

SANLAM KENYA PLC**BOARD CHARTER**

Governance Area Addressed:	Board Governance
Approving Authorities:	Sanlam Kenya Insurance Limited Board of Directors
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Related Policies	

SANLAM KENYA PLC

BOARD CHARTER

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**") of Sanlam Kenya Plc ("**Sanlam Kenya**") acknowledges the need for a Board charter (the "**Charter**") as recommended in the Insurance Regulatory Authority Corporate Governance Guidelines on Insurance and Reinsurance Companies.
- 1.2 This Charter is subject to the provisions of the Companies Act, 17 of 2015, as amended (the "**Companies Act**"), Sanlam Kenya's memorandum and articles of association ("**MOA**"), Capital Markets Authority Act Cap 485a and any other applicable law or regulatory provision. The delegation of the duties and responsibilities of the Board to its committees or management 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.
- 1.3 For avoidance of doubt, this Charter applies to all directors and alternate directors appointed from time to time to the Board (collectively "**Directors**" and each a "**Director**") and any committees of the Board, save where otherwise provided. This Charter is deemed to be accepted by all existing and future Directors from their acceptance of appointment as Directors, without the need for any further action.
- 1.4 The Charter has been adopted to assist the Board, its committees and management in exercising their responsibilities. The Board will in the ordinary course review (and where appropriate revise) this Charter regularly, but at least annually. The Board will also review (and where appropriate revise) this Charter in case of any change in the shareholding of SanlamAllianz to ensure that it remains aligned with the provisions of the MOA subsequent to such change in shareholding, it being noted that certain provisions of the MOA operate with reference to the level of shareholding held in SanlamAllianz and the relevant

provisions of the MOA are recorded in this Charter based on the shareholding in SanlamAllianz on the date of approval of this Charter.

- 1.5 Cognisance is also taken of the fact that SanlamAllianz is a joint venture between Sanlam Emerging Markets Proprietary Limited ("**SEM**") and Allianz Europe BV ("**Allianz**") and Sanlam and Allianz have agreed that for purposes of the governance framework of SanlamAllianz, a SanlamAllianz governance policy ("**SanlamAllianz Governance Policy**") will be adopted which is fully aligned to the Sanlam Limited ("**Sanlam**") group governance policy ("**Sanlam Group Governance Policy**") and the SanlamAllianz Governance Policy shall be applicable to SanlamAllianz and to all other SanlamAllianz group companies which includes Sanlam Kenya's subsidiaries, associates and joint ventures (but excluding portfolio investments) (collectively the "**SanlamAllianz Group**").

2. **PURPOSE OF THE CHARTER**

The purpose of this Charter is to set out the role, responsibilities and composition requirements of the Board and to give guidance on the effective functioning of the Board.

3. **GOVERNANCE FRAMEWORK**

- 3.1 The Sanlam board of directors has developed and accepted the Sanlam Kenya Governance Policy which proposes certain principles to be applied to Sanlam and all its subsidiaries, associates and joint ventures (but excluding portfolio investments) ("**Sanlam Group**"). This also covers the broader 'tight' governance aspects such as branding, people management, risk management, culture and ethics. The Board has adopted these principles through adopting the Sanlam Kenya Governance Policy which is fully aligned with the SanlamAllianz Governance Policy. The Board shall review the Sanlam Kenya Governance Policy from time to time to ensure that it remains aligned with the SanlamAllianz Governance Policy, provided that it is recognised that in terms of the MOA certain amendments to the Sanlam Kenya Governance Policy may require shareholder approval to the extent that they constitute a reserved matter as contemplated in paragraph 4.1 below.
- 3.2 SanlamAllianz's interest in SanlamAllianz Group companies is managed through its representatives on the boards of directors of these companies. The board of directors of each SanlamAllianz Group company has a fiduciary duty towards that specific company, which compels them to manage the business in a manner that

will ensure the achieving of strategic objectives as agreed with key stakeholders; effective management of risk; compliance with local regulations; an effective control environment and accurate financial reporting. It is the responsibility of these directors to ensure that the different companies practise proper governance and adhere to SanlamAllianz Group's policies and standards. They are required to annually inform and report to the SanlamAllianz Board or relevant committees any material deviations from those policies and standards or the existence of any significant internal control breakdowns within these businesses. They may report directly or institute appropriate reporting mechanisms such as the tabling of committee minutes, formal written reports by the committee chairpersons, or by personal attendance at such meetings. The committees will escalate the information to the SanlamAllianz Board and/or the SanlamAllianz chief executive officer ("**CEO**") as appropriate and the SanlamAllianz Board will, to the extent necessary and required in terms of the Sanlam Group Governance Policy, report the information to Sanlam.

4. AUTHORITY AND RESPONSIBILITIES OF THE BOARD

- 4.1 The Board has the authority to exercise all of the powers and perform any of the functions of Sanlam Kenya, except to the extent that the Companies Act, other prevailing legislation or the MOA provide otherwise. It is specifically noted that notwithstanding anything to the contrary contained elsewhere in this Charter, the Board's authority is subject to the provisions of the MOA, including the provisions which provide that certain reserved matters may not be undertaken or implemented by Sanlam Kenya or a Sanlam Kenya Group company without shareholder approval as required in the MOA.
- 4.2 The responsibility of the Directors is to ensure Sanlam Kenya's success by collectively directing Sanlam Kenya's affairs, and to exercise their business judgement to act in what they reasonably believe to be in the best interests of Sanlam Kenya, its shareholders and other relevant stakeholders. In discharging this obligation, directors should be entitled to rely on the honesty and integrity of Sanlam Kenya's senior executives and its external advisors and auditors.
- 4.3 For this purpose, the Board will:

