



2023 REMUNERATION REPORT

Santam is an authorised financial services provider (FSP 3416),
a licensed non-life insurer and controlling company for its group companies.



**PART 1
LETTER FROM THE HUMAN RESOURCES
AND REMUNERATION COMMITTEE CHAIRPERSON**

1

- 4 Reflecting on 2023 financial performance
- 4 2023 remuneration outcomes and decisions
- 4 Key executive changes
- 5 Change in HRRC chairperson
- 5 Key policy changes implemented
- 5 Shareholder engagement and voting outcomes

**PART 2
OVERVIEW OF THE REMUNERATION POLICY**

2

- 6 Remuneration governance and committee responsibilities
- 7 Remuneration philosophy
- 7 Design principles for our remuneration policy
- 8 Remuneration overview
 - 8 *Structure*
 - 9 *Total guaranteed package*
 - 9 *Short-term incentives*
 - 11 *Long-term incentives*
- 14 Risk adjustment
- 14 Executive contracts
- 14 Minimum shareholding requirement
- 14 Non-executive directors' fees

**PART 3
IMPLEMENTATION REPORT**

3

- 15 Remuneration details for executive directors
 - 15 *Executive remuneration summary*
 - 15 *Total guaranteed package*
 - 16 *Short-term incentives*
 - 17 *Long-term incentives*
- 19 Santam group CEO OPP
- 20 Santam share scheme allocation
- 21 Remuneration details for non-executive directors

**PART 4
DIRECTORS' INTEREST IN SHARE CAPITAL**

4

Part 1: Letter from the human resources and remuneration committee (“committee”) chairperson

Dear Shareholders,

We write this report against the backdrop of a business environment marred by the polycrisis of 2023. At Santam we have a rich and long history of having successfully operated for over 105 years and once again, we demonstrated both robustness and resilience at Santam, achieving a strong set of results despite a difficult operating environment.

Weak economic growth, pressure on personal disposal income from elevated levels of consumer inflation and interest rates and suppressed employment conditions put pressure on profitable growth. Underwriting results were also negatively impacted by significant claims from adverse weather conditions, the earthquake in Türkiye, fire losses in the property portfolio and rising reinsurance costs.

We continue to respond to these challenges at both a strategic and operational level. Our diversification across market segments, insurance classes and geographical reach stood us well during this reporting period. More importantly, this performance was the result of our talented and dedicated employees, who epitomise the company value of “caring” by serving with empathy and consideration, knowing that everything we do leaves a lasting impact and legacy. Recognising the importance that our people play in supporting the long-term sustainability of our company, we continued implementing remuneration initiatives and employee experience enhancements aligned with our people strategy to ensure that critical talent is retained. Some key initiatives and enhancements were:

- Applause, our recognition platform, empowered leaders and peers to recognise employees who live our values and promise. In 2023, R2.7 million in recognition points were sent and redeemed through the platform
- Yell for Yellow, our lifestyle programme, focused on saving our employees time and money through its concierge, price negotiator, discount and subsidised offerings, continued to add value to the lives of our employees. The value and savings for our employees through the programme amounted to R4.5 million for 2023. In addition, as members of the Sanlam Umbrella Fund, our employees enjoy discounted lifestyle benefits through the Sanlam Reality Lifestyle programme
- Our holistic wellness programme continued to deliver targeted interventions to assist our employees. Lifestyle and nutrition programmes, mental resilience webinars, financial coaching and psychosocial support programmes through qualified counsellors and psychologists were some of these interventions
- Greater access to affordable healthcare was provided through Sanlam Primary Care and increased investment in onsite primary healthcare clinics
- Implementation of earned salary access through TymeAdvance where employees can access a percentage of their earned salary during the month
- Through some innovative partnerships and collaboration, Santam was able to provide financing for a wide range of alternative energy solutions and pension backed home loans as part of our employee benefits programme
- As part of our commitment to fair pay, employees’ base salaries (permanent, non-commission earning) were reviewed and adjusted to a minimum of R180 000 annually.
- In March 2023, performance bonuses across the group were paid to qualifying employees based on business and individual outcomes, and in April 2023, increases in the salary base of 5.75% were awarded
- In December 2023, junior employees were paid an accelerated performance bonus of 6.7% of total guaranteed pay (TGP) to aid with the rising cost of living

These initiatives were well received by our employees as they were seen as a means by the company to support employees affected by financial pressures. The impact of these initiatives were also positively reflected in our 2023 annual engagement survey results. The engagement results also showed that we have a highly engaged workforce who would recommend Santam as a place to work to their friends and family. To ensure we continue to deliver a world-class employee experience, Santam once again participated in the Top Employer certification process. The Top Employer certification celebrates excellence in employment practices and is bestowed on those organisations that lead the way in outstanding “people-first” HR practices. Participating companies can be validated, certified and recognised as an employer of choice through the Top Employers Institute Certification Programme. For the 2024 certification, the Institute certified over 2 052 organisations in 123 countries, which impact the lives of over 8 million employees globally. Santam achieved Top Employer certification for the eighth consecutive year and was ranked 8th out of 135 participating companies in South Africa, up from 10th place in the 2023 certification.

For the next reporting period, we expect that South Africa and the world economy will continue to face a challenging period with economic growth and employment levels remaining suppressed in South Africa.

We remain confident in the group’s prospects and the potential to deliver enhanced growth and profitability through several strategic initiatives. These include continuing to implement appropriate underwriting actions, successfully embedding the new operating model and scaling the direct businesses, extracting value through closer collaboration with the Sanlam Group, and solidifying our partnerships strategy. Critically, we have confidence in our ability to manage the current landscape and client expectations.

The committee believes that our broader people and remuneration strategy is supportive and well positioned to build and maintain a transformed, diverse, high-performing and inclusive culture where our employees are inspired to deliver superior performance through meaningful work that makes a difference in the lives of our clients, intermediaries, and other stakeholders. In this report, we explain our remuneration policy and the application thereof. This includes implementing key policy changes to short-term incentive (STI) and long-term incentive (LTI) schemes, which creates greater alignment with shareholder interests.

Reflecting on 2023 financial performance

The group’s diversification across market segments, insurance classes and geographical reach served us well. Our industry-leading human capital base and strength of our balance sheet provided a solid platform to achieve an overall satisfactory performance, despite the challenging operating environment highlighted above.

The group’s conventional insurance business achieved net earned premium (NEP) growth of 5.8%. A net underwriting margin of 3.5% was reported, below the group’s target range of 5% to 10%. Excluding large one-off items, an underwriting margin of 8.4% was achieved, well up on the comparable 6.0% in 2022. This reflects a robust underlying operating performance. Investment markets were more favourable, which together with an outperformance of benchmarks, contributed to a return on insurance funds of 2.6% of net earned premiums compared to 1.2% in 2022. An annualised return on capital (RoC) of 28.5% was achieved, well in excess of the hurdle rate.

The full financial and strategic results are explained in detail in our integrated report, and relevant aspects are highlighted later in this report. Our 2023 remuneration decisions align directly with the past year’s business strategy and performance.

2023 remuneration outcomes and decisions

In April 2023, employees were awarded base salary increases of 5.75% (on average).

For 2024, an overall 5.75% increase in the guaranteed pay base has been approved, with differentiation based on performance and market competitiveness.

