

## **SANLAM LIMITED PRICE SENSITIVE INFORMATION POLICY**

### **1. PURPOSE**

This Price Sensitive Information Policy addresses the issues of identification, classification and the effect of information that arises in the ordinary course of business (“ITOCOB”) as well as information that does not arise out of the ordinary course of business (“Not ITOCOB”).

### **2. SCOPE**

- 2.1 This Policy is binding on Affected Persons.
- 2.2 Where there is any uncertainty in relation to the above, the Company Secretary must be contacted.

### **3. DEFINITIONS**

- 3.1 “Affected Director” means any director of Sanlam and the Company Secretary;
- 3.2 “Affected Persons” means any Affected Director, Executive Committee member (whether an Affected Director or not), any person who holds Insider Information and any shareholder who has representation on the Board but excludes share portfolio managers;
- 3.3 “All Persons” means all of Sanlam employees;
- 3.4 “Associate” means in relation to an individual (relating to associates of affected persons):
  - 3.4.1 that individual’s spouse(s) and/or children up to the age of 18 years and/or the trustees of any trust (other than a trust that is either an occupational pension scheme, or an employees’ share scheme) of which that individual or any of that individual’s spouse or children is a beneficiary;
  - 3.4.2 any trust, in which the individual and/or his family referred to above, individually or taken together have the ability to control 35% of the votes of the trustees or to appoint 35% of the trustees, or to appoint or change 35% of the beneficiaries of the trust;
  - 3.4.3 any company in whose equity Securities that individual, spouse or children are able to exercise or control the exercise of 35% or more of the votes able to be cast at general meetings; and

- 3.4.4 Associate in relation to Sanlam means any company that is its subsidiary, holding company or subsidiary of its holding company;
- 3.5 “Board” means the board of directors of the Company;
- 3.6 “Cautionary Announcement” means an announcement published on SENS and the press containing Price Sensitive Information or Material Price Sensitive Information;
- 3.7 “Company” means Sanlam Limited, being a public company duly incorporated in accordance with the laws of the Republic of South Africa and listed on the JSE and its subsidiaries;
- 3.8 “Company Secretary” means the Company secretary of Sanlam Limited;
- 3.9 “Company Shares” means all the Sanlam shares issued and listed on the JSE;
- 3.10 “Company Share Dealing” means any sale or purchase of, or agreement to sell or purchase, any Securities relating to the Company and the grant, acceptance, acquisition, disposal, exercise or discharge of any option (including, but not limited to, options in terms of a share incentive or option scheme) or other right or obligation, present or future, conditional or unconditional, to acquire or dispose of Securities, or any interest in Securities relating to the Company and the terms “dealing” and “deal” are to be understood accordingly;
- 3.11 “Company Share Incentive Scheme” means with the exclusion of any share appreciation rights scheme(s), any current or future share and/or option incentive scheme(s) that is/are equity settled, or capable of being equity settled, whether dilutionary or not, adopted by the Company as a group employee incentivisation scheme(s);
- 3.12 “Corporate Action” means a particular corporate action or unusual event that is not ITOCOB that affects the holdings of Company shares;
- 3.13 “Closed Period” means financial Closed Periods and/or cautionary Closed Periods;
- 3.14 “EPS” means basic earnings per share, being the profit or loss that is attributable to the Company’s shareholders (numerator) divided by the weighted average number of ordinary shares outstanding during the relevant period (denominator);
- 3.15 “Executive Committee” means the Company’s executive committee (Group Exco) comprising the Executive Committee Members;

