

Group Office Bonus Schemes: 2024 Financial Year

1. Scheme Participation

This policy applies to all permanent employees and fixed term contract (“FTC”) employees with a contract for longer than 3 months. The following exceptions will be applicable to FTC employees:

- ⌚ FTC employees who earn in excess of the Earning Threshold stipulated by the Government Notice, shall not be entitled to a bonus.
- ⌚ For purposes where work based experience is gained for development purposes or obtaining a qualification, i.e. Learners, Interns, Students or CA Trainees, will not qualify.
- ⌚ Different bonus arrangements contracted as part of a formal development programme e.g. Graduates.

Employees who qualify according to the rules have to be in service when performance bonuses are declared to be considered for a bonus.

2. Bonus design

Sanlam Group Office employees participate in a **Profit Participation Scheme**.

⌚ Profit Participation Scheme

- ⌚ This bonus scheme is a profit participation scheme which allows for Sanlam Group Office employees to share in the Sanlam Group’s performance in 2024.
- ⌚ All existing and new Sanlam Group Office employees (including all promotions) will participate in the *Profit Participation Scheme*.
- ⌚ In terms of the performance management system each participating employee will receive a KPA performance rating based on individual performance (KPA’s) for 2024. A minimum performance rating of 2.5, awarded to individuals who achieved all individual performance targets in full, will be required to qualify for a *Profit Participation Scheme* bonus.
- ⌚ Potential **target bonuses** of the employees concerned are as follows:
 - ⌚ Employees on grades **1 – 8**: Target Bonus will be **17.6% of Total Guaranteed Pay (TGP)**
 - ⌚ Employees on grades **9 - 12**: Target Bonus will be **20% of TGP**;
 - ⌚ Employees on grades **13 - 15**: Target Bonus will be **30% of TGP; and**

- ② Employees on grades higher than 15 (**General management**), but non-Group Exco:
Target Bonus will be **44% of TGP**.

- ② A participant's bonus will be calculated based on the following formula:

Bonus = Achieved % x (*TGP x target bonus %) x % number of months in service in year of consideration:

*TGP and the applicable target bonus % will be on 31 December 2024. However, a pro rata bonus calculation will be done in the case of changes to TGP during the year for reasons other than normal increases and promotions. In the case of a promotion, demotion or change due to restructuring during the year that result in a participant's target bonus % changing the full bonus will be calculated by applying a pro rata calculation to the old and new target bonus percentages (%) for the number of the applicable months of the financial year.

- ② The level of the **achieved %** will depend on the outcome of the weighted average of the Group's business clusters' bonus scores (85%), Group Office efficiency improvement measures (5%) and transformation and employment equity (10%). Details regarding these measures are set out in paragraph 3 below. The achieved % will be calculated on a sliding scale from 0% if certain minimum targets are not achieved and will reach **90.9%** if these three measures are achieved in full and can be as high as **181.8%** on an exceptional performance by all Group operations.
- ② An outperformance pool will be created of up to a maximum of 10% of the total Group Office bonus allocation based on the achieved %. For individual performance that exceeded target/requirements (KPA ≥ 3.5), a further **discretionary** factor may be added from this pool in calculating the individual's final bonus. The 181.8% caps will not apply to any discretionary factor. The Group CEO has discretion to create an additional outperformance pool for exceptional performance.
- ② An advance bonus payment will be made in December to eligible employees on grades 1 – 8. New hires appointed from 1 October will not be eligible for an advance bonus payment, but will be eligible for a payment in March if bonuses are declared. The advance payment will be calculated as TGP x 6.67% x number of months employed during the particular financial year. The advance bonus payment will be subject to a minimum performance rating of 2.5. Employees undergoing a performance improvement process (PIP) will not be eligible for an accelerated bonus. Please note that the total value of the advance bonus paid in December each year will be deducted from the total calculated performance bonus in March of the

following year. The March performance bonus will reflect the total calculated bonus less the bonus advance paid in December of the prior year.