For the 2023 financial year, the corporate achievement against performance bonus targets were as follows:

- The achievement against financial conditions amounted to 95.2% of target (47.6% contribution to the overall score based on a 50% weighting)
 - » The underperformance of the net insurance result (NIR) and underwriting margin targets has a negative impact, with low achievement in respect of these components
 - » Growth in gross written premium (GWP) was acceptable at just below 100% achievement on this target
 - » Expense management was good, leading to a high score in respect of this target
 - » The Santam share price performed very well in absolute and relative terms for the year, resulting in a 200% achievement for these components
 - » Return on capital for the year excluding one-off investment gains, fell slightly short of the 24% hurdle rate, contributing to some underperformance in this element
 - » The result in respect of dividend growth was slightly above target
- Strategic initiatives were assessed at an achievement level of 111.2% of target (55.6% contribution to the overall score based on a 50% weighting)

The overall corporate performance bonus achievement was a score of 103.2%. Further detail of achievement against targets is outlined on page 16 of this report.

As per the policy amendment last year, in June 2023, we only awarded performance deferred share plans (PDSPs) to executive committee members and senior management employees. All PDSPs awarded carry the same performance conditions of group return on capital performance of between 16% (threshold) and 24% (stretch), measured over the performance and vesting periods of three, four and five years. No deferred share plan shares (DSPs) with only individual performance conditions, were awarded to senior management. DSPs are reserved for emerging talent, succession planning and retention at levels below senior management.

We kept close to market developments and carefully reviewed all aspects of remuneration to ensure Santam remains competitive, while our remuneration policy is bespoke and agile to enable our unique business strategy.

Key executive changes

Several executive changes occurred in 2023 partly due to retirements as we embed our new target operating model aligned to our FutureFit strategy.

John Melville (group chief underwriting officer) retired at the end of June 2023, with Asher Grevler (former chief risk officer) acting in this role since 1 July 2023. Charisse Ras (former deputy chief risk officer) was appointed as chief risk officer effective 1 July 2023. John was pivotal in leading the business through a difficult underwriting landscape during his tenure at Santam.

Steve Murphy (CEO: Santam Re & International) retired at the end of 2023. Sory Diomande succeeded Steve, effective 1 July 2023. Steve continued to play a business development role at Santam Re & International until retirement. Steve’s commitment and dedication to the success of Santam Re & International and the wider Santam group has been exemplary.

Hennie Nel (group chief financial officer) accepted an appointment to the role of executive head: corporate finance at Sanlam Limited with effect from 1 July 2023. In this new role, Hennie will lead a Sanlam Group-wide corporate finance team comprising the combined Santam and Sanlam functions. This is a key outcome of the collaboration intent across the Group. Hennie was key in leading our business through some very challenging times. Hennie was succeeded by Wikus Olivier, from the Sanlam Group, as chief financial officer and executive director effective 1 July 2023.

Gerald Van Wyk (CEO: Client Solutions) assumed the position of CEO designate for the AfroCentric group in August 2023. Gerald was succeeded by Atang Matebesi, who joined us from the Sanlam Group, effective 1 July 2023.

Enid Lizamore (executive head: human resources) resigned from the business effective March 2023. During her tenure with Santam, she noticeably lifted the level of human capital capability within Santam, and we stand proudly among peers and competitors. Enid was succeeded by Norah Sehunoe, who joined us from Sanlam Corporate, effective 1 April 2023.

Gloria Tapon Njamo, acting in the role since January 2023, was appointed as CEO: Partner Solutions effective 1 July 2023.

Key executive changes (continued)

Edward Gibbens (chief commercial officer), a long-serving stalwart of our business, resigned from Santam at the end of 2023. He is much respected for his depth of knowledge about the short-term insurance industry and his contribution to the Santam business over the many years. Edward was succeeded by Quinten Matthew, effective 1 December 2023.

Gugu Mtetwa (executive head: investor relations) was appointed as chief operating officer, succeeding Quinten Matthew, effective 1 July 2023.

Sam Nkosi was appointed chief information officer effective 10 July 2023.

Tinyiko Ribisi-Termark (chief legal officer) assumed a new role as chief operating officer: Santam Re & International, effective 1 January 2024.

Lastly, Andrew Coutts resigned from the business as CEO: Broker Solutions. Fanus Coetzee succeeded Andrew effective 1 December 2023.

The internal appointments and transfers (between Santam and Sanlam) are part of our commitment to collaboration and talent mobility across the Sanlam Group and further cements our investment in the development of our leaders.

We sincerely thank Enid, John, Gerald, Steve, Hennie, Edward and Andrew for their contribution and commitment to Santam and wish them well in their future endeavours.

All resignations, inter-group transfers and retirements were treated in accordance with the approved remuneration policy insofar as it relates to unvested bonuses and LTIs.

Change in HRRC chairperson

Dawn Marole retired on 30 September 2023 after serving on the board for a decade, notably as chairperson of the human resources and remuneration committee (HRRC) and the social, ethics and sustainability (SES) committee and member of the nominations committee. We express enormous gratitude to Dawn for her contributions made during her tenure at Santam. Lucia Swartz succeeded Dawn Marole as HRRC chairperson.

Key policy changes implemented

In the context of the group's refreshed FutureFit strategy, the group STI scorecard was amended for 2023:

- To enhance focus on strategic execution, a 50/50 weighting has been introduced between financial and strategic performance conditions
- Additional financial performance metrics have been added, linked to the key drivers of shareholder value. These include absolute and relative total shareholder return metrics based on the performance of the listed Santam share

From 2023, executive committee members have up to 10% of their key performance metrics for their annual performance contracts linked to ESG metrics. From 2024, ESG metrics will have a weighting of at least 10%. In addition, as people and social imperatives are critical for our business, at least 10% is based on people, culture, transformation and development metrics.

An out-performance plan (OPP) was agreed for the Santam CEO to drive the key aspirations of the business aligned to the refreshed FutureFit strategy. The full details of this incentive, the relevant company financial performance conditions and strategic targets are set out in the remuneration policy and implementation report.

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

Shareholder engagement and voting outcomes

Through our individual engagements with shareholders, we received positive feedback on the consultations and actions taken to simplify remuneration design and increase disclosure.

At the 2023 AGM (relating to the 2022 financial year), our remuneration policy received a positive vote of **92.29%**, while our implementation report received a positive vote of **87.47%**.

We welcome ongoing engagement with shareholders and extend a standing invitation to shareholders to engage with us on our remuneration 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 dialogues. This report expands on our disclosure in line with comments received from our engagements with shareholders.

Regards

Lucia Swartz

Chairperson: human resources and remuneration committee

Part 2: Overview of remuneration policy

Remuneration governance and committee responsibilities

The Santam Limited board (board) is responsible for the governance of remuneration in the Santam group. The board mandates the human resources and remuneration committee (HRRC) to ensure that the organisation remunerates fairly, responsibly and transparently to promote achieving strategic objectives and positive outcomes for all of the group's key stakeholders in the short, medium and long term. Santam's remuneration philosophy and policy support the group's strategy by incentivising the behaviours required to meet and exceed our pre-determined strategic goals. Short- and long-term strategic objectives are measured and rewarded, and this blended approach strongly mitigates excessive risk-taking and balances longer-term strategic objectives with short-term operational performance. The remuneration philosophy is, therefore, also an integral part of the group's risk management structure. We consider prevailing economic conditions and local and international governance principles in setting up the reward structures.

