



SANLAM LIMITED
(“Sanlam” / “the Company”)

SANLAM CUSTOMER INTEREST
COMMITTEE CHARTER

(“the Charter”)

TABLE OF CONTENTS

1. INTRODUCTION
2. PURPOSE OF THE CHARTER
3. ROLE OF THE COMMITTEE
4. RESPONSIBILITIES OF THE COMMITTEE
5. DISCLOSURE REQUIREMENTS
6. DELEGATION
7. RELATIONSHIP WITH THE SANLAM GROUP COMPANIES
8. RELATIONSHIP WITH OTHER COMMITTEES
9. COMPOSITION OF THE COMMITTEE
10. AUTHORITY
11. MEETINGS AND PROCEEDINGS
12. FEES
13. PERFORMANCE, EVALUATION AND TRAINING
14. REVIEW OF THE CHARTER

1. INTRODUCTION

- 1.1 The Sanlam Customer Interest Committee (“the Committee” or “the SCIC”) is a Committee of the Board of Directors of the Company (the “Sanlam Board” or the “Board”). This document sets out the duties assigned to it by the Board.
- 1.2 The Committee is constituted in alignment with King IV Report on Corporate Governance™ 2016 (“King IV™”) to the extent that its recommended practices have been adopted by the Company.
- 1.3 The Committee has been established to assist the Sanlam Board in discharging its governance oversight responsibility of ensuring that all customer-related decisions and other related matters in the Sanlam Group are appropriately reviewed and monitored within Sanlam at a strategic level.
- 1.4 The duties and responsibilities of the Committee as set out in this document are in addition to those duties and responsibilities that they have as members of the Board.
- 1.5 The deliberations of the Committee do not reduce their individual and collective responsibilities as members of the Board with regards to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their legal obligations.
- 1.6 The Committee’s mandate extends to the Company and all its subsidiaries. It includes having an oversight and monitoring role over the activities of all subsidiaries including those subsidiaries that are required to have a SCIC. For this reason, save where the context indicates otherwise, any reference in this Charter shall be deemed to include a reference to each such subsidiary.
- 1.7 This Charter is subject to the provisions of the Companies Act, Sanlam’s Memorandum of Incorporation, the JSE Listing Requirements (“JSE”) and any other applicable law or regulatory provision. This includes the relevant market conduct legislation in each jurisdiction where the Sanlam Group operates.

2. PURPOSE OF THE CHARTER

- 2.1. The purpose of this Charter is to document *inter alia* the Committee’s functions in relation to its role and responsibilities delegated to it by the Board, the duty of oversight of, and reporting on compliance with relevant market conduct regulation where the Sanlam Group operates. In South Africa this includes compliance with Treating Customers Fairly (“TCF”) principles.
- 2.2. The Charter seeks to outline:
 - 2.2.1 The Committee’s role and responsibilities;

- 2.2.2 The requirements for its composition;
- 2.2.3 The process and, criteria for appointment of any Committee members who are not Board members;
- 2.2.4 Meeting procedures;
- 2.2.5 The Committee's delegation of authority to management to support and assist the Board to exercise independent judgement; and
- 2.2.6 The Committee's role in assisting the Board in ensuring the balance of power to effectively discharge its duties.

3. ROLE OF THE COMMITTEE

- 3.1 The Committee has an independent role, operating as an overseer and a maker of recommendations to the Board for its consideration and final approval.
- 3.2 The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.
- 3.3 The role of the Committee can be summarised as the following:
 - 3.3.1 To assist the Board to discharge its collective responsibility to ensure that the fair treatment of Customers is an integral part of governance.
 - 3.3.2 To assist the Board with sufficient knowledge to ensure that the reports issued by Sanlam enable Sanlam's stakeholders to make an informed assessment of the way Sanlam treats its customers, i.e. including its short-, medium- and long-term strategy relating to customer related matters.
 - 3.3.3 Perform statutory functions, as and when required.
 - 3.3.4 Delegate its authority and duties to sub-committees or individual members of the Committee as it deems appropriate, provided that it is not precluded by legal or regulatory requirements from doing so.
 - 3.3.5 Enable the Board to govern the treatment of customers ethically and in a way that supports the establishment of an ethical culture throughout Sanlam.
 - 3.3.6 It Assist the Board in ensuring that Sanlam is seen as a responsible corporate citizen in the way it treats its Customers.

