

## **SANLAM LTD AND SANLAM LIFE INSURANCE LTD (SANLAM)**

### **DIGITAL TRANSFORMATION AND IT FORUM**

#### **CHARTER**

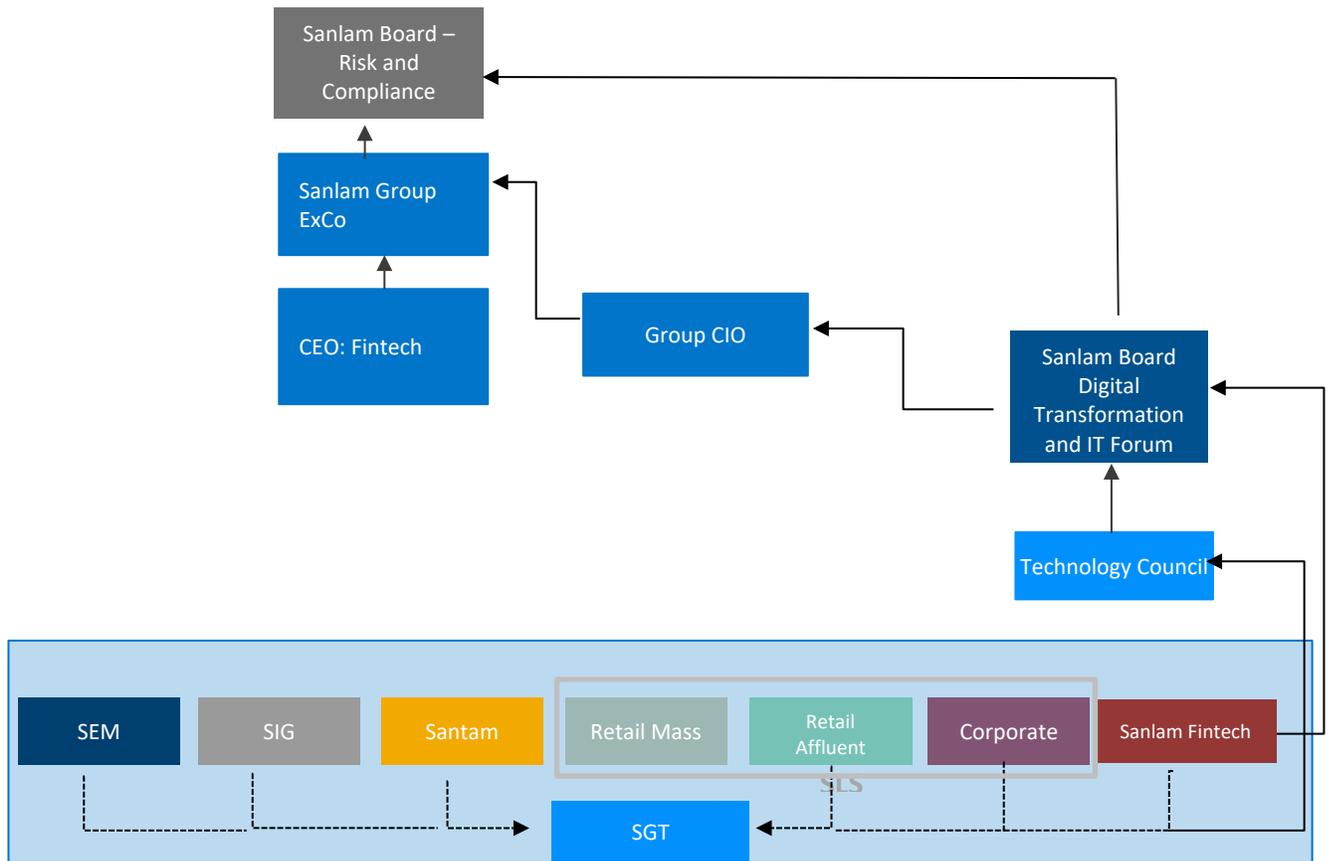
**August 2023**

#### **1. EXECUTIVE SUMMARY**

The purpose of this paper is to set out the terms of reference of the Digital Transformation and Information Technology Forum (DTIT Forum). The DTIT Forum is a mechanism of the Risk and Compliance Committee of the Sanlam Group Board, that assists the Risk and Compliance Committee in fulfilling its duties of oversight on digital transformation and Information Technology (IT). The DTIT Forum is being proposed to coordinate and provide oversight for digital transformation initiatives (activities) and IT governance, compliance, and risk within the Sanlam Group. The DTIT Forum will also provide IT strategic oversight to the Sanlam Group.

