



**SANLAM LIMITED  
("SANLAM" or "COMPANY")**

**BOARD CHARTER  
("THE CHARTER")**



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## 1. INTRODUCTION

- 1.1 The Board of Directors (“the Board”) of the Sanlam Limited Insurance Group (“the Group” or “Sanlam” or “the Company”) ) acknowledges the need for a Board Charter (the “Charter”) as recommended in the King IV Report on Corporate Governance™ in South Africa 2016 (“King IV™”), with due regard to the prevailing legislation relating to JSE Listings Requirements (“LR”), and the Constitution of the Republic of South Africa (including the Bill of Rights) the law and leading standards.
- 1.2 This Charter is subject to the provisions of the Companies Act 71 of 2008, as amended (“the Companies Act”), the Company’s Memorandum of Incorporation (“MOI”), the JSE LR, the King IV™ principles (to the extent that its recommended practices have been adopted by the Company), the Insurance Act 2017, including the Prudential Authority’s Governance and Operational Standards issued in terms thereof that are relevant to Insurance Groups (“GOG”) and insurers (“GOIs”), the Group Governance Policy and Board Approval Framework as well as any other applicable law or regulatory provisions.
- 1.3 The Board’s mandate extends to the Company and all the Company’s subsidiaries and (save where the context indicates otherwise), any reference in this Charter to the Company shall be deemed to include a reference to each such subsidiary.
- 1.4 The duties and responsibilities of the Board 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 delegation of the duties and responsibilities of the Board to its Committees does not reduce the Board’s individual and collective responsibilities in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement.
- 1.6 The Board should apply its collective mind to the information, opinions, recommendations, reports, and statements presented to it by its Committees and management.
- 1.7 The Board is committed to ensure the implementation of sound governance practices as advocated in King IV™ as ethical and effective leadership, aimed at achieving the core governance outcomes of an ethical culture, good performance, effective control, and legitimacy.

## 2. PURPOSE OF THE CHARTER

- 2.1. The purpose of this Charter is to document the Board’s role and responsibilities, and to give guidance on the effective functioning of the Board.
- 2.2. In particular, it recognises and outlines *inter alia* the Board’s role in regard to its:
  - 2.2.1. Ethical leadership responsibilities;
  - 2.2.2. The requirements for its composition;
  - 2.2.3. Process, policy and the criteria for appointment of Board members;
  - 2.2.4. Meeting procedures;
  - 2.2.5. The delegation of authority to its Committees and, in turn, to management to promote and enhance the Board’s effectiveness.

## 3. RESPONSIBILITIES OF THE BOARD

- 3.1. The Board shall exercise its leadership role by steering Sanlam and setting its strategic direction; approving policy/ies and business plans that give effect to the direction provided; overseeing and monitoring the implementation of and execution by management of such policies and direction; and ensuring accountability for Sanlam’s performance by means of, among others, reporting and disclosure.
- 3.2. The Board shall perform its duties in the best interests of Sanlam. In this regard, it

is especially noted that the Company is committed to actively promote a transformed, inclusive, vibrant, and globally competitive financial sector company.

- 3.3. The Board is committed to ensuring Sanlam reflects the demographics of South Africa and those territories in which it operates as well as contributing towards economic growth, development, and the establishment of an equitable society.
- 3.4. For this purpose, the Board will:

**In general:**

- 3.4.1. Assume the responsibility and accountability for Sanlam's performance by steering and setting the direction for the realisation of Sanlam's core purpose and values through its strategy;
- 3.4.2. Establish and maintain the ethical responsibility for the effective governance and risk management within Sanlam;
- 3.4.3. Act as the focal point for, and custodian of corporate governance by managing its relationship with management, the shareholders and other stakeholders of the Company in line with sound corporate governance principles;
- 3.4.4. Determine, review, and oversee that Sanlam's vision and values are congruent with Sanlam being a responsible corporate citizenship;
- 3.4.5. Delegate to management the formulation and development of Sanlam's short, medium and long term strategy to ensure that Sanlam achieve its objectives as a business enterprise;
- 3.4.6. Consider, challenge and approve Sanlam's strategy as formulated and developed by management;
- 3.4.7. Oversee and appreciate that Sanlam's core purpose, strategy, risk and opportunity, business model, performance and sustainable development are all inseparable elements in the value creation process and to give effect to this by taking into account the following:
  - 3.4.7.1. That Sanlam's strategy and conduct are congruent to it being a responsible corporate citizen;
  - 3.4.7.2. The timelines and parameters which determine the meaning of short, medium and long term respectively;
  - 3.4.7.3. The risks, opportunities and other significant matters connected to the triple context in which Sanlam operates;
  - 3.4.7.4. The extent to which the proposed strategy depends on the resources and relationships connected to the various forms of capital as applicable to Sanlam;
  - 3.4.7.5. The increase, decrease or transformation of the various forms of capitals that may result from the execution of the Sanlam strategy;
- 3.4.8. Satisfy itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management;
- 3.4.9. Identify key performance and areas of risk;
- 3.4.10. Regularly review the business objectives and strategy and ensuring that the strategy will result in sustainable outcomes and remain relevant to and consistent with the long term interests and sustainability of Sanlam as well as the interests of its stakeholders;
- 3.4.11. Consider sustainability as a business opportunity that guides strategy formulation;
- 3.4.12. Advocate and promote effective leadership on an ethical foundation and ensuring that it acts ethically beyond mere compliance;
- 3.4.13. Ensure that Sanlam is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business, but also the impact that business operations have on the Company's stakeholders,

- natural resources and the society within which it operates;
- 3.4.14. Oversee information management and information technology (“IIT”) governance;
  - 3.4.15. Ensure that Sanlam has an effective and independent Audit Committee and that there is an effective risk-based internal audit function;
  - 3.4.16. Appreciate that stakeholders’ perceptions affect the Company’s reputation;
  - 3.4.17. Oversee that reports such as the integrated reports, annual and interim financial statements, and other online or printed information are issued, as is necessary, to comply with applicable legal requirements, and/or to meet the legitimate and reasonable information needs of material stakeholders;
  - 3.4.18. Ensure that it recognises its responsibility to be transparent in the manner in which it exercises its governance role and responsibilities;
  - 3.4.19. Consider business rescue proceedings as soon as the Company becomes financially distressed as defined in the Companies Act read with other prevailing legislation;
  - 3.4.20. Elect an independent Chair, a Deputy Chair as well as the Lead Independent Non-Executive Director (“LID”) in the event that the Chair is not independent;
  - 3.4.21. Adopt and implement a procedure to, at least annually, assess its performance and effectiveness as a whole, and that of individual directors, including the Group Chief Executive Officer (“CEO”) of Sanlam and the Chair of the Board.
  - 3.4.22. Review and approve the Governance Framework for the Group that articulates and gives effect to the Board’s direction on relationships and the exercise of authority across the Group;
  - 3.4.23. Set the Group’s values and assess the ongoing adherence to the Group’s values and culture;
  - 3.4.24. Take appropriate steps to develop and disseminate a Code of Conduct and Group Ethics Policy throughout the Group and continuously monitor the adherence thereto;
  - 3.4.25. Embrace King IV™ which contains corporate governance guidelines and recommendations. For the purposes of this Charter, the members of the Board will ensure that they are fully informed of Sanlam’s MOI, the LR and applicable legislation as amended from time to time;
  - 3.4.26. Ensure disclosure of information in relation to its:
    - 3.4.26.1. Overall role and associated responsibilities and functions;
    - 3.4.26.2. Its composition, including each member’s qualifications and experience;
    - 3.4.26.3. The number of meetings held during the reporting period, and the attendance at those meetings;
    - 3.4.26.4. Any external advisors or invitees who regularly attend its meetings;
    - 3.4.26.5. Key areas of focus during the reporting period, and where appropriate, planned areas of focus;
    - 3.4.26.6. A statement on whether the Board is satisfied that it has fulfilled its responsibilities in accordance with this Charter for the reporting period;

