

CORPORATE GOVERNANCE PRINCIPLES

PRINCIPLES	Key ✓ Applied # Partially applied ★ Under review x Not applied	Reference in Combined Integrated Report or n/a
1. Ethical leadership and corporate citizenship		
1.1 The board should provide effective leadership based on an ethical foundation	✓	Integrated Report Pg 6, 13
1.2 The board should ensure that the company is and is seen to be a responsible corporate citizen	✓	Integrated Report Pg 94; Sanlam Supplementary Report: Sound Governance pg 1; Prosperous Society pg 4
1.3 The board should ensure that the company's ethics are managed effectively	✓	Sanlam Supplementary Report: Sound Governance pg 5
2. Boards and directors		
2.1 The board should act as the focal point for and custodian of corporate governance	✓	Integrated Report pg 71
2.2 The board should appreciate that strategy, risk, performance and sustainability are inseparable	✓	Integrated Report pg 74
2.3 The board should provide effective leadership based on an ethical foundation	✓	Integrated Report Pg 6, 13
2.4 The board should ensure that the company is and is seen to be a responsible corporate citizen	✓	Integrated Report Pg 94; Sanlam Supplementary Report: Sound Governance pg 1; Prosperous Society pg 4
2.5 The board should ensure that the company's ethics are managed effectively	✓	Sanlam Supplementary Report: Sound Governance pg 5
2.6 The board should ensure that the company has an effective and independent audit committee	✓	Sanlam Corporate Governance Report pg 8
2.7 The board should be responsible for the governance of risk	✓	Integrated Report Pg 74
2.8 The board should be responsible for information technology (IT) governance	✓	Sanlam Corporate Governance Report pg 2
2.9 The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	✓	Integrated Report Pg 71, Sanlam Corporate Governance Report pg 16
2.10 The board should ensure that there is an effective risk-based internal audit	✓	Sanlam Corporate Governance Report pg 8

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2.11 The board should appreciate that stakeholders' perceptions affect the company's reputation	✓	Sanlam Corporate Governance Report pg 8
2.12 The board should ensure the integrity of the company's integrated report	✓	Integrated Report pg 9; Sanlam Corporate Governance Report pg 1; Sanlam Corporate Governance Report pg 8
2.13 The board should report on the effectiveness of the company's system of internal controls	✓	Sanlam Corporate Governance Report pg 8
2.14. The board and its directors should act in the best interests of the company	✓	Sanlam Corporate Governance Report pg 11
2.15 The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Companies Act	✓	n/a
2.16 The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board. Issuers must have a CEO and Chairman and these positions must not be held by the same person. The Chairman must be either be an independent non-executive director, or the issuer must appoint a lead independent director, in accordance with the King Code.	✓	Integrated Report pg 71, 92
2.17 The board should appoint the chief executive officer and establish a framework for the delegation of authority	✓	Sanlam Corporate Governance Report pg 10
2.18 The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent. The capacity of each director must be categorised as executive, non-executive or independent, using the following as guidelines to determine which category is most applicable to each director: <ul style="list-style-type: none"> (i) Executive directors: are directors that are involved in the management of the company and/or in full-time salaried employment of the company and/or any of its subsidiaries (ii) Non-executive directors: are directors that are not;(1) involved in the day to day management of the business; or (2) full-time salaried employees of the company and/or any of its subsidiaries (iii) Independent directors: are as defined in the King Code. In addition, it must be noted that any director that participates in a share incentive/option scheme, will not be regarded as independent (b) There must a policy evidencing a clear balance of power and authority at board level to ensure that no one director has unfettered powers of decision-making	✓	Integrated Report pg 71; Sanlam Corporate Governance Report pg 4, 6, 7, 10