- 3.16 “Executive Committee Member” means a member of the Company’s Executive Committee;
- 3.17 “Financial Services Board” means the independent institution established in terms of the Financial Services Board Act, 1990;
- 3.18 “FMA” means the Financial Markets Act, 2012;
- 3.19 “Group” means the Company and each of the companies in which it directly or indirectly holds strategic shareholding from time to time;
- 3.20 “HEPS” means the headline earnings per share, being basic earnings per share after adjusting for acceptable re-measurements in terms of the Circular divided by the weighted average number of ordinary shares outstanding during the relevant period (denominator);
- 3.21 “Insider” means a person who has inside information through being a director, employee or shareholder of an issuer of securities listed on a regulated market to which the inside information relates or having access to such information by virtue of employment, office or profession;
- 3.22 “Inside Information” has the meaning given to it in paragraph 4.9.2;
- 3.23 “Insider Trading Offences” has the meaning given to it in paragraph 4.10;
- 3.24 “ITOCOB” means a business activity conducted in the ordinary course of business;
- 3.25 “ITOCOB Event” means an “unusual” event effected by an ITOCOB activity, for example, the declaration of a dividend or the announcement of a contract that was awarded to a Company;
- 3.26 “JSE” means the JSE Limited, a registered Stock Exchange in terms of the FMA, 2008 as amended;
- 3.27 “Material” means information that, if omitted or misstated, could influence the economic decisions of users and includes a change in, or constituent of, a particular factor that may be regarded in the circumstances as being material (equal or exceed 10%);
- 3.28 “Price Sensitive Information Policy” means this policy;
- 3.29 “Price Sensitive Information” means unpublished information that, if it were made public, would have a material effect on the price of the issuer’s securities;
- 3.30 “Prohibited Period” has the meaning given to it in paragraph 4.1;

3.31 “Securities” means the securities referred to in the FMA;

3.32 “SENS” means the Stock Exchange News Services;

3.33 “Test” means the reasonable investor test.

#### **4. REQUIREMENTS**

##### **4.1 Prohibited Periods**

4.1.1 Prohibited Periods include Price Sensitive Information periods and Closed Periods. Price Sensitive Information periods relate to a situation where the Company or the Company employee is in possession of Price Sensitive Information regarding ITOCOB Events or a Corporate Action.

4.1.2 Closed Periods are either financial Closed Periods or cautionary Closed Periods.

4.1.2.1 A financial Closed Period automatically commences at interim period end and at financial year end. The interim financial Closed Period ends upon publication of the interim report on SENS. The financial year end financial Closed Period ends upon the publication of the first financial year end condensed report, being an abridged, preliminary or provisional report on SENS.

4.1.2.2 A cautionary Closed Period automatically commences after publication of a Cautionary Announcement on SENS and ceases when the Cautionary Announcement is withdrawn and announced as such on SENS, or finalisation information (plus any other specific JSE Listing Requirements information required to be disclosed) concerning the subject matter of the Cautionary Announcement is announced on SENS.

4.1.3 During Prohibited Periods Affected Persons and their associates are prohibited from participating in Company Share Dealing.

4.1.4 The Company Secretary must send e-mails notifying Affected Persons of the commencement and completion of any Price Sensitive Information Prohibited Period. The Company Secretary must also see to it that the Affected Persons are recorded in the Insider Trading Register. This register cautions the Affected Persons that the Price Sensitive Information Prohibited Period must not be known to people other than the Affected Persons in the e-mail and this information must not be communicated to people other than Affected Persons.

- 4.1.5 The Company Secretary must send e-mails notifying Affected Persons of the commencement and completion of Closed Periods (these periods are known to all persons inside and outside the Company).
- 4.1.6 In the event that the Affected Person's discretionary mandate from time to time includes other listed entities in relation to the Affected Person in possession of price sensitive information, the Affected Person should ensure that he/she does not at all interfere, influence or be seen as influencing investment decisions taken within his/her discretionary investment mandate in relation to such securities.
- 4.1.7 The responsibility rests with the Affected Person not to deal in Sanlam securities or other listed securities while in possession of undisclosed price sensitive information relating to Sanlam or that entity.
- 4.1.8 If an Affected Person is also an Affected Director, the Affected Director is required to make an application to the JSE for approval to participate in any Company Share Dealing during a prohibited period. Before the Affected Director makes an application to the JSE, the Affected Director must first liaise with the Company Secretary and request that the Company Secretary liaise with the Sponsor so that the sponsor makes an application to the JSE for the Company Share Dealing to be approved.
- 4.1.9 The JSE listings requirements require that directors of Sanlam must exclude the Sanlam securities from any discretionary investment mandates they may have, i.e. the responsibility to decide on whether or not to trade in the Sanlam securities always rest with the Affected Person. Whilst not required by the JSE listings requirements, as a matter of policy, any employee who is not a director but who may have price sensitive information from time to time is required, in addition to any director, to exclude the Sanlam securities from any discretionary investment mandates they may have.
- 4.1.10 The aforementioned guidelines (4.1.9 above) also apply to Affected Persons participating in the Sanlam Deferred Share Plan and/or the Sanlam (DSP), Restricted Share Plan (RSP) and/or the Minimum Restricted Share Shareholding Requirement Plan (MSRP).
- 4.1.11 All Affected Persons must adhere to Sanlam's internal policies and mechanisms that are put in place to ensure that price sensitive information does not cross from any part of Sanlam's business that has such information for business purposes to any other party/body in the Sanlam Group (i.e. "Chinese Walls"). This is especially crucial to ensure that trading by any