The group pays attention to correctly positioning the nature and the scale of remuneration relative to appropriate comparator groups, governance standards and international best practice. These include the Prudential Standards (Governance and Operational Standards for Insurers, issued in terms of the Insurance Act in South Africa) and the King IV Report on Corporate Governance™ in South Africa 2016 (King IV)¹. The group conforms to the remuneration principles contained in the Broad-based Black Economic Empowerment (BBBEE) Codes of Good Practice, issued by the South African Department of Trade and Industry and Competition (dtic) in accordance with the BBBEE Act, 46 of 2013.

Santam is the sole or part owner of several businesses, including subsidiaries and associated companies. While compliance with the Santam remuneration strategy and policy is primarily targeted at Santam Limited and its subsidiary companies, Santam will use its influence to encourage sound remuneration practices in those businesses where it does not hold a controlling interest.

The HRRC 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 HRRC 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 STI and LTI schemes and setting remuneration packages for the Santam executive directors, the Santam executive committee and the Santam heads of control functions, relative to industry benchmarks. Recommendations made by the business on the remuneration design of key persons (as defined in the Prudential Standards) are reviewed and approved by the HRRC.

The HRRC has the prerogative to make all remuneration decisions it deems appropriate within an approved framework. It may propose amendments to any part of the group's remuneration policy as necessitated by changing circumstances. It makes recommendations to the board regarding the remuneration of Santam's non-executive directors. To fulfil the role described above, the HRRC undertakes the following:

- It oversees and recommends to the board for approval STI and LTI schemes, subject to shareholder approval where applicable. This includes setting guidelines for annual allocations and regularly reviewing the appropriateness and structure of the schemes to ensure alignment with Santam's strategy and stakeholder interests
- It sets appropriate performance drivers for STIs and LTIs, monitoring and testing those drivers and vesting outcomes
- It 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, key persons, and persons whose actions may have a material impact on the group's or its insurance companies' risk exposure
- It reviews the management of employment contracts and determination of remuneration packages, including total guaranteed package (TGP), STIs and LTIs of Santam executive directors, Santam executive committee members and the heads of control functions to ensure that their remuneration and terms are aligned with good practice principles
- It reviews the remuneration strategy and finalises the remuneration of Santam executive directors, Santam executive committee members and heads of control functions, including TGP, STIs and LTIs, and other conditions of employment
- It develops and recommends to the board for approval STI and LTI schemes for the CEO and other Santam executive committee members. It includes setting annual targets, monitoring those targets, and reviewing the incentive schemes regularly to ensure a clear link between the schemes and performance in support of the group strategy. Furthermore, the HRRC ensures that incentives are appropriate, supported by corporate governance standards and that the design is aligned with long-term value creation for shareholders and other stakeholders
- It reviews the succession plans for the CEO and members of the Santam executive committee and provides for succession in emergencies and over the long term
- It recommends to the board the fees of the Santam non-executive directors for approval at the annual general meeting (AGM)

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference. Read more about the HRRC's terms of reference online and the composition and summarised terms of reference for the HRRC in the corporate governance report.

During 2023, the HRRC considered the following matters and approved (where relevant):

- Changes to the remuneration approach based on feedback received from shareholders, investors and proxy voting advisor engagements
- Benchmarking remuneration levels and practices to local comparator groups
- Monitoring and approving STIs and LTIs, as appropriate
- Benchmarking Santam executive directors and Santam executive committee members' remuneration against a suitable market
- Benchmarking Santam non-executive directors' remuneration against a suitable market and recommended fee proposals to be considered by shareholders at the 2023 AGM
- Review of Santam's remuneration policy and practices in South Africa against prudential standards, King IV, applicable governance principles and market best practice
- Remuneration design for heads of control functions and persons whose actions may have a material impact on the organisation's risk exposure
- The remuneration review/annual increases and STI and LTI awards of the Santam executive committee
- STI measures achieved for accrual of bonus pool/s and achievement of performance conditions for the vesting of LTIs
- Considering findings and analyses on race and gender pay equity across all levels in the group and approving appropriate actions in this regard
- Considering measures to support existing strategies to address people transformation at all levels of the organisation
- Review of Santam's STI scheme design and performance conditions

¹ Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.

Remuneration philosophy

Santam has a total reward strategy for our people. This offering comprises remuneration (cash remuneration, STI and LTI), benefits (retirement fund, medical aid, risk benefits, group life, etc.), learning, development and career growth and a balanced working environment with a 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 total remuneration across the group
- Provide guidelines for STI, LTI 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 Santam businesses and, where warranted, differentiation in remuneration is applied to enable businesses 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 Santam brand or corporate identity require full disclosure, motivation and approval by human resources committees, either at group or business level.

The principle of pay for performance and management discretion about individual employees is central to the remuneration philosophy because all remuneration is based on merit. However, the overarching principles of the Santam 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 Santam business strategy. Therefore, it must be market-competitive, fair and equitable to all stakeholders.

The primary objectives of the remuneration policy are to:

- Attract, motivate, reward and retain key talent
- Drive the group's strategic objectives while complying with our risk and governance frameworks
- Promote an ethical culture and behaviours 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 as to provide for clear differentiation between individuals with regard to performance. It is also positioned to maintain a clear link between performance conditions and the Santam 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 to ensure sustainability
- **Leverage and alignment:** As far as possible, the reward consequences for individual employees are aligned with, linked to, and influenced by:
 - » The interests of Santam shareholders (and, where applicable, minority shareholders in subsidiaries)
 - » The interests of other stakeholders (for example, employment equity, client service, the community)
 - » Sustainable performance of Santam as a whole
 - » The performance of any region, business unit or support function
 - » 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 market comparison for specific skills groups or roles and differentiation concerning performance is imperative. Unfair differentiation is unacceptable
- **Attraction and retention:** Remuneration practices are recognised as key in attracting and retaining the required talent to meet Santam's objectives and ensure its sustainability
- **Shared participation in relevant components of remuneration:** Employee identification with the success of Santam is important as it is directly linked to both Santam's and individual performance. All employees should have the chance to be recognised and rewarded for their contribution and the value they add to Santam and for achieving excellent performance and results in relation to Santam's stated strategic objectives. The performance management process contributes significantly to lending structure to the process and obtaining this participation level
- **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, all employees understand the link between remuneration and Santam's strategic objectives
- **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 occur, 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 Santam 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 executive committee members. Only the executive directors (group chief executive officer and group chief financial officers) are viewed as prescribed officers and their remuneration is disclosed in detail in this report.

Element	Purpose	Potential	Design	How delivered?
TGP	Reflects market value of role and individual performance.	Market benchmark for comparative role.	Annual benchmarking against market surveys.	Cash salary and a mix of compulsory and discretionary benefits.
STIs	Rewards performance over a 12-month period (financial year).	For executive committee STIs on-target ranges between 75% – 100% of TGP. Maximum STI caps are set at 200% of TGP.	Quantum for executive committee based on individual, business and group performance.	Cash settlement generally capped at 200% of TGP. For executive committee deferral principles apply at a minimum of 30% of STI.
LTIs	Rewards company performance over a 3-to-5-year period. Long-term value creation for shareholders.	Total LTI award levels range between 35% and 275% of TGP (based on unvested awards). These percentages as an indicative annual award comprise approximately 10% to 70% of TGP.	Vesting in tranches in years 3 (40%), 4 (30%) and 5 (30%).	Vesting is based upon reaching individual/strategic performance targets and meeting relevant company performance hurdles where relevant. Potential is capped at a maximum of 275% of TGP.
Restricted Santam shares	For attraction and retention of key talent, as well as the mechanism for the partial deferral of executive committee STIs.	Potential is linked to market benchmarks for attraction and retention. For STI deferral shares, 30% of the annual bonus for executive committee is granted in RSPs.	Vesting profiles are dependent on the sign-on agreement and the delivery of strategic initiatives in case of attraction and retention. STI deferral shares vest after 3 years.	Vesting is subject to strategic and other performance conditions, employment and malus and clawback in the case of attraction and retention. For STI deferral shares, vesting is subject to continued employment and maintaining individual performance.
OPPs	Focused and bespoke incentives for a specific period (long-term) aligned to Santam's strategy and key strategic projects.	100% – 200% of TGP per annum.	Performance conditions are set considerably more stretched than LTIs. Due to the out-performance targets set the probability of vesting is lower than LTIs.	OPP's value measured and delivered in Santam shares to align with shareholders. By exception (and if good rationale exists) may be settled in cash, but this will be disclosed.

