

SANLAM LIMITED

BOARD CHARTER

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1. INTRODUCTION

The Board of Directors (“the Board”) of Sanlam Limited (“Sanlam”) acknowledges the need for a Board Charter (the “Charter”) as recommended in the King Code of Corporate Governance for South Africa – 2016 (“King IV”), with due regard to the prevailing legislation relating to Listing Requirements (“LR”), and the Constitution of the Republic of South Africa (including the Bill of Rights) the law and leading standards.

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 Johannesburg Stock Exchange (“JSE”) LR, prevailing laws and any other applicable law or regulatory provisions. 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. 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. The board should apply its collective mind to the information, opinions, recommendations, reports and statements presented to it by its committees and management.

2. PURPOSE OF THE CHARTER

2.1. The purpose of these terms of reference is to document the Board’s role and to give guidance on the effective functioning of the Board. In particular it recognises and outlines, the Board’s role in regard to their:

- 2.1.1. Ethical responsibilities;
- 2.1.2. The requirements for its composition;
- 2.1.3. Process, policy and the criteria for appointment of Board members;
- 2.1.4. Meeting procedures;
- 2.1.5. The Board’s delegation of authority to its committees and in turn to management to promote the Board’s effectiveness;
- 2.1.6. The Board’s responsibility of ensuring that it is a balanced Board that is able to discharge its governance role objectively and effectively.

3. RESPONSIBILITIES OF THE BOARD

3.1. The Board shall assume the responsibility for Sanlam's performance by steering and setting the direction for the realisation of Sanlam's core purpose and values through its adopted strategy. The Board should perform its duties in the best interests of Sanlam. In this regard, it is especially noted that Sanlam is committed to actively promote a transformed, inclusive, vibrant and globally competitive financial sector company. The Board is committed to ensuring Sanlam reflects the demographics of South Africa and contributes towards economic growth, development and the establishment of an equitable society.

3.2. For this purpose, the Board will:

In general:

- 3.2.1. establish and maintain the ethical responsibility for the effective governance and risk management within Sanlam;
 - 3.2.2. 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;
 - 3.2.3. determine, review and oversee that Sanlam's vision and values are congruent with Sanlam being a responsible corporate citizenship;
 - 3.2.4. 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;
 - 3.2.5. assume the responsibility for Sanlam's performance by steering and setting the direction for the realisation of Sanlam's core purpose and values through its strategy
 - 3.2.6. consider, challenge and approve Sanlam's strategy as formulated and developed by management.
- 3.3. 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:
- a) that Sanlam's strategy and conduct are congruent to it being a corporate citizen;
 - b) the timelines and parameters which determine the meaning of short, medium and long term respectively;
 - c) the risks, opportunities and other significant matters connected to the triple context in which Sanlam operates;

- d) the extent to which the proposed strategy depends on the resources and relationships connected to the various forms of capital as applicable to Sanlam;
 - e) the increase, decrease or transformation of the various forms of capitals that may result from the execution of the Sanlam strategy.
- 3.4. Satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management.
 - 3.5. Identifying key performance and risk areas.
 - 3.6. Regularly reviewing the business objectives and strategy, and ensuring that the strategy will result in sustainable outcomes, and remain consistent with the long term interests and sustainability of Sanlam and the interests of its stakeholders.
 - 3.7. Considering sustainability as a business opportunity that guides strategy formulation.
 - 3.8. Providing effective leadership on an ethical foundation and ensuring that it acts ethically beyond mere compliance.
 - 3.9. Ensuring 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 natural resources and the society within which it operates.
 - 3.10. Oversee Information and Technology (IT) governance.
 - 3.11. Ensuring that Sanlam has an effective and independent Audit committee and that there is an effective risk-based internal audit.
 - 3.12. Appreciate that stakeholders 'perceptions affect the company's reputation.
 - 3.13. Oversee that reports such as the integrated reports, annual financial statements, other online or printed information reports are issued, as is necessary, to comply with legal requirements, and/or to meet the legitimate and reasonable information needs of material stakeholders.
 - 3.14. Ensure that it recognises its responsibility to be transparent in the manner in which it exercises its governance role and responsibilities.
 - 3.15. Consider business rescue proceedings as soon as the company becomes financially distressed as defined in the Companies Act read with other prevailing legislation.
 - 3.16. Elect an independent Chair and Deputy Chair as well as the Lead Independent Non-Executive director in the event that the Chair is not independent.

