam Group. To reaffirm the Group's commitment to developing talent and succession planning, the Group Executive: human capital and Group Company Secretary positions were filled from the internal leadership talent pool. Mr Sana-Ullah Bray was appointed Group Executive: Human Capital on 1 January 2023. The role of Group Executive: brand and marketing was absorbed in the existing leadership structure to drive efficiencies and focus.

Various governance structures across the Group (not all statutory) exist for the business clusters. These cluster governance structures have committees and forums with a specific mandate, role and set of responsibilities.

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

The Board is satisfied that the delegation of authority framework, which is reviewed regularly, contributes to role clarity and makes it possible to effectively exercise decision-making powers and responsibilities. Sanlam's business approach requires that each business cluster operates in concert with its underlying business units. However, all entities in the Group are required to endorse the recommended practices of King IV™.

All business clusters and governance structures in the Group are supported by clear approval frameworks and agreed business principles to ensure a coherent and consistent application of the Group's governance approach across the businesses.

## Group Exco

### Committee composition and role

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

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

To ensure that Group Exco (as a collective) is able to deliver its mandate, it is fundamentally important that individuals appointed to this committee have the requisite skills, expertise, attributes and experience. The Group Chief Executive serves as the Chair of Group Exco. As at the date of publication, the following 11 executives served as members of the committee.

### Members of Group Exco

- Paul Hanratty (*ex officio* executive director and Group Chief Executive)
- Abigail Mukhuba (*ex officio* executive director and Group Finance Director)
- Heinie Werth (executive director and Chief Executive: SEM)
- Sana-Ullah Bray (Group Executive: human capital with effect from 1 January 2023)
- Tava Madzinga (Chief Executive: Santam Limited)
- Anton Gildenhuys (Chief Executive: SA Retail Affluent)
- Bongani Madikiza (Chief Executive: SA Retail Mass)
- Lotz Mahlangeni (Group Chief Actuary and Chief Risk Officer)
- Kanyisa Mkhize (Chief Executive: Sanlam Corporate)
- Karl Socikwa (Group Executive: market development and sustainability)
- Carl Roothman (Chief Executive: Sanlam Investments)

### Meetings

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

## Sanlam's Group and cluster governance

Following a comprehensive review of the Group and cluster governance structures in the previous reporting period, enhanced governance structures were introduced and embedded across the Group. The quarterly business review forums, cluster Finance and Risk Forums (sub-committees of the Audit committee) and the Digital Transformation and IT Forum (sub-committee of the Risk and Compliance committee) are well-established structures with robust and focused mandates within which oversight responsibilities are executed.

### Group Executive committee (Group Exco)

Four business clusters supported by the Group Office

 <p><b>Sanlam Life and Savings</b> SA Retail Mass SA Retail Affluent Sanlam Corporate</p>	 <p><b>Sanlam Emerging Markets</b></p>	 <p><b>Sanlam Investment Group</b></p>	 <p><b>Santam</b></p>	 <p><b>Group Office</b></p>
 <p><b>SLS</b> provides financial planning and advice, insurance and investment products to retail and institutional clients. In addition, the cluster offers credit and health solutions in South Africa. The cluster relies on its advice, distribution capabilities, digital tools, and channels to provide its comprehensive solutions through an ecosystem that also rewards loyalty and encourages long-term thinking. Focusing on strategic partnerships and continuous innovation allows SLS to increase its reach and scale to meet more of its clients' needs.</p>	 <p><b>SEM</b> houses our financial services operations outside our home market of South Africa. SEM consists of Sanlam Pan-Africa and our operations in India and Malaysia. SEM leverages its local partnerships and shared-value model to build successful businesses and contribute to community upliftment and economic development in the countries where it operates. By operating in geographies that have poor access to financial services products, SEM is promoting financial inclusion. Through its diverse distribution platform and product offering, SEM gives millions of people access to a growing range of simple and relevant financial services solutions.</p>	 <p><b>SIG</b> offers a broad range of specialised investment management, credit and risk management expertise to retail and institutional clients in Africa and the UK. SIG supports Sanlam's purpose through its superior solutions, extensive product range and strong track record of investment performance. The cluster's impact-investing initiatives contribute to a better future for the societies where it operates. Sanlam Investments, one of South Africa's largest black-owned asset managers, is committed to transformation while supporting access to cost-effective financial solutions and a diversity of asset classes.</p>	 <p><b>Santam</b> is a proudly South African general insurance group with a growing international presence. It offers a range of policies against property damage, motor accidents, loss of income, crop losses and catastrophe loss. Santam's primary function is to displace risk so that clients' insured losses are paid out of invested premiums. Clients live with confidence, knowing their assets are protected and insured.</p>	 <p><b>Group Office</b> supports the Group Chief Executive and respective businesses, and mainly performs the functions of strategic directing, co-ordinating, encouraging collaboration, seeking synergies, performance monitoring and reporting, providing assurance, allocating capital, and rendering support services to clusters across the Group.</p>



# TECHNOLOGY AND INFORMATION MANAGEMENT

Confidence Rule 50:

**THE BEST  
THINKING  
IS FUTURE THINKING.**

# TECHNOLOGY AND INFORMATION MANAGEMENT

“Sanlam has a high level of maturity in IT governance, combatting financial crime and adapting to new regulations.”

## Information management and information technology (IIT) governance

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

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

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



## IIT oversight relates to the following elements:

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

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

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

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

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

## Focus areas in 2022

- Due to digital technology advances, a heightened approach was adopted on digital transformation to ensure the Group continues to meet its clients' expectations and needs.

- Reviewing and executing the Group's technology strategy.
- The Group's system of governance, its IT policy framework and guiding artefacts were significantly revised, resulting in the development of new Group policies for IT, information and data management, information and cybersecurity, and digital end-user behaviour, all reviewed annually.
- Ongoing focus on enhancing the effectiveness of the Group's internal controls.
- The impact of Covid-19, data privacy and cybersecurity threats is closely monitored.
- Ongoing initiatives and IT resources are in place to ensure Sanlam continues to operate effectively in the hybrid operating environment.
- Addressing systems architecture complexity and entrenching a culture of sharing digital initiatives across the Group and creating synergies.
- Improving business intelligence and the Group's analytics capability.
- Ensuring compliance to applicable regulatory requirements.
- Reviewing and improving centralised information security capability with a focus on cyber-resilience.
- Benchmarking the shared IT infrastructure division and implementing key actions aimed to enhance efficiencies.
- Simplifying the management of legacy products and platforms by considering a combination of product conversions, modernisation and/or platform renewal.
- Enhanced digital focus combined with the need to prioritise implementation of regulatory projects while effectively managing resources in alignment with strategic objectives.
- While the Group remains focused on exploiting digital opportunities and embracing innovative ways of doing business, the Group continues to position itself digitally.