- 4.3.1 provide oversight and set the strategy of Sanlam Kenya and the Sanlam Kenya Group, and be responsible for the overall direction and control of the management of Sanlam Kenya ;
- 4.3.2 establish and maintain the responsibility for the effective governance and risk management of Sanlam Kenya and the Sanlam Kenya Group;
- 4.3.3 act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of Sanlam Kenya in accordance with sound corporate governance principles;
- 4.3.4 determine and review Sanlam Kenya's vision and values;
- 4.3.5 delegate to management the formulation and development of the short, medium and long-term strategy and direction of Sanlam Kenya to achieve its objectives as a business enterprise;
- 4.3.6 assume responsibility for Sanlam Kenya's performance by steering and setting the direction for the realisation of Sanlam Kenya's core purpose and values through its strategy;
- 4.3.7 consider, challenge and approve Sanlam Kenya's strategy as formulated and developed by management;
- 4.3.8 appreciate that 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, amongst other things:
 - 4.3.8.1 that Sanlam Kenya's strategy and conduct are congruent to it being a corporate citizen;
 - 4.3.8.2 the timelines and parameters which determine the meaning of short, medium and long term respectively;
 - 4.3.8.3 the risks, opportunities and other significant matters affecting Sanlam Kenya; and

- 4.3.8.4 the extent to which the proposed strategy and business plans give rise to possible risk and the impact it may have on the capital requirement and the capital available to Sanlam Kenya;
- 4.3.9 identify key performance and risk areas;
- 4.3.10 ensure that the strategy will result in sustainable outcomes;
- 4.3.11 consider sustainability as a business opportunity that guides strategy formulation;
- 4.3.12 monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans;
- 4.3.13 provide effective leadership on an ethical foundation;
- 4.3.14 ensure that Sanlam Kenya is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of Sanlam Kenya but also the impact that business operations have on the environment and the society within which it operates;
- 4.3.15 be responsible for Information Technology ("IT") and information governance;
- 4.3.16 ensure that Sanlam Kenya has an effective risk and audit committee ("**Risk and Audit Committee**");
- 4.3.17 ensure that there is an effective risk-based internal audit;
- 4.3.18 appreciate that stakeholders' perceptions affect Sanlam Kenya's reputation;
- 4.3.19 ensure the integrity of Sanlam Kenya's financial records;
- 4.3.20 act in the best interests of Sanlam Kenya by ensuring that individual Directors:
 - 4.3.20.1 adhere to legal standards of conduct;
 - 4.3.20.2 are permitted to take independent advice in connection with their duties following an agreed procedure;

- 4.3.20.3 disclose real or perceived conflicts to the Board and deal with them accordingly; and
- 4.3.20.4 deal in securities only in accordance with the policy adopted by the Board;
- 4.3.21 consider business rescue proceedings as soon as Sanlam Kenya becomes 'financially distressed' (as defined in the Companies Act);
- 4.3.22 regularly assess its performance and effectiveness as a whole, and that of individual directors, including the CEO and the chairperson of the Board (the "**Chairperson**"); and
- 4.3.23 embrace the the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 and the Insurance Regulatory Authority Corporate Governance Guidelines on Insurance and Reinsurance Companies which contains corporate governance guidelines and recommendations. For purposes of this Charter, the members of the Board will ensure that they are fully informed of the MOA as amended from time to time.

5. **ADDITIONAL RESPONSIBILITIES OF INDIVIDUAL DIRECTORS**

The Directors will:

- 5.1 ensure that they have the time to devote to properly carry out their responsibilities and duties to Sanlam Kenya ;
- 5.2 exercise leadership, enterprise, integrity and judgment, as well as the utmost good faith and honesty in all their dealings with or on behalf of Sanlam Kenya and act independently of any outside fetter or instruction;
- 5.3 exhibit the degree of skill and care as may be reasonably expected from persons of their skill and experience, and exercise the care and skill any reasonable person would be expected to show in looking after their own affairs;
- 5.4 qualify themselves on a continuous basis with a sufficient understanding of Sanlam Kenya's business and the effect of the economy on Sanlam Kenya's business, and be informed about the financial, industrial and social milieu in which Sanlam Kenya operates;

- 5.5 never permit a conflict of duties and interests and disclose potential conflicts of interest at the earliest possible opportunity;
- 5.6 treat any confidential matters relating to Sanlam Kenya, learned in their capacity as a director, as strictly confidential and not divulge them to anyone without the authority of the Board;
- 5.7 regularly attend all meetings and insist that Board papers and other important information regarding Sanlam Kenya are provided to them in time for them to make informed decisions;
- 5.8 be prepared and able, where necessary, to raise and debate alternative viewpoints or even to express disagreement with colleagues on the Board including the Chairperson and CEO; and to bring to the Board's attention any information that a Director is aware of that is material to Sanlam Kenya's business and that has not been previously brought to the Board's attention;
- 5.9 act with enterprise for and on behalf of Sanlam Kenya and always strive to increase shareholders' value, while having regard for the interests of all stakeholders relevant to Sanlam Kenya;
- 5.10 take due cognisance (from a holistic perspective) of environmental protection codes and practices during their deliberations; and
- 5.11 if in doubt about any aspect of their duties, obtain independent professional advice at the earliest opportunity.

6. **OVERSIGHT**

- 6.1 The Board's collective responsibility is to ensure its oversight of Sanlam Kenya's strategy and related risks and opportunities, its business model and its performance and sustainable development.
- 6.2 The responsibility of the Directors is to oversee that Sanlam Kenya continually assesses and responsibly responds to the negative consequences of its activities and outputs on the triple context (as specified in paragraph 6.1 above) in which it operates, and the capital which it uses and affects. In discharging this obligation, directors should be able to rely on the honesty and integrity of Sanlam Kenya's senior executives and its external advisors and auditors.

