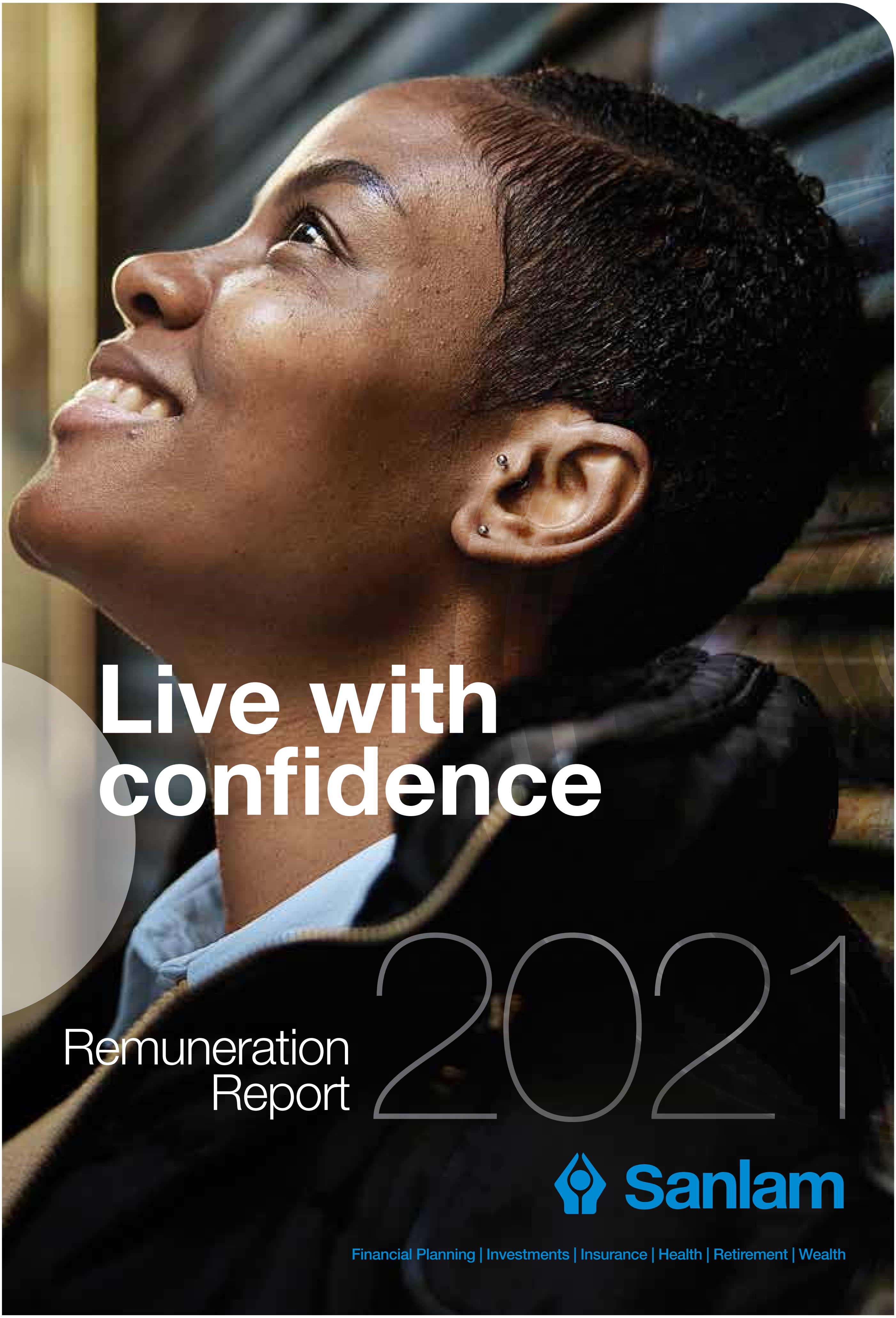

Live with confidence

Remuneration Report 2021

Sanlam

Financial Planning | Investments | Insurance | Health | Retirement | Wealth

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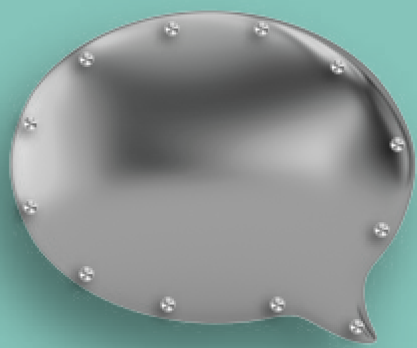
Letter from the Committee Chair



Confidence Rule 14:

TOUGH MONEY CONVERSATIONS CAN PREVENT TOUGH TIMES.

Letter from the Committee Chair

DEAR SHAREHOLDERS,

At the time you read this report it will be a few months into 2022. This year has brought with it renewed optimism and energy as the effectiveness of the COVID-19 vaccine is clearly visible. Sanlam's vaccination policy was embraced by our employees and contingent workforce. The small number of approved exceptions (based on medical reasons and the assertion of specific constitutional rights) confirms that our people understand and accept the need to vaccinate. Our key priority is to keep our people and our clients safe, whilst interacting with each other on a face-to-face basis to get optimal engagement and results. Our hybrid work framework became effective 1 March 2022 and our people are working in line with the framework and new ways of work. We recognise that navigating the hybrid world of work comes with its unique challenges and opportunities. The Group launched a holistic digital employee wellbeing solution for our people addressing mental, physical, lifestyle and financial wellness. The solution provides assistance in "the palm of your hand" and is mobile enabled. It integrates with our employee assistance counselling service (EAP), on-site and virtual health clinics, our health insurance and our network of nutritionists, biokineticists and life coaches. Our holistic wellbeing promise to our people is inextricably linked to our health strategy and offerings that the Group makes available for our clients.

The Group's culture journey, which started last year, has challenged and grown our people and our leaders and the most recent culture measurement indicated that our people, the company values, and the desired culture are well aligned. In fostering a collaborative and appreciative culture our employee recognition platform, Applause, played an important role. During 2021 just under 100,000 digital appreciation messages were sent between colleagues, with R10,5 million in e-vouchers being redeemed for recognition of the behaviours of collaboration, client focus, innovation, resilience and driving results. At the end of 2021, 93% of all our people were using Applause to show appreciation and recognition to their colleagues.

The committee believes that our broader human capital and remuneration strategy is supportive of a high performance and inclusive culture, with a strong focus on leader enablement and people development. In this report specifically our remuneration policy and the application thereof will be explained.

2021 performance overview

Sanlam's performance is testimony of the sound nature of our business strategy, the strong execution of our strategy and mostly the quality, dedication and commitment of our people and clients.

Our financial and strategic results are explained in detail in our integrated report and relevant aspects are highlighted later in this report. We significantly outperformed 2020 and 2021 targets in terms of Value of New Business (VNB) whilst profits and Return on Group Equity (RoGEV) performed well, despite the significant impact of the COVID-19 pandemic. We kept our promise to clients and settled R22 billion in gross mortality claims during the 2021 year.

On the strategic front various key transactions were concluded in line with our business strategy, and we are positioning ourselves to ensure maximum returns from acquisitions and ensuring that capital is optimally allocated. Digitalisation, operational efficiencies, our brand repositioning, excellent client experiences, transformation (business and people), culture and ensuring strategic partnerships are just some of the measures which the senior leadership team have executed on with the leadership of our Group CEO, Paul Hanratty.

Our 2021 remuneration decisions and the 2022 forward-looking policy align directly with the business strategy and the performance of the past year.

2021 remuneration outcomes and decisions

In April 2021 no guaranteed pay increases were awarded to middle and senior management employees as a response to the pandemic impact. Only junior employees received inflationary based increases.

For 2022 an overall 5,25% uplift on the guaranteed pay base and directors' fees are proposed, with differentiation for market corrections and performance.

The bonus outcomes for 2021 reflect performance relative to business and group scorecards set, with higher reward in areas where there was out-performance.

For LTI purposes (as reported in last year's report) for all performance shares the 2020 financial year is removed and replaced by the 2021 financial year for measurement. Therefore, all performance share tranches have the agreed number of years for measurement. The measurement outcome is that in June 2021 (following the 2020 financial year) the DSP vesting principle was confirmed (apart from individual participants who forfeited based on below satisfactory performance) and the first two tranches of the historic 2016 PDSP award vested, based on the achieved RoGEV performance required for PDSP to vest. The unvested PDSPs (originally eligible for vesting in 2021) will be measured and finalised in June 2022.

In 2021 we kept close to market developments and carefully reviewed all aspects of remuneration to ensure Sanlam remains competitive, whilst our remuneration policy is bespoke and agile enough to enable our unique business strategy.

Some key policy decisions introduced in 2021 were:

- We simplified the executive bonus structure by introducing an automatic 30% deferral of cash bonuses into Sanlam restricted shares. These restricted shares only vest 3 years later and are subject to malus and clawback. The new design replaces the mechanism of awarding ad hoc restricted shares as a bonus supplement to Group executive committee (Exco) members.
- We reviewed the long-term incentive structure (LTI) to simplify it and to remove layers of LTI instruments (each having a set of performance conditions). At the time of awarding the 2021 LTI awards, a fair amount of uncertainty still existed regarding the impact of the COVID-19 pandemic. Therefore, the performance conditions applicable to 2020 were applied (i.e. -200bps COVID-19 adjustment) for the 2021 awards. Despite the adjustment, the committee will ensure that any vesting of LTI does not result in windfall gains and reflects the performance of Sanlam and the experience of stakeholders over the vesting period. The committee will assess the outcome at the time of vesting and will ensure it will effectively reflects the underlying performance of the company. However, going forward we will award one category of performance shares with a threshold and maximum range for RoGEV (70% weighting) and dividend growth (30% weighting) as performance conditions. Linear vesting will be applied between threshold and maximum, ranging between 0% – 100%.
- Another key remuneration decision was to discontinue awards of deferred share plan shares (DSPs) to senior management from 2022 onwards. Only performance shares (PDSPs) with company performance conditions will be awarded to senior management to ensure direct line of sight. Senior management is defined as Paterson E levels and above. DSPs, which have strategic and individual conditions for vesting, will be utilised for emerging and critical talent attraction and retention on levels below this. This ensures absolute alignment to "pay for performance", one of our key policy principles.
- As part of the holistic LTI review independent consultants Willis Towers Watson and Bowmans were consulted on the design of the targets. Likely volatility of outcomes and the implications of South African sovereign risk on current hurdles were examined. Historic analyses were performed and the best practice recommendation is to link both RoGEV and dividend targets to CPI plus a real return margin for the threshold to maximum range (proposed real 3% – 7% for Adjusted RoGEV and 1% – 4% for dividend growth). For OPP components (applicable to the Group CEO and business chief executives) the range is proposed as real 6% – 10% for Adjusted RoGEV.

Per our remuneration policy the committee granted out-performance plans (OPPs) to Sanlam Life and Savings (SLS) business chief executives as well as to the chief executive of Sanlam Emerging Markets (SEM). The prior OPP awarded to the chief executive of SEM (for measurement from the 2020 financial year) was no longer appropriate (based on the current business strategy) and was cancelled and replaced in its entirety by the 2021 OPP. The performance conditions are set over a five-year period and align fully with the Group CEO's metrics for his five-year remuneration structure and are directly aligned to the Sanlam business strategy. It should be noted, as was reported last year, that the Group CEO's remuneration structure provides a fixed maximum potential for five-years (settled in Sanlam shares) and that the Group CEO is not eligible for any additional cash bonuses or annual LTIs during this five-year period.

OPPs are focused incentives used for business executives who can materially impact the Group's performance. More detail on the stretching performance conditions and the earning potential for participants under the OPPs is included in this report.

Executive changes

As communicated, Robert Roux retired at the end of 2021 as Chief Executive of Sanlam Investments. Carl Roothman replaced Robert and he comes with a wealth of experience. In the larger Group Lizé Lambrechts will retire as Chief Executive of Santam on 30 June 2022 with Tava Madzinga, a highly seasoned leader, being appointed into this role. From 1 January 2022 Theo Mabaso, the Group Chief Information Officer, was appointed to Group Exco. Theo drives the IT strategy and integration. This clearly evidences how we are prioritising our IT and digital strategy. The Group regrets that Jurie Strydom, currently the chief executive of the Sanlam Life and Savings cluster, will be leaving Sanlam at the end of June 2022.

We sincerely thank Jurie for his contribution to Sanlam and wish him well for his future plans.

All appointments and terminations were treated in accordance with the approved remuneration policy insofar as it relates to vesting and forfeiture of incentives.

Forward-looking policy

The review and proposed design changes on LTI (i.e. simplification of the design, only awarding performance shares to senior management and the basis for determining LTI performance conditions) are for 2022 implementation.

The committee will continue to review value drivers in the Group to ensure that incentives are directly aligned and address the integration of acquired businesses. The principles of simplification and transparency will inform any forward-looking policy decisions made.

Engagement and voting outcomes from last AGM

During the year we engaged individually with shareholders regarding our remuneration policy, facilitated by our investor relations function. The engagements were ad hoc and the feedback from shareholders were positive.

Sanlam invited shareholders mid-year, after the AGM, on two occasions via a SENS announcement to contact us for individual engagements on our remuneration policy. We did not receive any feedback in this regard.

To ensure we consult wider and that our remuneration policy (current and forward-looking) and the implementation thereof is per best practice we consulted with a world leading provider of corporate governance and responsible investment solutions. This was a robust engagement and the recommendations provided were considered and applied insofar as it supports business strategy. The feedback we received was that the policy changes provide for positive momentum and transparency in terms of maximum earning potentials for Exco which is a noted improvement. Also, that the changes in design addresses most of the concerns raised by shareholders as they simplify the structure, coupled with the reduction of committee discretion. Enhanced and simpler disclosure were also noted as improvements for 2021.

At the 2021 AGM our remuneration policy received a positive vote of 89,28%, while our implementation report received a positive vote of 73,92%. In accordance with King IV™ and best practice governance we invited all shareholders to individual engagements to discuss specific concerns relating to the implementation report (as this report received more than a 26,08% "against" vote). No specific feedback was received from shareholders. However, the committee still made several changes to the policy in line with best practice and following feedback from consultants (local and international) and proxy advisors.

We believe the concerns raised by a large proxy advisory firm in their voting advice prior to the 2021 AGM were adequately addressed with the changes made in 2021, coupled with the forward-looking remuneration approach for 2022.

We extend a standing invitation to all shareholders for engagement on our policy and the implementation thereof throughout the year. We also actively strive to incorporate our remuneration policy approach and the link to business strategy in our shareholder roadshows and dialogues.

We look forward to shared future successes and your continued support of our remuneration report at the upcoming AGM.

Warm regards,

Dr S Zinn
Chair: Group Human Resources and Remuneration Committee (the Committee)

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Overview of remuneration policy

Confidence Rule 20:

PREPARATION IS ALWAYS THE BEST PREPARATION.

Remuneration Policy

REMUNERATION GOVERNANCE AND THE COMMITTEE'S RESPONSIBILITIES

The Sanlam Limited Board of directors (Board) has responsibility for the governance of remuneration in the Sanlam Group. The committee is mandated by the Board to ensure that the company remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long term. Sanlam's remuneration philosophy and policy support the Group strategy by incentivising the behaviour required to meet and exceed predetermined strategic goals. Both short and long-term strategic objectives are measured and rewarded. This blended approach mitigates excessive risk-taking and balances longer-term strategic objectives with short-term operational performance. The remuneration philosophy is therefore an integral part of Sanlam's risk management structure. In setting up the reward structures, cognisance is taken of prevailing economic conditions as well as local and international governance principles.

A great deal of attention is given to correctly position both the nature and the scale of remuneration relative to relevant comparator groups and international best practice. Steps are also taken to ensure alignment with the applicable regulatory and governance requirements in each of the countries in which Sanlam operates. In South Africa, those specifically include the Prudential Standards (Governance and Operational Standards for Insurers, issued in terms of the Insurance Act) and the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™)[(1)], while also conforming to the remuneration principles contained in the Codes of Good Practice which support employment equity legislation.