## IIT governance performance monitoring

The Group's shared IT division, Sanlam Group Technology, reports progress on executing the Group's technology strategy via a scorecard linked to management's key performance areas and annual performance bonuses. All clusters in the Group report on their execution of the Group's technology strategy annually and the effectiveness of technology management to their respective cluster governance structures and oversight committees.

## Planned areas of future focus

Guided by the Group's approach to digital transformation, regulatory developments, Sanlam's technology strategy and its exposure to risk, the focus will be on key aspects:

- Further execution of the Group's technology and digital transformation strategy in alignment with Sanlam's Group strategy.
- Continuously improving Sanlam's regulatory compliance capabilities.
- Establishing and maintaining effective cloud-sourcing capabilities.
- Developing coherent target technology architectures for digital technologies and initiatives.
- Improving core capabilities for authenticated self-service platforms for clients.
- Continuously improving the Group's cyber-resilience service and reviewing the effectiveness of internal controls.

# RESPONSIBLE INVESTMENT

A man and a woman are smiling and looking at a document together. The woman is in the foreground, wearing a grey sweater, and the man is behind her, also smiling. They appear to be in a professional setting, possibly a meeting or a collaborative work environment. The background is slightly blurred, showing what might be office windows or a modern interior.

Confidence Rule 47:

**A SUSTAINABLE  
FUTURE IS THE BEST  
LONG-TERM INVESTMENT  
YOU CAN MAKE.**

# RESPONSIBLE INVESTMENT

As institutional investors, Sanlam must act in the best long-term interests of its clients. The Board has an oversight role and exercises its responsibility, rights and obligations through elected representatives in the various companies it has invested in. It is ultimately accountable to ensure that the Group promotes good governance by investing responsibly. The Board achieves this through its Group Exco and the governance structures in each business cluster. The business clusters' ExcOs are responsible for ensuring that Sanlam's investments are managed according to the policies and Board-approved investment mandates. The Board requires that these governance practices should always promote responsible investment, achieve good governance, promote an ethical culture and enhance effective control, good performance and legitimacy. Examples of responsible investments include investing in support of economic growth and financial stability.

Sanlam (through the auspices of the mandate delegated to the Sanlam Investment Group) subscribes to the Code for Responsible Investing in South Africa (CRISA), launched in 2011. CRISA encourages institutional investors and service providers to integrate ESG issues in their investment decisions. The revised code was launched in 2022. Sanlam's internal governance structures' terms of references will be reviewed during its 2023 annual review processes to ensure alignment with CRISA 2.

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

Sanlam continues to integrate the principles below relevant to responsible investment. These were developed by an international group of institutional investors who reflected on the increasing relevance of environmental, social and corporate governance issues to investment practices.

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

Read more about Sanlam's approach and response to responsible investment in our Sustainability Report and Sanlam Investment Group's stewardship report.





# REGULATIONS AND OTHER

Confidence Rule 20:

**PREPARATION  
IS ALWAYS THE  
BEST PREPARATION.**



# REGULATIONS AND OTHER

## Regulation

### New regulatory developments

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

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

### A zero-tolerance approach to financial crime

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

Although this Group policy does not prescribe the establishment of a dedicated forensics or financial crime-combating function, the cluster chief executives are held responsible for its implementation in their businesses.

Currently, the Sanlam Life and Savings cluster and the Santam cluster have dedicated forensic functions as these clusters represent areas where the highest volumes of incidents are likely to occur. They maintain statistics on financial crime incidents and actions taken in response. The remaining clusters in the Group deal with financial crime as part of their broader risk management business practices.

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

Anti-money-laundering and countering the financing of terrorism (AML/CFT) remains a focus area for Sanlam (and regulators globally). As a result, the Group deployed several solutions that form the foundation of its response to regulatory requirements to ensure compliance with AML/CFT measures and enforce targeted financial sanctions. As such, a heightened approach was adopted to enhance the level of scrutiny in onboarding new clients and transactions with existing clients.

The Board is pleased to report that no material losses were suffered in the reporting period due to fraudulent activities.

## Other

### Political party support

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

## Stakeholder inclusivity

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

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

Sanlam's investor relations team facilitates communication with Sanlam's institutional shareholders and the investment community. A comprehensive investor relations programme is in place to ensure that appropriate communication channels are maintained with domestic and international institutional shareholders, fund managers and investment analysts. The executive head: investor relations provides dedicated services to the Group and ensures interactive engagements with Sanlam's investor constituencies.

Further details on Sanlam's approach to stakeholder management and an overview of some initiatives embarked on in the 2022 reporting period are available in the reporting suite and published on the investor relations website.

# APPLICATION OF KING IV™ PRINCIPLES

A man with a grey beard and hair, wearing a blue athletic shirt, is shown in profile drinking from a clear plastic water bottle with a blue lid. The bottle contains a pinkish liquid. The background is blurred, suggesting an indoor setting like a gym or office. The image is framed by white geometric lines.

**Confidence Rule 65:**

**INVESTMENTS ARE  
LIKE PRINCIPLES.  
IT ALWAYS PAYS TO  
STICK TO THEM.**


## KING IV™ APPLICATION PROCESS


The Board of directors of Sanlam (the Board) is pleased to confirm that during the reporting period (1 January 2022 – 31 December 2022), implementing and promoting sound corporate governance practices continued to form an integral part of the Sanlam Way. This was evident in the way it conducted its business and illustrated the Group’s ongoing commitment to continuous improvement and alignment to sound corporate governance business practices.

In line with the Group’s robust approach towards corporate governance, specific key deliverables and actions have been identified during the period under review. Significant progress had been made in the execution thereof which assisted the Group to, among other things, ensure compliance with the principles and recommended practices as outlined in King IV™.

## LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP


### Leadership

Principle	Applied	Sanlam comments
<p><b>Application of Principle 1</b> “The governing body should lead ethically and effectively”</p>		<p>Sanlam focuses on developing stakeholder trust by conducting business ethically and professionally. Ethical leadership, therefore, forms an integral part of the Sanlam Board’s (the governing body) approach towards ethical and sound corporate governance practices. The Board comprise a diverse group of skilled individuals who each contributes towards the competencies required to fulfil and discharge its duties in an ethical manner. It exercises effective and ethical leadership by promoting good corporate governance practices and honouring their fiduciary duties (i.e. collectively and individually).</p> <p>The Board’s primary role and responsibilities are outlined in Sanlam’s Memorandum of Incorporation (MOI) and the Board’s charter. The members of the Board, furthermore, act in good faith and in the best interests of Sanlam and all its stakeholders. It assumes responsibility and accountability for steering and setting Sanlam’s strategic objectives, approving policies and procedures, overseeing the monitoring and execution thereof by management as well as ensuring accountability for optimal organisational performance.</p> <p>The Board charter and its annual plan, which are both reviewed on an annual basis, guide the Board in a structured manner to ensure that each of its core deliverables are attended to. It also outlines the process for policies and practices such as dealing in securities, the declaration of conflicting interests and those matters delegated to management.</p> <p>The Board, through the office of the Company Secretary, duly considers and deliberates each declaration of interest that is declared as and when a perceived, actual or potential conflict of interest occur. Sanlam’s directors, its executives and senior employees are prohibited from dealing in Sanlam securities during specified periods. A report on directors’ dealings in Sanlam’s shares is also tabled at each Board meeting and publicly disclosed in terms of the applicable JSE Listings Requirements. See pages 19 to 24 for additional information on the Sanlam Board.</p>

Principle	Applied	Sanlam comments
<p><b>Application of Principle 2</b></p> <p>“The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture”</p>		<p>The Board is committed to ensuring that Sanlam’s strategy is executed based on an ethical foundation that supports the business in a sustainable way. The Group Governance Policy and the Board authorisation framework (which are reviewed on a regular basis), outline the Company’s corporate governance principles as well as the business’s operational and authorisation requirements. In addition, it provides for those matters that are reserved for the Board’s decision-making authority, to enable the Board to exercise effective control and govern the business in an ethical manner.</p> <p>The Board continues to exercise ongoing oversight responsibility for setting and guiding Sanlam’s ethical values and how it conducts business. This underpins Sanlam’s continuous and consistent strive to operate as a responsible corporate citizen. Even though the Board, as a collective, remains accountable for the application of ethics across the Group, it delegated the governance of ethics including the monitoring and implementation of Sanlam’s activities against the Code of Ethical Conduct (the Code), to the Social, Ethics and Sustainability committee. This committee is a statutory governance body and required to report at every Board meeting on the activities and actions that were executed in line with its Board-approved mandate and statutory obligations.</p> <p>In addition, the Group Ethics committee, which operates as a sub-committee of the Sanlam Group Executive committee (Group Exco) is chaired by the Company Secretary. It includes representatives of all the business clusters and the Group office and it meets every quarter to discuss ethics-related aspects, trends, challenges, feedback from cluster representatives, and the outcome of climate surveys. The Group Ethics committee also submits quarterly reports on material ethics-related aspects to the Social, Ethics and Sustainability committee. The key areas of focus that are relevant to the period under review, are reported on in further detail in the Sustainability Report and are also summarised in the Sanlam Governance Report. The Code is available on Sanlam’s website. More importantly, the Code has been incorporated and referred to in Sanlam’s employment contracts, agreements entered into with independent contractors, agents, service providers and business partners – i.e. irrespective of their status being classified as a natural person, a legal entity or another category. Through the Code, the Board ensures that all Sanlam’s stakeholders are guided regarding the Group’s approach towards ethical conduct. The code is regularly reviewed to ensure that it remains relevant to all environments and markets in which the business operates.</p> <p>Sanlam’s ethics-related processes, including its whistle-blowing protocols, are carried out diligently. An external service provider manages Sanlam’s ethics reporting hotline independently on Sanlam’s behalf. This was specifically designed as a platform and an enabler to monitor and investigate ethics-related breaches and fraud incidents anonymously. The service extends to all Sanlam businesses in and outside of South Africa and in most of the primary languages of the jurisdictions within which Sanlam operates. In addition to this facility, several Sanlam Emerging Markets (SEM) businesses operate their own whistle-blowing lines.</p> <p>Dedicated efforts are furthermore made on a continuous basis to create awareness and visibility of the relevant protocols and enablers. The latter, including Sanlam’s internal controls that are designed to detect, prevent and respond to ethical breaches and anti-corruption conduct, all contribute to an enhanced and effective ethical culture throughout Sanlam.</p>



## Responsible corporate citizenship

Principle	Applied	Sanlam comments
<p><b>Application of Principle 3</b></p> <p>“The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen”</p>		<p>In accordance with the Board's responsibility to ensure that Sanlam conducts itself as a good corporate citizen, the Board continues to provide strategic support to management in implementing the strategy through ongoing, regular interaction and progress evaluations. The objective remains to create value for all Sanlam's stakeholders in a sustainable manner while balancing the needs and expectations of the Company's diverse group of stakeholders.</p> <p>At Sanlam we believe that developing and maintaining healthy relationships with our stakeholders results in increased trust, especially in challenging times. It is therefore important that we continuously invest in identifying and building stakeholder relationships that increase confidence across the Group, minimise uncertainty, and effectively navigate dynamic challenges such as the macro-outlook, geopolitical environment, the impact of the Covid-19 pandemic, the KZN floods and supporting the fire department with disaster management.</p> <p>The Board, with the assistance of the Social, Ethics and Sustainability committee, the Human Resources and Remuneration committee and the Risk and Compliance committee, oversees and monitors all Sanlam's processes and its activities that are associated with its corporate citizenship responsibilities. This is measured against pre-determined performance targets agreed with management, in support of Sanlam's strategic objectives.</p> <p>The key focus areas during the reporting period are outlined in the Social, Ethics and Sustainability committee report (which is disclosed on page 34) as well as the Sanlam Remuneration Policy and Sanlam Remuneration Implementation Report that are tabled annually to shareholders for a non-binding advisory vote.</p> <p>At each annual general meeting (AGM), Sanlam's securities holders each receive an opportunity to voice any concerns or challenges that they might have, which the Sanlam Board would take into account when considering the Company's remuneration policy. In addition, the Chair of the Social, Ethics and Sustainability committee attends the AGM with the objective to respond to any enquiries or questions that shareholders and/or other stakeholders might have regarding how Sanlam conducts itself as a responsible corporate citizen.</p>