#### **4. ADDITIONAL RESPONSIBILITIES OF INDIVIDUAL DIRECTORS**

The directors will therefore have to, in accordance with Sanlam’s relevant policies and procedures ensure that they:

- 4.1. Have the time to devote to properly carry out their responsibilities and duties to Sanlam;

- 4.2. Exercise leadership, competence, fairness, business judgment and act with integrity in the utmost good faith and honesty in all their dealings with or on behalf of Sanlam and act in a transparent, accountable and responsible manner independently of any outside fetter or instruction;
- 4.3. Act in line with modern trends worldwide, by means of not only exhibiting the degree of skill, due care and diligence but also taking reasonable diligent steps as may be reasonably expected from persons of their skill and experience (which is the traditional legal formulation), but also exercise both the duty of care and skill any reasonable person would be expected to illustrate in looking after their own affairs;
- 4.4. Qualify themselves on a continuous basis with a sufficient understanding of Sanlam's business and its effect on the economy, and remain informed about the financial, industrial and social milieu in which Sanlam operates;
- 4.5. Never permit a conflict of duties and/or interests and disclose potential conflicts of interest to the Board at the earliest possible opportunity;
- 4.6. Treat any matters relating to Sanlam, learned in their capacity as directors, as strictly confidential and to not divulge them to anyone without the express written authority of Sanlam;
- 4.7. Regularly attend all meetings and insist that Board papers and other important information regarding Sanlam are provided to them in time for them to make informed decisions;
- 4.8. Exercise independent judgment and objectivity in decision-making, taking into account the interests of Sanlam, its shareholders as well its policyholders and be prepared and able, where necessary, to raise and debate alternative viewpoints or to express disagreement with their colleagues serving on the Board, including the Chair and the CEO;
- 4.9. Act with enterprise for and on behalf of Sanlam and always strive to increase shareholder value, while having regard for the interests of all stakeholders relevant to Sanlam;
- 4.10. Take due cognisance (from a holistic perspective) of environmental protection codes and practices during their deliberations; and if in doubt about any aspect of their duties, obtain independent professional advice and/or consult the Group Company Secretary in that regard at the earliest opportunity; and
- 4.11. Deal in securities only in accordance with the policy adopted by the Board, the Companies Act and the JSE LR.

## **5. OVERSIGHT**

- 5.1. Sanlam Board's collective responsibility is to ensure its oversight of Sanlam's strategy and related risks and opportunities, its business model and its performance and sustainable development.
- 5.2. The responsibility of the directors is to oversee that Sanlam continually assesses and responsibly responds to any negative consequences of its activities and outputs on the triple context in which it operates, and the capitals which it uses and affects. In discharging this obligation, directors should be able to rely on the honesty and integrity of Sanlam's senior executives, its advisors and internal and external assurance providers.
- 5.3. The Board will set (and annually review) the business objectives of the Company and the strategic direction of the Company – i.e., taking into account the long term financial soundness of the Company, the interests of policyholders and other stakeholders, the fair treatment of Sanlam's customers as well as ensuring appropriate resourcing levels to deliver on performance.
- 5.4. The Board will take into account sustainability and environmental, social and governance ("ESG") considerations and ensure that it is effectively integrated and balanced to meet the Company's strategic objectives and at same time, ensure that the business philosophy, objectives and strategies are consistent with its

broader stakeholders' interests. Furthermore, the Board must set and oversee the integration of sustainability strategy and objectives as it relates to financial reporting, risk management and investment approach. The Board must ensure that all Group companies have appropriate processes and structures in place to govern and manage the sustainability related risks and opportunities, including climate change. The Board may delegate this responsibility to the SES Committee.

- 5.5. The Board shall advocate and promote ethical characteristics in order to offer ethical and effective leadership that result in achieving strategic objectives and positive outcomes over time. In addition to their oversight of performance, the directors should be alert to the general viability of Sanlam with regards to reliance and effects on the capitals, solvency and liquidity as well as the status of Sanlam as a going concern.
- 5.6. The Board will exercise oversight by continuously monitoring and evaluating the implementation of strategies, policies, management performance criteria and operational and business plans against agreed performance measures and targets.
- 5.7. The Board will ensure that responsible investment is practiced by the Company and its subsidiaries to promote good governance and the creation of sustainable value by the companies that the invest in.
- 5.8. The Board will ensure that disputes are resolved effectively, efficiently and as expeditiously as possible.
- 5.9. The Board will ensure that management considers opportunities and risks when developing the Company's strategy.
- 5.10. Exercise an oversight governance role over management performance in:
  - 5.10.1. The implementation of policies, procedures and practices that safeguard Sanlam's assets and reputation;
  - 5.10.2. Sanlam's compliance with all relevant laws, regulations and codes of best business practice as well as adherence to the Sanlam's Code of Ethical Conduct;
  - 5.10.3. Technology and Information Systems used in Sanlam to run the business effectively;
  - 5.10.4. The appointment, dismissal, development and succession policies, procedures and plans for executive directors and senior management;
  - 5.10.5. The governance framework that has been agreed upon between the Company, its cluster governance structures and management. In addition, the Group Governance Policy will continuously be monitored by the Board and the Board will annually review its effectiveness.