Sanlam is the sole or part owner of a number of subsidiaries, joint ventures and associates. While compliance with the Sanlam Group remuneration policy is primarily targeted at operating subsidiaries, Sanlam will use its influence to encourage the application of sound remuneration practices in those businesses where it does not hold a controlling interest. In businesses outside South Africa, where the Group remuneration policy is in conflict with local statutes or regulations, the local standards will apply.

The committee is responsible for overseeing and monitoring the development, implementation and execution of the remuneration policy and strategy of the Group and ensuring that the policy objectives are met. The committee is responsible for presenting the policy to the Board for approval. Its activities include approving the guidelines and philosophy to be applied in formulating mandates for all bonus and long-term incentive plans and setting remuneration packages of the Sanlam Group Executive committee (Exco) and the Sanlam heads of control functions (actuarial control, internal audit, compliance and risk management), relative to industry benchmarks. The committee also exercises oversight over the remuneration of key persons (as defined in the Prudential Standards).

The committee makes remuneration decisions it deems appropriate within an approved Board framework and may propose amendments to any part of the remuneration policy as necessitated by changing circumstances. It also makes recommendations to the Board regarding the fees of Sanlam directors. To fulfil the role described above, the committee undertakes the following:

- Oversees and recommends to the Board for approval, short- and long-term incentive plans for Group employees, subject to shareholder approval where applicable. This includes the setting of guidelines for annual remuneration mandates and a regular review of the appropriateness and structure of the variable remuneration plans to ensure alignment with Sanlam's business strategy and shareholder interests.
- Sets appropriate performance conditions for incentives and reviews and approves the measurement of vesting outcomes.
- Ensures that the remuneration policy applies in a proportionate and risk-based way and contains specific arrangements for the review of remuneration for the roles of the directors, executives, heads of control functions, other key persons, and persons whose actions may have a material impact on the insurer or Group's risk exposure.
- Reviews the management of the contracts of employment of Sanlam executive directors, members of the Exco and heads of control functions to ensure that their terms are aligned with good practice principles.
- Reviews the remuneration strategy for and approves the remuneration of Sanlam executive directors, Exco and heads of control functions, including total guaranteed pay (TGP) and variable pay, and other conditions of employment.

[(1)] Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

- Develops and recommends to the Board for approval, short- and long-term incentives for the Group Chief Executive (CEO) and other Exco. It includes the setting of annual targets, monitoring those targets and reviewing the incentive plans on a regular basis to ensure that there is a clear link between the plans and performance in support of the Group strategy. Further to this, the committee ensures that incentives are appropriate, supported by corporate governance standards and that the design thereof is aligned to long-term value creation for shareholders.
- Reviews the succession plans in place for the Group CEO and Exco and provides for succession in both emergency situations and over the long term.
- Recommends to the Board the remuneration of the Sanlam non-executive directors for approval at the AGM by shareholders.

Read more about the committee's terms of reference online and about the composition and summarised terms of reference for the committee in the online Corporate Governance Report.

The Companies Act, 71 of 2008 (Companies Act) introduced the concept of a prescribed officer. The duties and responsibilities of directors under the Companies Act also apply to "prescribed officers" as well as members of Board committees who are not directors. The Board has considered the definition of "prescribed officers" and resolved that the Sanlam executive directors and Exco are the prescribed officers of Sanlam.

None of the Sanlam executive directors or Exco occupy a control function at Sanlam as defined in the Insurance Act, 18 of 2017 (Insurance Act). Remuneration details of the Sanlam executive directors and Exco are accordingly disclosed in this report.

REMUNERATION PHILOSOPHY

Sanlam has total reward strategy for our people. This offering comprises remuneration (which includes cash remuneration, short and long-term incentives), benefits (retirement, medical, risk, group life, etc.), learning, development and career growth and a balanced working environment with range of lifestyle benefits.

Our remuneration philosophy sets out to:

- Identify those aspects of the remuneration policy that are prescribed and to which all businesses should adhere in accordance with our Group Governance Policy.
- Provide a general framework for other components of total remuneration across the Group.
- Provide guidelines for short- and long-term incentive and retention processes.
- Provide mandates and guidelines about how businesses should apply discretion in awarding remuneration and incentives.

The Board recognises certain industry-specific and other relevant differences between Sanlam businesses and where warranted differentiation in remuneration is applied to enable business to attract, retain and reward their employees appropriately within an overarching policy. In this regard, there are some areas where good corporate governance, the protection of shareholder interests and those of the Sanlam brand or corporate identity require full disclosure, motivation and approval by the Group CEO or the committee.

The principle of pay for performance and management discretion with regard to individual employees is central to the remuneration philosophy on the basis that all remuneration is based on merit. However, the overarching principles of the Sanlam remuneration structure are consistently applied, to support a common philosophy and to ensure good corporate governance, with differentiation between businesses/industries where appropriate.

DESIGN PRINCIPLES FOR OUR REMUNERATION POLICY

Our remuneration policy is a key enabler of the Sanlam business strategy. It is therefore vital that it is market competitive and fair and equitable to all stakeholders.

The primary objectives of the remuneration policy is to:

- attract, motivate, reward and retain key talent;
- drive the Group's strategic objectives, whilst complying to our risk and governance frameworks; and
- promote an ethical culture and behaviours that are consistent with our values and responsible corporate citizenship.

The key principles of our policy are:

- **Pay for performance:** Performance is the cornerstone of the remuneration philosophy. On this basis, all remuneration practices are structured in such a way to provide for clear differentiation between individuals with regard to performance. It is also positioned so that a clear link is maintained between performance conditions and the Sanlam business strategy.
- **Competitiveness:** A key objective of the remuneration philosophy is that remuneration packages should enable the Group and its businesses to attract and retain employees of the highest quality in order to ensure sustainability.
- **Leverage and alignment:** The reward consequences for individual employees are, as far as possible, aligned with, linked to and influenced by:
  - the interests of Sanlam shareholders (and, where applicable, minority shareholders in subsidiaries);
  - the interests of other stakeholders (for example, employment equity, client service, the community);
  - sustainable performance of Sanlam as a whole;
  - the performance of any region, business unit or support function; and
  - the employee's own contribution.

- **Consistency and fairness:** The remuneration philosophy strives to provide a framework that encourages consistency, but allows for differentiation where it is fair, rational and explainable. Differentiation in terms of market comparison for specific skills groups or roles is necessary and differentiation concerning performance is imperative. Unfair differentiation is unacceptable.
- **Attraction and retention:** Remuneration practices are recognised as a key instrument in attracting and retaining the required talent to meet Sanlam's objectives and ensure its sustainability.
- **Shared participation in relevant components of remuneration:** Employee identification with the success of Sanlam is important owing to the fact that it is directly linked to both Sanlam's and individual performance. All employees should have the chance to be recognised and rewarded for their contribution and the value they add to Sanlam, and, in particular, for achieving excellent performance and results, in relation to Sanlam's stated strategic objectives. The performance management process contributes significantly towards obtaining this level of participation and towards lending structure to the process.
- **Best practice:** Reward packages and practices reflect local and international best practice, where appropriate and practical.
- **Communication and transparency:** The remuneration philosophy, policy and practices, as well as the processes to determine individual remuneration levels, are transparent and communicated effectively to all employees. In this process the link between remuneration and Sanlam's strategic objectives is understood by all employees.
- **Market information:** Accurate and up-to-date market information and information on best practice are important factors in determining the quantum of the remuneration packages.
- **Malus and clawback:** Where defined trigger events take place provision is made for redress against remuneration through either malus (pre-vesting forfeiture) or clawback (post-vesting forfeiture). Malus and clawback provisions and the application thereof to trigger events are governed by the Sanlam Group Malus and Clawback policy, which is a related policy to this Group remuneration policy and these provisions will be incorporated in relevant remuneration governance documents/rules.

REMUNERATION OVERVIEW

Structure

The different components of remuneration are summarised in the table below. The summary is generic for all South African employees but highlights specific aspects applicable to Exco.

Component	Purpose	Potential	Design	How delivered?
Total Guaranteed Package (TGP)	Reflects market value of role and individual performance.	Market benchmark for comparative role.	Annual benchmarking against market surveys. Positioned on average at the 50th percentile of market.	Cash salary and a mix of compulsory and discretionary benefits.
Short Term Incentives (STIs)	Rewards performance over 12-month period (financial year).	For Exco STI on-target ranges between 75% – 100% of TGP. STI caps are set at 200% of on-target.	Quantum for Exco based on individual, business and Group performance.	Cash settlement generally capped at 200% of TGP or 200% of the on-target earning potential. For Exco and for investment/capital businesses deferral principles apply.
Long Term Incentives (LTIs)	Rewards company performance over a three to five year period. Long-term value creation for shareholders.	Total LTI award levels range between 35% and 230% of TGP (based on value of unvested awards). These percentages as an indicative annual award comprises approximately 10% to 70% of TGP.	Vesting in tranches in years 3 (40%), 4 (30%) and 5 (30%).	Company performance conditions (RoGEV and dividend growth) for vesting. Deferred shares to emerging and key talent below senior management level subject to individual performance.
Out-Performance Plans (OPPs)	Focused and bespoke incentives for a specific period (long-term), aligned to the Sanlam business strategy and key strategic projects.	100% – 200% of TGP per annum.	Performance conditions are set considerably more stretching than LTIs. Due to the out-performance targets the probability of vesting is lower than LTIs. In the past three years, due to the very stretching performance conditions of OPPs the vesting outcomes have been between 7% and 18%.	Value measured and delivered in Sanlam shares to align to shareholders. By exception (and if good rationale exists) may be settled in cash, but this will be transparently disclosed.

Total guaranteed package

Purpose

TGP is a guaranteed component of the remuneration offering. It forms the basis of Sanlam's ability to attract and retain the required skills. In order to create a high-performance culture, emphasis is placed on the variable/performance component of remuneration rather than the guaranteed component. For this reason, TGP on average is positioned around the 50th percentile of the market. As an integral part of TGP, Sanlam provides a flexible structure of benefits that can be tailored, within certain limits, to individual requirements. These include:

- retirement fund;
- group life cover and risk benefits; and
- medical aid/insurance.

Process and benchmarking

Average TGP is normally set by reference to the median paid by a group of comparator companies which Sanlam considers to be appropriate. The comparator group is made up of a sizeable and representative sample of companies that have similar characteristics to Sanlam in terms of being in the financial and insurance services sector (but not limited only to these sector/s) as well as market capitalisation and their international footprint. Based on salary surveys obtained from REMchannel, Mercer and Willis Towers Watson for the appropriate comparator group, TGP is benchmarked at the market median. Skills, potential and performance of the individual employee as well as the current economic climate, forecasts and the consumer price index (CPI) of the country all impacts TGP increases.

Committee's role

Upon conclusion of the benchmarking process, proposals regarding increases for the following year are considered and approved by the committee. The committee approves a mandate increase % for the underlying businesses, but reviews approves the adjustments to TGP for each of the Sanlam executive directors and Exco.

Levels

TGP levels are positioned on average around the 50th percentile of the comparator market. Where specific skills dictate, TGP levels may be set in excess of the 50th percentile. Benefits form part of TGP and in certain instances there may be a salary sacrifice in favour of a flexible benefit.

Short-term incentives

Purpose

The purpose of the annual bonus plan is to align the performance of employees with the financial and strategic targets of the Group and the businesses and to motivate and reward employees who outperform the agreed performance metrics over a 12-month period. Growing the business and ensuring that it is managed in a sustainable way are key performance drivers for bonuses. The design and quantum of performance bonuses are regularly reviewed against best market practice and the quantum is benchmarked against the market using a relevant comparator group.

Committee's role

The committee's role with regard to the performance bonus plan is to:

- determine the overall structure of the performance bonus plan and to ensure that it provides a clear link to performance and is aligned with the Group's business strategy;
- set the overall principle in respect of thresholds, targets and stretch levels for the performance bonus plan as well as the percentage of total guaranteed package that can be earned at each employment level;
- in respect of Sanlam executive directors and Exco:
  - agree on the performance metrics for their performance bonus plan; and
  - agree on the split between business, Group and strategic performance criteria; and
- the committee has discretion regarding the final quantum of bonus payments across the Group to avoid any unintended consequences of bonus design principles and to support risk alignment and good governance.

STI potential and weightings for Exco

The design of the Exco bonus structure is driven by simplicity, line of sight and to enable the Sanlam business strategy as encapsulated in the Group financial outcome as measured for the Group CEO and FD. All Exco have equal exposure to the Group outcome (See reported on page 28 of the Implementation Report). The Chief Executives in business roles have exposure to their business outcomes (weighted equally between financial and strategic), whilst the functional executives have added group office and strategic measures for STI purposes.

STI on-targets and maximums are agreed for each role. However, STI outcomes are subject to the achievement of stretch performance conditions and committee discretion to avoid unintended consequences. In line with the STI simplification review, and following the discontinuation of awarding RSPs as discretionary bonus supplements, STI opportunities levels have been adjusted to reflect market levels. This is comparable to competitor companies. In addition STIs are fully at risk based on balanced scorecards weighted between business, strategic and Group performance outcomes between 0% – 200%. An on-target bonus relates to a 100% performance outcome. Bonuses are not paid for performance below minimum targets.

		Potential (% of TGP)		Weightings for STI		
Individual	**Role**	On-target	Maximum	Business %	Group %	Strategic %
Paul Hanratty	Group CEO	Not applicable: 5-year remuneration arrangement				
Abigail Mukhuba	Group Finance Director	85%	170%		50%	50%
Heinie Werth	Chief Executive: Emerging Markets	85%	170%	70%[2]	30%	
Jurie Strydom	Chief Executive: Sanlam Life and Savings	85%	170%	70%[2]	30%	
Anton Gildenhuys	Chief Executive: Sanlam Retail Affluent	75%	150%	70%[2]	30%	
Robert Roux[5][6]	Chief Executive: Sanlam Investment Group	100%	200%	70%[2]	30%	
Bongani Madikiza	Chief Executive: Sanlam Retail Mass	75%	150%	70%[2]	30%	
Kanyisa Mkhize	Chief Executive: Sanlam Corporate	75%	150%	70%[2]	30%	
Lotz Mahlangeni	Chief Risk Officer and Chief Actuary	75%	150%			100%[3]
Jeanett Modise	Group Human Capital Director	75%	150%	20%[4]	30%	50%
Wikus Olivier	Group Executive: Strategy	75%	150%	20%[4]	30%	50%
Karl Socikwa	Group Executive: Market development	75%	150%	20%[4]	30%	50%
Sydney Mbhele	Group Executive: Marketing	75%	150%	20%[4]	30%	50%
Lizé Lambrechts[1]	Chief Executive Officer: Santam	112%	160%	50%		50%

(1) Chief Executive of Santam.
(2) 50% of Business scorecard comprise financial metrics and 50% strategic metrics aligned to the Group business strategy.
(3) Strategic measures, not driven by financial measures in accordance with good governance design.
(4) For functional Exco based on group office bonus outcome applicable to the rest of group office employees.
(5) Investment role.
(6) Robert Roux retired 31 December 2021.

The Group CEO has an agreed five-year remuneration structure of 5 million restricted performance shares and he does not qualify for annual STI or LTI awards.

Exco STI payment and deferral

For Exco, the performance STI is paid partly in cash in March (following the prior year-end) and partly deferred into restricted Sanlam shares (deferred bonus shares). The current split is 70% (cash)/30% (deferral). Bonus shares have no further forward-looking performance conditions and vest subject to continued employment and satisfactory individual performance after three years. Malus and clawback principles apply.