party/body in the Sanlam Group which deals in Sanlam and other listed securities as part of their normal day to day portfolio management activities (e.g. Sanlam Investments, Sanlam Private Wealth) is not impacted in any way by price sensitive information the Affected Person may have at any time.

4.1.12 Any director of Sanlam who wants to trade in the Sanlam securities must get pre-clearance from Sanlam Chair (via the office of the company secretary), whether or not such director has price sensitive information at that stage. Whilst not required by the JSE listings requirements, as a matter of policy, any employee who is not a director but who may have price sensitive information from time to time is required, in addition to any director, to get pre-clearance before trading in Sanlam securities (whether or not they have price sensitive information at that stage).

4.2 Price Sensitive Information may arise from ITOCOB Events or Corporate Actions and is measured and treated using the same methodology.

4.3 Determination of Price Sensitive Information

The determination of whether and when information, arising in terms of paragraph 4.2 is considered to be Price Sensitive Information requires this information to be reviewed by the Chief Financial Officer, the Group CEO and the Company Secretary, in consultation with the Sanlam Chair, with reference to whether its importance and size qualify it as being Price Sensitive Information and to qualify the information as being Price Sensitive Information when “reasonable certainty” has been achieved that the ITOCOB Event or Corporate Action will be effected.

Importance, size and certainty are to be measured as follows:

4.4 *Importance*

The matter of whether the publication of the information referred to in paragraph 4.2 would be likely to have an equal to or greater than 5% effect on the share price requires careful consideration. If this is the case, then the Information is Price Sensitive Information.

4.4.1 Notwithstanding the 5% threshold, if the information is considered to be important enough to warrant disclosure, irrespective of the effect on the share price - then such information prequalifies as being Price Sensitive Information.

4.4.2 Where there is any uncertainty regarding what constitutes Price Sensitive Information, then the Company’s sponsor must be consulted. If doubt remains after the Company has consulted its sponsor, then the Company

must assume that the information in question is Price Sensitive Information and proceed to make a Cautionary Announcement, with the intention of avoiding selective disclosure which may lead to confusion in the market;

- 4.4.3 The methodology for determining when information is Price Sensitive Information comprises of two elements namely, “specific or precise” and “material effect”. Precise or specific information indicates a set of circumstances or an event which exists or may reasonably be expected to come into existence. With regard to material effect, the Test should be used in order to establish whether Information is likely to have an effect on the Company’s share price. In terms of the Test, information is Material if a reasonable investor is likely to consider it significant in making an investment decision.
- 4.4.4 Consideration should be given to whether the information in question has the potential to influence the economic decisions of investors in relation to the Group’s securities. Information that has the potential to influence the economic decisions of investors in relation to the Company include its:
- 4.4.4.1 assets and liabilities;
  - 4.4.4.2 performance or expected performance;
  - 4.4.4.3 financial condition;
  - 4.4.4.4 course of business;
  - 4.4.4.5 major new business developments; and
  - 4.4.4.6 information previously disclosed to the market.
- 4.4.5 With reference to paragraph 4.4.3, if information is precise or specific and is deemed to be Material because the reasonable investor is likely to consider it significant in making an investment decision, then that information is Price Sensitive Information and a Cautionary Announcement must be made.
- 4.4.6 Please note that where a Corporate Action is being negotiated and related parties are involved in the Corporate Action, the information arising from this Corporate Action qualifies as being Price Sensitive Information.