Remuneration overview (continued)

Total guaranteed package

Purpose

TGP is the guaranteed component of the remuneration offering. It forms the basis of the group's ability to attract and retain the required skills. To create a high-performance culture, Santam emphasises the variable/performance component of remuneration rather than the guaranteed component. For this reason, TGP is normally positioned on the 50th percentile of the market.

As an integral part of TGP, Santam provides a flexible structure of benefits that can be tailored, within certain limits, to individual requirements. These include:

- Retirement funding
- Group life cover and other risk benefits
- Medical aid or insurance

Process and benchmarking

Average TGP is set by reference to the median paid by a comparator group of similarly sized companies, which Santam considers appropriate. The comparator group comprises a sizeable and representative sample of companies in the insurance sector (but not limited to this sector) with similar market capitalisation and an international footprint. In terms of the process followed for benchmarking TGP against these comparator companies, Santam obtains and analyses data from several local salary surveys. In addition to this benchmarking process, Santam considers the skills, potential and performance of the individual concerned and the current consumer price index of the country.

HRRC's role

Upon completion of the benchmarking process, proposals regarding increases for the following year are considered and approved by the HRRC. The HRRC also reviews and approves the adjustments to TGP for each Santam executive director, executive committee member and head of control function.

Levels

On average, TGP levels are positioned around the comparator market's median. Where specific skills dictate, TGP levels may be set at more than the median. 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 employees' performance with the group's goals and to motivate and reward employees who outperform the agreed performance hurdles. The focus is on operational matters to optimise profitability, to grow the business and to ensure strategic execution sustainably. The design and quantum of the annual performance bonus is regularly reviewed against market best practice, and the quantum is benchmarked against the market using a relevant comparator group.

HRRC's role

The HRRC's role regarding the annual performance bonus plan is to:

- Determine the overall structure of the annual performance bonus plan, ensuring 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 annual performance bonus plan, as well as the percentage of TGP that can be earned at each level by each group of employees
- In respect of Santam executive directors and executive committee members:
 - » Agree on the performance drivers for their annual bonus plan
 - » Agree on the relative contribution of business, group and individual/strategic performance criteria
- Consider and approve proposals regarding annual bonuses for Santam executive committee members and heads of control functions
- Determine, within its discretion, the final quantum of performance bonus payments to avoid any unintended consequences of bonus design principles and to support risk alignment

Group and business performance measures are multi-dimensional and are required to support positive outcomes on various strategic indicators, including economic, social and sustainability metrics.

Remuneration overview (continued)

Short-term incentives (continued)

STI potential and weightings for executive directors

The design of the executive directors' bonus structure is driven by simplicity and line of sight and to enable the Santam business strategy as encapsulated in the group measures.

However, performance bonus outcomes are subject to committee discretion to avoid unintended consequences.

The payments that executive directors can achieve at the target and stretch levels are indicated below (including the weighting of business and strategic objectives). These levels are benchmarked with comparator groups and other components of remuneration.

Individual	Potential (% of TGP)		Weightings for STI	
	On-target	Maximum	Financial %	Strategic %
Tavaziva Madzinga	100	200	50	50
Hennie Nel	85	170	50	50
Wikus Olivier	85	170	50	50

Executive committee STI payment and deferral

For the executive committee, the performance bonus is paid partly in cash in March, following the prior year-end, and partly deferred into restricted Santam shares (deferred bonus shares). The current split is at a minimum 70% cash/30% deferral. Bonus shares have no further forward looking performance conditions and vest subject to continued employment and satisfactory individual performance (based on non-financial key performance areas only) after three years. Malus and clawback principles apply.

Executive directors' STI principles

Executive directors' annual performance bonus targets incorporate several financial and strategic performance measures directly linked to the group strategy and key performance indicators. Key financial metrics and strategic targets for 2023 included:

Financial performance metrics

- 1. Santam group net insurance result (NIR):** Source of cash generation in support of dividends to our shareholders.
- 2. Growth in gross written premium (GWP):** Indication of the size of the business and future earnings growth potential.
- 3. Santam group conventional underwriting margin:** Indication of pricing, claims risk management and efficiency.
- 4. Total shareholder return (relative):** Shareholder value creation.
- 5. Total shareholder return (absolute):** Shareholder value creation.
- 6. Management expense ratio:** Indication of cost efficiency.
- 7. Dividend growth:** Indication of cash generation for shareholders.
- 8. Return on capital (RoC):** Measuring overall financial performance, including capital efficiency.

Strategic targets

- 1. Strengthen leadership position in South Africa** through scaling direct, expanding multi-channel distribution and maintaining dominance in the broker market.
- Growing alternative revenue sources and reaching new markets through **ecosystems and partnerships**.
- Drive international expansion and diversification:** Building the Pan-African specialist business and selectively building other international businesses through Santam Re and Specialist Business.
- Brand and Client Experience:** Creating intuitive client journeys enabled by technology.
- Technology modernisation:** An enabler and driver of innovation, efficiency and optimal decision making.
- Culture, values and talent management:** Empowering our people, embedding our values and evolving our culture to be competitive in a rapidly changing world.
- Sustainability/ESG:** Help build resilient societies through an impactful Partnership for Risk Resilient programme. Measure transformation (employment equity, preferential procurement, skills development, financial inclusion, number of supporting black brokers). BBEEE scorecard Level 1 and maintain ranking of being on the FTSE/JSE SRI Top 30 Index.
- Sound governance, risk management and compliance:** Adherence to the Santam Internal Control policy. Effective management of operational risk exposures. Driving a risk-aware and strong governance culture.

Discretionary bonuses

Where the bonus targets are not achieved in full, a reduced bonus, based on a sliding scale, will be paid only if a minimum threshold performance level has been achieved (performance at individual and business levels).

Where the minimum annual business bonus targets are not achieved, an amount may be set aside to reward exceptional individual performance at the discretion of the CEO and subject to HRRC approval.

The annual bonus targets at a business unit level incorporate financial and non-financial performance measures directly linked to the group strategy and key performance indicators, including net insurance result, premium growth, management expense ratio and transformation targets. The specific performance targets and relative weighting are determined per business unit based on the business unit's strategic initiatives. The support functions' targets reflect the group's overall performance.

Remuneration overview (continued)

Short-term incentives (continued)

Retention arrangements

Retention arrangements, typically driven by forfeitable bonus payments upon sign-on or for the retention of specific employees for a specific period, where it is a strategic imperative, may be made to key employees. Such retention arrangements are subject to a retention period. In certain instances, where performance or agreed outputs and the conditions of continued employment are not met, the retention quanta is repayable in full, or shares are forfeited. For senior employees and executives, awarding LTI or deferred shares [with future vesting dates based on certain performance and employment conditions] is Santam's preferred policy to ensure retention.