- 3.17. Adopt and implement a procedure to, at least annually, assess its performance and effectiveness as a whole, and that of individual directors, including the Chief Executive Officer (CEO) of Sanlam and the Chair of the Board.
- 3.18. Keep under 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.
- 3.19. Embrace the King Code of Corporate Governance for South Africa 2016 which contains the 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 prevailing legislation as amended from time to time.
- 3.20. Ensure disclosure of information in relation to its:
- 3.20.1. Overall role and associated responsibilities and functions.
 - 3.20.2. Composition, including each member's qualifications and experience.
 - 3.20.3. A statement on whether the Board is satisfied that it has fulfilled its responsibilities in accordance with these terms of reference for the reporting period.
 - 3.20.4. Any external advisors or invitees who regularly attend its meetings.
 - 3.20.5. Key areas of focus.
 - 3.20.6. Number of meeting held during the year.

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, 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 independently of any outside fetter or instruction.
- 4.3. Act in line with modern trends worldwide, not only exhibit the degree of skill and due care and diligence and take 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 care and skill any reasonable person would be expected to show in looking after their own affairs.

- 4.4. Qualify themselves on a continuous basis with a sufficient understanding of Sanlam's business and the effect of 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 interests and disclose potential conflicts of interest to the Board at the earliest possible opportunity.
- 4.6. Treat any confidential 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 and policyholders and be prepared and able, where necessary, to raise and debate alternative viewpoints or to express disagreement with their colleagues on the Board including the Chair and CEO.
- 4.9. Act with enterprise for and on behalf of Sanlam and always strive to increase shareowners' 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 at the earliest opportunity.
- 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 the 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 and its outside advisors and auditors.
- 5.3. The Board should embody ethical characteristics in order to offer 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 regard to reliance and effects on the capitals, solvency and liquidity as well as the status of Sanlam as a going concern.

- 5.4. The Board must 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.
- 5.5. Exercise oversight governance role over management performance in:
- a) Implementing policies, procedures and practices that protect Sanlam's assets and reputation;
 - b) Sanlam compliance with all relevant laws, regulations and codes of best business practice as well as adherence to the Sanlam's Code of Ethics;
 - c) technology and information systems used in Sanlam to run the business properly;
 - d) the appointment, dismissal, development and succession policies, procedures and plans for its executive directors and senior management;
 - e) the governance framework that has been agreed upon between the company and its subsidiary boards;
 - f) ensuring that disputes are resolved effectively, efficiently and as expeditiously as possible;
 - g) ensuring that management considers opportunity and risks when developing strategy;

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.
- 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 shareowner value in the long term, and at the same time recognise the wider interests of society.
- 6.6. The overall corporate organisational structure and the assignment of senior management responsibilities.
- 6.7. Sanlam's BEE/transformation targets and objectives.

- 6.8. Remuneration strategy as it relates to senior employees, which should pay due regard to the prevailing legislation.
- 6.9. Management's determination of the reporting frameworks (including reporting standards) to be used, taking into account legal requirements and the intended audience and purpose of each Sanlam integrated report.
- 6.10. Sanlam's corporate objectives and policies relating to social, ethical and sustainability responsibilities.
- 6.11. Managements' bases for determining materiality for the purpose of deciding which information should be included in the Sanlam integrated 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. The role and effectiveness of the Board committees, Board Plan and Board committee charters, annually.
- 6.14. Experience of the company secretary annually.
- 6.15. The scope of 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, and the exercise of these powers is governed by the Companies Act, the common law as enforced in the courts, prevailing legislation relating to listed companies and the approved Sanlam Board Authorisation Framework document.
- 7.2. The Board of Sanlam has adequate power and resources to discharge its duties in terms of prevailing legislation fully and effectively.

8. BOARD AND BOARD COMMITTEES

- 8.1. Regular Board meetings will be held, approximately four to six times per year, and special meetings will be called by the Chair as necessary. 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 or the Company Secretary.
- 8.2. 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. All meetings shall be held at the company's registered office unless otherwise agreed.
- 8.3. 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 conflict of interest in respect of a matter on the agenda. Any such conflicts should be proactively managed as determined by the Board and subject to legal provisions.