Businesses STI principles

The annual performance STI targets at a business level incorporate a number of financial and strategic performance measures that are directly linked to the Group strategy and key performance indicators. It also aligns fully with the Chief Executive of that business' key performance metrics. See "STI potential and weightings for Exco".

These include (depending on the type of business area):	• net result from financial services; • adjusted RoGEV; • value of new business covered; • dividend contribution to Group; • operating variances as ratio to Value-in-force (VIF); • investment performance; • investment flows; and • net insurance premiums and growth in gross written premiums.
Business strategic targets which include (but is not limited to):	• leadership and culture: including positive culture scores across the Group, continuous learning and career opportunities, transformation measures (people and business); • digitalisation: digital enablement for business, client digital experience and client centricity; • operational efficiencies: including optimised business structures and processes, operations, governance, compliance and risk management; and • key partnerships and acquisitions (and return hereon) supporting the Sanlam business strategy.

General employee STIs are paid in cash (unless otherwise agreed with the employee due to the nature of the roles). In the investment and capital businesses specific deferrals and retentions apply (appropriate for the specific industry). For appropriate roles in the investment and capital businesses, cash bonuses are capped at a multiple of TGP. Any bonus payable in excess of this cap, is deferred in a combination of cash and/or restricted Sanlam shares and vests in equal tranches over three years. Malus is applicable to deferred bonuses. Deferred cash bonuses to the value of R20,95 million were converted into a total of 370 288 shares in 2021 in respect of 20 individuals.

Companies within the broader Sanlam Group may use other mechanisms such as deferred cash or equity (restricted shares of that specific company) for bonus deferral and alignment.

Where the STI targets are not achieved in full, reduced bonuses, based on a sliding scale, will be paid only if threshold performance levels have been achieved.

STI discretion

Where the annual financial bonus targets are not achieved, a modest amount may at the discretion of the committee (on the Group CEOs recommendation) be set aside to reward exceptional individual performance and/or retain key talent.

Discretionary bonuses are subject to conditions imposed on award, these may include cash deferral, deferral into Sanlam shares or deferral into units under management. Retention conditions and periods can also be imposed as appropriate. Should discretion be exercised to award any discretionary bonuses to Exco, this will be transparently disclosed.

Adjusted RoGEV as component for bonus scorecards

In order to exclude the impact of investment market volatility during the performance period in question, adjusted RoGEV is consistently used. This assumes that the embedded value investment return assumptions as at the beginning of the reporting period were achieved for purposes of the investment return earned on the supporting capital of covered business and the valuation of Group operations. Any other ad hoc items, which are not under the control of management are also excluded, for example tax changes, interest rate movements and exchange rate volatility. The adjustment for uncontrollable items ensures that the short-term incentive is based on achievement and not "windfalls" or undue penalisation due to external circumstances.

Long-term incentives (LTIs)

Overview

Our LTIs support the Company's business strategy and long-term value creation for shareholders and wealth creation for key talent participating in LTIs.

The primary LTI is the Deferred Share Plan in terms of which Deferred Shares (DSPs) (with strategic and individual performance conditions for vesting) for junior and middle management whereas the Performance shares (PDSPs) is the mechanism to retain and incentivise senior management.

By exception Sanlam may award (as part of the CEO-approved mandate from the committee) awards in terms of the Restricted Share Plan (RSP). The purpose of the RSP is to attract key talent and can be used for sign-on to ensure long-term alignment and/or for specific retention purposes for a defined period of time where it enables business strategy for employees other than Exco. Where RSP awards are made to Exco this will be transparently disclosed.

The out-performance plan (OPP), although operating over the long-term with extremely stretching performance conditions (exceeding those of the PDSPs) is a focused incentive, where the value crystallised is delivered in Sanlam shares. OPPs are awarded to a handful of Chief Executives of businesses.

All LTIs (i.e. DSP/PDSP and RSPs) are equity-settled plans from a Sanlam perspective. OPPs can be cash or share-based plans, however equity settlement for OPPs is the preferred remuneration approach with cash being the exception.

The committee's role

The committee's role for LTIs, include:

- ensuring that the structure contributes to shareholder value through performance, employee retention and the long-term sustainability of Sanlam;
- to set appropriate performance measures for each award and to review and approve vesting outcomes versus the performance conditions set. Where performance conditions are not met, to ensure forfeiture of awards; and
- to approve awards to Exco and the LTI mandates for Sanlam's businesses.

Participation

LTIs are awarded to employees with line of sight to company performance or critical talent employees executing on business strategy. From 2022 onwards only performance shares with company performance conditions will be awarded to senior management. DSPs will be discontinued for senior employees. For emerging talent and transformation shares without financial performance conditions may be awarded in the form of DSPs. LTIs is an essential tool in retaining our key talent and also attracting talent.

Non-executive directors do not participate in any of the LTIs.

Award policy and vesting for DSPs/PDSPs

For our primary LTI (DSP/PDSP) Sanlam's award policy is to keep key employees locked in with the face value of unvested LTIs at a specific multiple of TGP (% of TGP). It should be noted that the total LTI multiple is not made as a single award, but staggered over a period of two to three years (i.e. multiple awards) until the total LTI multiple is reached. It therefore differs from market competitors where the same fixed % of TGP is awarded annually.

As Sanlam's LTI awards vest over five years based on the vesting profile of 40% in year 3, 30% in year 4 and 30% in year 5, the total LTI's indicative annual value is derived by dividing it by 3,9. This indicative annual value is comparable to competitor companies awarding the same % of TGP every year per their policy. It should further be noted that further LTI awards will only be made by Sanlam if LTIs start vesting (or are forfeited) after three years, thereby depleting the total LTI multiple, in order to keep the lock-in value at the total LTI multiple level.

The total LTI multiple (DSP/PDSP), for employees eligible for LTI are as follows:

Level	% TGP (Total LTI multiple awarded over two to three years, NOT fixed annual awards)
Group Exco*	175% – 230%
Business Cluster Exco	130% – 150%
Senior Management	105% – 123%
Specialists/Middle management and emerging and succession	35% – 70%

* The Group CEO has an agreed five-year remuneration structure of 5 million restricted performance shares (see pages 20 and 21) and he does not qualify for annual LTI awards.

Differentiation and discretion are key principles of our remuneration philosophy and therefore leaders apply both when awarding LTIs. LTIs are variable pay instruments and therefore the levels above are firm guidelines for transparency and fairness, but differentiation and discretion can be applied per level and on an individual basis. Therefore, where a specific industry or role warrants it higher allocations may be made with more stretching performance conditions attached. However, in the case of Exco this will be transparently disclosed.

For the 2022 awards the total LTI multiple will be adjusted slightly to provide for the higher risk in forfeiture as **all** awards to senior management will be PDSPs. Market benchmarks support the proposed levels and the committee is satisfied that the proposed LTI opportunity levels are appropriate and will effectively reward senior management in line with the pay for performance principle.

Performance Conditions: DSP/PDSPs

2021 was the last year that DSP awards were made to senior management. Up until 2021 the first 105% of the total LTI multiple comprised DSPs and thereafter PDSPs were awarded to fill up the total multiple.

From 2022 **only** PDSPs with company performance conditions will be awarded to senior management. DSPs will be reserved for specialists, emerging talent and to address succession and transformation strategic imperatives. See the chair of the committee's letter for this forward-looking policy development.

The conditions attached for vesting (in addition to continued employment) are as follows:

DSPs (for awards up to 2021)

For Exco, strategic and business metrics as agreed as part of their business scorecards. For other participants their performance rating as per their balanced scorecard as set and measured in annual (and bi-annual) performance reviews.

DSP conditions applicable to Exco members per their business and annual performance scorecards

Financial: Group and Business level	Abigail Mukhuba	Heinie Werth	Jurie Strydom	Anton Gildenhuys
Value of new covered business	x	x	x	x
Net result from financial services	x	x	x	x
Return on Group embedded value/Return on Capital	x	x	x	x
Dividend contribution to Group	x	x	x	x
Operating variances as ratio of VIF		x	x	x
Net cumulative Cash Flow/Assets under Management		x	x	x
Investment performance				
Net business fund flows				
Optimisation of capital allocation/ valuations for GEV	x	x	x	x
Net insurance revenue				
Gross written premiums				
Underwriting margin		x		

Strategic	Abigail Mukhuba	Heinie Werth	Jurie Strydom	Anton Gildenhuys
Digitalisation (clients and internally for efficiencies)	x	x	x	x
Client satisfaction/internal stakeholder and employee experience		x	x	x
Shareholder relations				
Growth and diversification	x	x	x	x
Strategic partnerships and growth from acquisitions	x	x	x	x
People: Culture, transformation and growth opportunities	x	x	x	x
Governance/risk management/new regulatory implementations/ relationships with statutory bodies	x	x	x	x
Brand repositioning and marketing				
Cost optimisation and business process efficiencies	x	x	x	x
Balance sheet management/actuarial control/compliance				

Lotz Mahlangeni	Robert Roux	Kanyisa Mkhize	Bongani Madikiza	Jeanett Modise	Sydney Mbhele	Wikus Olivier	Karl Socikwa	Lizé Lambrechts
		x	x	x	x		x	x
	x	x	x	x	x		x	x
	x	x	x	x	x		x	x
	x	x	x	x	x		x	x
		x	x					
	x	x	x					
	x							
	x							
x		x	x			x		
								x
								x
								x

Lotz Mahlangeni	Robert Roux	Kanyisa Mkhize	Bongani Madikiza	Jeanett Modise	Sydney Mbhele	Wikus Olivier	Karl Socikwa	Lizé Lambrechts
x	x	x	x	x	x	x	x	x
x	x	x	x	x	x	x	x	x
							x	
	x	x	x					x
	x	x	x			x		x
x	x	x	x	x	x	x	x	x
x	x	x	x	x	x	x	x	x
					x			
x	x	x	x	x	x	x	x	x
x								

For business Exco the weighting between financial and strategic is 50/50 for their business score, with an overall 30% exposure to the Group financial outcomes. See "CEO and FD performance outcomes" in the implementation report for Group financial outcomes.

The functional Exco have exposure to the Group financial outcomes as well, however their KPAs in their respective functional areas are weighted 50% of their bonus outcomes. The Chief Risk Officer & Chief Actuary supports on capital valuations and transactions, but due to the nature of his role his metrics are strategic and a measurement of these strategic metrics determine whether his DSPs vest.

The exact target ranges for financial and strategic for the areas above are considered by the Board to be commercially sensitive and disclosure of these would put the Company at a disadvantage compared to its competitors.

PDSPs

Sanlam has a five-year tranche vesting profile. There are therefore unvested performance awards from 2016, 2017, 2018, 2019, 2020 and 2021. The last tranche of the 2016 award will qualify for vesting in June 2022 due to the exclusion of the 2020 financial year and the addition of an extra year.

Performance hurdles are reviewed carefully each year to ensure they are competitive, create value for shareholders, motivate key employees who participate in LTI and should be flexible enough to address extraordinary events, like the COVID-19 pandemic.

2021 PDSP grant performance conditions

The June 2021 PDSP awards are subject to our key measures for vesting namely:

- **Adjusted RoGEV (70% weighting):** key driver of the Group's strategy as it is a measure of our current and expected future growth in earnings and the use of this measure ensures a direct link between the incentive plans and the Group's business strategy; and
- **Dividend growth (30% weighting):** indication of the efficiency of cash flow generation and is an important part of Sanlam's investor value proposition.

The continuation of a strategic recovery element (as was the case in 2020) no longer applies as this was adequately addressed in 2020.

		Adjusted RoGEV (70% weighting)			Dividend growth (30% weighting)		
LTI total multiple (% of TGP)[1]	Category of PDSP	CoC = i + 300bps	CoC = i + 400bps	CoC = i + 475bps	CPI + 200bps	CPI + 300bps	CPI + 400bps
Category A: 105% – 175%	PDSP A shares	50% vesting	100% vesting		50% vesting	100% vesting	
Category B: 175% – 240%	PDSP B shares[2]		50% vesting	100% vesting		50% vesting	100% vesting

Notes:
CoC is the nine-year South African risk-free rate (i) plus the basis points (bps) as indicated.

Linear vesting between 50% threshold and 100% target.

[1] The total LTI multiple does not constitute an annual award but depicts the total award value of unvested awards as a percentage of TGP.
[2] Where PDSPs in excess of category B were awarded (for total LTI multiples exceeding 240%) the RoGEV and dividend growth conditions as relevant for the June 2019 PDSP awards will apply (refer below), with the exception that the minus 200bps adjustment will be applied for Group Adjusted RoGEV to threshold and maximum targets throughout. In addition, a further Business Adjusted RoGEV target may also apply making the performance conditions more stretching.

Historic performance conditions were disclosed in detail in the remuneration reports for 2016, 2017, 2018, 2019 and 2020, but for completeness a summary is included below.

2020 PDSP grant performance conditions

Same performance conditions (threshold and maximum) applicable to the 2021 awards, with added Strategic Recovery metric and the weightings as set out below:

- Adjusted RoGEV (40% weighting)
- Dividend Growth (30% weighting)
- Strategic Recovery (30% weighting)

Pivoting from the impact of COVID-19, strategic recovery to 2019 levels for profit, new business volumes and value of new business covered were deemed imperative in 2020. This was aimed at driving rapid recovery and resilience metrics. From the 2021 results these metrics have proven to be effective.

As disclosed in the 2020 remuneration report, for the metric of Adjusted RoGEV it will be measured from 1 January 2021 and dividend growth will be measured on the 2021 financial year dividend (paid in 2022) as a base.

The strategic recovery targets over 24 months are as follows:

	2021 recovery targets (compared to 2019)		2022 recovery targets (compared to 2019)	
Measure	100% vesting	50% vesting	100% vesting	50% vesting
Profit (NRFFS*)	95%	85%	110%	100%
New business volumes	110%	100%	120%	110%
VNB	100%	90%	130%	120%

* Net result from financial services.

Each target will have an equal weighting and to the extent that the shares meet the performance target it will remain restricted until the agreed vesting dates and subject to individual/strategic performance conditions, continued employment and malus and clawback.

For PDSPs awarded in 2020 above category A these targets apply:

	2021 recovery targets (compared to 2019)		2022 recovery targets (compared to 2019)	
Measure	100% vesting	50% vesting	Achievement for 100% vesting	50% vesting
Profit (NRFFS*)	100%	90%	115%	105%
New business volumes	115%	105%	125%	115%
VNB	105%	95%	135%	125%

* Net result from financial services.

2019 PDSP grant performance conditions

Adjusted RoGEV (70% weighting) and dividend growth (30% weighting) were set as performance conditions for the different classes of PDSPs. The performance conditions have threshold and maximum levels, with linear vesting in between. The higher the PDSP multiple (i.e. the higher the % of TGP as total LTI), the more stretching the performance conditions as set out below:

		Group adjusted RoGEV (70% weighting)(3)					Dividend growth (30% weighting)		
Total LTI multiple(1) as % of TGP	Category of shares	CoC = i + 500bps(2)	CoC = i + 600bps	CoC = i + 675bps	CoC = i + 750bps	CoC = i + 850bps	CPI + 200bps	CPI + 300bps	CPI + 400bps
105% – 175%	PDSP A shares	50% vesting	100% vesting				50% vesting	100% vesting	
175% – 245%	PDSP B shares(3)		50% vesting	100% vesting				50% vesting	100% vesting
245% – 315%	PDSP C shares(3)			50% vesting	100% vesting				100% vesting
315% – 380%	PDSP D shares(3)				50% vesting	100% vesting			100% vesting

Notes

CoC is the nine-year South African risk-free rate (i) plus the basis points (bps) as indicated.

Linear vesting is between 50% threshold and 100% target.

(1) The total LTI multiple does not constitute an annual award but depicts the total award value of unvested awards as a percentage of TGP.

(2) The 2018 hurdle based on actual RoGEV and was i + 400bps. The target was increased by 200bps upon the move from Actual RoGEV to adjusted RoGEV for all awards made, but to address the cliff vesting risk a threshold target of 50% vesting was introduced at i + 500bps.