## **6. REVIEW, EVALUATE AND APPROVE**

The Board shall review, evaluate and approve:

- 6.1. Sanlam's financial objectives, budgets and forecasts as well as performance targets and required return on capital;
- 6.2. The levels of risk tolerance acceptable to the Group, including Sanlam's risk appetite;
- 6.3. Major resource allocations and capital investments;
- 6.4. The financial and operating results of Sanlam as well as its going concern status.
- 6.5. Identified key risk and opportunity areas and key performance indicators in order for Sanlam to generate economic profit, so as to enhance shareholder value in the long term, and at the same time recognise the wider interests of its stakeholders;
- 6.6. The overall corporate organisational structure and the assignment of senior management responsibilities;
- 6.7. Sanlam's Broad-Based Black Economic Empowerment ("B-BBEE"), transformation targets and objectives;

- 6.8. The Group's remuneration strategy as it relates to senior employees, which should pay due regard to the prevailing legislation as well as to ensure it adequately addresses the remuneration and benefits so that there is reasonable measurement against the key performance objectives. The remuneration model should be consistent with the Company's risk appetite and should not induce excessive or inappropriate risk taking;
- 6.9. Management's determination of the reporting frameworks (including reporting standards) to be used, taking into account applicable legal requirements and the intended audience and purpose of Sanlam's integrated annual report;
- 6.10. Sanlam's corporate objectives and policies relating to social, ethical and sustainability responsibilities;
- 6.11. Management's bases for determining materiality for the purpose of deciding which information should be included in Sanlam's integrated annual report;
- 6.12. The process to ensure the integrity and effectiveness of Sanlam's risk management and the establishment and maintenance of an adequate and effective internal control system;
- 6.13. Review annually the role and effectiveness of the Board Committees, the annual work plans relevant to each of the Board Committees as well as the Board Committees' charters.
- 6.14. The effectiveness of the Group Company Secretary annually.
- 6.15. The Group Governance Policy and the Sanlam Board Authorisation Framework annually.

## **7. POWERS OF THE BOARD**

- 7.1. The powers of the Board are set out in the MOI of Sanlam whereas the execution of these powers is governed by the Companies Act, Insurance Act, the common law as enforced in the courts, prevailing legislation relating to listed companies and the Board approved Governance Policy and Board Authorisation Framework.
- 7.2. The Board of Sanlam has adequate power and resources to discharge its duties fully and effectively in terms of prevailing legislation.

## **8. THE BOARD AND BOARD COMMITTEES**

- 8.1. Regular Board meetings will be held, approximately 4 (four) to 6 (six) times per year. Special meetings will be called by the Chair as and when necessary.
- 8.2. Board meetings may, from time to time, be held via electronic means for practical and expeditious reasons.
- 8.3. A round robin resolution in writing adopted by the majority of the Board members will be valid and effective as if it had been passed at a duly called and constituted meeting, provided that each Board member has received notice of the matter to be decided. Such resolution will be presented at the next Board meeting for ratification and record purposes.
- 8.4. Board members must attend all scheduled meetings of the Board, including meetings called on an *ad hoc* basis for special matters, unless prior apology, with reasons, has been submitted to the Chair and/or the Company Secretary.
- 8.5. Attendance of Board meetings may be *in person*, by teleconference or by video conference and/or other electronic medium provided for.
- 8.6. A schedule of dates and locations of the regular meetings shall be provided to the directors well in advance. Directors are expected to attend Board meetings and meetings of the Committees on which they serve.
- 8.7. All meetings shall be held at the Company's registered offices unless otherwise agreed. At the beginning of each meeting of the Board or its Committees, all members would be required to declare whether any of them has any actual or perceived conflict of interest in respect of a matter on the agenda. Any such conflicts should be proactively disclosed and managed as determined by the



Board and subject to legal provisions.

- 8.8. The Group Company Secretary will take minutes of all Board meetings.
- 8.9. The Board must assess whether, and to what extent, the establishment of committees of the Board is necessary and appropriate. The following standing committees are sub-committees of the Board as authorised by the MOI:
  - 8.9.1. Audit, Actuarial and Finance Committee (“Audit”);
  - 8.9.2. Risk and Compliance Committee (“Risk”);
  - 8.9.3. Human Resources and Remuneration Committee (“HRRC”);
  - 8.9.4. Nominations Committee;
  - 8.9.5. Social, Ethics & Sustainability Committee (“SES”);
  - 8.9.6. Sanlam Customer Interest Committee (“SCIC”);
  - 8.9.7. Non-Executive Directors’ Committee (“NEDC”); and
  - 8.9.8. Independent Non-Executive Directors’ Committee (“INEDC”)
- 8.10. Other special *ad hoc* committees may be established by the Board for any specific purpose the Board may deem necessary and may be discontinued as required; and where necessary, some of the activities or tasks associated with the roles and responsibilities of the Board may be delegated to a managing executive, a Committee, a governance structure within a business cluster or at least two other persons within Sanlam.
- 8.11. The Committees that have been established are an aid to assist the Board in discharging its duties and responsibilities.
- 8.12. The responsibilities and activities of the Committees, its Charter, membership and number of meetings to be held, are contained in their respective Charters, which are annually reviewed and approved by the Board. The Committees must:
  - 8.12.1. Be structured to ensure that it has the necessary authority, independence, resources and expertise;
  - 8.12.2. Have a clearly defined and documented mandate, role and responsibilities;
  - 8.12.3. Have access to all relevant employees and information to perform their mandate and functions;
  - 8.12.4. The Chair of each of the Committees makes a presentation to the Board on issues deliberated and/or submitted for discussion at the Committee meetings;
  - 8.12.5. The Chair, Group CEO or Committee Chairs may from time to time invite other employees and advisors to attend Board and/or Committee meetings whenever deemed appropriate;
  - 8.12.6. Unless varied by this Charter, meetings and proceedings of the Board will be governed by the relevant clauses of the Company’s MOI; and
  - 8.12.7. The ultimate responsibility for all delegated functions vests with the Board and as such the Board cannot abdicate its accountability to the Committees.

## **9. AGENDA ITEMS FOR BOARD MEETINGS**

- 9.1. The Chair and the Group CEO (in consultation with the Group Company Secretary) shall establish the agenda for each Board meeting. At the beginning of the year, the Chair will establish a schedule of agenda subjects to be discussed during the year (to the degree that this can be foreseen).
- 9.2. Each director may suggest the inclusion of items on the agenda and may also raise at any Board meeting, subjects that are not on the agenda for a particular meeting.
- 9.3. A detailed agenda and, to the extent feasible, supporting documents and proposed resolutions will be provided to the directors and other invitees approximately one week prior to each Board meeting. Directors shall review the material in advance of the meeting.
- 9.4. Directors having items to suggest for inclusion on the agenda for future Board meetings, should advise the Group Company Secretary timeously and in advance

of such meetings.

- 9.5. The number, timing and length of meetings including the agenda are to be determined in accordance with the annual Board plan.
- 9.6. Board members should be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion.
- 9.7. The minutes should be completed as soon as possible after the meeting and circulated firstly to the Chair and thereafter to members of the Board for review thereof.
- 9.8. The minutes must be formally approved by the Board at its next scheduled meeting.