- 8.4. The Company Secretary will take minutes of all Board meetings.
- 8.5. 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:
- a) Audit, Actuarial and Finance committee (“Audit”);
 - b) Risk and Compliance committee (“Risk”);
 - c) Human Resources and Remuneration committee (“HRRC”);
 - d) Nominations committee;
 - e) Social, Ethics & Sustainability committee (“SES”);
 - f) Sanlam Customer Interest committee;
 - g) Non-Executive Directors’ committee.
- 8.6. 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 or at least two other persons within Sanlam. The committees are an aid to assist the Board in discharging its duties and responsibilities.
- 8.7. The responsibilities and activities of the committees, their terms of reference, membership and number of meetings to be held, are contained in their respective Charters, which are annually approved by the Board. The committees must:
- a) Be structured to ensure that they have the necessary authority, independence, resources and expertise;
 - b) Have a clearly defined and documented mandate and functions; and
 - c) Have access to all relevant employees and information to perform their mandate and functions;
 - d) The chair of each of the committees makes a presentation to the Board on issues submitted for discussion at the committee meetings;
 - e) The Chair, CEO or committee chairs may from time to time invite other employees and advisors to attend Board or committee meetings whenever deemed appropriate;
 - f) Unless varied by these terms of reference, meetings and proceedings of the Board will be governed by the relevant clauses of the company’s MOI;

- g) 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 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 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. 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. Directors having items to suggest for inclusion on the agenda for future Board meetings, should advise the Company Secretary timeously in advance of such meetings. The number, timing and length of meetings, and the agenda are to be determined in accordance with the annual Board plan.
- 9.3. Board members should be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion.
- 9.4. 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. 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. Directors who are employees of the company or any of its subsidiaries shall receive no additional remuneration for serving as directors.
- 10.2. The form and amount of non-executive director remuneration will be determined by Sanlam's shareholders at the AGM after considering proposals in this regard from the Sanlam Board and in accordance with the policies and principles set forth in the Human Resources and Remuneration Committee's Charter. The Human Resources and Remuneration committee will conduct an annual review of such director remuneration.
- 10.3. Sanlam will include a Remuneration Policy in its Integrated Annual Report and financial statements so that shareholders and stakeholders can comprehend and cast a non-binding vote on the company's Remuneration Policy and motivation in setting remuneration for directors.

- 10.4. In accordance with King IV, 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 and draw up a training programme. All new directors will be provided with an initial orientation in order to familiarise them with their responsibilities as directors under the law, and with Sanlam and its strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Ethics, its senior management, triple context which Sanlam operates, the capitals Sanlam uses and its internal and external auditors. The directors will also ensure that they remain informed.
- 11.2. The Company Secretary will co-ordinate all training needs of the directors and ensure that the Board's approved directors' orientation and training programme is implemented.

12. DIRECTORS' ACCESS TO OFFICERS AND EMPLOYEES

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 CEO or the Company Secretary. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of Sanlam and will, to the extent appropriate, copy the CEO or the Company Secretary on any written communications between a director and an officer or employee of Sanlam.

13. INDEPENDENT ADVISORS

The Board and each committee have the power to, after having discussed it with the Chair, and in coordination with the 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. Sanlam will provide for appropriate and reasonable funding, as determined by the Board or 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 on the recommendation of the Board 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 will be non-executive directors most of whom are independent. In particular, there will be a sufficient number 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 introduction of new members with new expertise and perspective while 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 that 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 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 major role in selecting its own members, and should accordingly plan for its own continuity and succession, including through 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 the appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities.
- 14.3.3. All directors, managing executives, public officers, auditors or statutory actuary or any alternate must, at all times, have satisfactory educational qualification, experience or expertise, and 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 annual general meeting 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, develop and remove 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 includes the consideration on the independence of the candidate with reference to various factors relevant to assessing independence on a substance-over-form basis, and 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

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. In assessing the qualification of the Director the Nominations committee shall consider the 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

The Board's retirement age policy in terms of Sanlam's MOI is that directors will cease to hold office on the day of his/her 70th (seventieth) birthday. A Non-Executive Director member of the Board may continue to serve, in an independent capacity, for longer than nine years if, upon an assessment by the Board conducted every year after nine years, it is concluded that the member exercises objective judgment and 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

Any director may resign at any time by giving 1 (one) months' notice in writing or earlier, with the permission of other directors.