(3) Group Adjusted RoGEV represents 50% of the RoGEV hurdle and Business Adjusted RoGEV 20% for these categories with similar targets in respect of business participants.

As reported in the 2020 remuneration report, the financial year 2020 is removed from the measurement period to account for the abnormality of the COVID-19 pandemic, however the performance period is not shortened an additional year is added for unvested tranches. Therefore, measurement periods increased by a year, providing additional retention of participants. These 2019 measurement conditions will apply up until 31 December 2019 for unvested awards but for the period from 1 January 2021 the 2020 award performance conditions will apply for the remaining measurement periods.

2016, 2017 and 2018 PDSP grants performance conditions

Adjusted RoGEV is the performance condition set at i + 6% (100% vesting) and i + 5% (50% vesting). The vesting profile is consistent with all the other years at 40% (year 3), 30% (year 4) and 30% (year 5), where performance is not met on testing, share awards are forfeited.

Similar as set out above the 2016, 2017 and 2018 performance conditions will apply until 31 December 2019 and the 2020 performance conditions in as far as it relates to Adjusted RoGEV will apply from 1 January 2021 for all tranches of unvested shares. Measurement periods increased by a year across all unvested tranches providing additional retention of participants.

Discretion of the committee in relation to LTIs performance conditions

In order to ensure that performance conditions do not result in unintended consequences, the committee can apply discretion in reviewing performance condition outcomes when considering/approving vesting for LTIs.

Where committee discretion is exercised it will be fully disclosed in the annual Remuneration Report.

Restricted Share Plan (RSP)

As explained in the context to LTIs, the RSP is used in exceptional circumstances to make awards to employees. From the 2021 financial year RSPs are no longer used in conjunction with the short-term incentive (bonus) plan for Exco. For 2021 bonuses to Exco there will be an automatic deferral of 30% of bonuses into Sanlam restricted shares per the Exco bonus policy. Historic RSPs will qualify for vesting on the originally agreed vesting dates subject to meeting the individual/strategic performance conditions.

The Group CEO has a pre-approved committee mandate to award RSPs (to a maximum of R20 million per year) within defined parameters. The committee also approves the performance and vesting conditions linked to these awards. In the event that RSPs are awarded to Exco this will be transparently disclosed.

RSPs may be awarded:

- for critical retention requirements for a specific period of time or to attract key talent by compensating for LTIs which may be forfeited upon sign-on: Applicable vesting conditions, i.e. minimum levels of individual performance, strategic conditions and continued employment will apply; and
- as ancillary long-term incentives which may be subject to specific strategic and/or financial performance conditions for vesting.

In terms of the RSP, individuals receive fully paid-up Sanlam shares. The individual owns the shares from the date of award and is entitled to receive dividends. However, the shares are subject to appropriate vesting conditions (employment, strategic and/or financial) and may be forfeited and dividends repayable if these conditions are not met during the measurement period.

Restricted Sanlam shares subject to vesting conditions

Sanlam shares can be acquired in the market, outside of the approved share incentive plans to facilitate bonus deferrals and sign-on arrangements.

Such shares will be held by the individual in a restricted account and will become unrestricted only if vesting conditions are met. This aligns with shareholder interests and investment in Sanlam shares.

Such restricted shares are subject to malus and clawback provisions per the malus and clawback policy and Sanlam typically contracts with executives to also pledge these shares to the minimum shareholding requirements.

Out-performance Plans (OPP)

The purpose and strategic intent of OPPs are explained in the remuneration overview. Where it supports the Sanlam business strategy and after review and approval by the committee OPPs may be granted to individual Exco members. These Exco are typically leaders of the Group's main operating businesses which directly impact the Group's financial performance. The committee will set relevant and stretching targets applicable to the business area, the Group and most importantly to align to the strategic targets of the Sanlam business strategy. OPP targets are much more stretching than performance LTI targets. This is evidenced by the fact that the vesting outcomes of OPPs over the past few years have been less than 20%. At the discretion of the committee OPPs may be extended (by exception) to business leaders below Exco.

The OPP rewards exceptional performance over a three to five-year period and we believe it is effective as it is focused and bespoke. No value is earned in terms of the OPP unless minimum targets over the period are exceeded and full value is only delivered at extremely stretch performance. OPPs are designed to be fully self-funded. As a principle, all policy principles applicable to performance share awards, taking into account any changes made in light of the COVID-19 pandemic, will consistently apply (where relevant) to OPPs.

The maximum value that can be earned in terms of an OPP is 200% of TGP per year over the OPP period (three to five years), therefore six or ten times the annual TGP[1]. Where the value is settled in shares the percentage of shares which qualify for vesting after the measurement period (if any) depends upon the OPP achievement between minimum and maximum hurdles.

To transparently illustrate the total variable pay potential of Sanlam Exco holding OPP versus that of comparable business Exco roles (defined as business executives of JSE listed banks and insurance companies) we depict the total variable pay potential (STI, LTI and OPP) of business Exco holding OPP at 100% and 200% of TGP per year below.

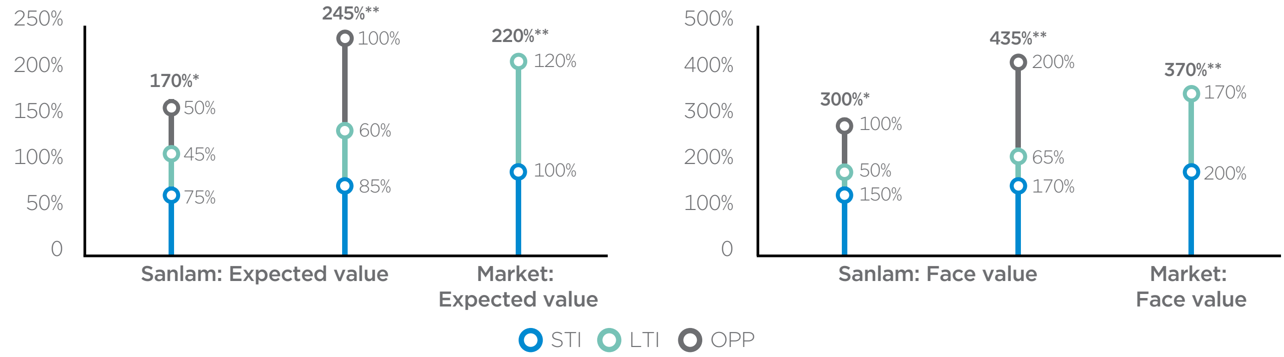
[1] Where the OPP is share based, which is the preferred design, the TGP at implementation of the OPP is used as the basis for the earning potential.

The graphs below depict both scenarios at total variable pay potential for with expected value and maximum (face value).

As with any indicative depiction certain assumptions and inputs needed to be applied. It should also be noted that the modelling is merely indicative using market benchmarks and is not a financial forecast upon which reliance can be placed.

The graphs illustrate that Sanlam's OPP potential (at the range of 100% – 200% TGP per year) compares well with the STI and LTI potential of business executives of listed banks and insurance companies[1]. We therefore consider the OPP a fair and equitable instrument from a market competitive perspective taking into account Sanlam's comparable (and in some instances larger) market capitalisation and complexity.

Out-performance Plans (OPP)



LEGEND:

* Scenario where OPP potential is designed as 100% TGP per year.
** Scenario where OPP potential is designed as 200% TGP per year.

See Implementation Report. Two business Exco received potential awards of 200% of TGP per year and three business Exco received potential awards of 100% OPP per year.

See pages 36 to 38 of the Implementation Report for further details, measurements and outcomes for OPPs awarded in 2021 to business Exco.

Assumptions/Inputs applied:

1. Based on Sanlam and market data a consistent average TGP was used in the indicative graph
2. LTI values for expected value and face value are in accordance with general vesting probability benchmarks from remuneration consultants
3. Sanlam OPP assumed vesting probability (expected value) of 50% applied to face value. Historic OPP vesting outcomes (past 3 years) have been less than 20%.

[1] Note that only business executive roles of comparator companies were considered and not functional executive roles. The market information is based on publicly disclosed data in the comparator companies' Remuneration Reports.

LTI Award limits

For the year ended 31 December 2021 allocations in respect of 5 432 176 shares (2020: 5 578 576) were made to 946 participants (2020: 864) in terms of the DSP.

For the year ended 31 December 2021 allocations in respect of 1 680 949 shares (2020: 1 444 269) were made to 204 participants (2020: 182) in terms of the PDSP.

For the year ended 31 December 2021 allocations in respect of 2 501 176 shares (2020: 3 847 089) were made to 19 participants (2020: 14) under the RSP, including the second tranche of the restricted shares of the Group CEO remuneration arrangement.

Awards granted to any one individual under all equity-settled plans (the DSP, PDSP, RSP and OPP) are subject to an overall limit of 5 million unvested shares.

The overall award limit for LTIs and the utilisation against it to date are disclosed in the implementation report.

Group CEO remuneration structure summary

In the 2020 Remuneration Report granular details of the Group CEO's five-year remuneration arrangement was disclosed together with engagements with shareholders. From a policy perspective we provide a summary of the salient features only, as well as to provide disclosure of the consistent application of LTI design principles.

This arrangement is designed to provide the Group CEO with a high level of investment in Sanlam shares and to provide close alignment between his remuneration structure and shareholders' interest. It is therefore directly linked to the performance of Sanlam.

The components are as follows:

- Only 10% is cash salary (guaranteed pay of R6 130 000 per year, fixed for five years).

- The remaining 90% value is made up of Sanlam shares linked to performance conditions for vesting:
  - 5% – vests based on individual performance as evaluated by the Board;
  - 40% – could vest based on short term performance and the Group CEO annual performance scorecard outcomes (>80% measured annually for vesting or forfeiture, the remainder measured over a rolling five-year period);
  - 20% – could vest based on long-term achievement of financial targets which are the same as for participants of the performance share plan (PDSP). See detailed disclosure on these performance conditions under LTI in this report; and
  - 35% – could vest based on stretch strategic delivery on top of a required base of financial hurdles and are termed OPP shares.

The five-year arrangement is more long-term focused than short-term and any share vesting is heavily weighted towards financial achievement. The arrangement places the Group CEO fully on risk and short-term, long-term and strategic measures are all balanced in the design.

The potential was benchmarked to comparable CEO's total pay at stretch and is at market benchmarks and is therefore competitive. The remuneration arrangement was implemented within the rules of the LTI plans.

Share component	Number of shares	Performance
Restricted shares (in lieu of TGP)	328 590	Satisfactory performance per CEO scorecard as evaluated by the Board.
Bonus shares	1 671 910	Assessed annually based on Group CEO performance contract. Annual performance vesting ranges between 0% – 200%. 100% at target and 200% at stretch. For full performance vesting stretch performance need to be achieved annually. Shares that have met the performance criteria (vested) have to be held until end of employment period and the holding period (unless the Board determines otherwise). Shares not meeting the criteria are forfeited annually and such forfeiture will be disclosed. See page 29 of the Implementation Report regarding the outcomes of the measurement of bonus shares for 2021.
Performance shares (individual performance)	334 380	Same conditions as DSPs for Exco. Assessed over the measurement period based on Group CEO performance contract outcome. From 2022 in line with the LTI changes for the Company, a substantial portion of these shares will be measured as performance shares (PDSPs) in accordance with the PDSP financial performance conditions set for 2022, i.e, all performance shares and no more DSPs.
Performance restricted shares	496 605	Measured from 1 January 2021. Measurement is the same as for the 2020 PDSP A award conditions for financial year 2021. The weighting of the conditions are: • Adjusted RoGEV (40%) • Dividend Recovery and Growth (30%) • Strategic recovery to 2019 levels (30%)
Performance restricted shares	496 605	Measured from 1 January 2021 for the 2021 financial year. Measurement is the same as disclosed for the 2020 PDSP B award conditions. From 2022, in line with the LTI changes for the Company, a substantial portion of the 993 210 performance shares will be measured according to the 2022 performance conditions set.

Share component	Number of shares	Performance			
		Financial Measure	**Description**	**Target (below threshold 0% and at stretch 100%)**	**Weighting**
Outperformance (OPP) restricted shares	1 671 910	**Stock rating P/GEV**	Improve the rating from H2 2020 over the five years to a better average in 2024/2025	< 1 = 0% 1,15 = 100%	25%
		Dividend growth 2021 – 2025	Average annual rate of growth between dividend paid in 2021 and the dividend paid in 2026 relating to the 2025 financial year	CPI + 1 = 0% >CPI + 3% = 100%	25%
		ROGEV 2021 – 2025	Average return implied by dividends and change in GEV from 1 January 2021 to 31 December 2025, adjusted for normalised investment returns if required	Risk free rate (RFR) + 4%= 0% RFR + 8%=100% for financial year 2021 From 2022 onwards in line with the changes for RoGEV conditions applicable to OPPs this will be measured based on the range of CPI + 6% - CPI + 10%.	25%
		GEV Added	**Change in GEV:** 1 January 2021 to 31 December 2025 plus dividends paid over the period in reference to years 2021 to 2025	R 100 billion = 0% R 150 billion = 100%	25%
		Total			100%
Total number of shares (maximum) for five years	5 000 000	**Post – employment holding period** It was agreed with the Group CEO that shares which met the performance conditions (vested) in terms of the Group CEO remuneration structure will be held for a further holding period of 12-months after the end of the employment period, i.e. for 12-months after 30 June 2025 until 30 June 2026. This further supports direct alignment with shareholders.			

Modifier

The Board may moderate the vesting that arises from the financial metrics of the Group CEO five-year remuneration arrangement to reflect a number of areas that impact the long-term sustainability and value of the Group. These were disclosed in detail in the 2020 Remuneration Report and include:

- reshaping the Sanlam Group through M&A and strategic partnerships;
- creating value from Mergers and Acquisitions (M&A) *inter alia*, transformation of the workforce;
- modernisation of the business through data and digital transformation;
- fortress South Africa: Strengthen the competitive position in South Africa through partnerships and by driving deeper customers relationships through use of a wider product set, improved customer proposition;
- transformation of the employee base; and
- culture and ESG.

A maximum adjustment of an added 25% or decreased 25% may be made at the Board's discretion (after testing of the financial metrics) to reflect these factors. Any discretion exercised in terms of this modifier will be transparently disclosed.

RISK ADJUSTMENT FOR REMUNERATION

Provision is made to protect the Company from inappropriate risk-taking behaviour in relation to remuneration. These include:

- The mix of short-term and long-term financial performance conditions combined with a material weighting towards non-financial/strategic conditions ensures that risk-taking behaviour is not encouraged.
- Minimum shareholding requirements which require executives to hold a percentage of vested LTIs as shareholders and not to sell LTIs upon vesting.
- Deferral of bonuses for Exco into restricted Sanlam shares for three years. In specific business areas (e.g. investments) for all roles bonuses above a cash cap are deferred (cash deferral and into restricted Sanlam shares) to enable risk alignment provisions.
- A measurement period of three to five years (and in some instances 6 years) for LTI performance hurdles, before vesting takes place.
- Malus and clawback of remuneration for "trigger events". Defined trigger events include dishonesty, fraud, misrepresentation, gross misconduct, misstated financial results and actions resulting in reputational damage for the Company attributable to the employee. In assessing whether defined trigger events have taken place, the GHRRC committee will work with the relevant Board committee, the Board, professional advisers and/or any other department within the Group to ensure that any assumptions are correct.
- Compliance with legislation and governance best practice standards in the financial services industry.

EXECUTIVE CONTRACTS

Sanlam executive directors and Exco are contracted as full-time employees for employment contracting purposes. As a standard element of these contracts, a restraint of trade (up to 12 months) is included, which Sanlam has the discretion to enforce depending on the circumstances at the time of the individual's departure. Sanlam can also provide under certain circumstances that a longer restraint of trade is necessary to protect the Group's interests.

