

## Sanlam Group Conflict of Interest Policy

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<b>Approving Authority:</b>	Sanlam Limited Board
<b>Group Exco Sponsor:</b>	Chief Actuary and Group Risk Officer
<b>Responsible Person:</b>	Executive Head: Group Legal, Compliance and Financial Crime
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## 1. Purpose of the Policy

The purpose of the Policy is to set out the Sanlam Group's approach to the identification and management of all actual and perceived conflicts of interest which may arise between a person subject to this policy and:

- Sanlam; or
- A client or clients of Sanlam; or
- Any other stakeholder of Sanlam.

Actual or perceived conflicts of interest that are not properly managed can have a significant reputational and financial impact on the Sanlam Group as well as its relationships with clients and other stakeholders. In determining whether a conflict is involved, there is no alternative for sound judgement based on the particular facts involved in each case.

The objective of this Sanlam Group Conflict of Interest policy is to provide a framework within which to address areas where conflict of interest may arise within the Sanlam Group.

The purpose of the Conflict of Interest policy is not to prevent persons subject to this Policy from pursuing private or personal interests, but to govern any potential conflicts which may arise from such interests.

## 2. Scope of the Policy

This policy is a Sanlam Group Policy and shall apply to all Sanlam Group Subsidiaries and Business Entities.

All individuals employed or contracted by Sanlam in any capacity whatsoever, including directors and persons serving on any Governance Committee or Forum, are subject to this policy and must ensure that they at all times comply with this policy.

Entities contracted to Sanlam and its Business Entities as service providers or contractors must also ensure that this policy is complied with during the course of the relationship with Sanlam.

## 3. Policy Statement

Sanlam requires every person to ensure that all actual, potential or perceived conflicts of interests are identified timeously, avoided as far as possible, managed appropriately where avoidance is not possible and at all times be declared to enable the mitigation of the risks associated with such conflicts.

In addition to identifying, managing and declaring all actual, potential or perceived conflicts of interests, extreme care should be taken to avoid any conduct that may or could be regarded as an attempt to exert influence in unduly favouring any party, including the offering, giving or receipt of any gift or gratification, which may have such effect.

Transparency is critical to the effective management of conflicts of interest and the associated risks. Sanlam shall not tolerate any unmanaged conflicts of interests or any failure to declare such conflicts fully and timeously. Appropriate action will be taken by Sanlam in all cases where this policy is contravened or not complied with.

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## 4. Definitions

The words and phrases in this paragraph will have the following meanings when used in this policy:

<b>Board</b>	The Board of Directors of Sanlam Limited.
<b>Business Cluster</b>	<p>A grouping of businesses managed by a Cluster Executive Committee and overseen by a Cluster Finance and Risk Forum and a Quarterly Business Review (QBR) Forum that provides assurance to Sanlam Limited and Sanlam Life Boards, Audit, Actuarial &amp; Finance Committee and Risk &amp; Compliance Committees. Currently this includes:</p> <ul style="list-style-type: none"><li>• Sanlam Life and Savings (SLS), incorporating:<ul style="list-style-type: none"><li>• Sanlam Risk and Savings;</li><li>• Glacier;</li><li>• Sanlam Connect;</li><li>• Sanlam Retail Mass; and</li><li>• Sanlam Corporate;</li></ul></li><li>• Sanlam Investment Group (SIG);</li><li>• Sanlam FinTech (SFT);</li><li>• SanlamAllianz;</li><li>• Sanlam Asia; and</li><li>• Santam</li></ul>
<b>Business Division</b>	A Business Entity that forms part of a Sanlam Group Entity, but operates independently of the other Business Divisions of that Sanlam Group Entity;
<b>Business Entity</b>	The Sanlam businesses that perform the activities of a Business Cluster. Business Entities include Sanlam Group Entities, Business Divisions and business units subject to governance oversight requirements provided on a Cluster level.
<b>Conflict of Interest</b>	<p>Any situation in which a person to whom this policy applies has an actual, potential or perceived interest that may, in the discharge of that person's duty to Sanlam, a client of Sanlam or other stakeholder:</p> <ul style="list-style-type: none"><li>• Influence or compromise the person's independence, sound judgement and the ability to make objective decisions; or</li><li>• Prevent the person from acting in the interest of Sanlam, the client or stakeholder.</li></ul>
<b>Executive Committee (Exco)</b>	The Group Exco, Sanlam Life Exco, cluster ExcOs and Business Exco's collectively unless specifically indicated otherwise.