- 6.3 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 Kenya with regard to reliance and effects on the capital, solvency and liquidity as well as the status of Sanlam Kenya as a going concern.
- 6.4 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.
- 6.5 The Board must exercise an oversight governance role over management performance which ensures that:
- 6.5.1 policies, procedures and practices are in place that protect Sanlam Kenya's assets and reputation;
 - 6.5.2 Sanlam Kenya complies with all relevant laws, regulations and codes of best business practice as well as Sanlam Kenya's code of ethics;
 - 6.5.3 technology and systems used in Sanlam Kenya are adequate to run the business properly;
 - 6.5.4 Sanlam Kenya has development and succession plans for its executive Directors and senior management;
 - 6.5.5 the Sanlam Kenya Governance Policy is shared with all Sanlam Kenya Group companies and the principles and minimum requirements therein have been adopted by Sanlam Kenya and the Sanlam Kenya Group companies;
 - 6.5.6 disputes are resolved effectively, efficiently and as expeditiously as possible; and
 - 6.5.7 management considers opportunity and risks when developing strategy.

7. REVIEW, EVALUATE AND APPROVE

Directly, or as delegated to the Risk and Audit Committee, review, evaluate and approve:

- 7.1 Sanlam Kenya's financial objectives, budgets and forecasts, as well as performance targets and required return on capital;
- 7.2 major resource allocations and capital investments;
- 7.3 the financial and operating results of Sanlam Kenya , as well as its going concern status;
- 7.4 the levels of risk appetite acceptable to the Sanlam Kenya Group;
- 7.5 the process to ensure the integrity and effectiveness of Sanlam Kenya's risk management and internal controls;
- 7.6 identified key risk areas and key performance indicators in order for Sanlam Kenya to generate economic profit, so as to enhance shareholder value in the long term, and at the same time recognising the wider interests of society;
- 7.7 the overall corporate organisational structure and the assignment of senior management responsibilities;
- 7.8 Sanlam Kenya's employment equity/transformation targets and objectives;
- 7.9 compensation strategy as it relates to senior employees;
- 7.10 Sanlam Kenya's corporate objectives and policies relating to sustainable development including corporate social investment and Sanlam Kenya's ability to play a leading role in extending its sphere of influence, where deemed applicable and relevant, when dealing with international partners;
- 7.11 the role and effectiveness of the Board committees, the Charter and Board committee charters in place, annually; and
- 7.12 the scope of the Sanlam Kenya's authorisation framework, annually.

8. POWERS OF THE BOARD

- 8.1 The powers of the Board are set out in the MOA, and the exercise of these powers is governed by the Companies Act, the common law as interpreted and enforced by the Laws of Kenya, and the approved Sanlam Kenya authorisation framework.
- 8.2 The Board has adequate power and resources to discharge its duties in terms of prevailing legislation fully and effectively.

9. BOARD AND BOARD COMMITTEES

- 9.1 Regular, but at least quarterly, Board meetings will be held as necessary. The number, timing and length of meetings and the agenda are to be determined in accordance with the annual Board plan. Refer to Annexure 1 for a draft annual Board plan. A schedule of dates and locations of the regular meetings will be provided to the Directors well in advance.
- 9.2 Resolutions of Directors in order to be of force and effect must be approved by a majority of the votes exercised. Each Director has as many votes as the number of shares which the shareholder that appointed or nominated him/her for appointment (as contemplated in paragraph 15.3.4 below) holds divided by the number of Directors so appointed or nominated by that particular shareholder who vote on the particular resolution. The Chairperson shall not have a casting vote and shall not have a vote if he or she is not a Director.
- 9.3 A resolution approved by the required majority of Directors shall not be treated as invalid by reason only that some or all of the Directors taking part in the meeting were connected by electronic communication rather than present in person in the location of the meeting. Being present at a meeting shall be read as including presence by way of electronic communication.
- 9.4 A resolution that could be voted on at a meeting of the Board may instead be adopted by written consent of the Directors entitled to exercise a majority of votes of all the Directors in accordance with paragraph 9.2, given in person, or by electronic communication, in each case not later than 20 business days after the draft resolution was submitted to the Directors, provided that each Director has received notice of the matter to be decided and the draft resolution. An electronic copy of a Director's signed resolution shall be acceptable evidence that such resolution has been signed by the Director whose duly authorised representative's signature appears on the electronic copy.
- 9.5 Within 5 (five) business days after the adoption or failing of any resolution (whether at a meeting or otherwise), Sanlam Kenya must deliver to each Director a copy of the resolution proposed with a statement describing the results and insert a copy of the resolution and aforesaid statement in Sanlam Kenya's minute book. In addition, promptly after a written resolution is adopted, a copy of the resolution

and the written consents of the Directors shall be provided to each Director, and the resolution will be presented at the next meeting for noting and record purposes.

- 9.6 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 Chairperson or the company secretary. Directors are expected to attend Board meetings and meetings of the Board committees on which they serve. Board members should be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion.
- 9.7 Board meetings will be held at a reasonable time and venue. In the ordinary course, Board meetings will be held at the principal place of business of Sanlam Kenya or at such other venue as the Board may agree to in writing.
- 9.8 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.
- 9.9 The company secretary will take minutes of all Board meetings. Such minutes will be:
- 9.9.1 settled by the Chairperson and circulated to all Directors within 30 days following the Board meeting;
 - 9.9.2 submitted to the next Board meeting for approval, with or without modification; and
 - 9.9.3 signed by the chairperson of that meeting confirming the approval of the meeting.
- 9.10 The Board must assess whether, and to what extent, the establishment of committees of the Board is necessary and appropriate, provided that the Board shall establish and appoint the following committees of the Board:
- 9.10.1 a remuneration committee; and
 - 9.10.2 the Risk and Audit Committee.