Notice periods are three months' written notice. Bonus payments and the vesting of long-term incentives that are in place at the time of an individual's termination of service are subject to the rules of the relevant incentive plans with some discretion being allowed to the committee based on the recommendations of the Group CEO. No clauses are included in employment contracts that relate to any form of payments in the event of a change in control of Sanlam. In the event of a change in control, the vesting of share awards will only be accelerated if an offer is made that does not substitute unvested LTIs with arrangements on terms similar to the existing terms and conditions.

MINIMUM SHAREHOLDING REQUIREMENT (MSR)

MSR is to drive alignment between executives and shareholder interests, Sanlam applies a minimum shareholding policy to all current and future Exco members defined as prescribed officers, including Sanlam executive directors and any roles which fall within the categories below. There is no cap on the number of Sanlam shares which Exco members may hold in terms of the MSR.

In terms of these arrangements, the following minimum shareholding levels, expressed as a percentage of annual TGP, should have been reached by 31 December 2021 or within six years from the date of appointment for Exco who joined Sanlam after implementation of the MSR policy (i.e. after 1 January 2016). MSR information is disclosed in the implementation report.

Role	Minimum Level
Group CEO	200%
Group Finance Director	150%
Business executives (Life & Savings and Emerging Markets)	150%
Business executives (Sanlam Corporate, SA Retail Affluent, SA Retail Mass and Investment)	100%
Support executives (Chief Executives of functional portfolios, including Chief Risk Officer)	75%
Other*	50%

* Where roles, driven by business requirements (which are not on Group Executive committee) have the same remuneration design or elements as the Group Exco, "Other" will apply.

Participating executives are required to maintain the target shareholding throughout their tenure with the Group. Unvested shares in terms of any LTI arrangement or short-term bonus arrangement will not be taken into account when assessing compliance with the MSR policy.

Incentive arrangements implemented after 1 January 2016 may include MSR terms and conditions as determined by the committee to ensure compliance with the prescribed levels in the prescribed periods, as well as the implications of not adhering to the MSR.

For purposes of determining compliance with the MSR levels, the value of a participating executive's shareholding at the end of each financial year will be determined by using the weighted average closing price of Sanlam ordinary shares on the Johannesburg Stock Exchange (JSE) for the trading days in that financial period and expressed as a percentage of the participating executive's annual TGP at the end of such financial year.

NON-EXECUTIVE DIRECTORS' FEES

Fee structures are reviewed annually based on data from independent service providers and, where applicable, external advice. Recommendations are reviewed for reasonableness by the committee and the Board and are then proposed to shareholders for approval at the AGM. See special resolution number 1 in the 2021 Notice of AGM. For the period 1 July 2022 to 30 June 2023 a general increase of 5,25% (aligned with employee increases) is proposed for all non-executive directors' (NED) fees, with the exception of limited adjustments made to ensure competitiveness with comparator companies' NED fees. These exceptions are detailed in the 2021 Notice of AGM.

The fee structure will remain in place for one year, from 1 July until 30 June the following year. NEDs receive annual Board and committee retainers. In addition, a fee is paid for attending Board meetings. Sanlam pays for all travelling and accommodation expenses in respect of Board meetings. The Chair receives a fixed annual fee that is inclusive of all Board and committee attendances, as well as all other services performed on behalf of the Group.

NEDs are not eligible to participate in incentive plans (whether short-term or long-term) and do not receive fees which are linked to the share price growth or company performance conditions.

03

Implementation report

Confidence Rule 1:

WITHOUT A CLEAR GOAL YOU'LL MISS EVERY TIME.

Remuneration details for executive directors and members of the **Group Executive committee that are defined as prescribed officers**

Executive remuneration summary

Remuneration earned by executive directors and Exco were as follows:

Remuneration for the year ended 31 December 2021

The disclosure approach (and specifically as it pertains to LTIs) is aligned with King IV™ recommendations. Separate disclosure is provided in respect of the number and value of LTIs that were awarded and vested in the year (refer to pages 31 to 35).

2021 R'000	Months in service	Salary	Contribution to retirement	Subtotal: Guaranteed package	Annual bonus Cash	Annual bonus Deferred	Attributable value of LTIs vested[(1)]	Other	Total remuneration
Paul Hanratty	12	6 130	–	6 130	–	–	–	–	6 130
Abigail Mukhuba	12	5 165	350	5 515	4 564	1 956	–	–	12 035
Jeanett Modise	12	3 859	341	4 200	3 150	1 350	1 703	–	10 403
Heinie Werth	12	6 050	350	6 400	5 439	2 331	4 796	–	18 966
Subtotal: executive directors		21 204	1 041	22 245	13 153	5 637	6 499	–	47 534
Anton Gildenhuys	12	5 650	350	6 000	4 361	1 869	6 799	–	19 029
Lizé Lambrechts	12	5 815	350	6 165	8 100	–	3 234	–	17 499
Bongani Madikiza	12	3 712	788	4 500	3 290	1 410	–	–	9 200
Lotz Mahlangeni[(2)]	12	4 831	669	5 500	4 333	1 857	4 381	831	16 902
Sydney Mbhele	12	4 140	350	4 490	3 283	1 407	–	–	9 180
Kanyisa Mkhize	12	3 506	744	4 250	3 150	1 350	–	–	8 750
Junior Ngulube[(3)]	1	313	43	356	–	–	5 024	427	5 807
Wikus Olivier	12	4 150	350	4 500	3 409	1 461	2 577	–	11 947
Robert Roux[(4)]	12	5 240	350	5 590	7 350	–	4 621	6 892	24 453
Karl Socikwa	12	4 250	350	4 600	3 360	1 440	1 324	–	10 724
Jurie Strydom[(5)]	12	6 250	350	6 600	5 257	–	7 660	–	19 517
Executive committee		69 061	5 735	74 796	59 046	16 431	42 119	8 150	200 542

(1) Fair value of LTI's (excluding equity-settled OPPs) vested during the year – refer to pages 31 to 35.
(2) Retention bonus paid as part of sign-on agreement, subject to retention period of 24 months from date of employment.
(3) Retired 31 January 2021. Leave payment of R427 149 on retirement.
(4) Retired 31 December 2021. Leave payment of R1,3 million on retirement and R5,6 million restraint of trade for 12 months in accordance with the terms of the Sanlam executive contracts.
(5) Employed until 30 June 2022. 2021 Deferred bonus shares forfeited as employment condition will not be met.

REMUNERATION DETAILS FOR EXECUTIVE DIRECTORS AND MEMBERS OF THE GROUP EXECUTIVE COMMITTEE THAT ARE DEFINED AS PRESCRIBED OFFICERS

2020 R'000	Months in service	Salary	Company contri-butions	Subtotal: Guaran-teed package	Annual bonus	Attri-butable value of LTIs vested(1)	Other payments	Total remune-ration
Paul Hanratty	6	3 065	–	3 065	–		–	3 065
Ian Kirk(2)	12	9 758	245	10 003	6 161	6 125	1 803	24 092
Abigail Mukhuba(3)	3	1 296	83	1 379	1 000		5 900	8 279
Temba Mvusi(4)	12	4 513	789	5 302	2 250	2 066	1 008	10 626
Jeanett Modise	12	3 920	230	4 150	2 000	1 600	–	7 750
Heinie Werth	12	6 100	210	6 310	2 750	3 247	–	12 307
Subtotal: executive directors		28 652	1 557	30 209	14 161	13 038	8 711	66 119
Thinus Alsworthy-Elvey(5)	8	3 367	142	3 509	–	1 356	4 008	8 873
Anton Gildenhuys(6)	12	5 332	210	5 542	3 100	4 685	–	13 327
Lizé Lambrechts	12	5 889	210	6 099	–	4 718	–	10 817
Bongani Madikiza(7)	4	1 350	150	1 500	2 050	–	–	3 550
Lotz Mahlangeni(8)	4	1 661	172	1 833	900	–	–	2 733
Sydney Mbhele	12	4 225	213	4 438	1 800	–	–	6 238
Kanyisa Mkhize(9)	4	1 275	142	1 417	800	–	1 200	3 417
Junior Ngulube	12	3 975	254	4 229	1 250	3 042	–	8 521
Wikus Olivier(10)	12	4 235	210	4 445	2 400	2 678	–	9 523
Robert Roux	12	5 313	210	5 523	4 000	3 017	–	12 540
Karl Socikwa(11)	4	1 463	70	1 533	2 100	1 988	–	5 621
Jurie Strydom(12)	12	5 853	210	6 063	3 000	3 243	–	12 306
Executive committee		72 590	3 750	76 340	35 561	37 765	13 919	163 585

(1) Fair value of LTI's (excluding equity-settled OPPs) vested during the year – refer to pages 31 to 35.
(2) Other payments of R1,8 million in lieu of accrued leave. Prescribed officer until 30 June 2020.
(3) Appointed as Group Finance Director on 1 October 2020. A sign-on retention cash bonus of R5,9 million was granted on appointment.
(4) Includes an amount of R369 250 paid by Santam. Other payments in lieu of accrued leave.
(5) Chief Executive of Sanlam Corporate until 31 August 2020. The lump sum (other) is in lieu of notice period, handover obligations and accrued leave.
(6) Appointed as Chief Executive: Sanlam Retail Affluent effective on 14 September 2020.
(7) Appointed as Chief Executive: Sanlam Retail Mass on 1 September 2020.
(8) Appointed as Chief Risk Officer and Chief Actuary with effect on 14 September 2020.
(9) Appointed Chief Executive of Sanlam Corporate on 1 September 2020. A sign-on retention cash bonus of R1,2 million was granted on appointment.
(10) Appointed as Group Executive: Strategy on 1 October 2020.
(11) Appointed as Group Executive: Market Development on 1 September 2020.
(12) Appointed as Chief Executive: Sanlam Life and Savings on 1 September 2020.

Total guaranteed package

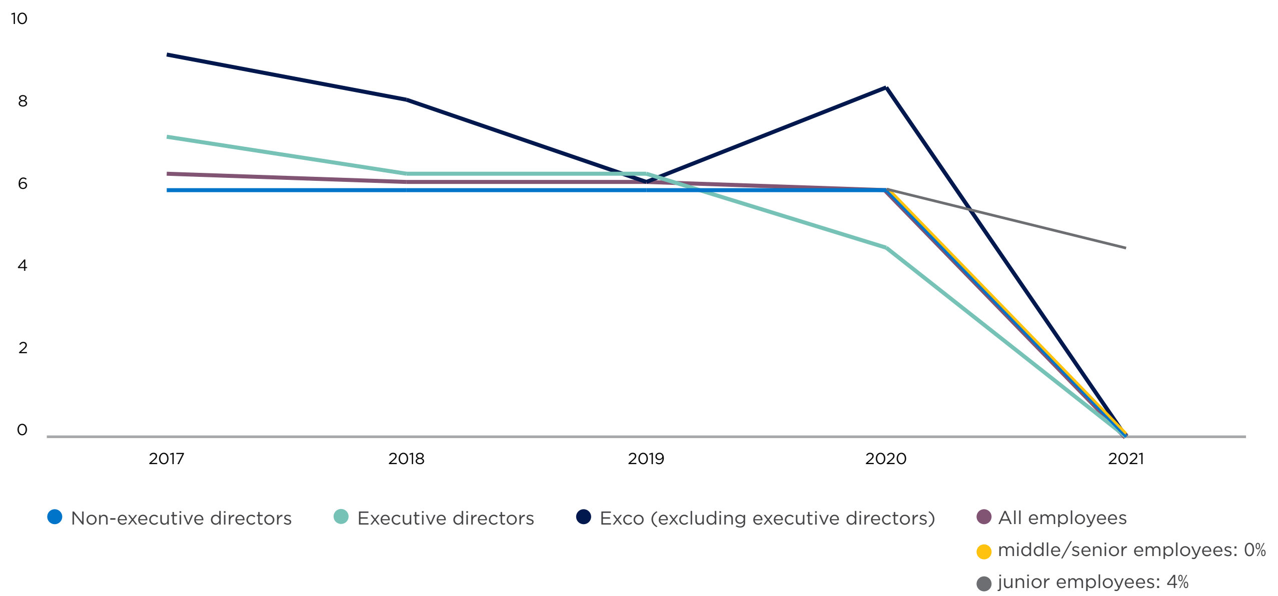
The TGP (in rand) of the executive directors and Exco that are defined as prescribed officers are reflected in the table below. There were no TGP increases in April 2021, in light of COVID-19 uncertainties.

Individual	TGP as at 31-Dec-21	TGP as at 31-Dec-20	TGP as at 1-Jan-20	% increase in TGP 2021	% increase in TGP 2020
Paul Hanratty	6 130 000	6 130 000	–	n/a	n/a
Abigail Mukhuba[1]	5 515 400	5 515 400	–	0,00	n/a
Anton Gildenhuys	6 000 000	6 000 000	5 150 000	0,00	16,50
Lizé Lambrechts	6 165 000	6 165 000	5 900 000	0,00	4,49
Bongani Madikiza	4 500 000	4 500 000	–	0,00	n/a
Lotz Mahlangeni[1]	5 500 000	5 500 000	–	0,00	n/a
Sydney Mbhele	4 490 000	4 490 000	4 280 000	0,00	n/a
Kanyisa Mkhize[1]	4 250 000	4 250 000	–	0,00	n/a
Jeanett Modise	4 200 000	4 200 000	4 000 000	0,00	n/a
Wikus Olivier	4 500 000	4 500 000	4 281 000	0,00	n/a
Robert Roux[2]	5 590 000	5 590 000	5 320 000	0,00	6,00
Karl Socikwa[1]	4 600 000	4 600 000	–	0,00	n/a
Jurie Strydom	6 600 000	6 600 000	5 620 000	0,00	17,44
Heinie Werth	6 400 000	6 400 000	6 040 000	0,00	5,96

[1] Appointed to Exco in 2020 and % of TGP achieved weighted for full year.
[2] Retired from Executive committee at 31 December 2021. TGP as at 1 January 2022 reflects remuneration on date of retirement as Chief Executive: Sanlam Investment Group.

The average salary increase paid to executive directors for 2021 was 0% (2020: 4,6%) and that of other Exco (defined as prescribed officers) for 2021 was 0% (2020: 8,5%), compared with an average salary increase for junior employees of 4% (2020: 6%). Middle management and senior employees received 0% increases. The salary freeze for the April 2021 increase cycle (as explained in the 2020 Remuneration Report) was a prudent approach taken in light of COVID-19 uncertainties.

The remuneration increase trends for the last 5 years are as follows:



Short term incentives

CEO and FD performance outcomes

The CEO and FD performance measures for 2021 and achievement against it are set out below (Group achievement). Exco all have exposure to the Group achievement (30% weighting) in addition to business or functional area achievement for short term incentives to ensure direct alignment.

The business-level performance measures applicable to the business chief executives are based on the specific strategic objectives of each business, which are aligned to the achievement of the Group performance measures.

The individual/strategic performance measures for Exco are based on the contracted output of each individual (as agreed with the Group CEO) for the 2021 financial year and are summarised on pages 14 and 15 of this report.