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

Except where directed by the Chair, CEO or the Financial Director of Sanlam, communications on behalf of Sanlam with the media, securities analysts, stockbrokers, investors and other stakeholders must be made only by specifically designated representatives of Sanlam. If a director receives any inquiry relating to Sanlam from the media, securities analysts, brokers or investors, including informal social contacts, he or she should decline to comment and ask them to call Sanlam's Chair, CEO, Financial Director or the Communications Department.

14.8. Board and director appraisal

- a) 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. The Chair's own evaluation is conducted and led by the Lead Independent director. A consolidated summary of the results of the process should be reported to the full Board;
- b) If a deficiency has been identified, a plan should be developed and implemented for the director to acquire the necessary skills or behaviour patterns;
- c) This will also form the basis for the Board to identify key objectives for the effective functioning of the Board for the subsequent 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 yearly work plan;
- d) Board evaluation should be conducted annually and may be conducted by an external service provider.

14.9. Disqualification of directors

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

Sanlam will provide the Board and committee members with, and will pay the premiums for indemnity and insurance cover while acting in their capacity as members, to the fullest extent permitted by the Companies Act. The level of cover provided will be decided upon by the Board after considering proposals in this regard from its Audit and Risk committee.

15. BOARD FUNCTIONARIES

15.1. Chair

Appointment

Every year the Board will appoint from amongst the Board members a Chair of whom is preferably to be an independent non-executive director.

Role

The primary role of the Chair is to provide leadership to the Board of Sanlam. Set the tone for the Board performance and undertake same to management. Play an active role in engaging the Board members and building upon their strengths and addressing /developing any weaknesses thereof. Ensure focus is maintained by the Board on what is best for Sanlam and that the tone for Sanlam success is set.

The Chair is accountable to the Board. 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.

Specific Responsibilities of the Chair

15.1.1. In relation to Sanlam as an organisation:

Represent Sanlam at:

- a) The AGM and other shareholder meetings – particularly taking the lead in discussions with shareholders at such meetings or other interventions. The 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, such as the Board appointments (chair of committee responsible for nominations), remuneration policy and implementation (chair of committee responsible of remuneration), stakeholder matters (chair of social and ethics committee) and engagement of external auditors (chair of audit committee).
- b) Engagements with key stakeholders, where the intervention or engagement at the level of the Board is needed in addition or instead of management engagement.
- c) Other functions/events where necessary and appropriate to represent Sanlam.
- d) Being present/participating in industry conferences and the like where necessary and appropriate to represent Sanlam.
- e) Play an active role in engaging the directors and building their strengths and addressing any weaknesses in the Board's performance, which could impact on Sanlam's performance and reputation;

- f) the Chair should also be expected to play a leading role in supporting the CEO in the process of forming 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.

15.1.2. The Chair has the following responsibilities in relation to the Sanlam Board:

- a) Provide overall leadership to the Board.
- b) Oversee that Board leads ethically and effectively and that the governing body conducts itself in a way that cultivates and exhibits the characteristics of integrity, competence, responsibility, accountability, fairness and transparency;
- c) Participate in the selection process for Board members (via the Nominations committee), and overseeing a formal succession plan for the Board, Chair, CEO and other executives;
- d) Taking the lead in the allocation of Board members to Board committees including the appointment of the respective chairs;
- e) Ensuring clarity of mandate and effectiveness of the Board committees;
- f) Encouraging good working relations, team work and collaboration among Board members without inhibiting candid debate and creative tension;
- g) 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 in performance of their executive roles and functions.
- h) Ensuring that Board members contribute fully to the effective and objective discharge of the Board's role and duties;
- i) Take the lead in ensuring the evaluations of the Board, its members, chair and committees and in addressing non-performance by members of the Board and if necessary the removal of unsuitable Board members from the Board;
- j) Mentoring new/young/less experienced Board members to develop skill and enhance confidence;
- k) Oversee that new Board members are appropriately made aware of their responsibilities through an induction programme;
- l) Keeping the members of the Board suitably informed of significant issues between meetings;

- m) Ensuring that the Board fulfils all its duty for steering and setting 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;
- n) Ensuring that good relations are maintained with Sanlam's major shareholders and other material stakeholders.