# STRATEGY, PERFORMANCE AND REPORTING

## Strategy and performance






Principle	Applied	Sanlam comments
<p><b>Application of Principle 4</b></p> <p>“The governing body should appreciate that the organisation’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process”</p>		<p>The Board reviews and approves Sanlam’s strategy on an annual basis. It acknowledges its responsibility to ensure that Sanlam’s strategic objectives are aligned to the Group’s vision, purpose and values. The process that outlines how Sanlam creates value for its stakeholders is explained in further detail in the annual reporting suite.</p> <p>The Board, with the support and assistance of its committees, monitors the execution of the Group’s strategy. It also ensures on a continuous basis that Sanlam’s core purpose, the risks and opportunities that the Company might be exposed to, its business model, its strategic objectives and performance are all inseparable in creating value for its stakeholders.</p> <p>The Board is also committed to making sure that Sanlam takes responsibility and accounts for its performance. This includes the targets that were agreed upon over the short, medium and long term. To this end, the Board provides assurance that Sanlam’s reports and disclosures are credible, accurate and enable stakeholders to make an informed assessment of the Group’s performance and how it conducts its business. More details of Sanlam’s performance in response to its strategic objectives are reported in the annual reporting suite.</p>

## Reporting

Principle	Applied	Sanlam comments
<p><b>Application of Principle 5</b></p> <p>“The governing body should ensure that reports issued by the Company enable stakeholders to make informed assessments of the organisation’s performance, and its short-, medium- and long-term prospects”</p>		<p>The Audit, Actuarial and Finance committee, the Risk and Compliance committee, the Human Resources and Remuneration committee as well as the Social, Ethics and Sustainability committee ensures that the necessary controls are in place and that the requisite assurance is provided where necessary, to verify and safeguard the integrity of the Sanlam Integrated Annual Report, including any other disclosures. In this regard, the Board continues to be accountable for overseeing Sanlam’s response to the suite of applicable disclosure requirements.</p> <p>The Audit, Actuarial and Finance committee as well as the Risk and Compliance committee also guide the Board in setting Sanlam’s reporting direction on how disclosures should be approached and conducted. These committees, assisted by the Social, Ethics and Sustainability committee, review the integrated reporting process. It includes the Group’s audited financial statements as well as the approval of the reporting frameworks, while ensuring compliance with applicable legal requirements as well as its relevance to Sanlam’s diverse group of stakeholders. The Board further ensures that the Integrated Report, Sanlam’s response to the King IV™ ‘apply and explain’ disclosure requirements, the Annual Financial Statements, the Sustainability Report as well as any other relevant information, are published on the Company’s website as well as through other mediums, as deemed appropriate.</p>


# GOVERNING STRUCTURES AND DELEGATION

## Primary role and responsibilities of the Board

Principle	Applied	Sanlam comments
<p><b>Application of Principle 6</b></p> <p>“The governing body should serve as the focal point and custodian of corporate governance in the organisation”</p>		<p>The Board operates in accordance with clearly defined terms of reference which are reviewed at least once per annum. The terms of reference define, among other things, the Board’s governance responsibilities, its role, composition and membership requirements as well as the procedures applicable to conducting Board matters. Through its committees, the Board oversees the implementation of governance practices throughout the Sanlam Group. This includes monitoring the implementation of the Group Governance Policy and the adherence to the Board authorisations framework.</p> <p>Sanlam’s operations are grouped into four business clusters which are supported by the Group office.</p> <p style="text-align: center;"><b>Group Executive committee (Group Exco)</b></p> <p style="text-align: center;">Four business clusters supported by the Group office</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>Sanlam Life and Savings</b> (SA Retail Mass, SA Retail Affluent and Sanlam Corporate)</p> </div> <div style="text-align: center;">  <p><b>Sanlam Emerging Markets</b></p> </div> <div style="text-align: center;">  <p><b>Sanlam Investment Group</b></p> </div> <div style="text-align: center;">  <p><b>Santam</b></p> </div> </div> <p>This operating model allows the businesses to be individually responsible for applying the Group governance, Risk and Compliance management policies and frameworks within their respective businesses. Each cluster is managed by a chief executive who is supported by a cluster executive management team and several support functions that are appropriate to the cluster’s particular operational needs. These chief executives form part of the Sanlam Group Exco and are regarded as the designated prescribed officers. The clusters’ business strategies are furthermore developed and aligned to Sanlam’s Board-approved Group strategy and a set of tight management principles, established by the Group office.</p> <p>In addition, statutory and non-statutory governance structures exist for each of the clusters with clearly defined roles and responsibilities. Depending on its mandates, the cluster governance structures comprise non-executive and executive directors. The non-executive directors include members of the Sanlam Board and, where appropriate, expert external appointees. Most of the operating business decisions are made by these cluster governance structures and, where required in terms of the Group Governance Policy and Sanlam’s authorisation framework, recommended to either the Sanlam Board or Sanlam Life Board for consideration.</p> <p>The Board is satisfied that it fulfilled its primary role and responsibilities in relation to corporate governance in alignment with its approved terms of reference. This was confirmed by the outcome of the 2022 Board effectiveness evaluation that was conducted by an external service provider.</p> <p>The Sanlam Group governance principles are disclosed in further detail in the Corporate Governance Report.</p>