#### 4.5 Size

- 4.5.1 ITOCOB Events, excluding trading statements, are measured in terms of the subject matter size concerned, and when the subject matter size has an equal to or greater than 5% effect of the Company's market capitalisation, then such information qualifies as being Price Sensitive Information.
- 4.5.2 The Company must comply with the trading statement JSE Listing Requirements which require the announcement of Price Sensitive Information in respect of a greater than 20% EPS or HEPS effect.
- 4.5.3 If the Company considers that a "less than 20% effect on EPS or HEPS" is Price Sensitive Information then a voluntary trading statement must be announced on SENS when the lower percentage is reached.

#### 4.6 *Certainty*

Reasonable certainty is achieved when a greater than 50% probability exists of the Corporate Action or ITOCOB Event proceeding.

#### 4.7 *Material Price Sensitive Information*

4.7.1 Material Price Sensitive Information is Price Sensitive Information that would be expected to have a 10 % or greater effect on the ruling price of the Company share were it to be made public.

4.7.2 The threshold for materiality is 10% or more of any subject matter.

#### 4.8 *Determination of material price sensitive information and the linkage to price sensitive information and possible or actual breaches of confidentiality*

4.8.1 With the exception of the percentage thresholds, the determination of Material Price Sensitive Information is the same as that for Price Sensitive Information and is to be treated the same.

4.8.2 This means that all possible breaches of confidentiality or actual breaches of confidentiality must result in the publication of a Cautionary Announcement.

#### 4.9 *Inside information and the linkage to price sensitive information*

4.9.1 Any person who receives inside information concerning the Company becomes an Insider.



4.9.2 Inside information is information concerning the Company which, if it were to be made public, would be likely to have a material effect on the Company's - JSE listed - share prices, ("Inside Information"). Both Price Sensitive Information and Material Price Sensitive Information qualify as Inside Information.

4.9.3 The Company Secretary will inform Insiders that they are Insiders and that dealing in the Company Securities during a Closed Period or a Prohibited Period is an offence in terms of the FMA.

#### 4.10 *Insider Trading Offences*

The following are examples of insider trading offences and/or defences:

- 4.10.1 Sample Offence 1 – an Insider (being a person in possession of Inside Information concerning the Company) dealing (being buying, subscribing or selling listed Securities) directly or indirectly for his/her own benefit in the Company Securities;
  - 4.10.2 Sample Offence 1 – defence – all dealing parties were in possession of the same Inside Information;
  - 4.10.3 Sample Offence 2 and 3 – stockbroker, either already an Insider or not, dealing in listed Securities for a client and knows the client is an Insider;
  - 4.10.4 Sample Offence 2 and 3 – defence – all dealing parties – including the stockbroker - were in possession of the same Inside Information;
  - 4.10.5 Sample Offence 4 – an Insider discloses Inside Information to any other person;
  - 4.10.6 Sample Offence 4 – defence – disclosure was required in terms of employment or profession and not related to dealing in listed Securities for example, auditing, legal agreement drafting;
  - 4.10.7 Sample Offence 5 – an Insider encouraging or discouraging any person to deal or not deal. There is no defence for this particular offence.
  - 4.10.8 Sample Offence 6 - voluntary dealing with any shares held by Affected Persons under any of the DSP, the RSP or the MSRP during such time to (whether or not such shares have become unrestricted or otherwise transferable in terms of the rules of the relevant plan) as such dealing would constitute the offence of insider dealing; and
- 4.11 Price Sensitive Information or Inside Information and Material Price Sensitive Information may not be given to select persons only. The rule is that such

information must be published on SENS so that all persons have the benefit of the information at the same time.

4.12 Publication of announcements regarding price sensitive corporate actions / ITOCOB events:

4.12.1 Price Sensitive Information and/or Material Price Sensitive Information concerning a yet to be completed Corporate Action or ITOCOB Event that can no longer be kept confidential is to be published as a Cautionary Announcement on SENS and in the press the next business day.

