

SANTAM LIMITED
("the Company")

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

1. INTRODUCTION

In accordance with the JSE Listings Requirements, directors of listed entities are required to be appointed in terms of a policy detailing the procedures for the appointment to the Board. In addition, given the Prudential Standards issued by the Prudential Authority (PA) under the auspices of the Insurance Act, 2017 (the Act), all licensed insurers are also required with effect from 01 July 2018, to provide comfort to the Regulatory Authority (the PA) of the process followed to ensure the independence and capacity needed, to govern and prudently manage an insurer's business.

Santam Limited's business practices are, furthermore, governed by a Board Approval Framework, the Board and Board Committee Charters, several policies as well as other related governance protocols and practices – i.e. subject to the provisions of the Insurance Act, the Companies Act, the Memoranda of Incorporation (Mols) of the entities within the Santam Group, the JSE Listings Requirements, the JSE Debt Listings Requirements, King IV™ as well as other applicable regulatory and supervisory prescripts, codes and best practices.

2. SCOPE AND APPLICATION

This Policy applies to the Board of directors of Santam Limited. As far as reasonably possible, the same and/or a similar approach would be adopted and implemented at a subsidiary level.

To this end, this Policy serves to guide the Nominations Committee of Santam Limited on the practice of proposing, nominating, appointing and the voting for directors as members of the Santam Limited Board.

3. 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 that the business faces and/or needs to respond to. It further needs to simultaneously encourage the enhanced performance, growth and sustainability of Santam as the Company's size and operations evolve from time to time.

The size of the Board shall at all times be as stipulated in terms of the Company's Memorandum of Incorporation (Mol).

In addition, Santam is required to seek prior approval from the PA before implementing a Board structure that deviates from the requirements relevant to the composition of the Board as outlined in GOI 2 (i.e. Governance of Insurance Standard) paragraph 5.1. The latter requirement relates to the Company having to ensure a sufficient number of non-executive and independent non-executive directors to promote objectivity in decision-making processes exercised by the Board. This includes making provision for the Board comprising an appropriate number (and mix) of individuals to ensure that there is an adequate overall spread and level of knowledge, expert skills and experience at a Board level, commensurate with the nature, scale and complexity of the business and the risk

exposure of the insurer.

4. NEW DIRECTORS

It is the Policy of the Company that in determining new prospective 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 performance evaluations conducted on the Board and its individual directors will provide valuable information to assist in this “needs assessment”. In particular, the Committee will from time to time, identify the particular and/or required skills that will complement and enhance the Board’s effectiveness. Consideration would also be given to the balance of independent non-executive directors on the Board.
2. A potential candidate is to be considered with reference to their skills and expertise in relation to the other Board members. The Committee should therefore ascertain whether the potential candidate is competent to be approved as a director and that he/she 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 and the skills capacity of the individual to discharge his/her duties to the Board, are also key considerations.
3. 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 by the Prudential Authority and the JSE. It is also important to ensure that prospective directors have not been declared delinquent nor are they serving probation. Candidates nominated for the appointment as directors, must at all times meet the relevant “fit and proper” requirements prescribed by the Financial Sector Conduct Authority and the Prudential Standards re the governance of insurers.
4. In the event of a domestic prominent influential person as defined in the Financial Intelligence Center Act (“PIP”) being considered for nomination as a director, the Board will be required to make a determination whether the appointment of the PIP as a director presents a higher risk to the Company (especially from a reputational, corruption and anti- money laundering perspective). In the event of a positive determination, the Board must take further reasonable measures, which may include obtaining declarations and determining the source of the PIP’s wealth (as well as their associates and family members). The Board notes that PIP’s will be subject to greater scrutiny, but that the potential risks associated with appointing a PIP as a director justifies the application of more intrusive and stringent preventative measures. The process is preventative in nature and should not be interpreted as stigmatizing PIPs by suggesting that they are involved in illicit activities.
5. 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 prospective candidate director to the Board.
6. The Nominations Committee will recommend an appropriate and suitable candidate for appointment to the Board. Standard practice includes that each nomination / proposal of a candidate, will be accompanied by the candidate’s consent to act as a director to the Company and a 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 (AGM). An abridged curriculum vitae of all candidates that are finally recommended by the Board should be made accessible to shareholders.