Where incoming senior and key employees forfeit bonuses upon sign-on with the group, agreeing on a sign-on bonus or restricted share award (subject to a retention period) with such employees may be necessary.

Retention arrangements/share awards are subject to malus and clawback provisions.

Santam non-executive directors are not eligible for any STIs, LTIs or retention arrangements.

Long-term incentives

Overview and general policy

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

The primary LTI is the performance deferred share plan in terms of which deferred shares (PDSPs), with financial, strategic and individual performance conditions for vesting, is the mechanism for retention and incentivisation of key talent and management employees. Deferred shares (DSPs) with individual performance and employment conditions are utilised for successors and emerging talent.

The OPP, operating over the long term with extremely stretched performance conditions (exceeding those of the PDSPs), is a focused incentive where the value created is delivered in Santam shares.

All LTIs (i.e. DSP and PDSP) are equity-settled plans from a Santam perspective. OPPs can be cash or share-based plans. However, equity settlement for OPPs is the preferred remuneration approach, with cash settlement being the exception. No cash settled OPPs are currently in operation.

HRRC's role

The HRRC's role as far as the LTI plans are concerned is to:

- Ensure their structure contributes to shareholder value, employee retention and the group's long-term sustainability
- Approve award levels
- Set appropriate performance measures for each award and review and approve vesting outcomes versus performance conditions set. Where performance conditions are not met, to ensure forfeiture of awards

Before 2019, Santam granted executive committee members awards under the Sanlam DSP and the Sanlam PDSP as part of the broader Sanlam Group. As a result, certain executive committee members had minimal historic invested awards under the Sanlam DSP and PDSP.

The scheme has 12 million available shares.

Participation

LTIs are awarded to employees with a line of sight of group performance or critical talent employees executing the business strategy. For emerging talent and transformation purposes, shares without financial performance conditions may be awarded in the form of DSPs. LTIs are an essential tool in retaining and attracting key talent.

Award policy and vesting for DSPs/PDSPs

For DSP/PDSP, Santam'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 award is generally not made at once to new participants but staggered over two to three years. Therefore, it differs from certain market competitors where the same percentage of TGP is awarded annually.

As Santam'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 multiple per level should be annualised [generally divided by 3.9] to compare it to competitor companies' awards.

The general total DSP/PDSP award levels for employees eligible to receive LTI are as follows:

Level	% of TGP (Total unvested LTI multiple awarded over two to three years, NOT annual awards)	% of TGP (Annualised)
Executive committee	170% – 275% ¹	43.6% – 70.5%
Senior management	120% ¹	30.8%
Specialists/middle management and emerging talent and management succession	35% – 70% ²	8.9% – 17.9%

¹ PDSP awards only.

² DSP awards only.

As participants' DSPs/PDSPs vest or participants receive TGP increases, replacement awards are made to ensure key and critical talent remains locked in at up to the total LTI multiple (as a percentage of TGP).

Remuneration overview (continued)

Long-term incentives (continued)

Award policy and vesting for DSPs/PDSPs (continued)

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. Any such higher allocations will be disclosed in the case of executive directors.

Deferred share plans

From 2022 onwards, only performance shares will be awarded to senior management and the executive committee.

Awards granted in terms of the DSP are conditional rights to acquire shares for no consideration, subject to vesting conditions being satisfied. The award has individual and strategic performance hurdles attached to it.

For Santam executive committee members who received awards before 2022, these hurdles are derived from business scorecards reflecting key strategic objectives.

The former CFO (Hennie Nel) had the following strategic metrics for vesting of historic DSPs:

1. Strengthen leadership position in South Africa
2. Drive international expansion and diversification
3. Culture, values and talent management
4. Technology modernisation
5. Sustainability/ESG
6. Sound governance, risk management and compliance

The outcomes of testing DSP vesting conditions for executive directors are disclosed on page 17 of the implementation report.

The 2023 DSP award (issued to middle management/specialists and emerging talent only) is eligible for vesting after year 3 (40%), 4 (30%) and 5 (30%), subject to individual performance and continued employment.

Awards granted under the DSP scheme for middle management/specialists and emerging talent in 2023 have a face value of up to 70% of TGP.

Performance deferred share plans

PDSPs have a five-year tranche vesting profile.

Performance hurdles are reviewed carefully each year to ensure they are competitive, create value for shareholders, motivate key employees who participate in LTIs and should be flexible enough to address extraordinary events.

The HRRC will set the performance conditions for every PDSP to ensure they are relevant, support Santam's business strategy and reflect stretched targets.

The use of RoC as a performance condition is considered appropriate as this is the key performance indicator of the group's strategy and long-term sustainability. Using this measure means a direct link between the LTI reward, group strategy and shareholders' interests. See page 17 of the implementation report regarding achieving RoC targets for the three-, four- and five-year measurement periods and the applicable tranches.

The 2023 PDSPs are eligible for vesting after year 3 (40%), 4 (30%) and 5 (30%), and the RoC will be tested over the financial years applicable to these vesting periods. Performance conditions for the 2023 PDSP award are as follows:

2023 performance conditions

2023 allocations are subject to RoC performance conditions of between 16% (threshold) and 24% (stretch).

Historic performance conditions were disclosed in detail in previous remuneration reports, but the detail is included below for completeness.

2021 and 2022 performance conditions

2021 and 2022 allocations are subject to RoC performance conditions of between 16% (threshold) and 24% (stretch).

2020 performance conditions

Following the economic downturn due to COVID-19 and the lower interest rate environment, the measurement of the 2020 awards commenced on 1 January 2021 to take cognisance of the extraordinary effect of the COVID-19 pandemic on the 2020 financial results. The allocations for 2020 are subject to RoC performance conditions of between 16% (threshold) and 24% (stretch).

Performance conditions before 2020

Before 2020, the RoC threshold to measure share vesting was the Santam group's cost of capital. No adjustments will be made to any historical measurements or targets for PSDP allocations before 2020.

Discretion of the HRRC concerning LTI performance conditions

To ensure that performance conditions do not result in unintended consequences, the HRRC can apply discretion in reviewing performance condition outcomes when considering/approving vesting of DSPs and PDSPs. In applying its discretion, the HRRC will consider external factors that significantly impact the calculation of RoC, such as the impact of extraordinary currency, bond and equity market movements beyond the control of management. The HRRC has the discretion to exclude the impact of such extraordinary events (both positive and negative) and determine that a percentage of the award may vest, subject to any additional conditions which may be determined.

Where HRRC discretion is exercised, it will be fully disclosed to shareholders in the annual remuneration report.

Remuneration overview (continued)

Long-term incentives (continued)

Out-performance plan (OPP)

The purpose and strategic intent of OPPs are explained in the remuneration overview. Where it supports the Santam business strategy and after review and approval by the HRRC, OPPs may be granted to individual executive committee members. These executive committee members are typically the group CEO and leaders of the group's main operating businesses. The committee will set relevant and stretched targets applicable to the business area, the group and, most importantly, to align to the strategic targets of the Santam business strategy. At the committee's discretion, OPPs may be extended (by exception) to business leaders below the executive committee.

The OPP rewards exceptional performance over three to five years, 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 stretch. OPPs are designed to be fully self-funded. As a principle, all policy principles applicable to performance share awards consistently apply (where relevant) to OPPs.