KPI	Weighting	Measure (for 100%)	2021 Actual	Achievement % (0% – 200%)	Outcome
Group Operational Performance (Group Financial Outcome)	***50,0%***				
RoGEV	12,5%	13,6%	14,6%	150,0%	18,8%
Operating Profit (R'000)	12,5%	9 221	9 927	200,0%	25,0%
VNB (R'000)	10,0%	2 209	2 840	200,0%	20,0%
NCCF as % of opening AUM	5,0%	3,0%	4,36%	200,0%	10,0%
Company valuation (Price to GEV)	5,0%	1,05	1,01	20,0%	1,0%
Dividend (cents per share)	5,0%	330	334	153,3%	7,7%
					82,4%
Strategy: Identification & Implementation	***50%***				
Developing the Sanlam Platform to support growth and value creation	10,0%			200%	20,0%
Strengthening strategic partnerships	5,0%			150%	7,5%
Capital Allocation (in order to enhance RoGEV)	5,0%			200%	10,0%
Deepening customer relationships in South Africa	10,0%			125%	12,5%
Modernise the business through digital initiatives	7,5%			125%	9,4%
Reposition the brand	2,5%			150%	3,8%
Transformation, human capital management and culture	7,5%			150%	11,3%
Optimised business structure, operations, governance, compliance and risk management	2,5%			150%	3,8%
					78,1%
TOTAL: CEO (out of maximum of 200)					160,5%

The Financial Director has 50% weighting to the Group Financial Outcome and 50% to Strategic objectives aligned to the Group CEO and achieved 141% out of a maximum of 200.

Group office bonus outcomes

Sanlam's performance measures applied in 2021 to group employees' short-term incentives are summarised below. This also applied to Exco in relation to the weighting they have to group measures (see table detailing STI weightings for Exco and performance targets on pages 10 to 11). The group office bonus outcomes are aligned to underlying business outcomes and the Group achievement as disclosed above.

The group office performance bonus measures can be summarised as:

- weighted average outcome of business Clusters' achievements;
- transformation outcomes; and
- efficiency and business optimisation outcomes.

The actual achievement of Sanlam's group office performance bonus measures for 2021 are:

Bonus measures	Weighting	Achievement	Outcome
Weighted average outcome of business Clusters' achievements*	77,3%	124%	95,5%
* Business achievements ranged from 109% – 135% out of a maximum of 200%			
Group office efficiencies and business optimisation	4,5%	200%	9,1%
Transformation	9,1%	150%	13,6%
Pool for employees with "fully meet" performance	90,9%		118,2%
Differentiated pool for employees with "exceed expectation performance"	9,1%		11,8%
Total	100%		130%

Payments

The table below shows the annual bonus payments (in rand) to each of the executive directors and Exco in respect of the performance achieved in 2021 as well as the deferral into Sanlam restricted shares for three years.

Final individual payments are based on the outcome relative to the set performance criteria but may be adjusted by the committee within a discretionary margin to take account of any relevant facts or circumstances that may have impacted on performance during the measurement period. These bonuses are payable and deferred into restricted shares in March 2022 as set out below:

Individual	% of TGP achieved[1] 2021	Total annual bonus R	Cash payment 2022 R	Bonus deferral (restricted shares) R	% of TGP achieved 2020	Cash payment 2021 R
Abigail Mukhuba[1]	118%	6 520 000	4 564 000	1 956 000	54	1 000 000
Anton Gildenhuys	104%	6 230 000	4 361 000	1 869 000	52	3 100 000
Lizé Lambrechts	131%	8 100 000	8 100 000	–	–	–
Bongani Madikiza	104%	4 700 000	3 290 000	1 410 000	46	2 050 000
Lotz Mahlangeni[1]	113%	6 190 000	4 333 000	1 857 000	54	900 000
Sydney Mbhele	104%	4 690 000	3 283 000	1 407 000	40	1 800 000
Kanyisa Mkhize[1]	106%	4 500 000	3 150 000	1 350 000	57	800 000
Jeanett Modise	107%	4 500 000	3 150 000	1 350 000	48	2 000 000
Wikus Olivier	108%	4 870 000	3 409 000	1 461 000	53	2 400 000
Robert Roux	131%	7 350 000	7 350 000	–	72	4 000 000
Karl Socikwa	104%	4 800 000	3 360 000	1 440 000	46	2 100 000
Jurie Strydom[2]	114%	5 257 000	5 257 000	–	45	3 000 000
Heinie Werth	121%	7 770 000	5 439 000	2 331 000	43	2 750 000

[1] Appointed to Exco in 2020 and the percentage of TGP achieved weighted for full year.
[2] Achievement of 114% is reflective of calculated bonus, however deferred bonus shares will be forfeited as employment condition will not be met.

Outcome of Group CEO five-year remuneration structure

The 2021 outcomes of the Group CEO five-year remuneration structure are detailed below. The performance and OPP shares are finally measured after a five-year measurement period.

Category	Total number of shares	Eligible for measurement after 18 months (June 2020 – 31 December 2021)	Shares which met performance condition	Forfeited shares	Measurement detail
Restricted shares (in lieu of TGP)	328 590	98 577	98 577		Based on performance per CEO scorecard as evaluated by the Board.
Bonus shares	1 671 910	501 573	402 617	98 956	CEO 2021 performance achievement (160,5% out of 200%). Measured annually based on Group CEO performance contract. Measurement of achievement ranges between 0% – 200%. 100% vesting at target and 200% vesting at stretch. Shares which met the performance condition (vested) to be held until the end of the holding period.
Total shares which met performance condition/forfeited shares		600 150	501 194*	98 956	

* Shares which met the performance condition are only released after the holding period (i.e. 12 months after the end of the five-year employment period) unless the Board determines otherwise.

LTIs

Company financial performance conditions

The outcome of RoGEV achievement resulted in the vesting of 70% (first and second tranches) of the 2016 awards for category A PDSPs and some of the category B PDSPs in June 2021. The remainder was forfeited.

The last tranche of 2016 (30%), second tranche of 2017 (30%) and first tranche of 2018 (40%) of the PDSP awards will be tested in June 2022 for vesting. As part of the COVID-19 adjustments adopted last year the 2020 financial year will be excluded from the measurement but an additional year of measurement was introduced.

The Sanlam Investment Group (SIG) RoGEV hurdle is applicable to the vesting of PDSPs awarded up to 2019 in addition to the Group RoGEV hurdle. The SIG RoGEV hurdle for the awards made in 2016 has not been met and the relevant shares were forfeited.

DSP

For DSP vesting Exco business and individual scorecard achievement are evaluated. Due to their roles and line of sight, these scorecards are based on financial metrics and some strategic metrics which support the Sanlam business strategy. Refer to pages 10, 11, 14 and 15 of the remuneration policy above for more information in respect of the metrics applied as well as the weighting attributed to each.

The applicable Exco scorecard achievements were evaluated over the DSP performance period/s ending in 2021 and the outcomes and vesting were as follows:

Measurement of Exco members' DSP vesting

Name	Policy on-target % bonus of TGP[1]	Average achievement[2]/ on-target bonus for the measurement period/s (average over five years) %	>100% achievement warrants achieving DSP target for vesting
Heinie Werth	56	149%	Vesting 100%
Anton Gildenhuys	56	156%	Vesting 100%
Robert Roux	100	129%	Vesting 100%
Jurie Strydom	56	139%	Vesting 100%
Sydney Mbhele*	56	113%	Vesting 100%
Jeanett Modise*	56	120%	Vesting 100%
Lizé Lambrechts	112	111%	Vesting 100%

Notes:

* Jeanett Modise and Sydney Mbhele were appointed to Group Exco in 2019. Their first vesting by virtue of Group Exco roles will be in June 2022. Jeanett's disclosed DSP vesting is by virtue of DSPs awarded as part of a prior role in the Group.

[1] On-target bonus earning potentials applied until 30 December 2020. This was applicable to DSP measurement for shares vesting in June 2021. The 2021 STI on-targets are disclosed in the remuneration policy of this report.

[2] As disclosed in the 2020 Remuneration Report for DSP vesting the average performance (financial and strategic) over five years is evaluated, for the 2020 financial year only strategic measures were considered.

The participation by executive directors and Exco defined as prescribed officers in the Group's LTI schemes (excluding the OPP) at 31 December 2021 was as follows:

Number of shares

	Balance 31-12-20	Awarded in 2021	Shares vested	Shares forfeited	Balance 31-12-21	Vesting in 2022	2023	2024	2025	2026
Paul Hanratty[6]										
RSP	3 000 000[9]	2 000 000	–	–	5 000 000	–	–	–	5 000 000	–
Heinie Werth	354 420	92 651	(78 264)	–	368 807	108 052	86 091	89 366	57 503	27 795
DSP	108 630	26 949	(25 470)	–	110 109	26 156	28 838	28 875	18 155	8 085
PDSP	138 221	34 281	(10 828)	–	161 674	64 978	32 359	32 084	21 969	10 284
Category A[1]	83 112	17 531	(10 828)	–	89 815	33 946	19 485	19 162	11 963	5 259
Category B[1]	55 109	16 750	–	–	71 859	31 032	12 874	12 922	10 006	5 025
RSP	107 569	31 421	(41 966)	–	97 024	16 918	24 894	28 407	17 379	9 426
Anton Gildenhuys[4]	604 726	182 168	(117 834)	–	669 060	153 670	164 537	180 530	115 672	54 651
DSP	103 043	24 019	(22 452)	–	104 610	22 228	29 227	27 095	18 854	7 206
PDSP – *category A*[1]	77 106	14 950	(8 150)	–	83 906	28 019	20 172	18 332	12 898	4 485
RSP[4]	424 577	143 199	(87 232)	–	480 544	103 423	115 138	135 103	83 920	42 960
Lizé Lambrechts										
Santam	52 799	–	(10 794)	–	42 005	11 747	14 960	9 981	5 317	–
Sanlam	26 368	–	(5 207)	–	21 161	15 466	5 695	–	–	–
DSP										
Santam	22 787	–	(5 367)	–	17 420	5 156	6 009	4 057	2 198	–
Sanlam	11 857	–	(5 207)	–	6 650	4 485	2 165	–	–	–
PDSP – category A										
Santam	30 012	–	(5 427)	–	24 585	6 591	8 951	5 924	3 119	–
Sanlam	14 511	–	–	–	14 511	10 981	3 530	–	–	–
RSP – Sanlam	–	–		–	–	–	–	–		
Junior Ngulube[3]	147 126	–	(78 739)	–	68 387	68 387	–	–	–	–
DSP	60 574		(60 574)	–	–	–	–	–	–	–
PDSP – Category A[1]	43 454		(5 322)	–	38 132	38 132	–	–	–	–
RSP	43 098		(12 843)	–	30 255	30 255	–	–	–	–

REMUNERATION DETAILS FOR EXECUTIVE DIRECTORS AND MEMBERS OF THE GROUP EXECUTIVE COMMITTEE THAT ARE DEFINED AS PRESCRIBED OFFICERS

	Balance 31-12-20	Awarded in 2021	Shares vested	Shares forfeited	Balance 31-12-21	Vesting in 2022	2023	2024	2025	2026
Robert Roux[8]	274 587	–	(74 728)	–	199 859	147 444	–	–	–	–
DSP	96 117	–	(24 152)	–	71 965	71 965	–	–	–	–
PDSP	62 517	–	–	–	62 517	29 105	33 412	–	–	–
Category A[1]	62 517	–	–	–	62 517	29 105	33 412	–	–	–
Category B[1]	–		–	–	–	–	–	–	–	–
Category C[1]	–		–	–	–	–	–	–	–	–
RSP	115 953	–	(50 576)	–	65 377	46 374	19 003	–	–	–
Jurie Strydom	421 342	125 936	(125 857)	–	421 421	133 551	98 438	98 667	71 566	19 199
DSP	114 088	21 564	(20 157)		115 495	23 475	33 697	30 636	21 218	6 469
PDSP	156 860	18 865	(14 672)	–	161 053	34 993	44 279	40 796	35 325	5 660
Category A[1]	92 966	18 865	(14 672)	–	97 159	34 993	18 721	21 628	16 157	5 660
Category B[1]	63 894	–		–	63 894	–	25 558	19 168	19 168	–
RSP[7]	150 394	85 507	(91 028)	–	144 873	75 083	20 462	27 235	15 023	7 070
Jeanett Modise[2]										
Sanlam	130 982	39 952	(21 705)	–	149 229	28 877	41 981	40 426	25 960	11 985
Santam	1 677	–	(1 530)	–	147	147	–	–	–	–
DSP										
Sanlam	66 834	19 580	(17 668)	–	68 746	20 792	20 240	14 804	7 036	5 874
Santam	427	–	(325)	–	102	102	–	–	–	–
PDSP – *Category A*[1]	–	–	–	–	–	–	–	–	–	–
Sanlam	46 473	8 588	(4 037)	–	51 024	8 085	14 672	15 605	10 086	2 576
Santam	1 250	–	(1 205)	–	45	45	–	–	–	–
RSP	17 675	11 784	–	–	29 459	–	7 069	10 017	8 838	3 535
Sydney Mbhele	144 174	19 514	–	–	163 688	25 790	51 221	51 059	29 764	5 854
DSP	68 542	–	–	–	68 542	25 790	20 969	20 563	1 220	–
PDSP – *Category A*[1]	57 957	–	–	–	57 957	–	23 183	17 387	17 387	–
RSP	17 675	19 514	–	–	37 189	–	7 069	13 109	11 157	5 854
Wikus Olivier	319 411	42 629	(41 943)	–	320 097	41 087	101 720	89 364	75 136	12 790
DSP	78 441	15 502	(14 594)	–	79 349	15 142	23 004	21 213	15 339	4 651
PDSP – *Category A*[1]	60 412	3 562	(4 796)	–	59 178	6 724	20 493	16 474	14 418	1 069
RSP	180 558	23 565	(22 553)	–	181 570	19 221	58 223	51 677	45 379	7 070

	Balance 31-12-20	Awarded in 2021	Shares vested	Shares forfeited	Balance 31-12-21	Vesting in 2022	2023	2024	2025	2026
Abigail Mukhuba[5]	259 901	100 803	–	–	360 704	–	176 605	81 967	71 890	30 242
DSP	106 789	–		–	106 789		42 715	32 037	32 037	–
PDSP	32 037	86 208	–	–	118 245	–	12 815	44 093	35 474	25 863
Category A[1]	32 037	36 472	–	–	68 509		12 815	24 199	20 553	10 942
Category B[1]	–	49 736		–	49 736	–	–	19 894	14 921	14 921
RSP	121 075	14 595		–	135 670		121 075	5 837	4 379	4 379
Bongani Madikiza[5]	87 129	69 815	–	–	156 944	–	34 851	54 064	47 084	20 945
DSP	87 129	–		–	87 129		34 851	26 139	26 139	–
PDSP – *Category A[1]*	–	54 105		–	54 105			21 641	16 232	16 232
RSP	–	15 710		–	15 710			6 284	4 713	4 713
Lotz Mahlangeni[5]	334 090	66 128	(68 997)	–	331 221	68 997	78 440	85 280	78 666	19 838
DSP	106 491	–		–	106 491		42 597	31 947	31 947	–
PDSP – *Category A[1]*	–	66 128		–	66 128			26 452	19 838	19 838
RSP	227 599	–	(68 997)	–	158 602	68 997	35 843	26 881	26 881	–
Kanyisa Mkhize[5]	82 288	51 099	–	–	133 387	–	32 916	45 125	40 016	15 330
DSP	82 288	–		–	82 288		32 916	24 686	24 686	–
PDSP – *Category A[1]*	–	51 099		–	51 099			20 439	15 330	15 330
RSP	–			–	–					
Karl Socikwa[5]	122 914	70 204	(20 551)	–	172 567	44 854	25 824	48 048	32 780	21 061
DSP	83 089	21 388	(20 551)	–	83 926	21 605	17 209	20 944	17 752	6 416
PDSP – *Category A[1]*	26 683	33 106	–	–	59 789	17 993	4 672	16 877	10 315	9 932
RSP	13 142	15 710		–	28 852	5 256	3 943	10 227	4 713	4 713

(1) The performance conditions of the PDSP categories (in addition to the individual performance conditions) are as follows:
a. Category A: Adjusted RoGEV for the Group exceeds the Group's cost of capital.
b. Category B: Adjusted RoGEV for the Group exceeds 105% of the Group's cost of capital.
c. Category C: Adjusted RoGEV for the Group exceeds 110% of the Group's cost of capital.
(2) Participated in the Santam LTI's as a former employee of Santam.
(3) Retired on 31 January 2021.
(4) The majority of the allocation is in respect of an incentive arrangement rewarding embedded value enhancement and balance sheet management deliverables.
(5) Appointed to the Executive committee in 2020.
(6) Refer to the Group CEO 5-year remuneration structure.
(7) The award for 2021 includes 61 942 shares that qualified under the previous OPP for which a further 12-month holding period applies.
(8) Robert Roux retired 31 December 2021.
(9) Final tranche (restricted share award) in terms of Group CEO 5-year remuneration structure.