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2.19 Directors should be appointed through a formal process. There must be a policy detailing the procedures for appointments to the board. Such appointments must be formal and transparent and a matter for the board of directors as a whole, assisted where appropriate by a nomination committee. The nomination committee must constitute only non-executive directors, of whom the majority must be independent, and must be chaired by the chairman of the board or the lead independent director if required A brief CV for each director standing for election or re-election at a general meeting or the annual general meeting (which in relation to Main Board issuers, such election or re-election may not take place at a meeting contemplated in section 60 of the Companies Act) should accompany the notice of the general meeting or annual general meeting	✓	Sanlam Corporate Governance Report pg 4, 6, 7, 10
2.20 The induction of and ongoing training and development of directors should be conducted through formal processes	✓	Integrated report pg 58, 73; Sanlam Corporate Governance Report pg 7

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<p>2.21 The board should be assisted by a competent, suitably qualified and experienced company secretary. There the board must consider and satisfy itself, on an annual basis, on the competence, qualifications and experience of the company secretary. The issuer must confirm this by reporting to shareholders in its annual report that the board has executed this responsibility. This communication must specifically include details of the steps which the board took to make this annual assessment as well as providing information which demonstrates the actual competence, qualifications and experience of the company secretary; and</p> <p>The recommended practice of the King Code highlights, inter alia, that the company secretary should maintain an arms-length relationship with the board and that the company secretary should ideally not be a director. The board must specifically consider these two points and provide an explanation in the annual report as to why it believes that there is an arms-length relationship between itself and the company secretary. If the company secretary is a director of the company or if the board otherwise concludes that there is not an arms-length relationship between itself and the company secretary, the board must justify how the issuer is still able to ensure that the company secretary effectively performs the role as the gatekeeper of good governance in the issuer and how they have been able to adequately and effectively perform and carry out the roles and duties of a company secretary. Where the company secretary is a juristic person the board of directors in its assessment must consider the individual/s who perform the company secretary role as well as the directors and shareholders of the juristic person. The imposition of a juristic person in itself does not create an arms-length relationship.</p>	✓	<p>Sanlam Corporate Governance Report pg 15</p> <p>Sanlam Corporate Governance Report pg 15</p> <p>N/A</p>
<p>2.22 The evaluation of the board, its committees and the individual directors should be performed every year</p>	✓	<p>Integrated Report pg 70; Sanlam Corporate Governance Reporting pg 2</p>
<p>2.23 The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities. Issuers must, in compliance with the King Code, appoint an audit committee and a remuneration committee and if required, given the nature of the business and composition of the board, a risk and nomination committee. The composition of such committees, a brief description of their mandates, the number of meetings held and other relevant information must be disclosed in the annual report</p>	✓	<p>Sanlam Corporate Governance Reporting pg 7</p>
<p>2.24 A governance framework should be agreed between the group and its subsidiary boards</p>	✓	<p>Integrated Report pg 71,</p>

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2.25 Companies should remunerate directors and executives fairly and responsibly	✓	Sanlam Remuneration Report pg 3-9
2.26 Companies should disclose the remuneration of each individual director and certain senior executives	✓	Sanlam Remuneration Report pg 10
2.27 Shareholders should approve the company's remuneration policy	✓	Sanlam Remuneration Report pg 2; Sanlam Corporate Governance Reporting pg 10
3. Audit committees		
3.1 The board should ensure that the company has an effective and independent audit committee. Issuers must appoint an audit committee in compliance with the King Code. The composition of the committee, a brief description of its mandate, the number of meetings held and other relevant information must be disclosed in the annual report	✓	Sanlam Corporate Governance Report pg 8
3.2 Audit committee members should be suitably skilled and experienced independent non-executive directors	✓	Sanlam Corporate Governance Report pg 8
3.3 The audit committee should be chaired by an independent non-executive director	✓	Sanlam Corporate Governance Report pg 8
3.4 The audit committee should oversee integrated reporting	✓	Sanlam Corporate Governance Report pg 8
3.5 The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	✓	Sanlam Corporate Governance Report pg 8
3.6 The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function. All issuers must have an executive financial director. The JSE may, at its discretion, when requested to do so by the issuer and due to the existence of special circumstances, allow the financial director to be employed on a part time basis only. This request must be accompanied by a detailed motivation by the issuer and the audit committee; and The audit committee must consider, on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the financial director. The issuer must confirm this by reporting to shareholders in its annual report that the audit committee has executed this responsibility.	✓	Sanlam Corporate Governance Report pg 8 Sanlam Corporate Governance Report pg 8
3.7 The audit committee should be responsible for overseeing of internal audit	✓	Sanlam Corporate Governance Report pg 8
3.8 The audit committee should be an integral component of the risk management process	✓	Integrated Report Pg 74; Sanlam Corporate Governance Report pg 8

