

SANTAM LIMITED

**POLICY FOR SELECTION AND (RE)-APPOINTMENT OF
DIRECTORS**

SANTAM LIMITED ("the Company")

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS

The JSE Listings Requirements requires that directors must be appointed in terms of a policy detailing the procedures for appointments to the board. This policy serves to guide the Nominations Committee and the Board on the practice of the proposing, nominating and voting for directors.

Size and Composition of the Board

The Board should be structured in such a way that it has a proper understanding of, and competence to deal with, the current and emerging issues of the business and encourages enhanced performance of the Company as the company's size and operations evolve from time to time. The size of the board shall always be in terms of the Company's Memorandum of Incorporation.

New Directors

It is the Policy of the company that in determining new candidates for the Board, the following process shall be followed:

1. The Nominations Committee ("the Committee") shall evaluate the composition, range of skills, experience and expertise of the existing Board. The annual evaluations conducted on the Board and its individual directors will provide valuable information to assist in this "needs assessment". In particular, the Committee is to identify the particular skills that will best increase the Board's effectiveness. Consideration must also be given to the balance of independent directors on the Board.
2. A potential candidate is to be considered with reference to their skills and expertise in relation to other Board members. The Committee should therefore ascertain whether the potential candidate is competent to be approved as a director and can therefore contribute to the business judgement calls that are made by the Board. In considering the skills and suitability of a proposed candidate director, the knowledge and experience required to fill any potential skills gaps on the Board must be taken into account. The apparent integrity of the individual and the skills capacity of the individual to discharge his duties to the Board are also key considerations.

Prior to their nomination for appointment, the candidate's background must be independently investigated, and their qualifications should be independently verified, along the lines of the approach required for listed companies by the JSE. It is also important to ensure that candidate non-executive directors have not been declared delinquent nor are serving probation. Directors must at all times meet the "fit and proper" requirements contained in the Short-term Insurance Act, as amended.

It is expected that non-executive directors attend Board and Board committee meetings and also acquire and maintain a broad knowledge of the economic environment, industry and business of the company. In view of the time and dedication required to fulfil their duties properly, it is important to ensure that non-executive directors do not hold more directorships than is reasonable for them to exercise due care, skill and diligence. Although the onus is on individual directors to

determine whether they have the requisite skills and capacity to make a meaningful contribution and are free from apparent or actual conflicts, the committee should give consideration to these issues prior to nominating a candidate director to the Board.

3. The Nominations Committee will recommend an appropriate candidate for appointment to the Board. It is recommended that each nomination / proposal of a candidate be accompanied by the candidate's consent to act as director to the company and detailed curriculum vitae outlining the candidate's relevant experience, current directorships and qualifications. Any appointment made by the Board is subject to ratification by shareholders at the subsequent Annual General Meeting. An abridged curriculum vitae of all candidates that are finally appointed by the Board should be made accessible to shareholders.

It is in the interest of the shareholders (and all stakeholders) that the Board is properly constituted from the viewpoint of skills and representivity. The board will promote diversity in its membership across a variety of attributes relevant for promoting better decision-making and effective governance, including field of knowledge, skills and experience – as well as age, culture, race and gender.

Procedures for the appointments to the Board are formal and transparent and are a matter for the Board as a whole, assisted by the Nominations Committee, subject to shareholder approval ratification and approval.

The appointment of a non-executive director should be formalised in a letter of appointment by the company, which shall also be signed by the non-executive director. The letter of appointment should include, inter alia, the director's code of conduct to be complied with and the contribution that is expected from the specific individual. Executive directors shall also receive a letter confirming which Board Committees they have been appointed to serve on.

Directors are required to retire by rotation in terms of the Company's Memorandum of Incorporation, but may remain eligible for re-election. The company's shareholders therefore have the opportunity to continually participate in the election process for new directors and/or replace existing directors.

Commitment to the Board

Non-executive directors shall provide to the Committee, prior to their appointment or re-election, details of any other commitments and an indication of the time involved in carrying out those other commitments.

All directors should consider the number and nature of their directorships and calls on their time from other commitments.

Board Renewal

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Re-appointment of directors is not automatic.

Informing Shareholders

Shareholders shall be informed when a director has been appointed to the Board. Shareholders shall also be informed of the names of candidates submitted for re-election as directors. In order to enable shareholders to make an informed decision regarding the

election, the candidates' biographical details, directorships held, the term of office currently served by any directors available for re-election and any other particulars required by law shall be made available to shareholders.

Approval and Review of Policy

This policy was approved by the Board on 29 November 2017 and is reviewable annually.