## **10. DIRECTORS' REMUNERATION**

- 10.1. Non-executive directors shall receive reasonable remuneration for their services rendered. Directors who are employees of the Company or any of its subsidiaries shall receive no additional remuneration for serving as directors on the Board.
- 10.2. The form and amount of non-executive director remuneration will be determined and approved by Sanlam's shareholders at the annual general meeting ("AGM") after considering proposals in this regard from the Sanlam Board and in accordance with the policies and principles set forth in the HRRC Charter. The HRRC will conduct an annual review of such non-executive director remuneration.
- 10.3. Sanlam will include a Remuneration Policy in its integrated annual report and financial statements so that shareholders and other stakeholders can comprehend and cast a non-binding advisory vote on the Company's Remuneration Policy and motivation in setting remuneration for non-executive directors.
- 10.4. In accordance with King IV™ and the Companies Act, Sanlam will disclose the earnings, share options, restraint payments and all other benefits of individual executive directors. Such disclosures will be presented to the Board before publication.

## **11. DIRECTORS' ORIENTATION AND EDUCATION**

- 11.1. The Board will from time to time evaluate the training needs of the directors, with respect to the business of Sanlam as well as their fiduciary duties and legal responsibilities as directors. This includes developing a training and development programme.
- 11.2. All new directors will be provided with an initial orientation in order to familiarise them with their responsibilities as directors under the law as well as with Sanlam and its strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Ethical Conduct, its senior management, the triple context in which Sanlam operates, the capitals Sanlam uses and its internal and external joint auditors. The directors will also ensure that they remain informed.
- 11.3. The Group Company Secretary will co-ordinate all training needs of the directors and ensure that the Board approves directors' orientation and training programme.

## **12. DIRECTORS' ACCESS TO OFFICERS AND EMPLOYEES**

- 12.1. Directors shall have full and free access to officers and employees of Sanlam. Any meetings or contacts that a director wishes to initiate may be arranged through the Group CEO or the Group Company Secretary.
- 12.2. The directors will use their judgment and discretion to ensure that any such contact is not disruptive to the business operations of Sanlam and will, to the extent appropriate, copy the Group CEO or the Group Company Secretary on any written communications between a director and an officer or employee of

Sanlam.

### **13. INDEPENDENT ADVISORS**

- 13.1. The Board and each Committee have the power to, after having discussed it with the Chair and in consultation with the Group Company Secretary, engage with experts or advisors, including independent legal counsel, to obtain independent, professional advice relating to the affairs of Sanlam, or to their other responsibilities as Board members.
- 13.2. Sanlam will provide for appropriate and reasonable funding, as determined by the Board or the relevant Committee, for payment of fees to any such counsel, experts or advisors.

### **14. BOARD STRUCTURE AND COMPOSITION**

#### **14.1. Size of the Board**

- 14.1.1. Sanlam's MOI prescribes that the number of directors of Sanlam, which shall constitute the whole Board, shall not be less than 6 (six) nor more than 20 (twenty). The exact number of directors within such range, shall be determined from time to time by the shareholders at the AGM upon the recommendation of the Board – i.e., taking into consideration the need to achieve a balanced composition of its membership with the appropriate diverse knowledge, skills, experience, diversity and independence to objectively and effectively discharge its role and responsibilities.
- 14.1.2. The majority of the members serving on the Board, will be non-executive directors of which most of them will be independent. In particular, there will be a sufficient mix of non-executive directors and independent directors to promote objectivity in decision-making by the Board in Sanlam's best interests.
- 14.1.3. The Board's composition would be annually rotated so as to strengthen the Board's capabilities through the introduction of new members with new expertise and perspectives whilst retaining the valuable knowledge, skills and experience for the maintenance of continuity at the Board level.

#### **14.2. Quorum**

- 14.2.1. A representative quorum for meetings is as provided for in clause 34.6 of the Company's MOI. Currently this comprises 6 (six) directors of whom at least 4 (four) shall be non-executive directors.
- 14.2.2. Individuals in attendance at Board meetings by invitation may participate in discussions, but do not form part of the quorum for Board meetings nor shall they have a vote on issues under discussion.

#### **14.3. Selection of Directors**

- 14.3.1. Shareholders are ultimately responsible for electing and appointing or removing Board members, and it is in their interests that the Board is properly constituted. The Board (through its Nominations Committee) however, usually plays a key role in selecting its own members and should accordingly plan for its own continuity and succession, including through the identification, mentorship and development of future candidates.
- 14.3.2. The Sanlam Board should set the direction and approve the processes for the Board to attain and maintain an appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities.
- 14.3.3. All directors, executives, public officers, auditors, the Head of the Actuarial Control Function, Heads of Control Functions or any alternate, must at all times have satisfactory educational qualification, experience

or expertise as well as relevant skills and knowledge in respect of the duties that they must perform.

- 14.3.4. Sanlam adopts a process of staggered continuity and re-election of their Boards, to ensure continuity of experience and knowledge. In terms of Sanlam's MOI, at the AGM held each year, one third of the directors retire from office.
- 14.3.5. The shareholders will elect and appoint, and the Board will induct and develop Board members as and when necessary. Incompetent or unsuitable directors (including those who fail to attend meetings without proper explanation) could be removed, taking relevant legal, regulatory and other matters into consideration, with the Chair usually leading the process.
- 14.3.6. The selection process relevant to the recruitment of new Board members includes the consideration on the independence of the candidate with reference to various factors relevant to assessing independence on a substance-over-form basis. This approach is subject to overall consideration of whether there is any interest, position, association or relationship that, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making in the best interests of Sanlam.

#### **14.4 Director Qualifications**

- 14.4.1 The Sanlam Nominations Committee will, on an annual basis, review the requisite skills and characteristics of Board members as well as the composition of the Board as a whole.
- 14.4.2 In assessing the suitability and qualifications of the directors, the Nominations Committee shall consider the requirements set out in the Board Diversity Policy which includes levels of knowledge, diversity, age, skills, and experience in the context of the needs of the Board, commensurate with the nature, scale and complexity of the business and risks of Sanlam.

#### **14.5 Term of Office**

- 14.5.1 The Board's retirement age policy in terms of Sanlam's MOI is that directors will cease to hold office on the day of their 70th (seventieth) birthday or at the discretion of the Board upon the recommendation of the Nominations Committee.
- 14.5.2 The Board should establish arrangements for periodic and staggered rotation of its members so as to invigorate its capabilities by introducing members with new expertise and perspectives while retaining valuable knowledge, skills and experience and maintaining continuity.
- 14.5.3 A non-executive director and member of the Board may continue to serve, in an independent capacity, for longer than 9 (nine) years if, upon an assessment by the Board conducted every year after 9 (nine) years, it is concluded that the member exercises objective judgment and that there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making.

#### **14.6 Resignation from the Board**

- 14.6.1 Any director may resign at any time by giving at least 1 (one) calendar months' notice in writing.

#### **14.7 Board interaction with institutional investors, analysts, media, customers and members of the public**

- 14.7.1 Except where directed by the Chair, the Group CEO or the Finance

Director (“FD”) of Sanlam, communications on behalf of Sanlam with the media, securities analysts, stockbrokers, investors and other stakeholders must be made only by specifically designated and duly authorised representatives of Sanlam.

- 14.7.2 If a director receives any inquiry relating to Sanlam from the media, securities analysts, brokers or investors, including informal social contacts, he/she should decline to comment and refer them to engage Sanlam's Chair, the Group CEO, the FD or the Group Communications Department.