- 9.11 The Board will not appoint a social and ethics committee on the basis that the social and ethics committee of SanlamAllianz will perform the function of a social and ethics committee on behalf of Sanlam Kenya .
- 9.12 The Board may appoint other special *ad hoc* committees for any specific purpose the Board may deem necessary and discontinued as required. The committees are an aid to assist the Board in discharging their duties and responsibilities. The ultimate responsibility vests with the Board and as such the Board cannot abdicate this accountability to the committees.
- 9.13 The responsibilities and activities of the committees, their charters, membership and number of meetings to be held, are contained in their respective charters, which are annually approved by the Board. The committees must:
- 9.13.1 be structured to ensure that they have the necessary authority, independence, resources and expertise;
 - 9.13.2 have a clearly defined and documented mandate and functions; and
 - 9.13.3 have access to all relevant employees and information to perform their mandate and functions.
- 9.14 The Board shall regularly evaluate the board committees to ascertain and measure their performance and effectiveness.
- 9.15 The chair of each of the committees must make a presentation to the Board on issues submitted for discussion at the committee meetings.
- 9.16 The Chairperson, CEO or committee chairpersons may from time to time invite other employees and advisors to attend Board or committee meetings whenever deemed appropriate.

10. NOTICE OF A BOARD MEETING AND AGENDA

- 10.1 Any Director may requisition and call a Board meeting.
- 10.2 A notice of a Board meeting must be in writing and delivered to each Director so as to be received by the Director in question in the ordinary course not less than 7 days before the date appointed for the Board meeting, provided that in exceptional circumstances, as determined by the Chairperson, the notice period

may be shortened or dispensed with as is necessary to allow the Directors to attend to the exceptional circumstances in question.

- 10.3 Such notice of a Board meeting may be in any form determined by the Board but must as a minimum include:
- 10.3.1 the date, time and place for the meeting;
 - 10.3.2 a detailed agenda for the meeting;
 - 10.3.3 if any resolutions will be passed at the meeting, drafts of such resolutions;
 - 10.3.4 information with respect to the availability of participation in the meeting (and in the postponement or adjournment of the meeting) by electronic communication and the necessary information to enable Directors to access the available medium or means of communication; and
 - 10.3.5 the general purpose of the meeting.
- 10.4 The contents of the notice and agenda shall be prepared by and be the responsibility of the Chairperson.
- 10.5 The notice of meeting must also be accompanied by any relevant documents to be discussed or considered at such meeting. Directors should review this material in advance of the meeting.
- 10.6 Any Director may at any time require that any matter be included on the agenda for a meeting and may also raise at any Board meeting subjects that are not on the agenda for a particular 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.
- 10.7 The Board may proceed with a meeting despite a failure or defect in giving notice of the meeting, provided that all the Directors either: (i) acknowledge, before or at the meeting, actual receipt of the notice; (ii) are present at the meeting (by way of electronic communication or otherwise); or (iii) waive notice of the meeting.

11. DIRECTORS' REMUNERATION

- 11.1 Subject to paragraph 11.2, Directors shall receive reasonable remuneration for their services as Directors, but only in accordance with an ordinary resolution approved by the shareholders of Sanlam Kenya annually.
- 11.2 Directors who are employees of the SanlamAllianz Group, the Sanlam Group and/or the Allianz group shall receive no remuneration for holding the office of Director of the Company.
- 11.3 The form and amount of compensation will be determined by Sanlam Kenya's shareholders after considering proposals in this regard from the Sanlam Kenya Board and in accordance with the policies and principles set forth in the Sanlam Kenya remuneration committee's charter.
- 11.4 Sanlam Kenya shall pay all reasonable and necessary travel and associated costs required to be incurred by the Directors in fulfilling their obligations to attend any meeting.

12. DIRECTORS' ORIENTATION AND EDUCATION

- 12.1 The Board will from time to time evaluate the training needs of the Directors with respect to the business of Sanlam Kenya as well as their fiduciary duties and legal responsibilities as Directors and draw up a training programme. All new Directors will be provided with initial orientation in order to familiarise themselves with their responsibilities as directors under the law, and with Sanlam Kenya and its strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its code of ethics, its senior management, and its internal and external auditors.
- 12.2 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.

13. DIRECTORS' ACCESS TO OFFICERS AND EMPLOYEES

Directors have full and free access to officers and employees of Sanlam Kenya . Any meetings or contacts that a Director wishes to initiate may be arranged through the GCEO 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 Kenya.

14. **INDEPENDENT ADVISORS**

The Board and each committee have the power to, after having discussed it with the Chairperson, 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 Kenya, or to their other responsibilities as Board members. Sanlam Kenya 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.

15. **BOARD STRUCTURE**

15.1 **Size of the Board**

Sanlam Kenya's Articles of Association prescribes that the number of Directors which shall constitute the whole Board shall not be less than 7 (seven).

15.2 **Quorum**

15.2.1 A quorum for meetings shall be at least one Director appointed or nominated for election by SEM (if, and for as long as, SEM is entitled to make such appointment or nomination), and one Director appointed or nominated for election by Allianz (if, and for as long as, Allianz is entitled to make such appointment or nomination).