4. RESPONSIBILITIES OF THE COMMITTEE

- 4.1. The Committee's primary responsibility is to assist the Sanlam Board to discharge its governance oversight responsibility in relation to monitoring how effectively Sanlam meets its obligations to its Customers in the context of compliance with relevant market conduct legislation where the Sanlam Group operates. This supports Sanlam being an ethical and a good corporate citizen.
- 4.2. The Committee's main function is to act as an advisory body and to provide guidance to the Sanlam Board on strategic issues relating to customers as well as approve Sanlam's Policy that articulates and give effect to the Sanlam Board's direction on compliance management and monitoring in this specific area. The Committee will also provide guidance to management on relevant issues when requested to do so.
- 4.3. In general, the Committee will endeavour to ensure Sanlam has effective compliance management and monitoring systems in place to address compliance related risks associated with market conduct issues associated with the TCF legislative and corresponding regulatory frameworks, including the six TCF fairness outcomes as defined by Financial Services Conduct Authority under the auspices of TCF principles, being:
 - 4.3.1 **Outcome 1:** Customers are confident that they are dealing with firms where the fair treatment of customers is central to the firm's culture;

- 4.3.2 **Outcome 2:** Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly;
- 4.3.3 **Outcome 3:** Customers are given clear information and are kept appropriately informed before, during and after the time of contracting;
- 4.3.4 **Outcome 4:** Where customers receive advice, the advice is suitable and takes account of their circumstances;
- 4.3.5 **Outcome 5:** 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; and
- 4.3.6 **Outcome 6:** Customers do not face unreasonable post-sale barriers to change a product, switch provider, submit a claim or make a complaint.
- 4.4 The Committee will perform its responsibilities in addition to Sanlam's existing complaints handling and its internal arbitration facilities and will not take on any of the responsibilities of those bodies.
- 4.5 The Committee should exercise ongoing oversight of Sanlam's approach to the management of market conduct and compliance related risks by overseeing that the following outcomes are achieved within Sanlam:
 - 4.5.1 That compliance is understood not only for the obligations it creates, but also for the rights and protection it affords;
 - 4.5.2 Compliance management taking a holistic view of how applicable laws and non-binding rules, codes and standards relate to one another; and
 - 4.5.3 Continual monitoring of the regulatory environment and appropriate responses to changes and developments.
- 4.6 The Committee shall consider the need for periodic independent assurance on the effectiveness of Sanlam's compliance management and monitoring systems for this aspect of market conduct risk.
- 4.7 The Committee shall consider the performance of Sanlam's products, including client or policyholder investment performance, relative to appropriate benchmarks and taking into account the reasonable expectations of clients.
- 4.8 The Committee shall consider the quality of service and client experience provided by Sanlam, relative to appropriate benchmarks and taking into account the reasonable expectations of clients. In this regard, the Committee shall consider the adoption and use of digital technologies to enhance client experience.
- 4.9 The Committee shall consider, monitor and give direction to Sanlam's strategy and policy with respect to the Group's relationship with all its customers as appropriate. The Committee will also:
 - 4.9.1 Consider any reports presented to it by the Chief Actuary, Internal Arbitrator, Head of Group Compliance or any Sanlam Executive;
 - 4.9.2 Consider any customer related matter referred to it by the Sanlam Board or any of the other Board committees;
 - 4.9.3 Review relevant Board, Risk and Compliance Committee, Social, Ethics and Sustainability Committee as well as Audit Committee memoranda with a view to identify customer related issues that may require attention;
 - 4.9.4 Review TCF specific management information, approve policies and frameworks as it becomes available.
- 4.10 The Committee may escalate any customer related matter to the Sanlam Board, directly or via the appropriate Board committees.
- 4.11 The Committee will regularly provide feedback to the Sanlam Board regarding the execution of the Committee's mandate.
- 4.12 The Committee will perform the compliance monitoring function regarding Sanlam Life's Principles and Practices of Financial Management ("PPFM") as

applicable to its Smoothed Bonus, Reversionary Bonus and Participating Annuity types of businesses.

- 4.13 The Committee will consider, align and comment on the PPFM's of subsidiary life insurance companies (where applicable).
- 4.14 The Committee will be responsible for the continuous monitoring and reporting of the Sanlam TCF delivery and will provide feedback to the Board on TCF compliance related matters, issues of concerns and/or risks at least once per quarter.
- 4.15 The Committee will be responsible for monitoring demutualisation safeguards and will report back to the Board on an annual basis.
- 4.16 The Committee will exercise governance oversight to ensure external reports fairly record sufficient information, to enable a reasonable and informed stakeholder to make an informed assessment about how Sanlam treats its customers.
- 4.17 The Committee shall emphasise that the Board is the focal point and custodian of all matters related to governance oversight of Sanlam's conduct in relation to fair treatment of its customers.
- 4.18 The Chair of the Committee (or in his/her absence, an alternate member) will attend Sanlam Limited's Annual General Meeting ("AGM") to respond to possible questions regarding the Committee's focus areas.