- 1.1. The Risk and Compliance Committee of the Sanlam Board would be requested to consider and approve this Charter when reviewed, and on an annual basis.
- 1.2. The DTIT Forum has been established to provide the Risk and Compliance Committee with a level of oversight for the digital transformation and IT activities (strategy, governance and risk) within the Sanlam Group. This oversight function is carried out through liaising with the Technology Council in the Sanlam Group and directly with the Clusters.
- 1.3. The focus of the DTIT Forum is to coordinate and provide oversight to Digital transformation and provide leadership on IT governance, compliance and risk, and overall IT strategy across the Sanlam Group.
- 1.4. The Clusters and Technology Council are to provide quarterly reports on the progress on digital transformation, IT strategy and IT governance, in line with the quarterly business review reporting cycle to the DTIT Forum. The DTIT Forum will meet quarterly. The exact format and content of the reporting that will be provided will be agreed with the DTIT Forum.

**Fig 1: Sanlam Digital Transformation and IT Forum proposed structure**



## 2. PURPOSE

2.1 The purpose of the DTIT Forum is to assist the Sanlam Risk and Compliance Committee of the Board in fulfilling its duties regarding digital transformation and IT matters.

2.2 In fulfilling its purpose, the DTIT Forum will do the following:

- a. Act as an oversight and leadership function on digital transformation strategy and activities, IT governance, compliance and risk and overall IT strategy and reports output to the Risk and Compliance Committee of the Sanlam Board.
- b. Oversee the output from the Fintech Cluster and Technology Council and tracks overall group-wide progress on strategy setting and execution for digital transformation.
- c. Provide strategic leadership, guidance and advice to the executive team on all matters related to digital transformation and IT, and the risks thereof.

## 3. MANDATE

- 3.1 The Sanlam Risk and Compliance Committee is a committee of the Sanlam Board. Its purposes it to assist the Sanlam Board in fulfilling its responsibilities by, among other things:
  - 3.1.1 Reviewing and discussing the governance of Digital Transformation and IT related matters and to consider whether management is responding appropriately thereto. It will escalate any specific concerns to the Board regarding the exposure to and management of Group information as and when necessary; and
  - 3.1.2 Monitoring external developments including legal and regulatory matters, which may have a significant impact on how the Group governs its information and information technology.
- 3.2 The DTIT Forum is a mechanism authorised by the Risk and Compliance Committee to assist it in fulfilling its duties regarding Digital Transformation and IT related matters.

#### 4. **ROLE**

- 4.1 This Charter serves as a guide and does not prevent the DTIT Forum from carrying out such additional functions and adopt such additional measures as may be appropriate in the light of changing business, regulatory, strategic, risk or other conditions.
- 4.2 The DTIT Forum will in fulfilling its mandate perform the following tasks:
  - a. Provide leadership advice on enterprise-wide digital transformation and IT related matters of the Sanlam Group.
  - b. Track and ensure progress on digital transformation and IT governance (including compliance, risk and IT strategy).
  - c. Ensure executive alignment, desire and commitment on digital transformation and appropriate management of IT risks.
  - d. Provide oversight and assurance to the Sanlam Risk and Compliance Committee regarding the establishment of IT governance systems in the Sanlam Group.
  - e. The functions in respect of Digital Transformation shall include, but is not limited to, the following:
    - i. Maintain and track a comprehensive view of all major digital initiatives as reported by the Clusters and Technology Council.
    - ii. Act as an oversight function and make recommendations to the Technology Council.

- iii. Sign off recommendations on major digital transformation and IT related matters and budgets for approval by the Risk & Compliance committee and the Sanlam Board.
- iv. Review key transformation needs across IT systems, legacy products and services, and advise on, and recommend for approval (as relevant) new digital opportunities to the Risk and Compliance Committee.
- v. Align on the Group's digital objectives and KPIs and ensure monitoring of progress and performance.
- f. Report and communicate on digital transformation progress to the Risk and Compliance Committee of the Board.
- g. Set and track adherence that the IT governance standards are in line with Sanlam Group Governance Policy.
- h. Set and track progress on digital transformation and the IT strategy and ensure alignment with Sanlam's Strategy.