15.2.2 To the extent that the foregoing requires any Director appointed or nominated for election by a particular shareholder to form part of the quorum, that requirement shall only apply if and to the extent that the Shareholder concerned has in fact made such appointment or nomination.

15.2.3 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.

15.2.4 If, within 30 (thirty) minutes (or such time limit not exceeding 2 (two) hours, as extended by the Chairperson) of the appointed time for a Board meeting to begin a quorum is not present, the meeting will automatically be postponed for one week.

- 15.2.5 Notice of a postponed or adjourned must be given within two business days of the date of postponed / adjourned meeting and the only items to be put on the agenda must be the items which were on the agenda for the original meeting.
- 15.2.6 If at the appointed time for a postponed meeting to begin or an adjourned meeting to resume, the quorum requirements are not met, then those Directors, present in person at the Board meeting including those participating electronically, will be deemed to constitute a quorum.
- 15.2.7 A Board meeting may otherwise be adjourned by majority vote of the Directors present at the meeting.

15.3 **Selection of Directors**

- 15.3.1 Shareholders are responsible ultimately for appointing, electing or removing Board members, and it is in their interests that the Board is properly constituted.
- 15.3.2 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.
- 15.3.3 The shareholders will elect, appoint and remove Directors in the manner contemplated in paragraph 15.3.4, and the Board will induct, and develop Board members as and when necessary. Directors could be removed by the Board, after giving advance notice to the shareholder who appointed or nominated the Director for election in the first place. For the avoidance of doubt, that shareholder may exercise its rights to appoint or nominate for election a person in place of such a removed Director, and such appointment or election may (if that shareholder so chooses) take effect simultaneously with that removal.
- 15.3.4 Shareholders shall be entitled, by giving written notice to that effect to Sanlam Kenya , to appoint or nominate Directors for election only as set out below:
- 15.3.4.1 each shareholder shall, for each complete 10% of the shares held by it, be entitled to appoint or nominate one person for election as a

Director and to remove and replace such Director, provided that the number of appointments or nominations made by a shareholder in term of this paragraph 15.3.4.1 is limited to 3 (three) persons;

15.3.4.2 in addition, for as long as each of SEM or Allianz holds more than 50% of the issued share capital of SanlamAllianz, it shall be entitled to nominate for election as a Director one person in addition to the number of persons which it may appoint or nominate for election as a Director in terms of paragraph 15.3.4.1, and to remove and replace such Director

15.3.4.3 There will be a further independent directors appointed; or such number necessary to comply with the CMA and IRA Guidelines

15.3.5 The election of Directors is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the board at that time have been filled; and in each vote to fill a vacancy each voting right entitled to be exercised may be exercised once and the vacancy is filled only if a majority of the voting rights exercised support the candidate.

15.3.6 No shareholder may vote in favour of the election of a Director (whether in a shareholders' meeting, on a written poll, or otherwise) that has not been nominated for this purpose under paragraph 15.3.4. The Board shall not have the power to appoint any person to serve as a Director (whether to fill any vacancy or otherwise).

15.3.7 The Board shall ensure that the principles set out above in this paragraph 15.3 in respect of the Board representation rights of the shareholders are, to the maximum extent possible having regard to requirements in particular jurisdictions (including requests of regulator a prudent insurer would comply with it), also achieved in respect of the boards of directors of the "Material Subsidiaries" (as defined in the MOA), subject to:

15.3.7.1 the requirement that the specific director appointments that each shareholder is entitled to make to the board of a Material Subsidiary must not exceed the number of specific Director appointments that that shareholder may make to the Board;

15.3.7.2 any shareholders' agreements which may apply to such Material Subsidiaries; and

15.3.7.3 any legal requirements in the relevant jurisdictions where the Material Subsidiaries are incorporated.

15.4 **Alternate Directors**

15.4.1 Any shareholder shall have the power to appoint or nominate for election another person to act as alternate Director to the Director appointed or nominated for election by such shareholder in terms of paragraph 15.3 in such Director's place during his/her absence or inability to act as such Director. On such appointment or election being made, the alternate Director shall, in all respects, be subject to the terms and conditions existing with reference to the other Directors. A person may be appointed as alternate to more than one Director. Where a person is alternate to more than one Director or where an alternate Director is a Director, they shall have the right to vote separately on behalf of each Director they are representing and (if they are a Director) on their own behalf. Each shareholder has irrevocably undertaken in favour of the other shareholder(s) to vote in favour of the appointment of any alternate to a Director, and not to propose, or to vote in favour of any resolution for the removal of any alternate appointed by a shareholder unless the shareholder who appointed or nominated the alternate itself votes in favour of such resolution or the provisions of the MOA require that such alternate be removed, in which case each shareholder must vote in favour of his or her removal and has undertaken to do so.

15.4.2 The alternate Directors, whilst acting in the place of the Directors who appointed them, shall exercise and discharge all the duties and functions of the Directors they represent. The appointment of an alternate Director shall cease on the happening of any event which, if they were a Director, would cause him/her to cease to hold office or if the Director for which he or she is an alternate ceases to be a Director, or when the Director gives notice to the company secretary that the alternate Director representing him/her shall have ceased to do so.

15.5 **Compulsory removal of Directors**

If any shareholder ceases to be entitled to appoint, remove and replace a Director and alternate Director in terms of paragraph 15.3.4 by virtue of it ceasing to own and hold the requisite percentage of shares, then that shareholder must procure at its own cost and expense the removal and/or resignation of each Director nominated and appointed by it within two business days of that shareholder ceasing to own or hold the required threshold of shares.