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<b>Family</b>	Includes a child, adopted child, spouse, life partner, parent, adoptive parent, grandchild, grandparent, brother, sister, cousin, niece, nephew, brother-in-law, sister-in-law, mother-in-law and father-in-law.
<b>Friend</b>	Someone who an employee knows and who is regarded by the employee with loyalty and affection.
<b>Group Office</b>	The corporate head office that is responsible for Sanlam's centralised functions which sets strategic direction, agrees minimum and mandatory standards of governance and risk management and monitors and reports on its implementation.
<b>Associates and joint ventures</b>	An investment over which Sanlam exercises significant influence or joint control, which requires the investment to be equity accounted in the group financial statements accounts. In most cases Sanlam will have a direct or indirect shareholding of more than 20% but less than 50% of the entity's issued capital. It includes joint ventures that are equity accounted in the Group financial statements.  Strategic shareholding of less than 20% into unlisted businesses can also be classified as an associated company or joint venture.
<b>Subsidiary</b>	An investment where Sanlam exercises such a level of control that requires the investment to be consolidated in the Group accounts (either due to equity holding or material influence). It excludes consolidated portfolio investment funds if appropriately approved. In most cases Sanlam will have a direct or indirect shareholding of more than 50% of the entity's issued capital. For governance purposes it includes subsidiaries of subsidiaries.
<b>Sanlam</b>	Sanlam Limited – the controlling company of the Sanlam Limited Insurance Group and the ultimate holding company of all Sanlam Group companies.
<b>Sanlam Life</b>	Sanlam Life Insurance Limited and all its business divisions.
<b>Sanlam Group</b>	Sanlam Limited and all Group Companies comprise the Sanlam Group. For avoidance of doubt, this includes the Sanlam Limited Insurance Group as a whole.
<b>Sanlam Group Companies</b>	Subsidiaries, associates and joint ventures, collectively comprise Sanlam Group Companies. Portfolio Investments are not seen as a Group Company.
<b>Sanlam Group Entity</b>	A legal entity in the Sanlam Group, including groupings of such entities designated from time to time as financial conglomerates, insurance groups and insurance sub-groups in terms of the FSR Act, the Insurance Act or a similar Act of another jurisdiction.

## 5. Procedures for Implementation

### 5.1. Responsibility for Implementation

It is the responsibility of every person to whom this policy applies to ensure that he/she complies with the provisions of the policy at all times.

Management of Sanlam within all the Subsidiaries and Business Entities will be responsible for the effective implementation of, monitoring of compliance with and enforcement of this policy in their respective areas.

### 5.2. Acknowledgement

All persons subject to this policy must be required to familiarise themselves with this policy and acknowledge by sign-off on MyWorkspace that they have read it, understood the content and agree formally to be bound by it.

Where certain Subsidiaries and Business Entities are not using MyWorkspace, sign-off as described above must be capable of being evidenced.

### 5.3. Disclosure of Conflicts of Interest

All persons must disclose on an ongoing basis, in writing, the detail of any known, potential or perceived conflict of interest to their line managers or the person responsible for the management of the relationship between Sanlam and the person making the disclosure.

Disclosures made by the directors of Sanlam Limited and Sanlam Life or the Group Chief Executive Officer (CEO) must be made in writing at least once per quarter to the Company Secretary of Sanlam Limited.

Disclosures made by the directors of Subsidiaries must be made in writing at least once per quarter to the Company Secretary of the specific Subsidiary.

An opportunity needs to be provided at every formal Board and Board Committee meeting, for the Directors, invitees and/or management representatives in attendance to each declare any potential, perceived or actual conflict of interest.

Disclosures should be made at the following times:

- At the time of appointment, contracting or recruitment of a person by a Subsidiary or Business Entity;
- Prior to becoming part of a new venture that potentially may lead to a conflict of interest;
- When taking on new functions or roles within Sanlam, including transfers from one Business Entity to another;
- Whenever a conflict of interest arises or the person becomes aware of a potential or perceived conflict of interest; and
- At least annually during the course of the relationship with Sanlam.

Annual declarations must be made regardless of whether a conflict of interest exists or not. Where no actual, potential or perceived conflict of interest exists, a formal annual declaration to this effect must still be made in the manner prescribed in this paragraph.