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3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	✓	Sanlam Corporate Governance Report pg 8
3.10	The audit committee should report to the board and shareholders on how it has discharged its duties	✓	Sanlam Corporate Governance Report pg 8
4. The governance of risk			
4.1	The board should be responsible for the governance of risk	✓	Integrated Report Pg 74; Sanlam Corporate Governance Report pg 9
4.2	The board should determine the levels of risk tolerance	✓	Sanlam Corporate Governance Report pg 9
4.3	The risk committee or audit committee should assist the board in carrying out its risk responsibilities	✓	Integrated Report Pg 74; Sanlam Corporate Governance Report pg 9
4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan	✓	Integrated Report Pg 74, 75, 125
4.5	The board should ensure that risk assessments are performed on a continual basis	✓	Integrated Report Pg 125; Sanlam Corporate Governance Report pg 9
4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	✓	Integrated Report Pg 125; Sanlam Corporate Governance Report pg 9
4.7	The board should ensure that management considers and implements appropriate risk responses	✓	Integrated Report Pg 125; Sanlam Supplementary Report: Sound Governance pg 14
4.8	The board should ensure continual risk monitoring by management	✓	Integrated Report Pg 125; Sanlam Supplementary Report: Sound Governance pg 14
4.9	The board should receive assurance regarding the effectiveness of the risk management process	✓	Sanlam Corporate Governance Report pg 9
4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	✓	Sanlam Corporate Governance Report pg 9

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5. The governance of information technology		
5.1 The board should be responsible for information technology (IT) governance	✓	Sanlam Corporate Governance Report pg 2, 9
5.2 IT should be aligned with the performance and sustainability objectives of the company	✓	Sanlam Corporate Governance Report pg 3
5.3 The board should delegate to management the responsibility for the implementation of an IT governance framework	✓	Sanlam Corporate Governance Report pg 3
5.4 The board should monitor and evaluate significant IT investments and expenditure	✓	Sanlam Corporate Governance Report pg 2
5.5 IT should form an integral part of the company's risk management	✓	Integrated Report Pg 128, Sanlam Corporate Governance Report pg 9
5.6 The board should ensure that information assets are managed effectively	✓	Integrated Report Pg 37, 71
5.7 A risk committee and audit committee should assist the board in carrying out its IT responsibilities	✓	Sanlam Corporate Governance Report pg 9
6. Compliance with laws, rules, codes and standards		
6.1 The board should ensure that the company complies with applicable laws and considers adherence to nonbinding rules, codes and standards	✓	Integrated Report Pg 71, 73; Sanlam Corporate Governance Report pg 16
6.2 The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business	✓	Sanlam Corporate Governance Report pg 7
6.3 Compliance risk should form an integral part of the company's risk management process	✓	Integrated report pg 67, Sanlam Corporate Governance Report pg 10, Annual Financial Statements pg 24,28
6.4 The board should delegate to management the implementation of an effective compliance framework and processes	✓	Integrated report pg 72, 73, 83
7. Internal audit		
7.1 The board should ensure that there is an effective risk based internal audit	✓	Integrated Report pg 74; Sanlam Corporate Governance Report pg 8
7.2 Internal audit should follow a risk based approach to its plan	✓	Annual Financial Statement pg 22, 27
7.3 Internal audit should provide a written assessment of the effectiveness of the company's system of internal controls and risk management	✓	Annual Financial Statement pg 22