15.6 **Removal of a Director by other Directors**

If the Board proposes to remove a Director, as set out in the MOA; Sanlam Kenya (and each of the Chairperson and the company secretary of Sanlam Kenya) shall ensure that the shareholder who appointed or nominated the Director for election in the first place is notified about that in advance. For the avoidance of doubt, that shareholder may exercise its rights under paragraph 15.3.4 to appoint or nominate for election a person in place of such a removed Director, and such appointment or election may (if that shareholder so chooses) take effect simultaneously with that removal.

15.7 **Term of office**

Directors terms of office will be subject to the Capita Markets Authority's Guidelines and subject to the Board's and shareholders' right to remove a Director as set out above.

15.8 **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 the other Directors.

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

Except where directed by the Chairperson or GCEO, communications on behalf of Sanlam Kenya with the media or investors must be made only by specifically designated representatives of Sanlam Kenya. If a Director receives any inquiry relating to Sanlam Kenya from the media, securities analysts, brokers or investors, including informal social contacts, he or she should decline to comment and ask

them to contact the Chairperson or GCEO or the Sanlam Kenya communications or media department.

15.10 Board and Director appraisal

Formal evaluations of Directors are to be conducted by the Chairperson or any other person delegated to do so; annually. Board assessments may be conducted by an external service provider.

15.11 Eligibility requirements

A Person must satisfy the qualification and eligibility requirements set out in the Companies Act and the Capital Markets Authority's Guidelines to be entitled to become or remain serving as a Director.

15.12 Indemnities and insurance

Sanlam Kenya will provide the Board and committee members with, and will pay the premiums for, indemnity and insurance cover while acting in their capacity as Directors, 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 the Audit, Actuarial, Risk and Compliance Committee.

16. BOARD FUNCTIONARIES

16.1 CHAIRPERSON

16.1.1 General

The Sanlam Kenya Board requires the firm and objective leadership of a Chairperson who ensures that all Directors, executive and non-executive alike, are enabled to play their full part in the Board's activities. The Chairperson'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 Chairperson will usually also preside over Sanlam Kenya's shareholders' meetings. The position of Chairperson of Sanlam Kenya, being a financial institution requires a fundamental understanding and strong knowledge of finance and financial risk relevant to the institution.

16.1.2 **Appointment and Appraisal**

16.1.2.1 The Chairperson, who must also be a Director, shall be appointed by a simple majority vote of the Board (as defined in the MOA).

16.1.3 **Responsibilities**

Responsibility for the working of the Board is the Chairperson's principal role and includes, among other things, the following:

16.1.3.1 *Providing leadership:* Establishing a professional, focused and contributing Board and providing overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions;

16.1.3.2 *Selection of members:* Actively participating and ensuring, subject to Board and shareholder approval, that the membership is properly balanced;

16.1.3.3 *Setting and distributing of agendas:* In conjunction with the CEO and company secretary, setting and distributing the agenda for Board meetings in accordance with paragraph 10 above. They must also ensure that the appropriate information on every issue is placed before the Board so that members can make informed decisions;

16.1.3.4 *calling meetings:* calling meetings of the Board at any time (including when requested by any member of the Board) and calling to order and adjourning each meeting of the Board;

16.1.3.5 *stakeholders:* recognise that the Board represents different stakeholders and interests;

16.1.3.6 *Chairing of meetings:* The Chairperson will act as leader at meetings of the Board to ensure that no Director, whether executive or non-executive, dominates the discussion, that relevant discussion takes place, that the opinions of all Directors relevant to the subject under discussion are solicited and freely expressed and that Board discussions lead to appropriate decisions. The Chairperson will seek consensus from the Board but a resolution of the Board will be of force and effect. Additionally, the Chairperson will manage conflict of

interest situations which may include asking affected Directors to recuse themselves;

- 16.1.3.7 *Reviewing of minutes of meetings:* Reviewing the minutes of the meetings of the Board, before the meeting at which they will be presented for confirmation, to ensure that:
 - 16.1.3.7.1 they accurately reflect the Board's deliberations; and
 - 16.1.3.7.2 matters arising from the minutes and on which further action is required, have been addressed;
- 16.1.3.8 *Directors and Board evaluations:* Taking a lead in monitoring and evaluating the individual performance of Directors and taking the initiative in initiating periodic evaluations of the Board as a whole;
- 16.1.3.9 *Director induction:* Arranging for new Directors to be properly inducted;
- 16.1.3.10 *Work programme:* In conjunction with the CEO and company secretary, initiating the formulation of a Board Plan;
- 16.1.3.11 *Committees:* Initiating the establishment of Board committees; and
- 16.1.3.12 *Managing External Relationships:* In conjunction with the CEO and Sanlam Kenyachief financial officer/head of finance ("CFO"), coordinating the external relationships of Sanlam Kenya with any governmental authority.

The Chairperson shall always remain objective in their engagement with and assessment of the business of the Board. The Chairperson's responsibilities will be executed considering respective shareholder rights and obligations and subject always to his or her fiduciary duties. When the Board is considering any matter or making any decision in which the Chairperson has a conflict of interest and/or a personal financial interest, the Board shall appoint from amongst the Board members, an acting Chairperson to chair the meeting.

16.1.4 **Relationship with management**

- 16.1.4.1 The Chairperson 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 Chairperson and the CEO and unless each respects the other's abilities and personal qualities.

16.1.4.2 The Chairperson, along with all other Directors, should recognise that the GCEO is the leader of Sanlam Kenya in all matters of operational management and should not expect, as a right, to become involved in Sanlam Kenya's day-to-day operations. It is the GCEO's responsibility to report to the Board as a whole and not just to the Chairperson.