#### **14.8 Board and director appraisal**

- 14.8.1 Formal evaluations of directors are to be conducted by the Chair annually, and the Chair shall obtain the counsel of the Nominations Committee in fulfilling this task.
- 14.8.2 The Chair's own evaluation is conducted and led by the Lead Independent Director and/or a duly authorised independent non-executive director elected for this purpose. A consolidated summary of the results of the process should be reported to the full Board.
- 14.8.3 If a deficiency has been identified, a plan should be developed and implemented for the director to acquire the necessary skills or behaviour patterns.
- 14.8.4 This will also form the basis for the Board to identify key objectives for the effective functioning of the Board during the subsequent financial year. The Board should schedule an opportunity for consideration, reflection and discussion of the results of these formal performance evaluations, as part of its consideration of its annual Board plan.
- 14.8.5 A Board evaluation should be conducted biannually and may be conducted by an external service provider.

#### **14.9 Disqualification of directors**

- 14.9.1 The Companies Act and Sanlam's MOI set out the grounds for the disqualification of directors, which include (but is not limited to) insolvency, unsound mind and non-attendance of meetings.

#### **14.10 Indemnities and insurance**

- 14.10.1 Sanlam will provide the Board and Committee members with (and will pay the premiums for) the indemnification and insurance cover while acting in their capacity as members, to the fullest extent permitted by the Companies Act.
- 14.10.2 The level of cover provided will be decided upon by the Board after considering proposals in this regard, upon recommendation from its Audit and Risk Committees respectively.

### **15 BOARD FUNCTIONARIES**

#### **15.1 Chair**

##### **15.1.1 Appointment**

The Board will appoint from amongst the Board members a Chair, who is preferably an independent non-executive director.

##### **15.1.2 Role**

The primary role of the Chair is to

- 15.1.2.1 Set the ethical tone for the Board and Sanlam.
- 15.1.2.2 Provide overall leadership to the Board of Sanlam without limiting the principle of collective responsibility for Board

decisions, whilst at the same time being aware of the individual duties of Board members.

- 15.1.2.3 Set the tone for the Board's performance and undertake same to management.
- 15.1.2.4 Ensure that focus is maintained by the Board on what is best for Sanlam and that the tone for Sanlam's success is set.
- 15.1.2.5 The Chair is accountable to the Board.
- 15.1.2.6 Working with fellow Board members, the Chair sets the direction and priorities for the execution of the duties by the Board and acts as the communication channel for the Board decisions where appropriate.

### **15.1.3 Specific Responsibilities of the Chair (i.e. in relation to Sanlam as an organisation):**

The Chair will represent Sanlam at:

- 15.1.3.1 The AGM and other shareholder meetings – i.e., particularly taking the lead in discussions with shareholders at such meetings or other interventions. The respective Chairs of the various Board Committees may also be required to participate at such meetings on specific matters falling under the remit of their respective Committees (e.g. such as the Board appointments (the Chair of the Committee responsible for nominations), the remuneration policy and implementation (the Chair of Committee responsible of remuneration related matters), stakeholder matters (the Chair of the SES Committee) and engagement of external joint auditors (the Chair of Audit Committee) *et al.*
- 15.1.3.2 Engagements with key stakeholders, where the intervention or engagement at the level of the Board is needed in addition or instead of management engagement.
- 15.1.3.3 Other functions/events where necessary and appropriate to represent Sanlam.
- 15.1.3.4 Being present/participating in industry engagements conferences and the like, as and where necessary and appropriate to represent Sanlam.
- 15.1.3.5 Play an active role in engaging the directors and building their strengths and addressing any weaknesses in the Board's performance, which could as a result impact on Sanlam's performance and reputation;
- 15.1.3.6 The Chair should also be expected to play a leading role in supporting the Group CEO in the process of developing the Company's vision and goals before their presentation to the Board, Sanlam's strategic direction and planning process before its presentation to the Board and ensuring adherence by Sanlam to both the letter and the spirit of the law.

### **15.1.4 The Chair has the following responsibilities in relation to the Sanlam Board:**

- 15.1.4.1 Provide overall leadership to the Board;
- 15.1.4.2 Manage conflicts of interests. Chair must ask affected Board members to recuse themselves from discussions and decisions in which they have a perceived or actual conflict of interest, unless they are requested to provide specific input, in which event they should not be party to the decision;
- 15.1.4.3 Oversee that the Board leads ethically and effectively and that

the Company conducts itself in a way that cultivates and exhibits the characteristics of integrity, competence, responsibility, accountability, fairness and transparency;

- 15.1.4.4 Participate in the selection process for Board members (via the Nominations Committee), and overseeing a formal succession plan for the Board, the Chair, the Group CEO, the FD and other executives;
- 15.1.4.5 Taking the lead in the allocation of Board members to Board Committees including the appointment of the respective Committees' Chairs;
- 15.1.4.6 Ensuring clarity of mandate and effectiveness of the Board Committees;
- 15.1.4.7 Encouraging good working relations, teamwork and collaboration among Board members without inhibiting candid debate and creative tension;
- 15.1.4.8 Overseeing the continued appropriateness of Board approved policies that relate to identification, disclosure and management of conflicts of interest situations that may arise for Board members in performance of their governance roles and functions, and for members of the executive team in performance of their executive roles and functions.
- 15.1.4.9 Ensuring that Board members contribute fully to the effective and objective discharge of the Board's role and duties;
- 15.1.4.10 Take the lead in ensuring the evaluation of the Board, its members, the Chairs of its Committees as well as the respective Board Committees in addressing non-performance of members of the Board and if and when necessary, the removal of unsuitable Board members from the Board;
- 15.1.4.11 Mentoring newly appointed/younger/less experienced Board members to develop skills and enhance confidence;
- 15.1.4.12 Oversee that newly appointed Board members are appropriately made aware of their responsibilities through an induction and orientation programme;
- 15.1.4.13 Keeping the members of the Board suitably informed of significant issues between meetings;
- 15.1.4.14 Ensuring that the Board fulfils its duty to steer and set strategic direction (including same for the governance structures), approving policy and planning, overseeing the organisation and monitoring and ensuring accountability, which results in ethical culture, good performance, effective control and legitimacy;
- 15.1.4.15 Ensuring that good relations are maintained with Sanlam's major shareholders and other material stakeholders.