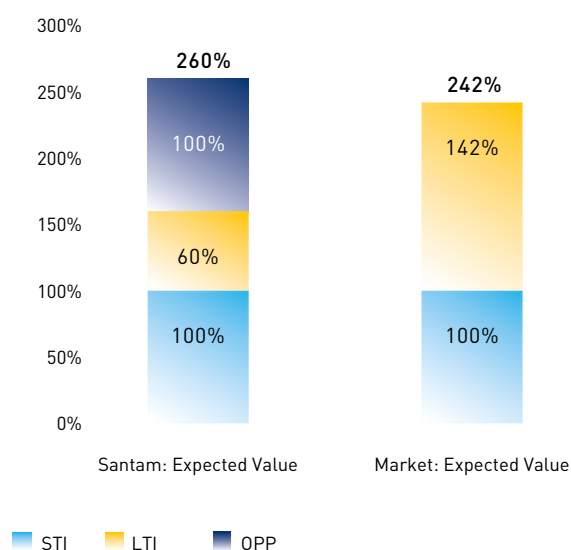
The maximum value that can be earned in terms of an OPP is 200% of TGP per year over the OPP period (five years), therefore 10 times the annual TGP. Where the value is settled in shares, the percentage of shares which qualify for vesting after the measurement period (if any) depends upon the OPP achievement between minimum and maximum hurdles.

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 total variable pay potential (STI, LTI and OPP) of the Santam group CEO versus similar CEO and executive roles at competitor companies of similar size and complexity have been considered and are disclosed below.

The graphs below depict the total variable pay potential (expected value) expressed as a percentage of TGP.

GROUP CEO OPP



Certain assumptions and inputs needed to be applied as with any indicative depiction. 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. Assumptions/inputs applied:

1. Based on Santam and market data, a consistent average TGP was used in the indicative graph.
2. Market LTI vesting probability of 80% (of market face value of 178% of TGP) is in accordance with vesting probability benchmarks from independent remuneration consultants.
3. Santam LTI vesting probability of 85% (based on RoC internal model simulations) applied to the annual allocation (70% of TGP per year), equating to 60% of TGP.
4. Santam's OPP assumed a vesting probability of 50% applied to the face value allocation (200% of TGP per year), equating to 100% of TGP.

The graphs illustrate that Santam's OPP potential (expected value) compares well with the STI and LTI potential of CEOs of similar competitor companies. The OPP is therefore considered a fair and equitable instrument from a market competitive perspective, specifically considering that stretch performance is required for the OPP.

See page 19 of the implementation report for further details and measurements about the group CEO's OPP arrangement.

Use of Santam shares subject to vesting conditions

To support the attraction and retention of key talent and long-term alignment with shareholders where remuneration payable in cash is deferred (for example, deferred bonuses) or for sign-on arrangements, Santam restricted shares may be awarded. Such shares are purchased in the market and held by the individual in a restricted account. They will become unrestricted only if vesting conditions (strategic and other appropriate conditions) and continued employment conditions are met.

Per the malus and clawback policy, these Santam shares are also subject to malus and clawback provisions.

Remuneration overview (continued)

Long-term incentives (continued)

Number of LTI Awards

	2023	2022
Number of shares (per type) awarded under the Santam DSP	358 901	292 536
Number of participants per year under the Santam DSP	307	320
Number of shares (per type) awarded under the Santam PDSP	371 935	275 423
Number of participants per year under the Santam PDSP	60	51

Risk adjustment

Provision is made to protect the group from inappropriate risk-taking behaviour concerning 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 require executives to hold a percentage of vested LTIs as shareholders and not to sell LTIs upon vesting
- Partial deferral of bonuses for executive committee into restricted Santam shares for three years
- A measurement period of three to five years for LTI performance hurdles before vesting occurs
- 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 group attributable to the employee.
- In assessing whether defined trigger events have occurred, the HRRC will work with the relevant board committee, the board, professional advisors and any other department within the group to ensure correct assumptions
- Reduction of any bonus or incentive (up to nil) if there has been a control breakdown or a compliance default, either on a business unit or individual level
- Compliance with legislation and governance best practice standards in the financial services industry

Executive contracts

Santam executive directors and executive committee members are contracted as full-time, permanent employees for employment contracting purposes. As a standard element of these contracts, a restraint of trade (12 months) is included, which Santam has the discretion to enforce depending on the circumstances surrounding the individual's departure.

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

Minimum shareholding requirement

To drive alignment between executive and shareholder interests, Santam applies a minimum shareholding requirement (MSR) policy to all current and future members of the Santam executive committee, including Santam executive directors (participating executives). In terms of these arrangements, minimum shareholding levels, expressed as a percentage of annual TGP, must be reached within six years from a participating executive's appointment date.

Level	Minimum level	Previous minimum level
CEO	150%	100%
Other participating executives	75%	50%

There is no maximum limit on the MSR holding of participating executives.

Participating executives are required to maintain the target shareholding throughout their tenure with the group. Unvested shares awarded in terms of an LTI plan will not be considered when assessing compliance with the MSR policy.

Incentive arrangements implemented after 1 January 2019 may include MSR terms and conditions as determined by the HRRC to ensure compliance with the prescribed levels in the prescribed periods and the implications of not adhering to the MSR.

To determine 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 average closing price of Santam ordinary shares on the 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 HRRC and the board and are then proposed to shareholders for approval at the AGM.

See special resolution number 1 in the 2023 Notice of AGM. For the period 1 July 2024 to 30 June 2025 a general increase of 5.75% (aligned with employee increases) is proposed, with limited adjustments to some committee fees based on market benchmarking to ensure Santam remains competitive.

The fee structure will remain in place for one year, from 1 July until 30 June. Non-executive directors receive annual board fees and retainers. In addition, a fee is paid for attending board and committee meetings. Santam pays for all travel and accommodation expenses in respect of board meetings. The chairperson of the board 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.

Part 3: Implementation report

Remuneration details for executive directors

Executive remuneration summary

Only the executive directors (group chief executive officer and group chief financial officers) are viewed as prescribed officers and their remuneration is disclosed in detail in this report. Remuneration earned by executive directors was as follows:

Table 1

Remuneration for the year ended 31 December 2023

The vesting value of LTIs is disclosed in the table below for total remuneration. Separate disclosure is provided regarding the number and value of LTIs awarded and vested in the year (refer to page 18).

Individuals	Months in service	Salary R	Contribution to retirement fund R	Subtotal: guaranteed package R	Performance bonus ²		Restricted shares R	Attributable value of LTIs ¹		Total remuneration R
					Cash R	Deferred R		Other R		
Tavaziva Madzinga	12	7 472 500	350 000	7 822 500	–	9 520 000 ⁵	2 530 230 ⁴	–	–	19 872 730
Wikus Olivier ³	12	3 765 000	350 000	4 115 000	2 894 378	1 240 448	–	–	11 000	8 260 826
Hennie Nel ⁶	12	3 840 000	350 000	4 190 000	1 293 994	554 569	–	3 494 812	18 000	9 551 375
Total: executive directors		15 077 500	1 050 000	16 127 500	4 188 372	11 315 017	2 530 230	3 494 812	29 000	37 684 931

¹ Vesting value.

² Performance bonus in respect of 2023 paid in 2024.

³ Appointed on 1 January 2023 as deputy CFO and CFO and executive director effective 1 July 2023.