16.1.4.3 Because of their particular relationship, the Chairperson should nevertheless:

16.1.4.3.1 expect to be kept informed by the GCEO of all such important matters as emerging problems, risks, potentially good or bad publicity, investment and divestment proposals, funding issues and current performance. Especially issues of concern to the GCEO or Chairperson should be freely discussed;

16.1.4.3.2 make him or herself available at all reasonable times to the CEO to:

16.1.4.3.2.1 act as a sounding board and be part of the control mechanism in ensuring that the GCEO's decisions are properly considered and soundly based, and

16.1.4.3.2.2 give assistance and advice when needed, especially on sensitive matters which the GCEO feels unable to discuss with other executives;

16.1.4.3.3 ensure that the GCEO understands and properly performs his or her role in the relationship;

16.1.4.3.4 in addition to having an effective working relationship with the GCEO, the Chairperson should have free access to discuss financial funding and performance issues directly with the CFO. The GCEO should, however, be aware of such discussions;

16.1.4.3.5 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 GCEO's reports; and

16.1.4.3.6 keep himself/herself fully informed of trends and changes in the finance and insurance industries and Sanlam Kenya's operating environment, both locally and internationally. He or she should generally also stay more informed of Sanlam Kenya's business and strategy than other Directors. To achieve this, the Chairperson will be invited to attend strategy and budget setting meetings. At these meetings the Chairperson will act as observer, sounding board and adviser, but not as a member of the executive team.

16.1.5 **Relationship with shareholders**

The Chairperson should chair all shareholder meetings. However, the responsibility of reporting on the detail of the business to shareholders is mostly that of the GCEO, assisted by the CFO.

16.1.6 **General**

While performing the functions set out above, the Chairperson should also be expected to play a leading role in supporting the GCEO in:

16.1.6.1 the process of forming Sanlam Kenya's vision and goals before their presentation to the Board;

16.1.6.2 Sanlam Kenya's strategic direction and planning process before its presentation to the Board;

16.1.6.3 fostering high corporate ethical standards and positive relationships with Sanlam Kenya's stakeholders; and

16.1.6.4 ensuring adherence by Sanlam Kenya to both the letter and the spirit of the law.

16.2 GROUP CHIEF EXECUTIVE OFFICER (GCEO)

16.2.1 Appointment

SEM shall be entitled to appoint and replace the GCEO, who must be one of the Directors appointed or nominated for election by it in terms of paragraph 15.3.4. SEM must consult with Allianz in good faith in relation to its appointee as GCEO.

16.2.2 Responsibilities

16.2.2.1 The task of the GCEO is to run the business and implement the policies and strategies adopted by the Board. All Board authority conferred on management is delegated through the GCEO, so that the authority and accountability of management is regarded as the authority and accountability of the GCEO insofar as the Board is concerned.

16.2.2.2 The Chairperson, in consultation with the Board, shall set certain specific targets directed at achieving Sanlam Kenya's goals and business objectives and an appropriate delegation of authority to the GCEO to ensure that the targets are achieved. The GCEO shall act within the specific authorities delegated to him or her by the Board in terms of Sanlam Kenya's authorisation framework.

16.2.2.3 Without in any way limiting the obligations of the GCEO as determined in his or her contract, the GCEO shall, in particular, be responsible for:

16.2.2.3.1 ensuring the growth and profitability of Sanlam Kenya within the vision, goals and strategic direction approved by the Board;

16.2.2.3.2 making sure that the assets of Sanlam Kenya are adequately maintained and protected, and not unnecessarily placed at risk;

16.2.2.3.3 ensuring that comprehensive and appropriate internal control mechanisms are recommended to and adopted by the Board in order to mitigate against key risks;

16.2.2.3.4 not causing or permitting any practice, activity or decision by or within Sanlam Kenya that is contrary to commonly accepted

good business practice, good corporate governance or professional ethics;

16.2.2.3.5 attending to and communicating to the Board, at least annually, Sanlam Kenya's senior management succession planning and management development initiatives, including details of Sanlam Kenya's compliance with employment equity and human capital development imperatives;

16.2.2.3.6 developing and growing Sanlam Kenya's human capital. The GCEO 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 Kenya ;

16.2.2.3.7 serve as the chief spokesperson for the Sanlam Kenya Group; and

16.2.2.3.8 in conjunction with the Chairperson and CFO, coordinating the external relationships of Sanlam Kenya with any governmental authority.

16.2.3 **Appraisal**

The Board appraises the performance of the GCEO in order to ensure that the GCEO is providing the best leadership for Sanlam Kenya in the long and short-term.

16.2.4 **General**

16.2.4.1 The GCEO has a critical and strategic role to play in the operational success of Sanlam Kenya's business. The close relationship between the Chairperson, Sanlam Kenya and its industry makes it absolutely essential that there be a clear understanding and role clarity in respect of the GCEO. There should accordingly be a clear division of responsibilities between the roles of Chairperson and GCEO to ensure a balance of power and authority, such that no individual has unfettered powers of decision-making. Therefore, the roles of Chairperson and GCEO should be separate, with responsibilities divided between them.

- 16.2.4.2 The GCEO and the Board should agree on whether the GCEO takes up additional professional positions, including membership of other boards outside of the Sanlam Kenya Group, the Sanlam Group and/or the Allianz group, including consideration of the potential for those appointments to introduce time constraints and/or potential conflicts of interest for performance of the GCEO role.