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7.4	The audit committee should be responsible for overseeing internal audit	✓	Sanlam Corporate Governance Report pg 8
7.5	Internal audit should be strategically positioned to achieve its objectives	✓	Integrated Report pg 74, 116
8. Governing stakeholder relationships			
8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation	✓	Integrated Report pg 49; Sanlam Corporate Governance Report pg 9; Annual Financial Statement pg 25
8.2	The board should delegate to management to proactively deal with stakeholder relationships and the outcomes of these dealings.	✓	Sanlam Supplementary Report: Assurance Report pg 1
8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company	✓	Integrated Report pg 28, 31
8.4	The company should ensure the equitable treatment of shareholders	✓	Integrated Report pg 4, 31
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	✓	Sanlam Corporate Governance Report pg 15
8.6	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible	✓	Sanlam Supplementary Report: Responsible products and services pg 25
9. Integrated reporting and disclosure			
9.1	The board should ensure the integrity of the company's integrated report	✓	Integrated Report pg 9; Sanlam Corporate Governance Report pg 1
9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting	✓	Integrated Report pg 6, 12, 13
9.3	Sustainability reporting and disclosure should be independently assured	✓	Integrated Report pg 9; Introduction to the Sanlam Supplementary Sustainability Report pg 4
10. Company Secretary			
10.1	The Board must consider and satisfy itself on the competence, qualification and experience of the Company Secretary	✓	Sanlam Corporate Governance Report pg 15

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10.2	The Board should maintain an arms-length relationship with the Company Secretary	✓	Sanlam Corporate Governance Report pg 15
10.3	The Company Secretary should ideally not be a director	✓	Sanlam Corporate Governance Report pg 15
11. Social and Ethics			
11.1	All notices of and other communications relating to any general meeting sent to the committee	✓	Integrated report pg 31
11.2	Not less than three directors or prescribed officers	✓	Sanlam Corporate Governance Report pg 11
11.3	At least one of the members is a non-executive director	✓	Sanlam Corporate Governance Report pg 11
11.4	Monitors the Company's activities having regard to the relevant legislation, other legal requirements or prevailing codes of best practice	✓	Sanlam Supplementary Report: Sound Governance pg 2
11.5	Monitors social and economic development	✓	Sanlam Corporate Governance Report pg 11
11.6	Monitors Company's goals and purposes of:		
	<ul style="list-style-type: none"> the 10 principles set out in the United Nations Global Compact Principles 	✓	Introduction to the Sanlam Supplementary Sustainability Report pg 1
	<ul style="list-style-type: none"> the OECD recommendations regarding corruption 	✓	Integrated Report pg 70
	<ul style="list-style-type: none"> the Employment Equity Act 	✓	Integrated Report 58; Sanlam Supplementary Report: People Development pg 10
	<ul style="list-style-type: none"> the Broad-Based Black Economic Empowerment Act 	✓	Sanlam Corporate Governance Report pg 12
11.7	Good corporate citizenship including:		
11.7.1	promotion of equality, prevention of unfair discrimination and reduction of corruption	✓	Sanlam Corporate Governance Report pg 11
11.7.2	contribution to development of communities within its sphere of activities	✓	Integrated Report 43, 46
11.7.3	Record of sponsorship, donations and charitable giving	✓	Sanlam Supplementary Report: People Development pg 21

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11.7.4 the Broad-Based Black Economic Empowerment Act	✓	Sanlam Corporate Governance Report pg 12
11.8 Environment, health and public safety	✓	Integrated Report 129; Introduction to the Sanlam Supplementary Sustainability Report pg 1
11.9 Consumer relationships	✓	Integrated Report 43; Sanlam Supplementary Report: Prosperous Society
11.10 Labour and employment:		
11.10.1 Company's standing in terms of the International Labour Organization Protocol	✓	Integrated Report 56
11.10.2 Employment relationships	✓	Sanlam Supplementary Report: People Development
11.10.3 Contribution toward educational development of employees	✓	Integrated Report 48, 58
11.11 Draw matters within its mandate to the attention of the Board	✓	Sanlam Supplementary Report: Sound Governance pg 1
11.12 Report to shareholders at Annual General Meetings	✓	Sanlam Supplementary Report: Sound Governance pg 1