**15.1.5 The Chair has the following responsibilities in relation to management:**

- 15.1.5.1 To act as the link between the Board and the Group CEO;
- 15.1.5.2 Encourage good working relations with management whilst at the same time, maintaining an arm's length relationship;
- 15.1.5.3 Perform the performance appraisal of the Group CEO (in consultation with the Human Resources and Remuneration Committee) and be informed of performance appraisal findings of other executives;
- 15.1.5.4 Assess whether Sanlam is getting the full value from the executives;

- 15.1.5.5 Act as confidante/sounding board and provide counsel to the Group CEO. The Chair will have no executive functions. He/she will act as the main link between the Board and management and particularly between the Board and the Group CEO, as no company is likely to run effectively and efficiently unless there is a good working relationship between the Chair and the CEO. This includes the Chair and CEO respecting each other's responsibility and abilities as well as personal qualities;
- 15.1.5.6 Offer guidance during times of crisis;
- 15.1.5.7 Overseeing the performance and acting as the contact/reporting point for the Group Company Secretary or the professional providing governance services to the Board in respect of the discharge of statutory duties and other duties performed for the Board;
- 15.1.5.8 The Chair, along with all other directors, should recognise that the Group CEO is responsible for leading the implementation and execution of the approved strategy, policy and operational planning and should not expect, as a right and/or entitlement, to become involved in the Company's day-to-day operations;
- 15.1.5.9 Because of their particular relationship, the Chair should nevertheless -
  - 15.1.5.9.1 Expect to be kept informed by the Group CEO of all such important matters as emerging problems, risks, potentially good or bad publicity, investment and divestment proposals, funding issues and current performance; and
  - 15.1.5.9.2 Issues of concern to the Group CEO or the Chair should be discussed at liberty;
- 15.1.5.10 Ensure that the Group CEO understands and properly performs his/her role in the relationship;
- 15.1.5.11 In addition to having an effective working relationship with the Group CEO, the Chair should have free access to discuss financial funding and performance issues directly with the Finance Director. The Group CEO should, however, be made aware of such discussions;
- 15.1.5.12 Give assistance and advice when needed, especially on sensitive matters which the Group CEO feels unable to discuss with other executives;
- 15.1.5.13 Ensure that he/she is sufficiently familiar with Company activities and senior management so that he/she is in a position to provide the Board with independent comment on the Group CEO's reports;
- 15.1.5.14 Keep himself fully informed of trends and changes in the finance and insurance industries and Sanlam's operating environment, both locally and internationally. He/she should generally also stay more informed of the Company's business and strategy than other directors. To achieve this, the Chair will be invited to attend strategy and budget setting meetings. At these meetings the Chair will act as an observer, sounding board and adviser, but not as a member of the executive team.

**15.1.6 The Chair has the following responsibilities in relation to meetings of the Board:**

- 15.1.6.1 Preside over Board meetings and ensure that the time spent at meetings, is used productively;



- 15.1.6.2 Exercise judgment as to when additional interventions and/or additional meetings of the Company may be required and the format thereof;
- 15.1.6.3 Ensure that complete, timely, relevant, accurate, and appropriately assured information is placed before the Board to enable the Board members to reach informed decisions;
- 15.1.6.4 Hold rigorous standards of preparation for Board meetings, by (for example) meeting with the Group Company Secretary and Group CEO before meetings and studying the meeting information packs prior to distribution;
- 15.1.6.5 Formulate (with the Group CEO, Group Company Secretary and/or other professionals providing corporate governance services) the annual Board plan against agreed objectives, and playing an active part in setting the agenda for Board meetings;
- 15.1.6.6 Ensure that sufficient time and effort has been devoted to preparation for meetings by Board members;
- 15.1.6.7 Ensure that those Board members present, constitute a quorum at meetings before decisions are taken;
- 15.1.6.8 Ensure that an effective Group Company Secretary or other governance professional is in place to support the Board;
- 15.1.6.9 Ensure that decisions by the Board are suitably recorded in the minutes and executed accordingly;
- 15.1.6.10 Determine when independent professional advice may be necessary and ensuring that this is procured within the approved protocol;
- 15.1.7 In order to determine whether the Chair is able to perform his/her duties effectively, the Nominations Committee (in consultation with the Board), should determine the number of outside professional positions that the Chair is allowed to hold, taking account of the relative size and complexity of those positions held in other organisations and the potential for conflicts of interest across the roles.
- 15.1.8 The Chair:
  - 15.1.8.1 Should not be a member of the Audit Committee;
  - 15.1.8.2 May be a member of the HRRC Committee, but not its Chair;
  - 15.1.8.3 Should be a member of the Nominations Committee and may be its Chair if she/he is independent, failing which an independent non-executive director will be appointed as the Chair of the Nominations Committee.
  - 15.1.8.4 May be a member of the Committee responsible for Risk governance;
  - 15.1.8.5 May be a member of the SES Committee, but not its Chair;
  - 15.1.8.6 Should be a member of the INED Committee and should be its Chair if he/she is independent, failing which an independent non-executive director will be appointed as the Chair of the INED Committee; and
  - 15.1.8.7 Should be a member of the NED Committee and may be its chair if he/she is a non-executive director.
- 15.1.9 **The Chair has the following responsibilities in relation to the stakeholder relationships:**
  - 15.1.9.1 The Chair should preside over each of the Company's AGMs and all other shareholder meetings. All directors should be available at the AGM to respond to shareholders and other stakeholders' queries on how the Board executed its

- governance duties;
- 15.1.9.2 However, the responsibility of reporting on the detail of the business to shareholders is mostly that of the Group CEO, assisted by the Finance Director;
- 15.1.9.3 The Chair should be invited to all shareholder presentations, especially presentations to institutional investors as well as presentations to investment analysts;
- 15.1.9.4 The Board should ensure that shareholders are equitably treated and that the interests of minority shareholders, are adequately protected.

#### **15.1.10 Other relationships:**

- 15.1.10.1 The Chair can be called upon to visit, meet or entertain clients, employees, regulators or other people who are important key stakeholders of Sanlam. He/she may have to make speeches or negotiate on occasions on behalf of the Company;
- 15.1.10.2 Sanlam is affiliated to a number of business organisations, and the Group CEO is its first choice as representative at these organisations. However, the Chair may, from time to time, represent the Company at these organisations where he/she and the Group CEO agree on such representation;
- 15.1.10.3 The Sanlam Board requires the firm and objective leadership of a Chair who ensures that all directors, executives and non-executives alike, are enabled to fulfill their respective roles in the Board's activities;
- 15.1.10.4 The Chair's role is to lead the Board in the objective and effective discharge of its governance role and responsibilities;
- 15.1.10.5 The Chair's primary function is to preside over meetings of directors and to ensure the smooth running of the Board, in the interests of good governance;
- 15.1.10.6 The position of Chair of Sanlam, being a major financial institution, requires a fundamental understanding and strong knowledge of finance and financial risk relevant to the institution and the industry in which it operates. The Chair is also expected to represent the Company on business and industry organisations.

## **15.2 Deputy Chair**

- 15.2.1 The Board shall appoint the Deputy Chair who will deputise the Chair at meetings during the Chair's absence.

## **15.3 Group Chief Executive Officer ("Group CEO")**

### **15.3.1 Appointment**

The Group CEO shall be appointed (and/or removed) by the Board.