5. DISCLOSURE REQUIREMENTS

The Committee will disclose the following:

- 5.1 Its overall role and associated responsibilities and functions;
- 5.2 Composition, including each member's qualifications and experience;
- 5.3 A statement on whether the Committee is satisfied that it has fulfilled its responsibilities in accordance with this Charter for the reporting period;
- 5.4 Any external advisors or invitees who regularly attend its meetings;
- 5.5 Key areas of focus during the reporting period; and
- 5.6 Number of meetings held during the year.

6. DELEGATION

- 6.1 Any delegation by the Board of any of its responsibilities to the Committee will not by or of itself constitute a discharge of the Board's accountability.
- 6.2 The Board remains accountable to apply its collective mind to the information, opinions, recommendations, reports and statements presented by the Committee.

7. RELATIONSHIP WITH SANLAM GROUP OF COMPANIES

- 7.1. The Sanlam Board has developed and approved a Group Governance Policy which proposes certain principles to be applied throughout the Sanlam Group in respect of subsidiary and associate companies, partnerships, joint ventures as well as business divisions across statutory entities.
- 7.2. The Committee shall function within the ambit of the Group Governance Policy which includes the broader "tight" governance aspects such as branding, people management, risk management, culture and ethics.
- 7.3. In line with Sanlam's interest in Group companies, the Committee shall maintain sound relations with Sanlam's representatives on the boards of directors of these companies, i.e. whilst taking cognisance of shareholder agreements, memoranda of incorporation, the adherence to Group policies where such policies exist and Group/Cluster control functions that oversee the implementation of governance and customer related interests at a business level.
- 7.4. The Boards of directors of each company within the Sanlam Group, have a

fiduciary duty towards that specific company, which compels them to manage the business in a manner that will ensure appropriate customer focused strategies, an effective control environment and accurate reporting.

- 7.5. The Committee further recognises that it is the responsibility of these directors to ensure that the different companies practise proper governance and adhere to the Group's policies, structures, standards and procedures. The Cluster governance structures and/or the Cluster Executives are required to inform and report to the Committee any material deviations (as generally defined in the Group Risk Policy) from Group policies and standards or the existence of any significant internal control breakdowns within these businesses. They may report directly or institute appropriate reporting mechanisms such as formal written reports or by personal attendance at the meeting. These aspects are all considered "tight" in terms of the Group Governance Policy and the Committee will therefore, from time to time, provide guidance or set Group policies through the Sanlam Board.
- 7.6. In accordance with the Sanlam Board's oversight responsibility, the Committee shall provide assurance regarding the process on the subsidiaries' strategy towards implementation of and/or compliance to the TCF principles.

8. RELATIONSHIP WITH OTHER COMMITTEES

- 8.1 The Committee will ensure appropriate information flows between itself and other Board Committees on all matters relating to the TCF principles to enable the Committee access to market conduct or TCF related matters, risks and/or other information required to execute its responsibilities.
- 8.2 The Committee will also provide input to other Board Committees on such matters that are relevant to those Committees to enable it to perform its responsibilities, in circumstances where aspects of those matters fall within the scope of responsibility of other Board Committees.
- 8.3 The Committee will receive regular feedback from the clusters' sub-committees, the subsidiaries or members of the Sanlam Group as well as management regarding its effectiveness and/or significant customer related risks that the businesses might be exposed to from time to time.

9. COMMITTEE COMPOSITION

- 9.1. The Committee will consist of no less than 3 (three) directors appointed by the Board, all of whom are independent directors. A common member with the Risk and Compliance Committee would be advantageous.
- 9.2. The members of the Committee are nominated and appointed by the Board with the assistance of the Nominations Committee, who shall have the power to remove any members from the Committee and to fill any vacancies created by such removal.
- 9.3. Each member will have one vote to exercise for the purposes of decision-making.
- 9.4. External specialists and/or experts may also be appointed to the Committee by the Board in consultation with the Chair of this Committee and the Nominations Committee.
- 9.5. The Chief Actuary of Sanlam will not be a member of the Committee but will be a permanent invitee/attendee to all meetings of the Committee.
- 9.6. The Board will appoint the Chair and determine the period for which she/he will hold office.
- 9.7. If the Chair of the Committee is absent from a meeting, the members present shall elect one of the members present to act as Chair.
- 9.8. The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties.
- 9.9. The Company Secretary of Sanlam will act as the Secretary to the Committee.