15.1.3. The Chair has the following responsibilities in relation to the management:

- a) Act as the link between the Board and the CEO;
- b) Encourage good working relations with management while at the same time maintaining an arm's length relationship;
- c) Perform the performance appraisal of the CEO and be informed of performance appraisal findings of other executives;
- d) Assesses whether Sanlam is getting the full value from the Executives;
- e) Act as confidante/sounding board and provide counsel to CEO. The Chair will have no executive functions. He or she will act as the main link between the Board and management and particularly between the Board and the CEO as no company is likely to run effectively and efficiently unless there is a good working relationship between the Chair and the CEO and unless each respects the other's responsibility and abilities as well as personal qualities;
- f) Offer guidance during times of crisis;
- g) Overseeing the performance and acting as the contact/reporting point for the 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;
- h) The Chair, along with all other directors, should recognise that the CEO is responsible for leading the implementation and execution of approved strategy, policy and operational planning and should not expect, as a right, to become involved in the Company's day-to-day operations;
- i) Because of their particular relationship, the Chair should nevertheless: expect to be kept informed by the CEO of all such important matters as emerging problems, risks, potentially good or bad publicity, investment and divestment proposals, funding issues and current performance. Issues of concern to the CEO or Chair should be freely discussed;
- j) Ensure that the CEO understands and properly performs his or her role in the relationship;

- k) In addition to having an effective working relationship with the CEO, the Chair should have free access to discuss financial funding and performance issues directly with the Financial Director. The CEO should, however, be aware of such discussions;
- l) Give assistance and advice when needed, especially on sensitive matters which the CEO feels unable to discuss with other executives;
- m) Ensure that he or she is sufficiently familiar with company activities, and senior management so that he or she is in a position to provide the Board with independent comment on the CEO's reports;
- n) Keep himself fully informed of trends and changes in the finance and insurance industries and Sanlam's operating environment, both locally and internationally. He or 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.

15.1.4. The Chair has the following responsibilities in relation to meetings of the Board:

- a) Preside over Board meetings and ensure that time in meetings is used productively;
- b) Exercise judgement as to when additional interventions and or additional meetings of the governing body may be required and the format thereof;
- c) Ensure that complete, timely, relevant, accurate, and appropriately assured information is placed before the Board to enable the Board members to reach informed decisions;
- d) Hold rigorous standards of preparation for Board meetings, by for example, meeting with the Cossec and CEO before meetings and studying the meeting information packs prior to distribution;
- e) Formulate (with the CEO and company secretary/other professional providing corporate governance services) the yearly work plan for the Board against agreed objectives, and playing an active part in setting the agenda for Board meetings;
- f) Ensure that sufficient time and effort has been devoted to preparation for meetings by Board members;
- g) Ensure that those present constitute a quorum at meetings before decisions are taken;
- h) Ensure that an effective company secretary or other governance professional is in place to support the governing body;

- i) Ensure that decisions by the Board are suitably recorded in the minutes and executed;
- j) Determine when independent professional advice may be necessary and ensuring that this is procured within the approved protocol;

15.2. In order to determine whether the Chair is able to perform the duties of the Chair effectively, the Chair together 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 potential for conflict of interest across the roles, the Chair:

- a) Should not be a member of the audit committee;
- b) May be a member of the remuneration committee but not its chair;
- c) Should be a member of the nominations committee and may be its chair;
- d) May be a member of the committee responsible for risk governance;
- e) May be a member of the social and ethics committee but not its chair.

15.2.1. The Chair has the following responsibilities in relation to the stakeholder relationship

- a) The Chair should chair on all the 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;
- b) However, the responsibility of reporting on the detail of the business to shareholders is mostly that of the CEO, assisted by the Financial Director. The Chair should be invited to all shareholder presentations, especially presentations to institutional investors as well as presentations to investment analysts. The Board should ensure that shareholders are equitably treated, and that the interests of minority shareholders are adequately protected.

15.2.2. Other relationships

- a) The Chair can be called upon to visit, meet or entertain clients, employees, regulators or other people who are important to Sanlam. He or she may have to make speeches or negotiate on occasions on behalf of the company;
- b) Sanlam is affiliated to a number of business organisations, and the 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 or she and the CEO agree on such representation;

- c) The Sanlam Board requires the firm and objective leadership of a Chair who ensures that all directors, executive and non-executive alike, are enabled to play their full part in the Board's activities. The Chair's role is to lead the board in the objective and effective discharge of its governance role and responsibilities. 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. The Chair will usually also preside over Sanlam's shareholders' meetings. 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. The Chair is also expected to represent the company on business and industry organisations.