### **15.3.2 Responsibilities**

- 15.3.2.1 The task of the Group CEO is to run the business, implement and execute approved policies, strategies and operational plans as adopted by the Board and act as a chief link between management and the Board. All Board authority conferred on management is delegated through the Group CEO, so that the authority and accountability of management is regarded as the authority and accountability of the Group CEO insofar as the Board is concerned.
- 15.3.2.2 The Chair, in consultation with the Board, shall set certain

specific targets directed at achieving Sanlam's goals and business objectives and an appropriate delegation of authority to the Group CEO to ensure that the targets are achieved. The Group CEO shall act within the specific authorities delegated to him or her by the Board in terms of the Board Authorisation Framework.

- 15.3.2.3 The Board shall annually via the Human Resources and Remuneration Committee evaluate the Group CEO's performance as it relates to achieving specific targets identified by the Board.
- 15.3.2.4 Without in any way limiting the obligations of the Group CEO as determined in his/her contract of employment, the Group CEO shall, in particular, be responsible for:
- 15.3.2.4.1 Ensuring the growth and profitability of Sanlam within the vision, goals and strategic direction approved by the Board;
  - 15.3.2.4.2 Making sure that the assets of Sanlam are adequately maintained and safeguarded, and not unnecessarily placed at risk;
  - 15.3.2.4.3 Ensuring that the comprehensive and appropriate internal control mechanisms are recommended to and adopted by the Board in order to mitigate against key risks;
  - 15.3.2.4.4 Not causing or permitting any practice, activity or decision by or within Sanlam that is contrary to commonly accepted good business practices, good corporate governance or professional ethics;
  - 15.3.2.4.5 Communicating to the Board, at least annually, regarding Sanlam's senior management succession plans and management development initiatives, including details of the Company's compliance with employment equity and human capital development imperatives;
  - 15.3.2.4.6 Developing and growing Sanlam's human capital;
  - 15.3.2.4.7 The Group CEO should maintain a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of top quality employees at all levels of Sanlam, and serve as the chief spokesperson for the Sanlam Group;
  - 15.3.2.4.8 It is the Group CEO's responsibility to be accountable and report to the Board and not just to the Chair for his/her performance.

### **15.3.3 CEO's Appraisal**

- 15.3.3.1 The Chair, with the assistance of the Human Resources and Remuneration Committee, appraises the performance of the Group CEO at least on an annual basis in order to ensure that the Group CEO is providing the best leadership for the Company in the short- to long term.
- 15.3.3.2 The Human Resources and Remuneration Committee should publish an annual report to the Board on succession planning.
- 15.3.3.3 The entire Board will work with the Human Resources and Remuneration Committee and the Nominations Committee, to nominate and evaluate potential successors to the Group

CEO.

#### **15.3.4 General**

- 15.3.4.1 The Group CEO has a critical and strategic role to play in the operational success of Sanlam's business. The close relationship between the Chair, the company and its industry makes it absolutely essential that there be a clear understanding and role clarity in respect of the Group CEO.
- 15.3.4.2 There should accordingly be a clear division of responsibilities between these two roles to ensure a balance of power and authority, such that no individual has unfettered powers of decision-making. Therefore, the roles of Chair and Group CEO should be separate, with responsibilities divided between them.
- 15.3.4.3 Subject to the provisions of King IV™, the Group CEO should not become the Chair of the Board, and the retired Group CEO should preferably not become the Chair of the Board until 3 (three) complete years have passed after the end of the Group CEO's tenure.
- 15.3.4.4 The Group CEO and the Board should agree on whether the Group CEO takes up additional professional positions, including membership of other boards outside of the Sanlam Group, including consideration of the potential for those appointments to introduce time constraints and/or potential conflicts of interest for performance of the Group CEO role for Sanlam.

## **16 EXECUTIVE AND NON-EXECUTIVE DIRECTORS**

- 16.1 Every director has a legal duty to act independently, in good faith, with due care and skill, and without fetter or instruction.
- 16.2 Non-executive directors may be categorised as "independent" if the Board concludes that there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making in Sanlam's best interests.
- 16.3 The Board should consider the following and other indicators holistically not specifically mentioned hereunder, and on a substance over form basis, when assessing the independence of a director for purposes of categorisation – i.e. whether the director:
  - 16.2.1 Is a significant provider of financial capital, or ongoing funding to Sanlam; or is an officer, employee or a representative of such provider of financial capital or funding;
  - 16.2.2 Owns securities in Sanlam, the value of which is material to the personal wealth of the director;
  - 16.2.3 Has been in the employ of Sanlam as an executive manager during the preceding 3 (three) financial years, or is a related party to such executive manager;
  - 16.2.4 Has been the designated external auditor responsible for performing the statutory joint audit for Sanlam, or a key member of the audit team of the external joint audit firms, during the preceding 3 (three) financial years;
  - 16.2.5 Is a representative of a shareholder who has the ability to control or significantly influence management;
  - 16.2.6 Has a direct or indirect interest in Sanlam which exceeds 5% of the Group's total number of shares in issue;
  - 16.2.7 Has a direct or indirect interest in Sanlam, which is less than 5% of the Group's total number of shares in issue but is material to his personal

- wealth;
- 16.2.8 Is a member of the immediate family of an individual who is, or has been in any of the past 3 (three) financial years, employed by Sanlam or the Group in an executive capacity;
- 16.2.9 Is a professional advisor to Sanlam or the Group, other than in a director capacity and has no significant contractual relationship with Sanlam or the Group;
- 16.2.10 Is in any business or other relationship that could be seen by an objective outsider to materially interfere with the individual's capacity to act in an independent manner such as being a director of a supplier to, or customer of Sanlam or the Group;
- 16.2.11 Receives remuneration contingent upon the performance of Sanlam and participate in any of Sanlam's incentive schemes;
- 16.2.12 Whose independence of character and judgment is in any way affected or impaired by the length of his/her service as a director of Sanlam.
- 16.3 All directors, both executive and non-executive, are bound by fiduciary duties of care and always acting with diligence.
- 16.4 Non-executive directors perform such duties intermittently and have less regular access to the books and records than executive directors. Executive directors, on the other hand, must always manage the conflict between their management responsibilities and their fiduciary duties as the directors in the best interests of Sanlam. Non-executive directors play a particularly important role in providing independent judgment in such circumstances.
- 16.5 Executive directors could take up other non-executive directorships, provided that these are not detrimental to their immediate responsibilities as an executive director of Sanlam and that it is approved by the Nominations Committee and the Human Resources and Remuneration Committee from a conflict of interest perspective. Director remuneration paid by such other directorships taken on, accrues to and must be paid directly to Sanlam. Deviations from this principle (if any) must be approved by the Human Resources and Remuneration Committee. On the other hand, non-executive directors should be judicious in the number of directorships they accept, in order to ensure that they do full justice to their onerous and demanding responsibilities. The Nominations Committee is available to provide guidance and assist in this regard.
- 16.6 Executive directors are in the full-time employment of Sanlam with executive functions and hence do not earn any Board fees.
- 16.7 Non-executive directors, on the other hand, are not employed by Sanlam and are free from any major business relationship with Sanlam. They should fulfil their duties at Board meetings and any other meetings of Sanlam that they are required to attend. They bring an external judgment on issues of strategy, performance, resources and standards of conduct and evaluation of performance to the Board. Courage, wisdom and independence should be the hallmark of any non-executive director acting in the best interests of Sanlam.