Employees should make formal disclosures on the facility provided in MyWorkspace or any other appropriate record-keeping facility in use by a Subsidiary or Business Entity, whenever a disclosure needs to be made in terms of this Policy.

Executive directors of Sanlam Limited and Sanlam Life must make disclosures in their capacity as director to the Company Secretary and in their capacity as executive management on MyWorkspace.

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Business must make an appropriate record keeping facility available to persons serving on Committees to record disclosures of conflicts of interest. All disclosed information will be treated as confidential, unless additional disclosure is necessary in order to comply with regulatory requirements or is required in connection with a specific transaction or transactions.

## 5.4. Conflicts of Interest Provisions in Contracts

A Request for Proposal or Tender must include a declaration by the respondent that no conflict of interest exists, or it must provide an opportunity for the respondent to disclose any actual, potential or perceived conflict.

A specimen clause to be included in all third-party provider contracts is provided in Annexure B. This clause is illustrative only and the wording may be adapted. The Sanlam Group Legal, Compliance and Financial Crime (GLCF) Office may also issue additional guidance on contractual clauses. Subsidiaries and Business Entities must at all times consult their legal advisors before contracting with third-party service providers.

## 5.5. Management Actions

In the event of a disclosure of a conflict of interest, the appropriate level of management must review the severity of the potential impact of the conflict and decide on an appropriate action. The materiality of the risk will be determined by the role and responsibilities of the person making the disclosure, as well as the nature and type of direct or indirect interest declared.

The Sanlam Limited and Sanlam Life Nominations- as well as Human Resources & Remunerations (HRRC) Committees are responsible for the review and approval of disclosures made by directors of Sanlam Limited and Sanlam Life. The Group CEO and the Cluster CEO, as part of the QBR Forum process, will be responsible for the review and approval made by directors of legal entities within a specific Cluster. Any decision made with regard to the disclosure must be stored with the contract of the director. Management will be responsible for the review and approval, or not, of all other disclosures. Any decisions made by management regarding disclosures by employees must be captured on MyWorkspace or any other appropriate record-keeping facility.

In dealing with a disclosure of an actual, potential or perceived conflict of interest, three options are available to the decision maker:

- Approve and allow the disclosed interest;
- Conditional approval of disclosed interest; or
- Disallow the disclosed interest.

If the disclosed interest is considered to not constitute a conflict and does not expose Sanlam to any reputational, financial, regulatory or conduct -risk, the interest may be approved and allowed. The decision must be documented. In the case of an employee, the decision must also be captured on MyWorkspace or any other appropriate record-keeping facility and the employee is thereafter responsible for disclosing any change in the nature of the interest. Management of the employee is responsible for monitoring the risk of the potential conflict.

In some instances, the conditional approval of a disclosed interest may be warranted. This conditional approval may be granted where the day-to-day activities of the person making the disclosure constitutes a minimal risk for conflict of interest and/or appropriate management actions have been implemented to mitigate the risk.

The conditions of the approval must be clearly documented and communicated and persons making the disclosure should not participate in any subsequent discussions or decisions on matters related to the disclosed interest.

### 5.6. Intolerable Conflicts of Interest

Certain activities or private or personal interests may lead to a conflict that presents an intolerable degree of risk to Sanlam and must not be allowed. The decision and the reasons for not allowing the conflict to continue must be clearly documented and communicated to the person making the disclosure.

When a decision is made not to approve a disclosed conflict of interest, the person should be allowed reasonable time to cease being involved in the conflict situation.

Annexure A provides examples of scenarios where conflicts of interests may present an intolerable risk, but this is not an exhaustive list. The Sanlam GLCF office may, from time to time, publish guidance with additional scenarios which should be read with this policy and should serve as guidance under this Policy.

## 6. Annual Reporting to the Sanlam Limited and Sanlam Life Board Committees on Conflicts of Interest

An annual report must be submitted to the Cluster Quarterly Business Review (QBR) Forums and then to the Sanlam Limited and Sanlam Life HRRC's on the status of conflicts of interest management within Sanlam. The report must be submitted by the Sanlam Group or Cluster HR Executive, as the case may be, and should include per broad category of conflict (e.g. directorships, private business, family members, close friends):

- A summary of the number of employees who have disclosed interests;
- A summary of the number of conditional approvals, and conflicts disallowed;
- Some indication of high-risk areas of conflict of interest; and
- A summary of the conflict of interest disclosure and management actions of third-party providers.