15.2.3. **The Chair may**

- a) not be a member of the Audit committee.
- b) be a member and chair the Nominations committee.
- c) Be a member but not chair the remuneration committee and the social and ethics committee.
- d) be a member and chair the committee responsible for risk governance.
- e) be a member of the social and ethics committee but should not be its chair.

15.3. **Deputy Chair**

The Board shall appoint the Deputy Chair who will deputise the Chair at meetings during the Chair's absence and/or when the Chair is being evaluated. The Deputy Chair's chairing of meeting is subject to there being a Lead Independent Non- Executive Director, wherein the Deputy Chair will deputise in instances where the Chair is not able to do so on account of a conflict of interest.

15.4. **Chief Executive Officer (CEO)**

Appointment

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

Responsibilities

- 15.4.1. The task of the 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 CEO, so that the authority and accountability of management is regarded as the authority and accountability of the CEO insofar as the Board is concerned.

- 15.4.2. 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 CEO to ensure that the targets are achieved. The CEO shall act within the specific authorities delegated to him or her by the Board in terms of the Board Authorisation Framework.
- 15.4.3. The Board shall annually via the Human Resources and Remuneration committee. measure the CEO's performance as it relates to achieving the specific targets.
- 15.4.4. Without in any way limiting the obligations of the CEO as determined in his or her contract, the CEO shall, in particular, be responsible for:
- a) ensuring the growth and profitability of Sanlam within the vision, goals and strategic direction approved by the Board;
 - b) making sure that the assets of Sanlam are adequately maintained and protected, and not unnecessarily placed at risk;
 - c) ensuring that the comprehensive and appropriate internal control mechanisms are recommended to and adopted by the Board in order to mitigate against key risks;
 - d) not causing or permitting any practice, activity or decision by or within Sanlam that is contrary to commonly accepted good business practice, good corporate governance or professional ethics;
 - e) communicating to the Board, at least annually, Sanlam's senior management succession planning and management development initiatives, including details of the company's compliance with employment equity and human capital development imperatives;
 - f) developing and growing Sanlam's human capital. The 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;
 - g) It is the CEO's responsibility to be accountable and report to the Board and not just to the Chair for his/her performance.

15.5. **CEO's appraisal**

The Chair, with the Sanlam Human Resources and Remuneration committee, appraises the performance of the CEO in order to ensure that the CEO is providing the best leadership for the Company in the short – long term. The Human Resources and Remuneration committee should make an annual report to the Board on succession planning. The entire Board will work with the committee to nominate and evaluate potential successors to the CEO.

15.6. General

- a) The CEO has a critical and strategic role to play in the operational success of Sanlam's business. This 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 CEO. 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 CEO should be separate, with responsibilities divided between them. Subject to the provisions of King IV, the CEO should not also become the Chair of the Board, and the retired CEO should not become the Chair of the Board until three complete years have passed after the end of the CEO's tenure;
- b) The CEO and the Board should agree on whether the 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 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. 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.
- 16.2. 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. Whether the director:
 - a) 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;
 - b) owns securities in Sanlam, the value of which is material to the personal wealth of the director;
 - c) has been in the employ of Sanlam as an executive manager during the preceding three financial years, or is a related party to such executive manager;
 - d) has been the designated external auditor responsible for performing the statutory audit for Sanlam, or a key member of the audit team of the external audit firm, during the preceding three financial years;
 - e) is a representative of a shareowner who has the ability to control or significantly influence management;

- f) has a direct or indirect interest in Sanlam which exceeds 5% of the Group's total number of shares in issue;
 - g) 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;
 - h) is a member of the immediate family of an individual who is, or has been in any of the past three financial years, employed by Sanlam or the group in an executive capacity;
 - i) 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;
 - j) 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;
 - k) receives remuneration contingent upon the performance of Sanlam and participate in any of Sanlam's incentive schemes;
 - l) whose independence of character and judgement 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. 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.
- 16.4. Executive directors could take other non-executive directorships, provided these are not detrimental to their immediate responsibilities as an executive director of Sanlam and that it is approved by 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 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 assist in this regard.
- 16.5. Executive directors are in the full-time employment of Sanlam with executive functions and hence do not earn any Board fees