⁴ Awarded R7.5 million in restricted Santam shares upon appointment, these shares vesting 12, 24 and 36 months after award date (in equal tranches), to compensate for remuneration forfeited upon joining Santam. All vested restricted Santam shares were pledged to MSR – vesting value reflected in table.

⁵ Full FY2023 performance bonus deferred into restricted Santam shares.

⁶ HD Nel resigned from Santam Ltd effective 1 July 2023. Amounts are, however, for the full year and include salary and benefits earned from Sanlam Ltd after 1 July 2023.

Table 2

Remuneration for the year ended 31 December 2022

Individuals	Months in service	Salary R	Contribution to retirement fund R	Subtotal: guaranteed package R	Performance bonus ²		Sign-on bonus R	Attributable value of LTIs ¹		Total remuneration R
					Cash R	Deferred R		Other R		
Tavaziva Madzinga ³	9	5 362 500	262 500	5 625 000	5 250 000	2 250 000 ³	3 800 000	–	–	16 925 000
Lizé Lambrechts ⁴	6	2 907 750	175 000	3 082 750	2 000 000	–	–	6 938 103	883 665	12 904 518
Hennie Nel	12	3 520 562	350 000	3 870 562	1 232 527	528 226	–	1 473 684	–	7 104 999
Total: executive directors		11 790 812	787 500	12 578 312	8 482 527	2 778 226	3 800 000	8 411 787	883 665	36 934 517

¹ Vesting value.

² Performance bonus in respect of 2022 paid in 2023.

³ Appointed on 1 April 2022 as deputy CEO at Santam and CEO of Santam effective 1 July 2022. Remuneration is pro-rated for the time employed.

⁴ Retired 30 June 2022. Leave payment of R883 665 on retirement.

Total guaranteed package

The executive directors' TGP (in Rand) is reflected in the table below. Due to increases (if any) in TGP being granted during the year (i.e. April), the TGP amounts reflected in the table will not correspond to those included in the summary remuneration tables above, which relates to the financial year January – December.

Table 3

Individual	TGP as at 1 April 2023 R	TGP as at 1 April 2022 R	TGP as at 1 April 2021 R	% increase during 2023	% increase during 2022
Tavaziva Madzinga	7 930 000	7 500 000	–	5.75	–
Wikus Olivier ¹	4 230 000	–	–	–	–
Hennie Nel	4 142 439	3 917 200	3 730 650	5.75	5.0

¹ TGP on appointment as CFO effective 1 July 2023.

The average salary increase paid to executives for 2023 was 5.75% (2022: 5.4%), aligned with an average salary increase paid to all employees of 5.75% (2022: 5.8%). Wikus Olivier received a 5.75% increase on appointment as group chief financial officer (TGP effective 1 July 2023: R4 230 000). The remuneration increase trends for the past three years are as follows:

Table 4

	2021 %	2022 %	2023 %
Executives	0.0	5.4	5.75
Employees	2.5	5.8	5.75

Short-term incentives

Performance targets

The HRRC sets the performance targets for the annual bonus plan for executive directors annually. In respect of the 2023 annual bonus, the split between financial and strategic goals for executive directors was as follows:

Table 5

Individual	Financial %	Strategic %
Tava Madzinga	50	50
Wikus Olivier	50	50
Hennie Nel	50	50

2023 performance outcomes

The financial and strategic performance measures which inform the CEO, CFO and prior CFO's bonus outcomes are set out below.

Table 6

	Weighting	Threshold/Max	Measure (For 100%)	Actual	Achievement (0% – 200%)	Outcome
Financial metrics (50%)						
Santam group net insurance result	10%	R2.1bn – R3.2bn	2.7bn	R2.2bn	1%	0.1%
Growth in conventional gross written premium	10%	R35.7bn – R39.4bn	R37.5bn	R37.4bn	91%	9.1%
Santam group management expense ratio	5%	18.6% – 16.8%	17.7%	17.1%	176%	8.8%
Santam group conventional underwriting margin	5%	5% – 10%	6.7%	3.2%	0%	0.0%
Total shareholder return – relative to Fini15	5%	19.3% – 24.3%	21.8%	24.6%	200%	10.0%
Total shareholder return – absolute	5%	8.5% – 15.5%	12%	24.6%	200%	10.0%
Dividend growth	5%	0% – 14%	6.7%	7.0%	105%	5.2%
Return on capital	5%	18% – 30%	24.0%	23.3%	88%	4.4%
Financial achievement					95.2%	47.6%
Strategic metrics (50%)						
Strengthen leadership position in South Africa	15%				100%	14.8%
Drive international expansion and diversification	5%				70%	3.5%
Brand and client experience	3%				70%	2.1%
Talent management	10%				150%	15.0%
Build technology/digital/data/AI	5%				75%	3.7%
ESG	10%				150%	14.8%
Sound governance, risk management and compliance	2%				85%	1.7%
Strategic achievement					111.2%	55.6%
TOTAL CORPORATE ACHIEVEMENT (Out of a maximum of 200%)						103.2%

The CEO's overall performance achievement approved by the Committee is 120% out of a maximum of 200%. This takes into account the swift and extremely competent manner in which the Santam business strategy was implemented during 2023.

The CFO's performance achievement was based on the overall corporate achievement of 103.2%.

The prior CFO's performance achievement was assessed against the half year results. Achievement against financial conditions amounted to **102.5%** of target (**51.3%** contribution to the overall score based on a 50% weighting). Strategic initiatives were assessed at an achievement level of **98.8%** of target (**49.5%** contribution to the overall score based on a 50% weighting). An overall achievement of **100.7%** was achieved.

STI outcomes

The table below shows the total bonuses (cash and deferred) to the CEO, prior CFO and CFO for 2023 and comparatives for 2022.

Table 7

Individual	% of TGP achieved 2023	Total bonus 2023 R	Cash (70%) R	Deferred (30%) R	% of TGP achieved 2022
Tava Madzinga	120	9 520 000	–	9 520 000	133% ¹
Wikus Olivier ²	98	4 134 826	2 894 378	1 240 448	–
Hennie Nel	89 ³	1 848 563	1 293 994	554 569	45%

¹ Pro-rata TGP used based on months in service.

² Joined Santam effective 1 January 2023; therefore no comparative STI presented.

³ Pro rated based on 6 months as Group CEO.

A balanced scorecard, with broadly the same financial and strategic metrics as the corporate scorecard above and some differentiation in individual business units, was applied for employees in the group.

Long-term incentives

Performance measurement for June 2023 LTI vesting

PDSP subject to company financial performance conditions

Due to Santam's vesting profile, three LTI tranches were performance measured in 2023 for vesting from a financial metric perspective, namely:

- Award 2020 – 40% of award and two financial years reviewed for performance testing (2020 excluded)
- Award 2019 – 30% of award and four financial years reviewed for performance testing
- Award 2018 – 30% of award and five financial years reviewed for performance testing

A summary of the performance measurement and achievement for LTI vesting in June 2023 is shown below as it pertains to the RoC (for Santam PDSP):

Table 8

Award year	Award 2020	Award 2019	Award 2018
Tranches measured	1st (40%)	2nd (30%)	3rd (30%)
Santam PDSP (RoC) ¹	98.5%	100%	100%

¹ Before 2020, the RoC threshold to measure share vesting was the Santam group's cost of capital. The historical measurements or targets for PSDP allocations made before 2020 will not be adjusted. 2023 allocations are subject to RoC performance conditions of between 16% (threshold) and 24% (stretch).