The Cluster QBR Forums and the Sanlam Limited and Sanlam Life HRRC's are responsible to ensure that the disclosure and approval processes are applied consistently throughout Sanlam.

## 7. Breach of this Policy

A failure by a person to provide a disclosure in circumstances where a disclosure is required under this Policy, will be a transgression of the Sanlam Code of Ethical Conduct and this Policy and will be dealt with in terms of Sanlam's disciplinary code.

Material transgressions of this Policy may result in termination of the employer-employee relationship and even civil or criminal prosecution. Contracts for temporary employees, independent consultants/contractors and vendors must include the necessary termination- or penalty clauses to manage the risk of conflicts of interest. The Sanlam Limited and Sanlam Life Nominations Committee and the HRRC's must consider any breach of this policy by a director or a member of executive management and determine appropriate actions.

## 8. Related Policies

This Policy should be read with the:

- Sanlam Group Code of Ethical Conduct;
- Sanlam Limited and Sanlam Life Fit and Proper Policy
- Sanlam Group Outsourcing Policy
- Sanlam Group Procurement Policy
- Sanlam Group Financial Crime Combating Policy;



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- Sanlam Group Anti-Bribery and Corruption Policy; and
- Sanlam Group Policy on the Giving and Receipt of Gratifications.

## Annexure A

Activities or private or personal interests that are not allowed include, but are not limited to:

- Discussion on the performance or decisions that may influence contracting of any third party (including, but not limited to, suppliers, clients or business partners) of which the employee or a family member is a material investor, or from which they gain or expect to gain a financial benefit;
- Using any confidential information for private gain or communicating this information to third parties, whether at a fee or not, to enable them to conclude contracts with Sanlam;
- Insider dealing: Use of knowledge gained that is not public, during your association with Sanlam activities, to your advantage;
- Using Sanlam property for private interest. This includes the use of software licensed to Sanlam, for private consulting work or excessive use of the Sanlam communication network for private interest;
- Participation in any external activity which competes with the business of Sanlam;
- Participation in any external interest that places a high premium on the employee's time and energy and interferes with the employee's ability to fulfil their Sanlam role and responsibilities. This includes, but is not limited to running a personal business during working hours;
- Approaching clients, suppliers and/or business partners of Sanlam for personal use or building up a personal business; and
- Neither employees nor their family members should have any interest or investments in a business partner or supplier of Sanlam that would or could create a conflict of interest. Conflicts of interest would not arise out of merely holding non-controlling shares in such a company. However, it could arise if for example an employee has shares in a family company that is a supplier to Sanlam and where the employee is able to influence decision making regarding the awarding of contracts to that supplier.

When in doubt as to what constitutes a potential, perceived or actual conflict of interest, that the individual can engage/approach the Group Legal, Compliance and Financial Crime Office.

#### **Draft Contractual Clause for Third Party Providers**

“The Vendor shall take all necessary steps to avoid any risk of conflict of interest by the employees, directors or major shareholders of the Vendor, and to ensure that the services / products under this contract are not in conflict with any of its other activities or services. Sanlam reserves the right to verify the adequacy of these measures and may require additional measures to be taken if deemed necessary.

Should such a conflict arise, the Vendor undertakes to remove such conflict immediately, without any compensation from Sanlam.

The Vendor undertakes to disclose to Sanlam annually before 31 January each year for the duration of the contract, any actual, potential or perceived conflict of interest disclosed by any of its employees or directors or major shareholders, with regard to Sanlam, or any conflict with the business of Sanlam. The disclosure should include information on all activities or interests that create or potentially can create a conflict of interest and should include full details of the relationships involved. It should also include information on the actions taken by the Vendor to eliminate these conflicts.

Should a conflict of interest arise during the year, the Vendor shall notify Sanlam in writing within 7 (seven) business days from becoming aware of such conflict of interest.

The Vendor shall abstain from concluding any contract likely to compromise the independence of the Vendor in delivering the contracted service and/or product to Sanlam.

The Vendor warrants that, to the best of its knowledge and except as disclosed, there are no relevant circumstances which could give rise to conflicts of interest in the delivery of the contracted service / product to Sanlam.”