4.3 The DTIT Forum will be a decision-making entity for Group Technology Standards.

## 5. **MEMBERSHIP**

- 5.1 The Sanlam Group Chief Executive Officer will nominate the Chairperson of the DTIT Forum for ratification by the Risk and Compliance Committee and the Human Resources and Remuneration Committee.
- 5.2 The DTIT Forum will consist of no less than five members, of which at least two should be non-executive. Members will be:
  - a. Chairperson of the DTIT Forum
  - b. Non-Executive drawn from Members of the Risk and Compliance Committee
  - c. Group Chief Executive Officer (Group CEO)
  - d.
  - e. Chief Executive Officer, FintechGroup Chief Information Officer (Group CIO)
  - f. Group Executive: Strategy
  - g. Group Chief Risk Officer
  - h. Other members nominated by the Group CEO
- 5.3 A quorum for constituting the DTIT Forum will be:

- a. at least 2 non-executive members of the Risk and Compliance Committee, one of which must be the Chair of the DTIT Forum (or his/her nominee who must be a member of the Risk Committee);
- b. the CEO or nominee;
- c. the CIO or nominee; and
- d. the Group Risk Officer or nominee.

5.4 Attendees:

Attendees and invitees nominated by the Group CEO and/or the Chairperson of the DTIT Forum.

- 5.5 The Chairperson of the DTIT Forum may invite members of management or other persons to attend and participate at the DTIT Forum meetings.

**6. MEETING PROCEDURES**

6.1 Meeting frequency

Meetings of the DTIT Forum will be held as often as the Chairperson deems appropriate; however, the DTIT Forum will meet at least four times a year (quarterly).

6.2 Secretariat

- a. Group Company Secretariat
- b. The Secretary shall circulate the agenda and discussion documents prior to each meeting.
- c. The Secretary will take minutes of the meetings which will be circulated to the members. The Chairperson must pre-approve any wider distribution of such minutes.
- d. The minutes will also be made available to the members of the Sanlam Risk and Compliance Committee on request.

6.3 Reporting

The Chair of the DTIT Forum will report to the Risk and Compliance Committee on a quarterly basis.

**7. SUPPORTING UNITS TO THE DIGITAL TRANSFORMATION AND IT FORUM ACROSS SANLAM**

- 7.1 Strategy and Impact Office: Develops group strategy, supports translation into cluster strategy, monitors success of strategy implementation.
  - 7.2 Technology Council: Recommends and aligns on the Group's Technology Strategy, deploys governs IT and Digital systems, data architecture and code development to achieve harmonisation across the Group.
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**8. APPENDIX**

<b>Technology Council</b>	
Purpose	<p>Develop and drive the technology, information and data strategy across the group</p> <p>Set and enforce systems, data, architecture and development standards across the group</p> <p>Manage strategic information and IT risks (including emerging risks)</p>
Mandate	<p>Drive and oversee execution of Group's IT and data strategy</p> <ul style="list-style-type: none"> <li>• Create the roadmap to execute the technology, information and data strategy</li> <li>• Conduct reviews to assess whether business impact was achieved</li> <li>• Propose solutions to major roadblocks when they arise and escalate major decisions to the DTIT Forum where necessary</li> <li>• Mitigate IT risks across the Group (including emerging risks)</li> </ul> <p>Govern decisions, recommend and be the keeper of rules of systems architecture, data architecture and standards, and code development standards and patterns for use across the group</p> <ul style="list-style-type: none"> <li>• Develop view of technologies across Sanlam to identify gaps and identify areas to reduce duplication</li> <li>• Link standardisation to clear business cases that can be made to the DTIT Forum</li> <li>• Establish and enforce systems, data and development standards so it becomes a shared asset across Sanlam</li> <li>• Distribute architecture and development standards to ensure compatibility across clusters</li> <li>• Clearly articulate and make transparent the Group-wide IT costs across clusters</li> <li>• Evaluate and approve new business enabling technologies and innovation for experimentation</li> <li>• Enable master data management across the group for client engagement and data analytics purposes</li> <li>• Enable experimentation with new technologies within DTIT Forum guidelines</li> </ul> <p>Prioritise, select and manage key resources for technology</p> <ul style="list-style-type: none"> <li>• Provide final approval of the relevant Sanlam Group Technology investments and budgets</li> <li>• Manage shared services costs across Group</li> </ul>

Membership	<b>Chair: Group CIO</b> <b>Members:</b> <ul style="list-style-type: none"><li>• Group CRO</li><li>• Cluster CIOs</li><li>• Cluster COOs</li><li>• SGT ExCo members</li><li>• Business stakeholders</li></ul> <b>Meeting frequency</b> <ul style="list-style-type: none"><li>• Monthly</li></ul>
Secretariat	<ul style="list-style-type: none"><li>• Sanlam Group Technology</li></ul>