## Composition of the Board

Principle	Applied	Sanlam comments
<p><b>Application of Principle 7</b></p> <p>“The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively”</p>		<p>The Board sets the direction and approves the process for the Board to attain an appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities. The Nominations committee makes recommendations to the Board in discharging the process of nominating, electing and appointing members of the Board. This includes taking into account skills retention at a Board level as well as succession planning in respect of new appointments to the Board and its committees.</p> <p>The Nominations committee follows a formal, transparent and robust process to review the balance, effectiveness and representivity of the Board and its committees as well as the cluster governance structures. The skills required, and those individuals that are seen to provide such skills in a fair and thorough manner, are considered and identified as and when required.</p> <p>A comprehensive review of the independence of non-executive directors is conducted on a continuous basis and, in particular, those directors serving on the Board for longer than nine years. The capacity and independence of each director are therefore categorised and assessed in alignment with the criteria provided for in King IV™, the Companies Act, the JSE Listings Requirements as well as the Prudential Governance and Operational Standards for Insurers and Insurance Groups. Cognisance is also taken of other factors documented in the Board charter, the Company’s MOI and recommended practices in relation to non-executive directors who held a long tenure.</p> <p>The Board is satisfied that its composition reflects an appropriate balance of knowledge, skills, experience, race and gender diversity as well as independence. During the 2022 financial year, an additional independent non-executive director was appointed to the Board following a rigorous evaluation and approval process. The Board can confirm that the aforesaid appointment was made in compliance with the JSE Listings Requirements, King IV™ and the Prudential Authority’s governance standards that are applicable to key persons.</p> <p>A brief curriculum vitae for each director standing for election or re-election at the 2023 AGM accompanies Sanlam’s notice of its 2023 AGM. The newly appointed director, Thembisa Skweyiya, received induction training on Sanlam’s business, on Board matters, their duties and governance responsibilities in accordance with each director’s specific needs and aligned to applicable regulatory requirements.</p> <p>The Nominations committee assists the Board in reviewing succession planning on an annual basis. This includes the identification, mentorship and development of future candidates. The Board further considered its composition in alignment with its policy on the promotion of diversity attributes. During the period under review, this policy had been reviewed by the Nominations committee after which a recommendation was made to the Board for its approval. The policy continues to be consistent with the amendments schedule relevant to the JSE Listings Requirements. Sanlam’s policy makes provision for specific key deliverables and target dates of which the implementation is measured over time and reported on to the Board. The Board is of the view that the stance adopted by Sanlam in this regard, goes beyond the minimum regulatory requirements and it acknowledges the value that it contributes to the Group’s diversity-related objectives and overall sustainability.</p> <p>The Board composition and the statement thereto on its composition are disclosed in further detail in the Corporate Governance Report.</p> <p>The Independent Non-Executive Directors (INED) committee is chaired by the Chair of the Board. This INED committee’s primary function is to further strengthen the Board’s independence as a collective as well as providing leadership and advice to the Board in respect of matters where an actual or a perceived conflict of interest occurs that may impact independent decision-making.</p> <p>The INED committee guides the Board also on any related-party transactions, including but without limitation, to any financial, economic interest, position, association or relationship, which when judged from the perspective of a reasonable and informed third party, could unduly or cause bias in decision-making processes. The Board has developed and approved a formal process to manage and facilitate any actual, perceived or potential conflicts of interest that may occur. This is in addition to Sanlam’s standard protocol which requires each of the Board members to declare their respective interests quarterly and at every meeting – i.e. taking into account the discussion points that are listed on the meetings’ agendas.</p>

### Principle

#### Application of Principle 8

“The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively”

### Applied



### Sanlam comments

THE FOLLOWING ARE ALSO APPLICABLE REQUIREMENTS: JSE3.84(c): AUDIT COMMITTEE, REMUNERATION COMMITTEE AND SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE. JSE3.84(g) (i) to (iii): EXPERTISE AND EXPERIENCE OF THE FINANCIAL DIRECTOR, APPROPRIATE FINANCIAL REPORTING AND ASSESSMENT OF AUDIT FIRM AND DESIGNATED INDIVIDUAL AUDIT PARTNER SUITABILITY.

The Board has eight established committees to support and assist it in discharging its responsibilities. The Board committees comprise an Audit, Actuarial and Finance committee, a Risk and Compliance committee, a Human Resources and Remuneration committee, a Nominations committee, a Social, Ethics and Sustainability committee, the Customer Interest committee, a Non-Executive Directors committee and an Independent Non-Executive Directors committee.

Each committee’s overall role and associated responsibilities, its composition, meeting protocols, decision-making powers and delegation of authority, its invitees and external advisers who regularly attend the committee meetings as well as the prescribed frequency of committee meetings to be held are reported on in the Corporate Governance Report. A statement confirming that each committee was satisfied that it fulfilled its responsibilities in accordance with its terms of reference for the period under review, is also disclosed in the Corporate Governance Report.

The committees are appropriately constituted and each member is appointed by the Board as per the recommendations made by the Nominations committee. This, however, excludes the members appointed to the Audit, Actuarial and Finance committee, who are nominated by the Board and afterwards annually elected by shareholders.

The Nominations committee also assists the Board by evaluating and presenting suitable candidates to shareholders for election or re-election at the AGM. This process is in alignment with Sanlam’s MOI and other applicable regulatory requirements.

The Board further ensures effective leadership in its committees by allowing collaboration between the relevant governance structures through cross membership, aimed at preventing duplication or fragmented functioning between the committees. Furthermore, external advisers and members of management attend Board and committee meetings by invitation only, with no voting powers.

A balanced distribution of power in respect of membership across committees remains a key focus of the Board. The objective is to ensure that no individual member is allowed to dominate decision-making exercises and that no undue reliance is placed on any particular individual.


The Sanlam Limited Board and Sanlam Life Insurance Board furthermore adopted the Group corporate governance policy and authorisation framework which is reviewed on an annual basis. It aims to regulate decisions on the following three levels:

- Decisions of the Board that require ratification or approval from Sanlam shareholders in terms of the Companies Act, 71 of 2008, as amended (the Companies Act), the MOI or good governance principles.
- Decisions reserved for formal approval by the Board, or which are delegated to its committees via the Group corporate governance policy and authorisation framework.
- Decisions of the Board that have been delegated to the Sanlam Group Chief Executive. The Group Chief Executive may consult with Group office functionaries (including Group executives) as required and may delegate his decision-making authority to the respective cluster governance structures and/or Group executives as appropriate.

Any delegation by the Sanlam Board of its responsibilities to a committee will, however, not by or of itself constitute a discharge of the Board’s accountability or abdicating its own responsibilities. The Board therefore remains accountable to apply its collective mind to the information, opinions, recommendations, reports and statements presented and recommended by its committees.


A brief overview of each Board committee is included herein below and also reported on in further detail in the Corporate Governance Report.