- ② Where employees who received an advance bonus in December terminate their employment with Sanlam Group Office or any other employer company in the wider group (based on resignation, misconduct, dismissal with just cause) before payment of the performance bonus in March (i.e. between December and March), the business reserves the right to recover the advance bonus in full from any payment due to the particular employee or by demanding repayment.
- ② The 2024 financial year performance bonuses are payable in **March 2025** after the announcement of the Sanlam Group audited results. Pro-rata bonuses may be paid if participants terminated employment during the financial year based on death, incapacity, normal retirement, or retrenchment with full statutory benefits.

3. Profit Participation Scheme Targets

The **achieved %** for the *Profit Participation Scheme* bonus will depend on a weighted performance relative to set targets in respect of:

Measure	Weighting
Weighted average of business clusters' bonus scores*	85%**
Group office efficiency improvement measure	5%
Transformation and employment equity	10%
Total	100%

Notes:

*The weighted average of the clusters' bonus scores is determined based on the Board approved budget earnings (i.e. Net Result from Financial Services) business contribution to Group as set out in the table "Business weightings" below.

**Achievement in respect of this component [weighted 85%] will be based on 90.9% of each business' actual bonus achievement percentage (based on their own bonus rules). The combined maximum performance for this component is capped at 181.8%.

Business clusters' weightings for 85% component

	2024 Board approved budget
SLS	48%
SanlamAllianz including Namibia	13%
Asia	17%
Sanlam Investment Group	11%
Santam	11%
	100%

Sanlam Fintech (SFT) in building phase, not included as measured for financial component on group office score.

Notes:

Final achievement percentages for the underlying clusters are to be determined based on the actual net result from financial services %'s on 31 December of the relevant year.

Transformation and efficiency improvement measures [15%]

The remaining 15% will be made up of transformation measures (which extend beyond employment equity targets) [10%] and efficiency improvement measures [5%] which are aligned to the Group business strategy. Efficiency improvement measures will be evaluated by the Group Finance Director and the Group Executive: Strategy and outcomes against this measure will be approved by the Group Chief Executive Officer ("CEO").

The Group Office transformation and employment equity targets [weighted 10%] will be in accordance with the approved plans. A sliding scale of between 0% (below threshold) and 90.9% (target) achievement will be applied in between these levels. The FSC targets are only measured on Employment Equity. The Group CEO will have discretion to increase the achieved percentage up to a maximum 181.8% (for this component) in case of a material outperformance relative to the target.

If factors (outside of management's control) impacts on achievement of transformation or employment equity targets, the Group CEO, with approval from the Group Human Resources and Remuneration Committee (HRRC), will have discretion to make reasonable adjustments to the outcome of the transformation measure.

For 2024 the cascading of the Group strategy targets is reflected in all the business clusters' bonus scorecards and the Group CEO (in conjunction with the Group Finance Director and the Group

Executive: Strategy) have ensured that business bonus scorecard targets (financial) and strategic measures are set at stretch levels.

4. RISK ALIGNMENT, ADJUSTMENTS AND CLAW-BACK

Where performance achievements are subsequently found to have been misstated, which misstatement led to bonus being paid which should not have been paid, provision is made for redress. The Group HC and Remuneration Committee have discretion to reduce or reclaim payments if the performance achievements are subsequently found to have been significantly misstated. This ruling applies for both bona-fide and male-fide misstatements. In this regard, the relevant HR and Remuneration Committee may work with the necessary Audit Committee/s in the Sanlam Group to ensure that the assumptions are correct. Unvested bonuses are subject to malus provisions and paid bonuses are subject to clawback provisions as determined in the Sanlam Group Malus and Clawback Policy. Essentially malus means that bonus value (partly or fully) may be forfeited prior to vesting date if certain trigger events take place, whilst clawback provides for clawback of bonus value (partly or fully) from an employee for a specific period after bonus payment date. For detailed provisions on the Sanlam Group Malus and Clawback Policy, please refer to the intranet where a full copy of this policy is contained.

Where a formal investigation or disciplinary process or a process to address underperformance is initiated, bonus payment/s may be deferred until the outcome of the process. Should the outcome of the process warrant, the bonus may be adjusted partially or to zero.

General

The Group CEO (with approval from the Group HRRC) will have the discretion to adjust the targets or to determine the final level of achievement to be applied for purposes of the bonus calculation and to address unintended consequences emanating from the bonus formula. Appropriate adjustments may be made to the targets if businesses are sold, acquired, or materially restructured during the year.