Value

R'000	2021 Value of shares awarded[(1)]	2021 Value of shares vesting[(2)]	2021 Value of shares forfeited[(2)]	2020 Value of shares awarded[(1)]	2020 Value of shares vesting[(2)]	2020 Value of shares forfeited[(2)]
Paul Hanratty	115 580	–	–	161 580	–	–
DSP	–	–	–	–	–	–
PDSP	–	–	–	–	–	–
RSP	115 580[(7)]	–	–	161 580	–	–
Ian Kirk	31 382[(5)]	–	60	–	6 125	115
DSP	–	–	–	–	2 630	–
PDSP	–	–	60	–	3 495	115
RSP[(3)]	31 382	–	–	–	–	–
Abigail Mukhuba	6 067	–	–	12 863	–	–
DSP	–	–	–	5 285	–	–
PDSP	5 224	–	–	1 586	–	–
RSP[(3)]	843	–	–	5 992	–	–
Heinie Werth	5 526	4 796	–	5 311	3 247	168
DSP	1 633	1 543	–	1 808	1 497	–
PDSP	2 077	656	–	2 098	1 264	168
RSP[(3)]	1 816	2 597	–	1 405	486	–
Temba Mvusi	–	6 286	–	–	2 066	–
DSP	–	3 989	–	–	1 039	–
PDSP	–	506	–	–	430	–
RSP[(3)]	–	1 791	–	–	597	–
Jeanett Modise	2 388	1 703	–	2 746	1 600	–
DSP	1 187	1 153	–	234	1 243	–
PDSP	520	550	–	1 512	357	–
RSP[(3)]	681	–	–	1 000	–	–
Subtotal: executive directors	160 943	12 785	60	182 500	13 038	283
Anton Gildenhuys	10 637	6 799	–	11 765	4 685	–
DSP	1 456	1 447	–	2 346	1 215	–
PDSP	906	525	–	1 694	713	–
RSP[(3)(4)]	8 275	4 827	–	7 725	2 757	–
Lizé Lambrechts	–	3 234	–	4 775	4 718	–
DSP	–	1 769	–	1 974	1 959	–
PDSP	–	1 465	–	2 801	2 759	–
RSP[(3)]	–	–	–	–	–	–
Junior Ngulube	–	5 024	–	–	3 042	–
DSP	–	3 903	–	–	1 588	–
PDSP	–	343	–	–	1 100	–
RSP[(3)]	–	778	–	–	354	–
Robert Roux[(6)]	–	4 621	–	4 096	3 017	–
DSP	–	1 556	–	1 956	1 491	–
PDSP	–	–	–	1 140	819	–
RSP	–	3 065	–	1 000	707	–

R'000	2021 Value of shares awarded(1)	2021 Value of shares vesting(2)	2021 Value of shares forfeited(2)	2020 Value of shares awarded(1)	2020 Value of shares vesting(2)	2020 Value of shares forfeited(2)
Jurie Strydom	7 391	7 660	–	10 444	3 243	–
DSP	1 307	1 299	–	2 970	1 623	–
PDSP	1 143	945	–	5 974	848	–
RSP(3)	4 941	5 416	–	1 500	772	–
Sydney Mbhele	1 128	–	–	4 747	–	–
DSP	–	–	–	246	–	–
PDSP	–	–	–	3 501	–	–
RSP(3)	1 128	–	–	1 000	–	–
Thinus Alsworth-Elvey	–	7 213	–	1 000	1 356	–
DSP	–	4 757	–	–	–	–
PDSP	–	51	–	–	–	–
RSP(3)	–	2 405	–	1 000	1 356	–
Wikus Olivier	2 517	2 577	–	11 590	2 678	–
DSP	939	940	–	2 152	945	–
PDSP	216	309	–	2 688	143	–
RSP(3)	1 362	1 328	–	6 750	1 590	–
Bongani Madikiza	4 187	–	–	5 263	–	–
DSP	–	–	–	5 263	–	–
PDSP	3 279	–	–	–	–	–
RSP(3)	908	–	–	–	–	–
Lotz Mahlangeni	4 007	4 381	–	19 133	–	–
DSP	–	–	–	6 433	–	–
PDSP	4 007	–	–	–	–	–
RSP(3)	–	4 381	–	12 700	–	–
Kanyisa Mkhize	3 097	–	–	4 971	–	–
DSP	–	–	–	4 971	–	–
PDSP	3 097	–	–	–	–	–
RSP(3)	–	–	–	–	–	–
Karl Socikwa	4 210	1 324	–	2 360	1 988	–
DSP	1 296	1 324	–	2 283	1 528	–
PDSP	2 006	–	–	77	460	–
RSP(3)	908	–	–	–	–	–
Executive committee	198 117	55 618	60	262 644	37 765	283

(1) Based on fair value of shares on grant date, assuming 100% vesting. Actual vesting percentage will be determined on final measurement date.
(2) Based on market value of shares on vesting and forfeiture dates respectively.
(3) Grants relate to performance in the prior financial year (historic arrangement and discontinued from 2021). Awards carry an individual and strategic performance condition for vesting. Vesting in years 3, 4 and 5 after award.
(4) The majority of the allocation is in respect of an incentive arrangement rewarding embedded value enhancement and balance sheet management deliverables.
(5) Restraint of trade shares awarded as disclosed in 2020 Remuneration Report.
(6) Robert Roux retired on 31 December 2021.
(7) Final tranche (restricted share award) in terms of Group CEO 5-year remuneration structure.

OPPs

OPPs implemented

Based on the Sanlam business strategy five OPPs were implemented in 2021. The design of the OPPs is in accordance with the Sanlam remuneration policy and were awarded to the Sanlam Life and Savings (SLS) and Sanlam Emerging Markets (SEM) business Chief Executives.

The prior OPP awarded to the Chief Executive of SEM (for measurement from the 2020 financial year) was no longer appropriate (based on the current business strategy) and was cancelled, all value lapsed and replaced in its entirety by the 2021 OPP. The performance conditions are set over a five-year period and align fully with the Group CEO's metrics for his five-year remuneration structure and are directly aligned to the Sanlam business strategy.

The design of the OPPs and the relevant performance conditions for vesting are detailed below. As explained in the remuneration policy, OPP targets are considerably more stretching than the performance conditions for PDSPs. Historic vesting % (over the past three years) amounted to less than 20%.

Business/ chief executive participants	Measurement period and description	OPP Performance Conditions: Financial Measure	Description	Minimum (0% vesting below this)	Maximum (100% vesting)	Weight	Potential – maximum number of shares that can be delivered
SLS Jurie Strydom[1] Kanyisa Mkhize Bongani Madikiza Anton Gildenhuys	1 January 2021 – 31 December 2025 **(Final measurement** March 2026 after conclusion of 2025 financial year end)	SLS Operating EV experience from all sources 2021 – 2025	Total operating variances from improving persistency, as well as operating assumption changes, reducing maintenance unit expenses in real terms and improving other sources of profit such as mortality and morbidity	< R7,5 billion	R15 billion	25%	**Jurie Strydom[1]** (200% TGP per year) 1 128 012 shares **Kanyisa Mkhize** (100% TGP per year) 363 186 shares **Bongani Madikiza** (100% TGP per year) 384 550 shares **Anton Gildenhuys** (100% TGP per year) 512 733 shares
		SLS profit growth 2021 – 2025	Average annual rate of growth between NRFS for 2020 and the NRFS for 2025 FY	CPI + 1 %	>CPI + 9%	25%	
		SLS ROGEV 2021 – 2025	Average return implied by dividends and change in GEV from 01.01.2021 to 31.12.2025, adjusted for normalised investment returns and interest rates (if required)	RFR+4% For 2021 From 2022 CPI + 6%	RFR+8% For 2021 From 2022 CPI + 10%	25%	
		SLS GEV Added	Change in GEV 01.01.2021 – 31.12.2025 plus dividends paid over the period in reference to years 2021 to 2025	R40 billion	R60 billion	25%	

Modifier based on strategic outcomes measured against:

- reshaping the Sanlam Group through M&A and strategic partnerships;
- creating Value from Mergers and Acquisitions (M&A) *inter alia*, transformation of the workforce;
- modernisation of the business through data and digital transformation;
- fortress South Africa: Strengthen the competitive position in South Africa through partnerships and by driving deeper customers relationships through use of a wider product set, improved customer proposition;
- transformation of the employee base; and
- culture and ESG.

A maximum adjustment of an added 25% or decreased 25% may be made at the committee's discretion (after testing of the financial metrics) to reflect these factors.

[1] Forfeiture of all OPP Benefits due to the employment condition not being met.

<table>
<tr><th>Business/ chief executive participants</th><th>Measurement period and description</th><th colspan="4">OPP Performance Conditions</th><th>Potential – maximum number of shares that can be delivered</th></tr>
<tr><td rowspan="6">SEM

Heinie Werth</td><td rowspan="6">1 January 2021 – 31 December 2025

(Final measurement March 2026 after conclusion of 2025 financial year end)</td><th>Financial Measure</th><th>Description</th><th>Minimum (0% vesting below this)</th><th>Maximum (100% vesting)</th><td rowspan="6">Heinie Werth
(200% TGP per year)
1 093 830 shares</td></tr>
<tr><td>Stock rating P / GEV</td><td>Improved Group rating from H2 2020 over the five years to a better average in 2024/5</td><td>< 1</td><td>1,15</td></tr>
<tr><td>SEM profit growth 2021 – 2025</td><td>Average annual rate of growth between NRFS for 2020 and the NRFS for 2025 FY in constant currency</td><td>10%</td><td>17,5%</td></tr>
<tr><td>SEM dividend growth 2021 – 2025</td><td>Average annual rate of growth of dividend paid to the Group by SEM between 2020 and 2025 FY in constant currency</td><td>10%</td><td>20%</td></tr>
<tr><td>SEM ROGEV 2021 – 2025</td><td>Average return implied by dividends and change in GEV from 01.01.2021 to 31.12.2025, adjusted for normalised investment returns if required</td><td>RFR+4%

From 2022 CPI + 6%</td><td>RFR+8%

From 2022 CPI + 10%</td></tr>
<tr><td>SEM GEV Added</td><td>Change in GEV 01.01.2021 – 31.12.2025 plus dividends paid over the period in reference to years 2021 to 2025</td><td>R25 billion</td><td>R50 billion</td></tr>
<tr><td></td><td></td><td colspan="4">Modifier based on strategic outcomes measured against:
• reshaping the Sanlam Pan African business through strategic partnerships;
• development of digital channels to reach the consumers on the African continent;
• sustainable management, skills and culture; and
• derive maximum value from the Indian operations.
A maximum adjustment of an added 25% or decreased 25% may be made at the committee's discretion (after testing of the financial metrics) to reflect these factors.</td><td></td></tr>
</table>

Notes:
Sliding scale applies to determine vesting percentage between minimum and maximum hurdles.
Targets may be adjusted by the committee for material reorganisation, acquisitions or disposals during the measuring period.

Historic OPP outcomes

As reported in the 2020 Remuneration Report, Robert Roux's OPP was measured 31 December 2021, with vesting of 13% of the overall potential of 550 454 shares (73 903 shares) in March 2022. This coincides with Robert's retirement date.

OPP participant	Measurement period and description	Performance measures	Achievement	Vesting
Robert Roux	1 January 2017 – 31 December 2021 * excluding 2020 financial year from measurement **550 454** Sanlam shares were awarded in 2016 and are subject to performance measurement for: • Net result from financial services (30%) • Adjusted RoGEV (40%) • Net new business flows (30%)	***Net result from financial services [30%]:*** • Base value: 2016 SI cluster net result from financial services of R1 093 million • Minimum hurdle: annualised real growth of 5% • Hurdle for 100% vesting: annualised real growth of 15%	Below minimum for net result from financial services	Nil
		Adjusted RoGEV [40%]: • Base rate: annual SI cluster RoGEV hurdle • Minimum hurdle: average annual RoGEV equal to base rate • Hurdle for 100% vesting: average annual outperformance of base rate by 7%	Below minimum for Adjusted RoGEV	Nil
		Net new business flows [30%]: • Base value: aggregate investment management fees earned (after acquisition costs) on net new third-party business flows (NF) of R43,75 million • Minimum hurdle: annual NF equal to base value • Hurdle for 100% vesting: annual NF of R87,5 million	44.75% achievement for Net new business flows	73 903 shares

Minimum shareholding requirement

The table below reflects the actual qualifying Sanlam shares held by executive directors and Exco members relative to the minimum shareholding requirement (MSR).

Number of shares as at 31 December 2021

Individual	Minimum shareholding requirement	Actual qualifying shareholding	Date at which minimum shareholding must be reached
Paul Hanratty[(1)]	n/a	n/a	n/a
Heinie Werth	159 830	313 239	31 December 2021
Jeanett Modise	52 444	21 705	30 June 2025
Anton Gildenhuys	99 894	164 665	31 December 2021
Sydney Mbhele	56 065		30 June 2025
Robert Roux[(2)]	93 068	154 449	31 December 2021
Jurie Strydom	164 825	171 116	30 June 2023
Wikus Olivier	74 920	28 194	30 September 2026
Karl Socikwa	57 439		30 September 2026
Abigail Mukhuba	137 739		30 September 2026
Bongani Madikiza	74 920		30 September 2026
Lotz Mahlangeni	68 677	13 799	30 September 2026
Kanyisa Mkhize	53 069		30 September 2026

(1) Refer to the five-year CEO remuneration structure on pages 20 and 21.
(2) Retired 31 December 2021.

Sanlam share **scheme allocation**

As approved by shareholders the scheme has an allocation of 110 million shares with a limit on annual usage of 11 million shares and the limit for any individual of 5 million shares.

The following table illustrates the usage for 2021 and the capacity position as at 31 December 2021:

		Number of shares
Scheme allocation originally approved*		110 000 000
Allocation under DSP and PDSP in 2019	(5 729 811)	
Allocation under RSP in 2019	(433 037)	(6 162 848)
Shares forfeited in 2019		1 020 238
Balance of scheme allocation carried forward at 31 December 2019		104 857 390
Allocation under DSP and PDSP in 2020	(7 011 922)	
Allocation under RSP in 2020	(3 847 089)	(10 859 011)
Shares forfeited in 2020		504 933
Balance of scheme allocation carried forward at 31 December 2020		94 503 312
Allocation under DSP and PDSP in 2021	(7 113 125)	
Allocation under RSP in 2021	(2 501 176)	(9 614 301)
Shares forfeited in 2021		1 341 800
Balance of scheme allocation carried forward at 31 December 2021		86 230 811

* Scheme allocation approved at the AGM held on 5 June 2019 and applies with effect from 1 January 2019.

Remuneration details for **non-executive directors**

The policy for non-executive directors' fees is summarised under the remuneration policy part of this report.

Disclosure of individual directors' emoluments, as required in terms of the JSE Listings Requirements, is detailed below.