## Committees of the Board (continued)


Principle	Applied	Sanlam comments
<p><b>Application of Principle 8</b></p> <p>“The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively”</p>		<p><b>Audit, Actuarial and Finance committee</b></p> <p>The Audit, Actuarial and Finance committee comprises only of independent non-executive directors. The committee’s performance and effectiveness are reviewed on an annual basis. It is constituted as a statutory committee and discharges its statutory duties in terms of section 94(7) of the Companies Act. The committee performs the functions as set out in the Companies Act, the JSE Listings Requirements, the Prudential Standards and Framework for Governance and Operational Standards for Insurers and Insurance Groups as well as King IV™. Adequate processes and structures were implemented to assist the committee in providing oversight and ensuring the integrity of financial reporting, internal control and other governance matters relating to the businesses at cluster level.</p> <p>The committee provides independent oversight of, among other things, the effectiveness of Sanlam’s assurance providers, with particular focus on combined assurance arrangements. The Chair of the Risk and Compliance committee is also a member of the Audit, Actuarial and Finance committee meetings. The committee comprises members with necessary industry experience and skills who are capable of employing a greater degree of focus in the quality of audit indicators.</p> <p>The statement of the committee in relation to the external auditor’s independence, matters of consideration in relation to the Annual Financial Statements as well as the quality and effectiveness of arrangements for internal audit, are disclosed in the Corporate Governance Report. During the year under review, the committee considered all material aspects in relation to the Annual Financial Statements and how these were addressed by the committee. This includes the committee’s level of comfort and satisfaction with the quality of the external audit that was conducted.</p> <p><b>Risk and Compliance committee</b></p> <p>At 31 December 2022, the Risk and Compliance committee comprised six independent non-executive directors and one <i>ex officio</i> executive director (the Group Finance Director). The purpose of this committee is, among other things, to advise and assist the Board with discharging its oversight role and responsibilities that are associated with the governance of risk, ethics management, compliance and information management as well as information technology (IT) governance. This includes designing and implementing the Sanlam Group’s enterprise risk management framework and policy in a manner that supports Sanlam in achieving its strategic objectives.</p> <p><b>Nominations committee</b></p> <p>The Board delegated the oversight of the following functions to the Nominations committee:</p> <ul style="list-style-type: none"><li>• The process for nominating and electing members of the Board. This includes ensuring that candidates are nominated in light of the collective knowledge, skills and experience required by the Board, the requisite diversity requirements and whether the candidate meets the applicable ‘fit and proper’ criteria. The committee also ensures that all candidates’ backgrounds are independently investigated and that their qualifications are independently verified.</li><li>• Succession planning of directors and the rotation of Board members.</li><li>• The evaluation of the effectiveness of the Board and its committees.</li></ul> <p>The members of the Nominations committee are non-executive directors of which the majority are independent. The Chair of the Board fulfils the role as Chair of the Nominations committee. The Board and the Nominations committee are responsible for succession planning for the position of the Chair, the Chairs of the committees, the Group Chief Executive and the Group Finance Director.</p>




## Committees of the Board (continued)

Principle	Applied	Sanlam comments
<p><b>Application of Principle 8</b></p> <p>“The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively”</p>		<p><b>Human Resources and Remuneration committee</b></p> <p>The Human Resources and Remuneration committee is responsible for overseeing remuneration and the implementation of the Group’s remuneration policy. The majority of the members of the committee are independent non-executive directors.</p> <p><b>Customer Interest committee</b></p> <p>Sanlam’s Customer Interest committee assists the Board in discharging its governance oversight responsibility of setting the direction and formulation of policies that give effect to the management of matters relating to clients’ interests. During the year under review, the committee’s membership consisted of six independent non-executive directors. This committee’s mandate is ultimately shaped and influenced by taking into account the best interests of Sanlam’s current and prospective policyholders in alignment with the applicable suite of regulatory requirements pertaining to Treating Customers Fairly and the policyholder protection rules.</p> <p><b>Independent Non-Executive Directors committee</b></p> <p>The Independent Non-Executive Directors committee’s primary function is to review and recommend for approval by the Board any related-party transactions, including without limitation, any financial or economic interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, could unduly cause bias in decision-making. The committee’s membership includes only independent non-executive directors.</p> <p><b>Non-Executive Directors committee</b></p> <p>The Non-Executive Directors committee of Sanlam and Sanlam Life has the responsibility to ensure the independent governance and functioning of the Board. The committee ensures that there are appropriate and balanced corporate governance practices and processes in place within Sanlam and that the Board acts objectively, independently oversees and gives due and careful consideration to the interests of Sanlam and all its stakeholders.</p> <p><b>Social, Ethics and Sustainability committee</b></p> <p>The Social, Ethics and Sustainability committee’s statutory functions are set out in section 72 and regulation 43 of the Companies Act, which are supplemented by the committee’s Board-approved charter. The Social, Ethics and Sustainability committee is responsible for overseeing organisational ethics, responsible corporate citizenship, sustainable development, responsible investment, transformation and stakeholder relationships. The Chair of the Social, Ethics and Sustainability committee attends Sanlam’s AGM to report on and respond to any questions from stakeholders pertaining to how the committee discharged its statutory duties and responsibilities. The Chair of the Audit, Actuarial and Finance committee is also a member of the Social, Ethics and Sustainability committee.</p>

## Evaluations of the performance of the Board


Principle	Applied	Sanlam comments
<p><b>Application of Principle 9</b></p> <p>“The governing body should ensure that the evaluation of its own performance and that of its committees, its Chair and its individual members, support continued improvement in its performance and effectiveness”</p>		<p>A Board effectiveness evaluation is conducted on an annual basis with the assistance of an external service provider. The Chair of the Board, with the support of the Company Secretary and the Nominations committee, leads the evaluation process. The Board is satisfied with the outcome of the Board evaluation process that was conducted during the 2022 financial year. It has been confirmed that the Board continued to operate effectively and efficiently in creating value for Sanlam’s stakeholders. Consensus had been reached on the continuous commitment, competence and experience exercised at Board and committee level.</p> <p>The Board, with the assistance of the Nominations committee, also determines the number of external directorships and other positions a director may hold, taking into consideration the relative size and complexity of Sanlam. Annually, the Nominations committee considers all other commitments of Sanlam’s Board members and whether each director has sufficient time to fulfil his or her responsibilities towards Sanlam. In the event that the Nominations committee is of the view that a director is over-committed or has an unmanageable conflict, the Chair would meet with that director to discuss the resolution of the matter to the satisfaction of the Nominations committee.</p> <p>The results of evaluation of the performance of the Board and its committees are disclosed in the Corporate Governance Report.</p>

## Appointment and delegation to management

Principle	Applied	Sanlam comments
<p><b>Application of Principle 10</b></p> <p>“The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities”</p>		<p>The Group Chief Executive is appointed by the Board on recommendation of the Nominations committee. The role and responsibilities of the Group Chief Executive are specified in the Board charter. The Board, supported by the Nominations committee and the Human Resources and Remuneration committee, evaluates the performance of the Group Chief Executive annually against agreed performance measures and targets.</p> <p>The Nominations committee, in consultation with the Human Resources and Remuneration, is responsible for ensuring that succession plans are in place for the three executive directors serving on the Board. The Group Chief Executive appoints the members of the Group Executive committee after consulting the Human Resources and Remuneration committee.</p> <p>The Board approves and regularly reviews the Group Governance Policy and Sanlam’s authorisations framework. The Group Chief Executive, supported by the Group Executive committee, is accountable to the Board for the successful execution of Sanlam’s strategic objectives and the overall management and performance of the Group. The respective business clusters each develops their own authorisation frameworks in alignment with the Board approved Group Governance Policy and framework.</p> <p>The Group Chief Executive is not a member of the Human Resources and Remuneration, the Audit, Actuarial and Finance or the Nominations committees. He, however, attends any of these committee meetings or part thereof by invitation only, with no voting rights.</p> <p>The Board agrees upfront with the Group Chief Executive on whether the Group Chief Executive or other directors may take up additional professional positions, including membership on other governing bodies outside Sanlam. Time constraints and potential conflicts of interests are considered and balanced against the opportunity for professional development. The Board confirmed its satisfaction with the Group’s approach towards governance practices and the implementation of the Group Governance Policy and authorisations framework.</p> <p><b>ALSO APPLICABLE: JSE3.84(H): THE COMPANY SECRETARY.</b></p> <p>The Company Secretary is appointed by the Board in accordance with the Companies Act. The Board considers and evaluates the competence, qualifications and experience of the Company Secretary annually and is satisfied that the Company Secretary is competent and has the appropriate qualifications and experience to fulfil the role and execute on responsibilities. The Company Secretary has a direct channel of communication to the Chair of the Board, while maintaining an arm’s-length relationship with the directors as far as is reasonably possible. The role and responsibilities of the Company Secretary are described in the Board charter as well as summarised in the Corporate Governance Report.</p>

