

**SANLAM LTD AND SANLAM LIFE INSURANCE LTD (SANLAM)**  
**INDEPENDENT NON EXECUTIVE DIRECTORS COMMITTEE CHARTER**  
(Terms of Reference established in May 2017)

## **1. PURPOSE AND SCOPE**

The purpose of this Charter is to set out the terms of reference to guide the Independent Non-Executive Director's Committee (the "Committee") on matters relating to Independence<sup>i</sup> and Conflict of Interests<sup>ii</sup> in Related Party<sup>iii</sup> transactions in Sanlam. It also covers all matters of governance as stipulated in the Companies Act, 2008, King IV and other related legislation.

## **2. APPOINTMENT**

The Board of Directors ("the Board") of Sanlam Limited shall appoint the members of the Committee. Every year the Board shall appoint from amongst the Board members a Chair and Deputy Chair from the independent non-executive directors. The Board shall appraise the performance of the Committee on an annual or such other basis as the Board may determine.

## **3. COMPOSITION**

- 3.1. The Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be an independent director. An independent director for purposes of the Committee is a director who meets the independence requirements as stated in King IV<sup>iv</sup>;
- 3.2. If, two or more members of the Committee are regarded as a Related Party or conflicted in a particular transaction, the Board shall appoint one or more directors to serve temporarily in place of the Committee members who are Related Party or conflicted.
- 3.3. The Board shall appoint and remove members of the Committee.

## **4. RESPONSIBILITIES AND DUTIES**

The Committee's responsibilities and duties are to:

- 4.1. Review and recommend for approval by the Board any Related Party transaction, including, without limitation, to any financial, economic interest, position, association or relationship, which when judged from the perspective of a reasonable and informed third party, could unduly or cause bias in decision making in the best interest of Sanlam;
- 4.2. Periodically review and assess ongoing relationships with related persons to ensure that at all times Sanlam complies with the principles of good corporate governance;
- 4.3. Where applicable, review potential conflicts of interests and as they exist from time to time;
- 4.4. On at least on annual basis, prepare a self-evaluation of the Committee's own performance and effectiveness;
- 4.5. Make periodic reports to the Board as and when required;
- 4.6. Periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board.

- 4.7. Any other matter that would ordinarily fall within the ambit of such a Committee.

## 5. MEETINGS AND QUORUM

- 5.1. The Committee shall hold regular meetings immediately after the Non-Executive Director committee meeting or at any time it may deem necessary;
- 5.2. The quorum of the Committee meetings shall be three members present in the meeting;
- 5.3. The Committee shall maintain minutes of all of its meetings prepared by the Group Company Secretary;
- 5.4. The Chair of the Committee shall be the Lead Independent Director and shall preside at each meeting. In the event the Chair is not present, the members of the Committee present at the meeting shall designate one of its members as the acting Chair of such meeting.

## 6. ACCOUNTABILITY TO THE BOARD

The Board shall conduct a review of the Committee's performance against this Charter on an annual basis.

## 7. COMMITTEE POWERS

- 7.1. The Committee may delegate any of its responsibilities to the Chair of the Committee from time to time and on such conditions as the Committee considers appropriate;
- 7.2. The Committee may hire legal, accounting, financial or other advisors as the Committee may deem necessary in its best judgment with due regard to cost after consulting with the Financial Director of Sanlam;
- 7.3. Request such information from management, as it deems appropriate in reviewing any matters to be acted upon by the Committee;
- 7.4. Deal with such matters as the Board may authorise from time to time;

## 8. REVIEW AND APPROVAL OF THIS CHARTER

On an annual basis, the Board shall review and approve this charter.

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<sup>i</sup> King IV Glossary of Terms defines independence to mean the exercise of objective, unfettered judgment. When used as a measure by which to judge the appearance of independence, or to categorise a non-executive member of the governing body or its committees as independent, it means the absence of an 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

<sup>ii</sup> King IV Glossary of Terms defines conflict of interest, used in relation to members of the governing body and its committees to occur when there is a direct or indirect conflict, in fact or in appearance, between the interests of such member and that of the organisation. It applies to financial, economic and other interests in any opportunity from which the organisation may benefit, as well as use of the property of the organisation, including information. It also applies to the member's related parties holding such interests.

<sup>iii</sup> King IV Glossary of Terms defines Related Party to mean a person or entity set out in Section 2 (1) of the Companies Act, 2008. It applies mutatis mutandis to organisations other than companies. (See also "conflict of interest".)

<sup>iv</sup> Non- Executive members of the governing body may be categorised by the governing body as independent if it 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 the best interest of the organisation.