4.12.2 When a Corporate Action or ITOCOB Event is being effected and negotiations have reached the level of price sensitivity that merits disclosure, the Company Secretary will ensure that public disclosure by way of a Cautionary Announcement is effected before a breach of confidentiality occurs.

4.12.3 If there is a breach of confidentiality and a “leak” of Price Sensitive Information into the market before formally planned disclosure by way of Cautionary Announcement, the JSE Listing Requirements require immediate correction of the situation by publication of a detailed Cautionary Announcement dealing with all relevant leaked items of information.

4.12.4 The Company Secretary must monitor the progress of all Price Sensitive Information situations and must react to any leak (made known to the Company Secretary) by the immediate publication of a detailed Cautionary Announcement containing all relevant information that leaked, or if such leaked information is not known in detail, then as much information as is known and is reasonably certain in the circumstances.

4.12.5 Where the publication of a cautionary following a leak is impossible due to uncertainty or disagreement between parties regarding publication despite the exercise of best efforts by all parties involved, the Company Secretary will immediately request the Board to request the JSE to suspend trading in the Company Securities until the situation is able to be cured by way of publication of relevant information, thereby lifting the suspension.

4.12.6 Cautionary Announcements require further Cautionary Announcements to be published every 30 business days in order to inform the market of progress concerning the Corporate Action.

4.13 Forecast financial information, excluding trading statements:

4.13.1 Forecast financial information is “triggered” by any statement or announcement referring directly or indirectly to any future period profits or

losses and which contains EPS or HEPS disclosure or from which EPS or HEPS can be expected to be calculated.

- 4.13.2 A specific forecast, excluding trading statements, is usually voluntary and may be published in a periodic financial information report or separately on SENS only, on SENS and in a circular, in revised listing particulars or in a prospectus.
- 4.13.3 A specific profit forecast requires Audit Committee and Company directors' approval.
- 4.13.4 A specific profit forecast is included in an announcement only or in a post financial year end periodic report and in the annual report (not in the annual financial statements), it requires only the Company directors' approval.
- 4.13.5 In the event that a specific profit forecast is published in a circular, revised listing particulars or prospectus it requires the Company directors' approval and must be reviewed by the Company's external auditor.
- 4.13.6 A general profit forecast requires Audit Committee and the Company's directors' approval.
- 4.13.7 If a general profit forecast is included in an announcement only or in a post financial year end periodic report and then in the annual report (not in the annual financial statements) it requires only the Company directors' approval.
- 4.14 Presentations and interviews concerning periodic financial information and other derivative presentations thereof
- 4.14.1 Presentations concerning periodic financial information and or separate meetings with shareholders or analysts must only be effected by the Group CEO, CFO and/or Sanlam Chair.
- 4.14.2 All presentations of interim and financial year results (and any other periodic financial information presentations) must be published on SENS and placed on the Sanlam's website after the presentation.
- 4.14.3 In respect of unplanned Price Sensitive Information disclosures these must be immediately announced on SENS.
- 4.14.4 Any unplanned Price Sensitive Information disclosures that trigger a profit forecast must be published on SENS.
- 4.14.5 Non forecast financial information is information concerning Sanlam that does not trigger a profit forecast but that is deemed to be Price

Sensitive Information (for example, year to date historical information, or forecast cost information without revenue information, or vice versa).

- 4.15 Internal briefings of employees should only contain public information.
- 4.16 Affected Directors must at all times comply with the JSE Listing Requirements and the Directors/Staff Share Dealings and Closed Periods Group Policy.
- 4.17 Disciplinary action
  - 4.17.1 Employees of Sanlam, excluding Affected Directors, who violate this Information Policy shall be subjected to disciplinary action.
  - 4.17.2 Affected Directors who violate this Policy will be dealt with at board level and, where appropriate, reported to the JSE.
- 4.18 Enquiries

Any queries regarding this Information Policy are to be directed to the Company Secretary or Chief Financial Officer.

*This policy was approved by the Sanlam board on 06 June 2018 and will be reviewed annually.*