9.10. The Committee may request any other officer or employee of Sanlam or Sanlam's outside counsel to attend a meeting as invitees of the Committee or to meet with any members of, or consultants to, the Committee.

10. COMMITTEE AUTHORITY

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

11. MEETINGS AND PROCEEDINGS

- 11.1 Meetings of the Committee will be held at such time and venue as it deems appropriate, but it will normally meet at least once a quarter.
- 11.2 The Chair of the Committee or any member of the Committee may call a meeting at any time as and when required.
- 11.3 The notice of each meeting of the Committee, confirming the venue, the medium, time and date, and enclosing an agenda of items to be discussed, will other than under exceptional circumstances be forwarded to each member at least seven (7) days prior to the date of the meeting.
- 11.4 Committee members must attend all scheduled meetings of the Committee, including meetings called on an *ad hoc* basis for special matters, unless prior apology, with reasons, have been submitted to the Chair of the Committee and/or the Company Secretary.
- 11.5 The quorum for the Committee to transact business will be more than one half of the members of the Committee.
- 11.6 The Committee will conduct its meetings in accordance with a Board approved annual work plan to ensure that it fulfils all of its responsibilities.
- 11.7 No attendee other than members of the Committee and/or invitee shall have a vote at meetings of the Committee.
- 11.8 Unless varied by this Charter, meetings and proceedings of the Committee will be governed by Sanlam's Memorandum of Incorporation ("MOI") regulating the meetings and proceedings of directors and committees.
- 11.9 The Committee Secretary will take minutes of meetings.

- 11.10 Minutes of all meetings will be circulated to all the members of the Committee and may also, if the Chair of the Committee so decides be circulated to the Chair of the Sanlam Board. The Chair of the Board may request that such minutes or portions thereof be circulated to some or all other Board members.
- 11.11 Any director may, provided there is no perceived or actual conflict of interest, obtain copies of the Committee's minutes. The Chair will be informed of all such requests.
- 11.12 A round robin resolution in writing adopted by the majority of the Committee members will be valid and effective as if it had been passed at a duly called and constituted meeting – i.e. provided that each Committee member received notice of the matter to be decided. Such resolution will be presented at the next meeting for ratification and record purposes.
- 11.13 The Chair of the Committee will regularly provide summarised feedback to the Sanlam Board as well as to the Sanlam Risk & Compliance Committee on the Committee's activities and deliberations. Where appropriate detailed feedback on the issues addressed by the Committee will be provided.
- 11.14 The number, timing and length of meetings as well as the agendas are to be determined in accordance with the Committee's annual work plan.
- 11.15 The Committee must report at least annually to the Sanlam Board on its function, responsibilities and activities. It will include the evaluation of the effectiveness of the Committee as well as recommending amendments (if any) to its Charter.

12. FEES

- 12.1 The remuneration of the Committee members will annually be set for the next year by the shareholders of Sanlam at the AGM on the recommendation of the Board.
- 12.2 Having regard to the functions performed by the members of the Committee (in addition to their functions as directors) in relation to the activities of the Committee and pursuant to the specific power conferred upon the Sanlam Board by the MOI, non-executive members and external specialists/experts of the Committee may, on the recommendation of the Board, be paid special Committee fees as is permitted in Sanlam's Board approved Remuneration Policy. Such special Committee fees will be in addition to the annual fees payable to directors.

13. PERFORMANCE, EVALUATION AND TRAINING

- 13.1 The Committee must evaluate its performance as a collective each year, having regard to the principles and requirements of this Charter and the overall objective of the Committee's work.
- 13.2 Such evaluation of the Committee's performance is to ensure that its own performance, its Chair and its individual members support the Committee to improve its performance and effectiveness.
- 13.3 The Chair of the Committee shall ensure that the results of the Committee's performance review and any proposed changes to this Charter are reported to the Board.
- 13.4 The Committee shall ensure that its members undergo regular training in order to ensure that it effectively perform its responsibilities.

14. REVIEW OF THE CHARTER

- 14.1 The Committee Charter was recommended to the Board for its approval and subsequently approved by the Board.
- 14.2 The Charter will be due for a review on an annual basis.
- 14.3 A précised version of the Charter shall be published on Sanlam's website, or such other platforms as required.