Non-executive directors' emoluments for the year ended 31 December 2021[1]

				Fees from Group			
R'000	Directors' fees	Attendance Fees	Committee Fees	Director fees	Attendance fees	Committee fees	Total
AS Birrell[2]	968	424	1 015	–	361	189	2 957
AD Botha	387	169	180	129	71	39	975
NAS Kruger	387	169	945	–	–	–	1 501
E Masilela (Chair)	3 307	–	–	–	–	–	3 307
M Mokoka	387	169	945	92	–	39	1 632
JP Möller	387	169	1 124	414	435	487	3 016
PT Motsepe (Deputy Chair)	589	172	314	–	–	–	1 075
KT Nondumo	387	169	1 285	–	407	426	2 674
SA Nkosi	387	169	134	–	–	–	690
RV Simelane	387	169	158	–	–	–	714
J van Zyl	387	169	314	–	–	–	870
SA Zinn	387	169	361	–	–	–	917
E Essoka[3]	484	254	67	–	–	–	805
N Manyonga	32	34	–	–	–	–	66
W Van Biljon	161	68	93	–	–	–	322
Total Non-Executive directors	9 024	2 473	6 935	635	1 274	1 180	21 521

(1) Excluding VAT.
(2) Nationality: British/South African.
(3) Nationality: Cameroonian

Travel and subsistence paid in respect of attendance of Board and committee meeting amounted to R122 346 (2020: R399 311).

Fees from Group companies for the year ended 31 December 2021[1]

R'000	Directors' fees	Attendance fees	Committee fees	Total
AS Birrell[2]	–	361	189	550
AD Botha	129	71	39	239
KT Nondumo	–	407	426	833
JP Möller	414	435	487	1 336
M Mokoka	92	–	39	131
Total fees from Group Companies	635	1 274	1 180	3 089

(1) Excluding VAT.
(2) Nationality: British/South African.

Non-executive directors’ emoluments for the year ended 31 December 2020[1]

R’000	Directors’ fees	Attendance and committees	Fees from Group	Total
AS Birrell[2]	888	1 319	394	2 601
AD Botha	396	850	595	1 841
PB Hanratty[3]	403	570	–	973
NAS Kruger	224	716	–	940
E Masilela (Chair from 11 June 2020)	1 837	214	–	2 051
M Mokoka	377	928	150	1 455
JP Möller	377	1 072	3 110	4 559
PT Motsepe (Deputy Chair)	573	497	–	1 070
KT Nondumo	377	1 388	1 116	2 881
SA Nkosi	537	716	–	1 253
RV Simelane	377	319	–	696
CG Swanepoel (to 30 June 2020)	183	635	1 538	2 356
J van Zyl (Chair until 10 June 2020)	1 761	259	–	2 020
S Zinn	377	574	–	951
Total Non-Executive directors	8 687	10 057	6 903	25 647

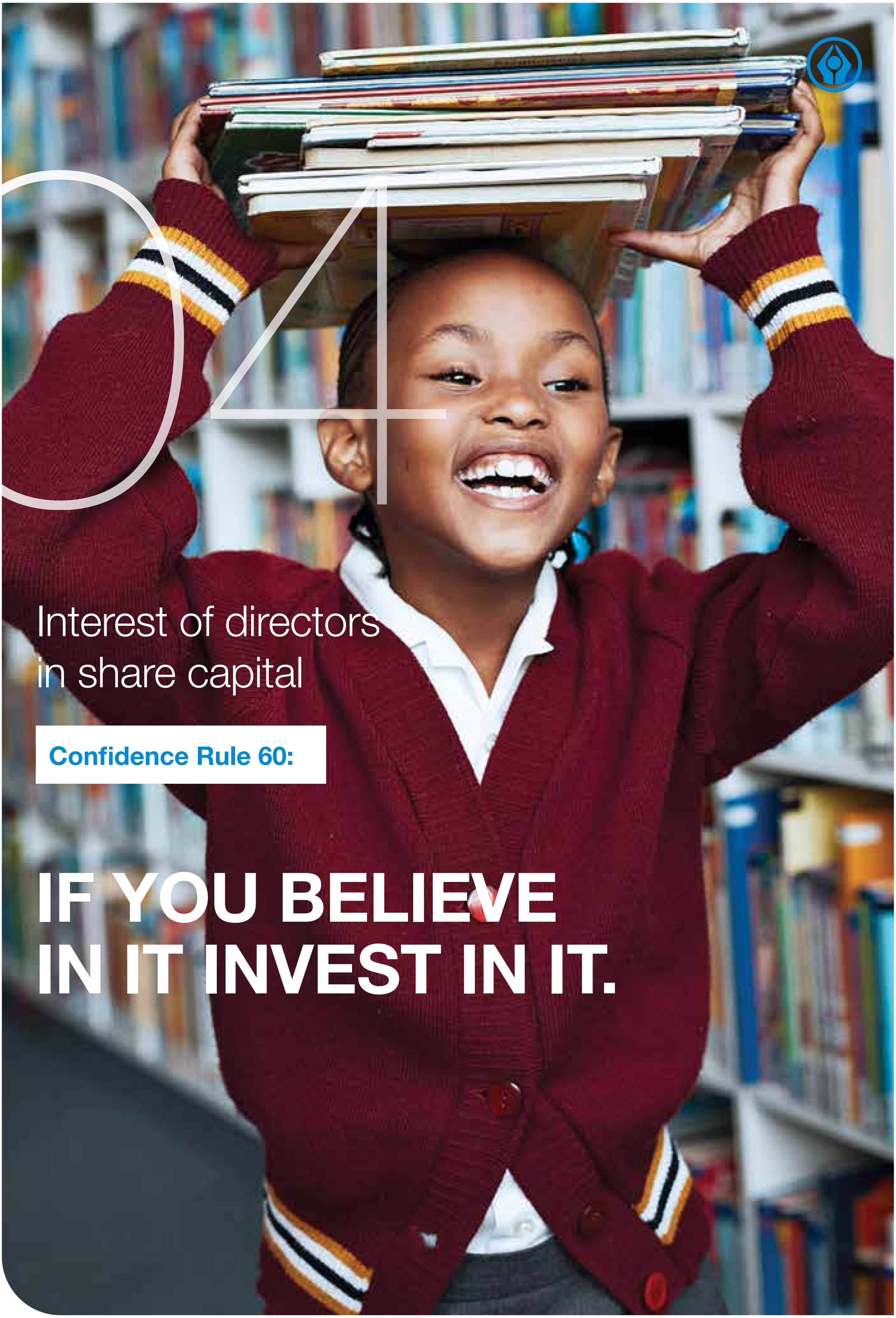
(1) The Non-Executive directors’ fees for 2020 are disclosed as excluding VAT.
(2) Nationality: British/South African.
(3) Nationality: Irish.

Travel and subsistence paid in respect of attendance of Board and committee meetings amounted to R399 311 (2019: R920 322)

Fees from Group companies for the year ended 31 December 2020[1]

R’000	Directors’ fees	Attendance fees	Committee fees	Total
AS Birrell[2]	266	–	128	394
AD Botha	251	268	76	595
M Mokoka	105	–	45	150
JP Möller	628	544	1 938	3 110
KT Nondumo	271	478	367	1 116
CG Swanepoel	111	–	1 427	1 538
Total fees from Group Companies	1 632	1 290	3 981	6 903

(1) Excluding VAT.
(2) Nationality: British/South African.



04

Interest of directors in share capital

Confidence Rule 60:

IF YOU BELIEVE IN IT INVEST IN IT.

Sanlam Limited **Board information**

Total interest of directors in share capital at the date of this report

	Beneficial		Non-beneficial		
Directors	Direct	Indirect	Direct	Indirect	UB shares
Executive directors					
PB Hanratty[(1)]	5 000 000	–			
AM Mukhuba	135 670	–			
HC Werth	418 801	578 438			
J Modise	51 164	–			
Total executive directors	5 605 635	578 438			
Non-executive directors					
J van Zyl	–	1 000 000	–	–	164 231
PT Motsepe (Deputy Chair)	–	–	–	–	Refer note*
AD Botha	–	–	–	–	–
AS Birrell[(2)]	65 487	–	–	–	–
E Essoka[(3)]	–	–	–	–	–
NAS Kruger	–	–	–	–	–
N Manyonga					
E Masilela (Chair)	–	–	–	–	–
MG Mokoka	–	–	–	–	–
JP Möller	600 000	–	200 000	–	–
KT Nondumo	–	–	–	–	–
SA Nkosi	–	–	–	–	–
RV Simelane	–	–	–	–	10 092
W van Biljon	1 169				
SA Zinn	–	–	–	–	–
Total non-executive directors	666 656	1 000 000	200 000	–	174 323
Total	6 272 291	1 578 438	200 000	–	174 323

(1) Nationality: Irish.
(2) Nationality: British/South African.
(3) Nationality: Cameroonian
* Ubuntu-Botho Investments (Proprietary) Ltd ("UBI") is the direct beneficial holder of 292 471 806 Sanlam ordinary shares. Sizanani-Thusanang-Helpmekaar Investments (Proprietary) Limited ("Sizanani"), holds a beneficial interest of approximately 59% of the issued shares (which issued shares includes both the "A" ordinary shares) in UBI. Approximately 5% of Sizanani's beneficial interest in UBI is attributable to interests in UBI which have been acquired, directly or indirectly, by a subsidiary of UBI. The entire share capital of Sizanani is held by a company, the entire issued share capital of which is in turn held by trusts which, with the exception of the Motsepe Foundation Trust, hold those shares for the benefit of Dr Patrice Motsepe and his family. This results in Dr Patrice Motsepe having an indirect interest in the securities of Sanlam amounting to approximately 59% of the UBI shareholding in Sanlam. Dr Motsepe also has an indirect non-beneficial interest of 20% of UBI's shareholding in Sanlam by virtue of Dr Motsepe being a trustee (but not a beneficiary) of Sanlam's Ubuntu-Botho Community Development Trust.

A number of other directors also have a beneficial interest in the share capital of Ubuntu-Botho through its shareholding structure. Their effective holdings in the 10 000 000 Ubuntu-Botho shares in issue are: Dr RV Simelane has 10 092 and Dr J van Zyl has 164 231.

Total interest of directors in share capital at 31 December 2020

	Beneficial		
Directors	Direct	Indirect	UB shares
Executive directors			
HC Werth	351 082	578 438	–
I Kirk	324 622	–	–
T Mvusi	113 603	–	4 000
J Modise	17 675	–	–
PB Hanratty[(1)]	3 000 000	–	–
AM Mukhuba	121 075	–	–
Total executive directors	3 928 057	578 438	4 000
Non-executive directors			
J van Zyl	–	2 894 288	–
PT Motsepe (Deputy Chairman)	–	–	Refer note*
AD Botha	–	–	–
AS Birrel[(2)]	–	–	–
NAS Kruger	–	–	–
E Masilela (chair)	–	–	–
MG Mokoka	–	–	–
JP Möller	600 000	–	–
K Nondumo	–	–	–
SA Nkosi	–	–	–
RV Simelane	–	–	10 092
CG Swanepoel	10 000	–	–
PL Zim	–	–	–
Total non-executive directors	610 000	2 894 288	10 092
Total	4 538 057	3 472 726	14 092

(1) Nationality: Irish.
(2) Nationality: British/South African.
* Ubuntu-Botho Investments (Pty) Ltd (UBI) is the direct beneficial holder of 292 471 806 Sanlam ordinary shares. Sizanani-Thusanang-Helpmekaar Investments (Pty) Ltd (Sizanani), beneficially holds approximately 61% of the ordinary share capital (which includes the "A" ordinary shares) in UBI. Approximately 4,8% of Sizanani's beneficial holding in UBI is attributable to interests in UBI which have been acquired, directly or indirectly, by a subsidiary of UBI. The entire share capital of Sizanani is held by a company, the entire issued share capital of which is in turn held by trusts which, with the exception of the Motsepe Foundation Trust, hold those shares for the benefit of Dr Patrice Motsepe and his family. This results in Dr Patrice Motsepe having an indirect interest in the securities of Sanlam amounting to approximately 61% of the UBI shareholding in Sanlam. Dr Motsepe also has an indirect non-beneficial interest of 20% of UBI's shareholding in Sanlam as a trustee of Sanlam's Ubuntu-Botho Community Development Trust. A number of other directors also have a beneficial interest in the share capital of Ubuntu-Botho through its shareholding structure. Their effective holdings in the 10 000 000 Ubuntu-Botho shares in issue are: RV Simelane has 10 092. Mr Temba Mvusi holds 4 000 Ubuntu-Botho shares after he sold 10 000 shares in November 2010.

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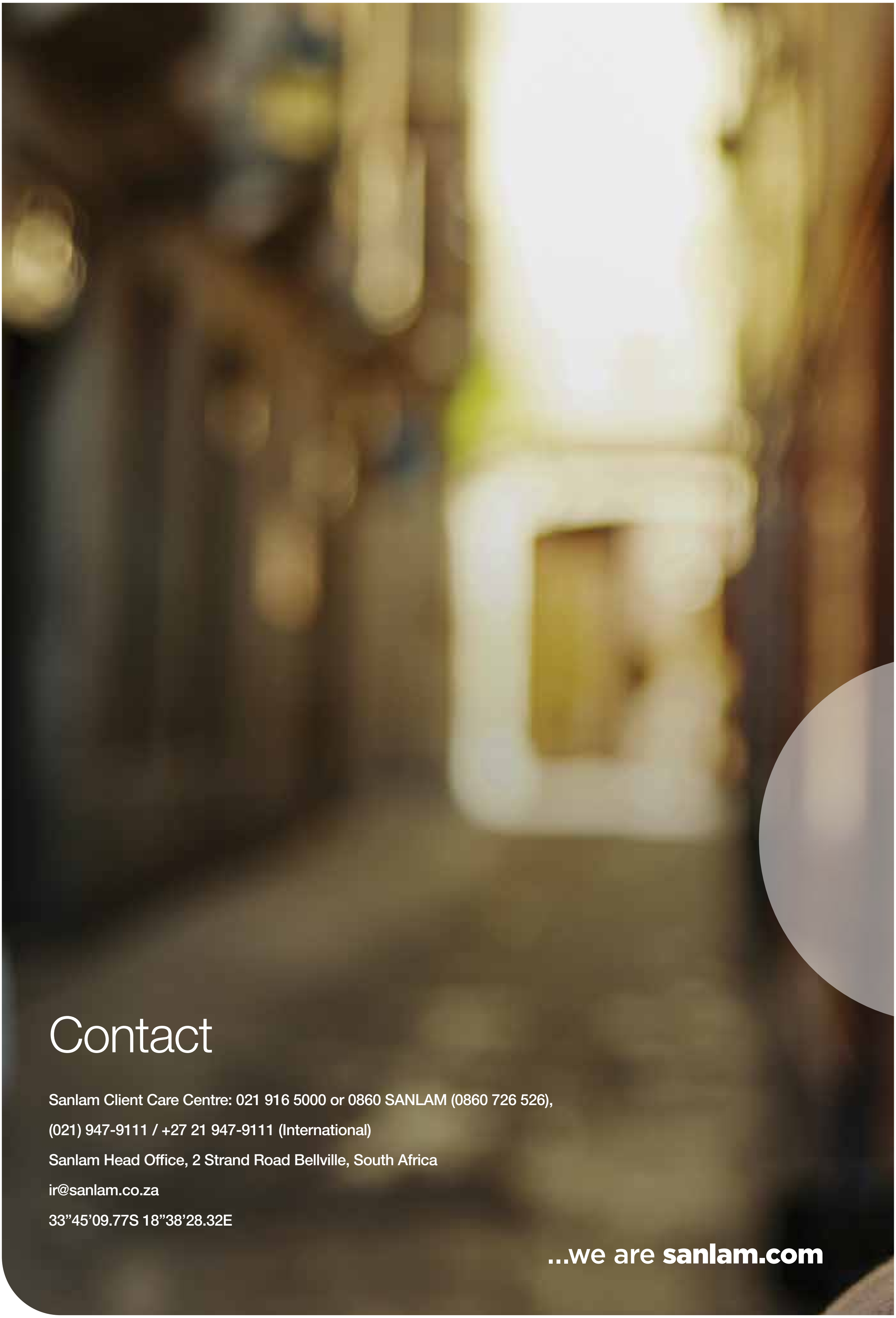

Contact

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