7. It is in the interest of the shareholders (and all other stakeholders) that the Board is properly constituted from the viewpoint of skills and representivity. To this end, the Board will promote diversity and inclusivity in its membership across a variety of attributes relevant to better decision-making and effective governance, including areas of expertise, knowledge, skills and experience as well as age, culture, religion, race and gender. The Board will apply the provisions of the Board Diversity Policy when reviewing the composition of the Board and when appointing directors.
8. The procedures for appointments to the Board are formal and transparent and are a matter for the Board as a collective, assisted by the Nominations Committee and subject to shareholder approval.
9. The appointment of a director should be formalised in a letter of appointment by the Company, which shall also be signed by the director to confirm his/her acceptance. 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. Non-executive and executive directors shall also receive a letter confirming which Board Committees they have been appointed to serve on.
10. It is, furthermore, the policy of the Company that in determining suitable candidates for Board appointments, the following checks/screening exercises will be conducted upon the appointment of a director:
 - i) Credit and criminal checks
 - ii) CIPC external directorship checks
 - iii) Qualification checks (on appointment only)
 - iv) Reference checks (on appointment only)
 - v) Anti-money laundering (AML) sanctions screening
 - vi) Politically Exposed Persons (PEP) screening
 - vii) Adverse media screening

5. COMMITMENT TO THE BOARD

Non-executive directors shall provide to the Nominations 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.

6. COMMUNICATION - CHAIR/NOMINATIONS COMMITTEE ON NEW/OTHER POSITIONS

Before a Board member can accept an appointment to another board of directors or a board of trustees of another entity (after being appointed to the Santam Limited Board), a formal submission in that regard should be presented to the Nominations Committee for its consideration and discussion with the Chair.

The objective is that the Nominations Committee should at least be able to take new/other directorships into account, before an existing Board member accepts such an appointment. This is also required to enable the Nominations Committee to evaluate any potential conflicts and/or capacity challenges of the relevant director.

7. RETIREMENT BY ROTATION

Directors are required to retire by rotation in terms of the Company's Memorandum of Incorporation but may remain eligible for re-election. Santam's shareholders therefore have the

opportunity to continually participate in the election process for new directors and/or to replace existing directors.

8. BOARD RENEWAL

The Board recognises that Board renewal is a critical aspect that is considered as part of the annual Board performance evaluation as well as the impact of the respective Board members' tenure on succession planning.

To this end, the re-appointment of directors is not automatic.

9. DIRECTORS SERVING ON THE BOARD FOR MORE THAN NINE (9) YEARS

In terms of King IV, non-executive directors who serve in an independent capacity may be re-elected to continue to serve on the Santam Limited Board for longer than nine years, if upon an annual review, the Santam Limited Board concludes that the member continues to exercise impartial and 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 the decision-making by the concerned director. These members will also come up for re-election at every AGM thereafter.

10. POLITICALLY EXPOSED PERSONS (PEPS)

In accordance with the Financial Intelligence Centre Act 38 of 2001 (as amended) (FICA), a PEP is the term used for an individual who is or has in the past, been entrusted with a prominent public or private sector position. FICA sets out two categories of PEPs – i.e.

- a) Domestic prominent influential persons; and
- b) Foreign prominent public officials.

PEP's are considered to be a high risk as they often hold positions of power and/or influence that may be used for private gain or to benefit associates, close family members and/or related parties.

The Company will therefore ensure that a PEP guidance note is developed to govern the acceptance, management and monitoring of individuals who are classified as PEPs, related parties, associates and/or close family members of PEPs. The objective is to (amongst other) mitigate reputational risk, operational risk and/or legal risk whilst simultaneously meeting compliance standards imposed by applicable regulatory requirements.

A register of individuals serving on the Company's Board and on its executive management team who have been classified as PEPs (including associates, related parties and/or close family members of PEPs), would be maintained. Such a register would as a minimum, include the following information relating to PEPs, related parties, associates and/or close family members of PEPs:

- i) The name of the Director and/or executive manager of the Company; and
- ii) A brief description of the nature of the relationship.

11. 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.

12. APPROVAL AND REVIEW OF THE POLICY

This Policy was approved by the Santam Limited Board on 01 March 2023 and would hereafter be reviewed on an annual basis.