16.6. 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

17.1. Subject to the LR the Board must appoint a senior independent director as "Lead Independent director to lead the Board in the following circumstances:

- a) Where the Chair has a conflict. The Deputy Chair will lead in the absence of the Chair and in circumstances where there is no conflict;
- b) Serve as a sounding board for the Chair;
- c) Act as an intermediary between the Chair and other members of the Board, if necessary;
- d) Deal with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate;
- e) Strengthen independence on the Board if the Chair is not an Independent Non-Executive member of the Board;
- f) Chair discussions and decision-making by the Board on matters where the Chair has a conflict of interest;
- g) Lead the annual performance appraisal of the Chair.

18. COMPANY SECRETARY

18.1. General

- a) The appointment of a Company Secretary in public companies with a share capital is mandatory under the Companies Act and is also mandatory under the LR. Furthermore, the Companies Act empowers the Board to appoint and or remove as well as outlining the duties of the Company Secretary.
- b) In addition to extensive statutory duties and regulatory requirements, the Company Secretary has an important role in the induction of new or inexperienced directors and in assisting the Chair and CEO in determining the Annual Board Plan and the administration of other issues of a strategic nature at Board level. The Board should be cognisant of the duties imposed upon the Company Secretary and should empower the Company Secretary accordingly to enable him/her

to properly fulfil those duties. The Board should ensure that the performance and independence of the Company Secretary functions are evaluated annually. The Board should disclose what Sanlam's arrangements are concerning availability/accessibility of company secretarial services, and whether it believes that those arrangements are effective.

18.2. **Appointment**

The Company Secretary is required to be appointed (or removed) by the Board as a whole. The Board should be satisfied that the appointee has the requisite attributes, knowledge, experience and qualification to properly discharge his/her duties. The Company Secretary must be a permanent resident of the Republic, remain so while serving in that capacity. The 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**

- a) 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;
- b) must ensure that the procedure for the appointment of directors is properly carried out and he or 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;
- c) 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 Company Secretary should report to the member of the executive management designated for that purpose as is appropriate for Sanlam;
- d) should be available to provide comprehensive practical support and guidance to directors, with particular emphasis on supporting the non-executive directors and Chair;
- e) must ensure unhindered access to information by all Board and committee members so that they can contribute to Board meetings and other discussions;
- f) is responsible for the compilation of Board papers and for filtering them to ensure compliance with the required standards of good governance. The Company Secretary's role should also be to raise matters that may warrant the attention of the Board;

- g) must ensure compliance with all relevant statutory and regulatory requirements, having due regard to the specific business interests of Sanlam. In particular, the Company Secretary must also be aware of the duties set out in section 88 of the Companies Act;
- h) must help to carry out corporate strategies by ensuring that the Board's decisions and instructions are clearly communicated to the relevant persons;
- i) needs to communicate with the shareholders as appropriate, and to ensure that due regard is paid to their interests;
- j) should provide a central source of guidance and advice to the Board and within Sanlam on matters of ethics and good governance;
- k) Director induction: ensure that there are appropriate arrangements in place for proper induction of new directors.

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 relationships by setting the direction for how stakeholder relationships 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:
 - a) Methodologies for identifying individual stakeholders and stakeholder groupings;
 - b) Determination of material stakeholders based on the extent to which they affect, or are affected by the activities, outputs and outcomes of Sanlam;
 - c) Management of stakeholder risk as an integral part of Sanlam-wide risk management;

- d) Formal mechanisms for engagement and communication with stakeholders, including the use of dispute resolution mechanisms and associated processes;
- e) Measurement of the quality of material stakeholder relationships, and appropriate responses to the outcomes.

21. MEMORANDUM OF INCORPORATION

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 take precedence. The Charter is also not intended to provide a comprehensive summary of the applicable legal principles. Board members requiring advice on any matter referred to in this Charter, are welcome to contact the Company Secretary.

22. APPROVAL OF THE CHARTER

This Charter was approved by the Board and will be signed by the Chair for and on behalf of the Board on 06 September 2017 and will be reviewed annually.

23. REVIEW OF THE CHARTER

The Board will review this Charter at least annually and, if appropriate, revise it from time to time.

CHAIR OF THE BOARD

DATE