17. EXECUTIVE AND NON-EXECUTIVE DIRECTORS

- 17.1 Every Director, whether they are categorised as executive, non-executive or independent non-executive, has a legal duty to act independently, in good faith, with due care and skill, and without fetter or instruction.
- 17.2 All Directors, both executive and non-executive, are bound by fiduciary duties and duties of care and skill. Non-executive Directors perform such duties intermittently and have less regular access to the books and records of Sanlam Kenya than executive Directors. Executive Directors, on the other hand, must always manage the conflict between their management responsibilities and their fiduciary duties as a Director in the best interests of Sanlam Kenya. Non-executive Directors play a particularly important role in providing independent judgment in such circumstances.
- 17.3 Executive Directors could take on other non-executive directorships, provided these are not detrimental to their immediate responsibilities as an executive Director of Sanlam Kenya and that it is approved by the Sanlam Kenya 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 Kenya. Deviations from this principle must be approved by the Sanlam Kenya 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.
- 17.4 Executive Directors are in the full-time employment of Sanlam Kenya with executive functions.
- 17.5 Non-executive Directors should fulfil their duties at Board meetings and any other meetings of Sanlam Kenya 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 Kenya.

- 17.6 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 Kenya's best interests.
- 17.7 An independent non-executive director is a director of Sanlam Kenya who:
- 17.7.1 is not a representative of a shareholder who has the ability to control or significantly influence management or the Board and does not receive remuneration contingent upon the performance of Sanlam Kenya;
 - 17.7.2 does not have a direct or indirect interest in Sanlam Kenya (including any parent or subsidiary in a consolidated group with Sanlam Kenya) which exceeds 5% of the Sanlam Kenya Group's total number of shares in issue;
 - 17.7.3 does not have a direct or indirect interest in Sanlam Kenya which is less than 5% of the Sanlam Kenya Group's total number of shares in issue, but is material to his/her personal wealth;
 - 17.7.4 has not been employed by Sanlam Kenya or the Sanlam Kenya Group of which it currently forms part in any executive capacity, or appointed as the designated auditor or partner in the group's external audit firm, or senior legal adviser for the preceding three financial years;
 - 17.7.5 is not a member of the immediate family of an individual who is, or has during the preceding three financial years, been employed by Sanlam Kenya or the group in an executive capacity;
 - 17.7.6 is not a professional adviser to Sanlam Kenya or the group, other than as a director; or
 - 17.7.7 Is free from any business or other relationship (contractual or statutory) which could be seen by an objective outsider to interfere materially with the individual's capacity to act in an independent manner, such as being a director of a material customer of or supplier to Sanlam Kenya .

17.8 COMPANY SECRETARY

17.8.1 General

The Board shall appoint a company secretary for Sanlam Kenya . 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 Chairperson and GCEO, 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 them to properly fulfil those duties.

17.8.2 Responsibilities

17.8.2.1 The duties of the company secretary of the Sanlam Kenya shall include, among other things, informing each shareholder in writing as soon as practicable if the company secretary becomes aware of any change to the laws of the Republic of South Africa that results in any provision of the MOA being or becoming illegal, invalid, unenforceable or inconsistent with the laws of the Republic of South Africa.

17.8.2.2 The company secretary must:

17.8.2.2.1 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 Sanlam Kenya ;

17.8.2.2.2 ensure that the procedure for the appointment of Directors is properly carried out and they 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;

17.8.2.2.3 report to the Board via the Chairperson 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;

- 17.8.2.2.4 be available to provide comprehensive practical support and guidance to Directors, with particular emphasis on supporting the non-executive Directors and Chairperson;
- 17.8.2.2.5 ensure unhindered access to information by all Board and committee members so that they can contribute to Board meetings and other discussions;
- 17.8.2.2.6 be 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;
- 17.8.2.2.7 ensure compliance with all relevant statutory and regulatory requirements, having due regard to the specific business interests of Sanlam Kenya . In particular, the company secretary must also be aware of the duties set out in section 88 of the Companies Act;
- 17.8.2.2.8 help to carry out corporate strategies by ensuring that the Board's decisions and instructions are clearly communicated to the relevant persons;
- 17.8.2.2.9 communicate with the shareholders as appropriate, and to ensure that due regard is paid to their interests; and
- 17.8.2.2.10 provide a central source of guidance and advice to the Board and within Sanlam Kenya on matters of ethics and good governance.

18. **INDEPENDENT ADVICE**

The Board must take independent advice in connection with their duties following an agreed-upon procedure.

19. **MEMORANDUM AND ARTICLES OF ASSOCIATION (“MOA”)**

This Charter is not intended to replace or amend the MOA in any way. In the event of a conflict between the MOA and this Charter, the provisions of the MOA take precedence. This 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.

20. **APPROVAL OF THE CHARTER**

This Charter was approved by the Board and signed by the Chairperson for and on behalf of the Board on 13th March 2024



13.03.2024

CHAIRPERSON OF THE BOARD

DATE

ANNEXURE 1

SANLAM KENYA PLC
ANNUAL BOARD PLAN

N= Note
A= Approve

		MEETINGS			
		Feb	May	Aug	Nov
1.	*Sanlam Kenya Strategy and budget	A			A
2.	Feedback from the Risk and Audit Committee which will cover the Actuarial Report, ORSA report and CIO report	N	N	N	N
3.	GCEO and Business Cluster Reports	N	N	N	N
4.	Approval of interim and year-end Sanlam Kenya Financial Results	A		A	
5.	Approval of Annual Financial Statements		A		
6.	Dividend Declaration (ad hoc)	A	A	A	A
7.	Approval of resolutions which have been recommended by the Risk and Audit Committee or any other matter which requires board approval	A	A	A	A
8.	Approval of Sanlam Kenya policies and frameworks as per the *Sanlam Kenya Governance Policy (to the extent board approval is required)			A	
9.	Approval of Sanlam Kenya Authorisation Framework				A
10.	Approval of Board and Committee Charters				A
11.	Annual General Meeting		A		

*Reserved matters