## GOVERNANCE FUNCTIONAL AREAS


### Risk governance

Principle	Applied	Sanlam comments
<p><b>Application of Principle 11</b></p> <p>“The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives”</p>		<p>The Board has the ultimate responsibility for the governance of risk whereas the Risk and Compliance committee advises and assists the Board in discharging its roles and responsibilities. The Group Executive committee, in turn, ensures that the business achieves its strategic objectives in a manner that optimises the business risk-adjusted return performance. It also has the executive responsibility to provide assurance to the Board and the Risk and Compliance committee, that Sanlam’s risk management practices are governed effectively and continuously supports the Group to achieve its strategic objectives.</p> <p>The Board approves Sanlam’s enterprise risk management framework, which reaffirms the Group’s commitment towards ensuring effective risk management practices in pursuit of Sanlam’s strategic deliverables. It includes identifying and monitoring the key risks that the Company is exposed to. Consideration is also being afforded to converting risks into opportunities with the aim to create value for Sanlam and its stakeholders.</p> <p>An overview of how risk governance is being managed, the list of key focus areas that are relevant to the reporting period as well as how the Company’s risk exposure is being responded to on an ongoing basis, are disclosed in the annual reporting suite.</p>


### Information and technology (IT) governance

Principle	Applied	Sanlam comments
<p><b>Application of Principle 12</b></p> <p>“The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives”</p>		<p>The responsibility and accountability for the management and governance of technology and information ultimately resides with the Board. The Board fulfils an oversight role and directs Sanlam’s strategic and operational use of technology and information. This is to ensure that the use of technology and information complements, maximises and supports of the Group’s strategic objectives.</p> <p>The Risk and Compliance committee supports the Board with the execution of its mandate. It oversees the Group’s technology and information strategy, its approach towards cyber-resilience, the implementation of Sanlam’s digital transformation roadmap as well as Sanlam’s architectural and operational excellence. The Group’s Digital Transformation and IT Forum (a sub-committee of the Risk and Compliance committee) in turn, assists the Risk and Compliance committee in fulfilling its duties as delegated by the Board. The forum also coordinates and provides oversight for the Group’s digital transformation activities that relates to the strategy, governance, compliance and risk within the Sanlam Group. It is supported by the Group’s Digital Council and Technology Council and it directly engages with the respective business clusters on a frequent basis for monitoring and reporting purposes.</p> <p>The Group technology council, furthermore, oversees the management of, and the response to, the Company’s top technology and information risks, including those risks that are associated with major change programmes and key digital transformation initiatives. The composition and focus of the Group technology council enables the Board to have an overarching view of the Group’s IT strategy and risk profile. In addition, the Audit, Actuarial and Finance committee provides assurance to the Board that the management and systems of IT governance for technology and information are in place and that it is effectively applied across the Group.</p> <p>In addition, the external auditors and Group internal audit regularly perform control assessments as part of the Group’s combined assurance model. All significant and material technology and information-related audit findings are reported to the Group Technology Council, the Digital Transformation and IT Forum, the Risk and Compliance committee as well as the Audit, Actuarial and Finance committee. This is to ensure that the findings are addressed accordingly within stated timelines and that progress is monitored over time.</p>

## Compliance governance


Principle	Applied	Sanlam comments
<p><b>Application of Principle 13</b></p> <p>“The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen”</p>		<p>The Risk and Compliance committee assists the Board in respect of overseeing the governance of compliance by setting the direction for how compliance should be approached and addressed in Sanlam. The Sanlam Group compliance policy mandates all governance structures operating at a Group and a business cluster level, as well as all employees, to comply with the applicable laws, non-binding rules, codes and standards that support Sanlam being a responsible and good corporate citizen.</p> <p>Creating a sound governance and compliance culture in Sanlam means that compliance is understood for the obligations it creates and for the rights and protection it affords for the Sanlam Group and its stakeholders.</p> <p>The Group's design and implementation of sound compliance management practices and procedures are aimed at detecting and mitigating compliance risks. It serves to improve the remediation of any instances of non-compliance which may occur. The Group compliance policy seeks to encourage compliance with all applicable laws and non-binding rules, codes and standards in the jurisdictions within which Sanlam operates. The Group compliance office is the responsible functionary that develops procedures to facilitate the implementation and the monitoring of the Group compliance policy in respect of compliance practices across the Sanlam Group.</p> <p>The Board, the Risk and Compliance committee and the Social, Ethics and Sustainability committee receive regular reports on compliance matters through the Group compliance officer, who is suitably skilled and experienced. He reports directly to the Group's chief actuary and Group risk officer and his performance is assessed on an annual basis in alignment with best practices. An overview of governance and compliance management, the key focus areas, the arrangements and initiatives embarked on and how the compliance-related risks have been addressed during the period under review, are disclosed in the corporate governance report.</p>

## Remuneration governance


Principle	Applied	Sanlam comments
<p><b>Application of Principle 14</b></p> <p>“The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of its strategic objectives and positive outcomes in the short, medium and long term”</p>		<p>ALSO APPLICABLE: JSE3.84(K): THE REMUNERATION POLICY AND THE IMPLEMENTATION REPORT.</p> <p>The Board has ultimate responsibility and accountability to ensure that Sanlam remunerates fairly, responsibly and transparently for the achievement and promotion of Sanlam's strategic objectives over 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.</p> <p>The policy and implementation report are reported in detail in the Remuneration Report in the annual reporting suite. The Human Resources and Remuneration committee is responsible for matters relating to developing an appropriate remuneration policy, monitoring the implementation of the policy and regularly reviewing the suitability of the policy. The primary objectives of the policy are to:</p> <ul style="list-style-type: none"> <li>• Attract, motivate, reward and retain key talent</li> <li>• Promote the Group's strategic objectives, within its risk appetite</li> <li>• Promote positive outcomes across the inputs and resources which the Group uses or affects</li> <li>• Promote an ethical culture and behaviour that are consistent with Sanlam's values and which encourage responsible corporate citizenship.</li> </ul>