## **17 LEAD INDEPENDENT DIRECTOR ("LID")**

- 17.1 Subject to the JSE LR and the requirements outlined in King IV™, the Board must appoint a senior independent non-executive director as Lead Independent Director ("LID"), to lead the Board in the following circumstances:
- 17.1.1 Where the Chair has a conflict;
- 17.1.2 The Deputy Chair will lead in the absence of the Chair and in circumstances where there is no conflict;
- 17.1.3 Serve as a sounding board for the Chair;
- 17.1.4 Act as an intermediary between the Chair and other members of the Board, if and when necessary;
- 17.1.5 Deal with shareholders' concerns where contact through the normal

channels has failed to resolve concerns, or where such contact is inappropriate;

- 17.1.6 Strengthen the independence on the Board, if the Chair is not an independent non-executive member of the Board;
- 17.1.7 Preside over discussions and decision-making by the Board on matters where the Chair has a conflict of interest; and
- 17.1.8 Lead the annual performance appraisal of the Chair.

## **18 GROUP COMPANY SECRETARY**

### **18.1 General**

- 18.1.1 The appointment of a Group Company Secretary in public companies with a share capital is mandatory under the Companies Act and is also mandatory under the LR and King IV™. Furthermore, the Companies Act empowers the Board to appoint and/or remove as well as outlining the duties of the Group Company Secretary.
- 18.1.2 In addition to extensive statutory duties and regulatory requirements, the Group Company Secretary has an important role in the induction of new or inexperienced directors and in assisting the Chair and Group CEO in determining the annual Board plan. This includes the administration of other issues of a strategic nature at Board level.
- 18.1.3 The Board should be cognisant of the duties imposed upon the Group Company Secretary and should empower the Group Company Secretary accordingly, to enable him/her to properly fulfil those duties.
- 18.1.4 The Board should ensure that the performance, effectiveness and independence of the Group Company Secretary are evaluated annually.
- 18.1.5 The Board should disclose what Sanlam's arrangements are concerning the availability/accessibility of company secretarial services and whether it believes that those arrangements are effective.

### **18.2 Appointment**

- 18.2.1 The Group Company Secretary is required to be appointed (or removed) by the Board as a collective.
- 18.2.2 The Board should be satisfied that the appointee has the requisite attributes, knowledge, experience and qualifications to properly discharge his/her duties.
- 18.2.3 The Group Company Secretary must be a permanent resident of the Republic, remain so while serving in that capacity.
- 18.2.4 The Group Company Secretary should have unfettered access to the Board but for reasons of independence, should maintain an arm's length relationship with the Board and the directors and accordingly, should not be a member of the Board.

### **18.3 Responsibilities**

- 18.3.1 He/she must guide the Board, collectively, and each director individually, as to their duties and responsibilities and make them aware of all legislation and regulations relevant to the Company on which Board the directors serve.
- 18.3.2 Must ensure that the procedure for the appointment of directors is properly carried out and he/she should assist in the proper induction and orientation of directors, including assessing the specific training needs of directors and executive management in regard to their fiduciary and other responsibilities.
- 18.3.3 Report to the Board via the Chair of the Board, on all statutory duties and functions performed in connection with the Board. In regard to other duties and administrative matters, the Group Company Secretary should

report to the member of executive management designated for that purpose, as is appropriate for Sanlam.

- 18.3.4 Should be available to provide comprehensive practical support and guidance to directors, with particular emphasis on supporting the non-executive directors and the Chair.
- 18.3.5 Must ensure unhindered access to information by all Board and Committee members so that they can contribute effectively to Board meetings and other discussions.
- 18.3.6 Is responsible for the compilation of Board papers and for filtering them to ensure compliance with the required standards of good governance.
- 18.3.7 The Group Company Secretary's role should also be to raise matters that may warrant the attention of the Board.
- 18.3.8 He/she must ensure compliance with all relevant statutory and regulatory requirements, having due regard to the specific business interests of Sanlam. In particular, the Group Company Secretary must also be aware of the duties set out in Section 88 of the Companies Act.
- 18.3.9 He/she must assist with carrying out corporate strategies by ensuring that the Board's decisions and instructions are clearly documented and communicated to the relevant persons.
- 18.3.10 Needs to communicate with the shareholders as appropriate and ensure that due regard is paid to their interests.
- 18.3.11 He/she should provide a central source of guidance and advice to the Board and within Sanlam on matters of ethics and good governance.

## **19 AUTHORITY**

- 19.1 In terms of the Company's MOI, the Board has the authority to exercise all of the powers and perform any of the functions of the Company, except to the extent that the Companies Act, the LR, the MOI or other prevailing legislation provides otherwise.
- 19.2 Take independent advice in connection with their duties following an agreed-upon procedure.

## **20 STAKEHOLDER RELATIONS**

- 20.1 The Board should assume responsibility for the governance of stakeholder management and stakeholder relationships by setting the direction for how it should be approached and conducted in Sanlam.
- 20.2 The Board should approve policy that articulates and gives effect to its direction on stakeholder relationships.
- 20.3 The Board should delegate to management the responsibility for implementation and execution of effective stakeholder relationship management.
- 20.4 The Board should exercise ongoing oversight of stakeholder relationship management and, in particular, oversee that it results in the following:
  - 20.4.1 Methodologies for identifying individual stakeholders and stakeholder groupings;
  - 20.4.2 The determination of material stakeholders based on the extent to which they affect, or are affected by the activities, outputs and outcomes of Sanlam;
  - 20.4.3 The management of stakeholder management related risks as an integral part of Sanlam's enterprise risk management framework;
  - 20.4.4 The formal mechanisms for engagement and communication with stakeholders, including the use of alternative dispute resolution mechanisms and associated processes;
  - 20.4.5 The measurement of the quality of material stakeholder relationships, and appropriate responses to the outcomes.

## **21 MEMORANDUM OF INCORPORATION (“MOI”)**

- 21.1 This Charter is not intended to replace or amend the MOI in any way. In the event of a conflict between the MOI and the Charter, the provisions of the MOI would take precedence.
- 21.2 The Charter is also not intended to provide a comprehensive summary of the applicable legal principles that are applicable to the Board, its role and/or responsibilities.
- 21.3 Board members requiring advice on any matter referred to in this Charter, are encouraged to consult the Group Company Secretary.

## **22 APPROVAL AND ANNUAL REVIEW**

- 22.1 This Charter was approved by the Sanlam Limited Board as a collective and will be due for a review annually thereafter.
- 22.2 A précised version of the Charter shall be published on Sanlam’s website, or such other platforms as is appropriate.

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**CHAIR OF THE BOARD**

Mr T Mvusi

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**DATE:** 04 December 2024