## Remuneration governance (continued)


Principle	Applied	Sanlam comments
<p><b>Application of Principle 14</b></p> <p>“The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of its strategic objectives and positive outcomes in the short, medium and long term”</p>		<p>Sanlam’s remuneration philosophy aims to:</p> <ul style="list-style-type: none"> <li>• Inform stakeholders of Sanlam’s approach to rewarding its employees</li> <li>• Identify those aspects of the reward philosophy that are prescribed and to which all businesses should adhere</li> <li>• Provide a general framework for all the other elements of the reward philosophy</li> <li>• Offer guidelines for short- and long-term incentive and retention processes</li> <li>• Offer general guidelines about how the businesses should apply discretion in their own internal remuneration allocation and distribution.</li> </ul> <p>The Human Resources and Remuneration committee, furthermore, considers shareholders’ contributions and recommendations thoroughly and takes their input into account to inform future enhancements of the policy and alignment to Sanlam’s strategy. Sanlam discloses the remuneration of each director and prescribed officer individually in its annual reporting suite. In line with the recommended practices in King IV™, the remuneration policy and the implementation report will, similar to 2022, be tabled for a separate non-binding advisory vote by the shareholders at the AGM scheduled to take place in June 2023. The Group’s remuneration policy and the Human Resources and Remuneration committee charter provide for the measures that Sanlam commits to take in the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the votes exercised at the AGM. These measures include undertaking an engagement process to ascertain reasons for dissenting votes and to thereafter address legitimate and reasonable objections and concerns.</p>

## Assurance


Principle	Applied	Sanlam comments
<p><b>Application of Principle 15</b></p> <p>“The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation’s external reports”</p>		<p>Although the Board assumes overall responsibility for assurance and the integrity of information reported on, the Audit, Actuarial and Finance committee was delegated the responsibility for overseeing the Group’s approach towards combined assurance and how it is being managed across the business. This is to ensure that it incorporates and optimises the various assurance services and functions at Sanlam.</p> <p>The Audit, Actuarial and Finance committee ensures that appropriate assurance is obtained that covers the significant risks that the business is exposed to and other material matters that had been identified. This is done through a combination of reporting by first-line management functions that own and manage risks, specialist risk functions that oversee risk management and compliance as well as independent assurance providers such as internal and external audit.</p> <p>The Board, with the support and assistance of the Audit, Actuarial and Finance committee, is satisfied that the quality and integrity of the Group’s combined assurance model is effective and sufficiently robust. It enables the Board to place reliance on the Group’s response to combined assurance, which underpins the statements that the Board makes concerning the integrity of Sanlam’s external reports.</p>

# STAKEHOLDER RELATIONSHIPS

## Stakeholders

Principle	Applied	Sanlam comments
<p><b>Application of Principle 16</b></p> <p>“In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time”</p>		<p>The Sanlam Board, supported by its committees and executive management, is responsible for overseeing the strategic risks that relate to the interface between Sanlam and its key stakeholders as well as balancing the needs, interests and expectations of all material stakeholders. Sanlam has adopted an inclusive approach and considers all its stakeholders as an integral part of how Sanlam conducts business as a responsible corporate citizen.</p> <p>During the reporting period, the Board reviewed and approved the Group stakeholder management policy that continues to be aligned with the principles and recommendations in King IV™. The purpose of the policy is to define Sanlam’s key stakeholder groups and outline the basic principles and requirements that need to be complied with. The policy further highlights how stakeholder management should be approached across the business and how stakeholder engagements and initiatives will be governed, monitored and reported on.</p> <p>The Social, Ethics and Sustainability committee (as delegated by the Board), oversees and monitors the implementation and compliance to the Group stakeholder management policy. This is primarily achieved through quarterly reporting on stakeholder management initiatives and engagements by the different business clusters to the committee.</p> <p>The Group stakeholder management policy enables Sanlam to communicate with its stakeholders including those stakeholders with no or limited access to electronic media, by publishing its reports and performance (including the Group’s interim and final financial results) as well as details of corporate activities in the main South African daily newspapers and on the Company’s website. Sanlam annually invites all shareholders to attend its AGM and facilitates participation by way of focused proxy solicitation and electronic means. The Group Chief Executive and Group Finance Director also conduct regular presentations and roadshows on the Group’s performance and strategy to analysts, institutional investors and the media in South Africa and abroad.</p> <p>Sanlam has built a strong culture of interactive stakeholder liaisons, which serves as a platform to engage and share information with its diverse group of stakeholders. The objective is to simultaneously understand their needs, identify risks and receive feedback from stakeholders that enables amicable and positive outcomes for those concerned. Further details regarding Sanlam’s approach towards stakeholder management and an overview of some of the initiatives embarked on during the 2022 reporting period, are available in the integrated reporting suite and published on Sanlam’s website.</p>

## Responsibilities of institutional investors

Principle	Applied	Sanlam comments
<p><b>Application of Principle 17</b></p> <p>“The governing body of an institutional investor company should ensure that responsible investment is practised by the organisation to promote the good governance and the creation of value by the companies in which it invests”</p>		<p>Sanlam (through the auspices of the mandate delegated to the Sanlam Investment Group) subscribes to the Code for Responsible Investing in South Africa (CRISA) and CRISA 2, which encourages institutional investors and service providers to integrate ESG issues into their investment decisions.</p> <p>Sanlam also subscribes to the UN’s Principles for Responsible Investment (PRI) as an asset owner (Sanlam) and an asset manager (Sanlam Investment Group). It frequently assesses its policy framework and implementation against the PRI principles to evaluate the progress made. The Board believes that the Group’s approach towards responsible investment will improve Sanlam’s ability to meet its commitments to beneficiaries and better align investment activities with the broader interests of society.</p> <p>The Board is ultimately accountable to ensure that the Group promotes good governance by investing responsibly. The Board achieves this through its Group Exco committee and the respective governance structures within each business cluster. The business clusters’ executive committees are responsible for ensuring that Sanlam’s investments are managed according to the policies and Board-approved investment mandates. The Board requires that these governance practices should always promote responsible investment, achieve good governance, promote an ethical culture and enhance effective control, good performance and legitimacy.</p>



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