The outcome of RoC (for Santam PDSP) achievement resulted in 100% LTI vesting in June 2023 regarding the third tranche of the 2018 award and the second tranche of the 2019 award. For the first tranche of the 2020 award, the outcome of RoC achievement resulted in 98.5% LTI vesting in June 2023, with the balance being forfeited.

For Sanlam PDSPs (legacy awards to Santam executive directors), the vesting outcome of the relevant tranches is as follows:

Table 9

Award year	Award 2018	Award 2017
Tranches measured	2nd (30%)	3rd (30%)
Sanlam PDSP (RoGEV)	100%	100%

Sanlam PDSPs were measured over an additional financial year, due to legacy COVID-19 impacts. Hence, the PDSP tranches of 2017 and 2018 were eligible for vesting in June 2023.

DSP

For DSP vesting, Hennie Nel's business scorecard achievement was evaluated. Refer to page 12 of the remuneration policy for more information regarding the metrics applied and the weighting attributed to Hennie Nel.

Historically, executive directors' scorecard achievements were evaluated over the DSP performance period/s for June 2023 vesting as follows:

Table 10

	Average performance rating over five years (0-200% with 100% being target)	% vesting for >100% achieved
Hennie Nel	113%	100%

In 2023 DSPs vested 100% for Hennie Nel. The vested DSPs related to awards made in 2018, 2019 and 2020.

Long-term incentives (continued)

The participation by executive directors in the group's LTI schemes (excluding the OPP) at 31 December 2023 was as follows:

Table 11

Number of shares

								Vesting in				
	Balance 31 December 2022	Awarded in 2023	Shares converted/ transferred from Sanlam 2023	Shares vested 2023	Shares forfeited 2023	Shares converted/ transferred to Sanlam 2023	Balance 31 December 2023	2024	2025	2026	2027	2028
Tava Madzinga												
Santam	70 888	59 326	-	8 878	-	-	121 336	8 878	27 700	41 209	28 834	14 715
PDSP	44 255	51 854	-	-	-	-	96 109	-	18 823	33 737	28 834	14 715
RSP	26 633	7 472	-	8 878	-	-	25 227	8 878	8 877	7 472	-	-
Wikus Olivier												
Santam¹	-	1 693	65 460	9 906	-	-	57 247	23 230	20 040	10 150	3 827	-
DSP	-	932	14 712	-	-	-	15 644	8 329	6 136	1 179	-	-
PDSP	-	761	11 997	-	-	-	12 758	-	5 104	3 827	3 827	-
RSP	-	-	38 751	9 906	-	-	28 845	14 901	8 800	5 144	-	-
Hennie Nel												
Santam²	42 121	1 754	-	11 560	13	21 456	10 846	4 546	4 546	1 754	-	-
Sanlam³	2 497	-	-	2 027	-	470	-	-	-	-	-	-
DSP												
Santam	12 265	-	-	3 916	-	8 349	-	-	-	-	-	-
Sanlam	1 046	-	-	1 046	-	-	-	-	-	-	-	-
PDSP												
Santam	20 764	-	-	7 644	13	13 107	-	-	-	-	-	-
Sanlam	1 451	-	-	981	-	470	-	-	-	-	-	-
RSP												
Santam	9 092	1 754	-	-	-	-	10 846	4 546	4 546	1 754	-	-

¹ All Sanlam shares were converted into Santam shares upon transfer to Santam.

² HD Nel resigned from Santam Ltd effective 1 July 2023 and 21 456 of his unvested Santam Ltd DSP and PDSP share awards were converted to Sanlam DSP and PDSP share awards. Following his appointment at Sanlam on 1 July 2023 he received a further 149 455 Sanlam Ltd PDSP and restricted share awards at an award price of R53.53 per share.

³ All historical Sanlam shares were transferred to Sanlam upon transfer.

Santam group CEO OPP

The vesting percentage of the group CEO's OPP shares is primarily driven by key financial measures. However, recognising that it is important to promote sustainable improvements, vesting may be modified upwards or downwards based on the board's performance evaluation on a few key strategic criteria.

Financial measures

Potential – maximum number of shares that can be delivered	Measurement period and description	OPP performance conditions				
		Financial Measure	Description	Minimum (0% vesting below this)	Maximum (100% vesting)	Weighting
263 847 shares ¹ (200% TGP per year)	1 January 2023 – 31 December 2027 (Final measurement March 2028 after conclusion of 2027 financial year-end)	Growth in gross written premium (GWP)	Future growth potential: Measure average real growth in GWP over the five years based on 2022 normalised gross written premium	CPI + GDP + 2 % Average nominal growth of 8.7% per annum based on current GDP and CPI forecasts	CPI + GDP+ 6% Average nominal growth of 12.7% per annum based on current GDP and CPI forecasts	20%
		Net insurance result (NIR) growth	Dividend growth: Measure real growth in accumulated NIR over the five years based on the 2022 normalised NIR base	GDP + 3%	GDP + 7%	20%
		Total shareholder return (TSR)	Shareholder value creation: Average Santam TSR vs average Fini15 return over the measurement period	1% out-performance	5% out-performance	20%
		Total shareholder return (TSR)	Shareholder value creation: Average Santam TSR vs average CPI+3% - 10% return over the measurement period	3% out-performance	10% out-performance	20%
		Return on capital (RoC)	Measure financial performance and capital efficiency: Average RoC over the measurement period	22%	30%	10%
		Net underwriting margin (NUM)	Efficiency and risk pricing: Average NUM over the measurement period	7.5%	10%	10%
		TOTAL				100%
		Post-employment holding period It was agreed with the group CEO that shares which met the performance conditions (vested) will be held for a further holding period of 12 months from March 2028 until March 2029. This further supports direct alignment with shareholders.				

Notes:

¹ Based on TGP as at 1 April 2023 and 3-day VWAP (R300.60) after the 2022 annual results were announced.

A sliding scale determines the vesting percentage between minimum and maximum hurdles.

The committee may adjust targets for material reorganisations, acquisitions or disposals during the measuring period.

Modifier for the OPP shares

The board may moderate the vesting that arises from the financial metrics of the OPP component of the Santam group CEO OPP five-year remuneration arrangement to reflect several areas that impact the long-term sustainability and value of the group. These include:

- Diversification of the Santam business
- Modernisation of the business through data and digital transformation
- Leadership position in South Africa
- Transformation of the employee base
- Culture and ESG

A maximum adjustment of an added 25% or decreased 25% may be made at the board's discretion (after testing the financial metrics) to reflect these factors. Modification cannot result in more than 100% vesting. Any discretion exercised in terms of this modifier will be disclosed.

Santam group CEO OPP (continued)

Minimum shareholding requirement

The table below reflects the actual qualifying Santam shares held by executive directors relative to the minimum shareholding requirement.

Table 12

Number of shares on 31 December 2023

Individual	Minimum shareholding requirement	Actual qualifying shareholding	Date at which minimum shareholding must be reached
Tavaziva Madzinga	43 557	8 878	31 December 2027
Wikus Olivier ¹	11 617	24 799	30 September 2026

¹ Transferred from Sanlam hence earlier date minimum shareholding must be reached.

Santam share scheme allocation

According to the amendments to Schedule 14 of the JSE Listings Requirements, the shareholders of Santam approved a scheme allocation of 12 million ordinary shares available to be utilised for LTI purposes with effect from 1 January 2009, provided that the maximum allocation during any financial year cannot exceed 2 million ordinary shares.

The following table illustrates the movement from 2009 to 2023 and the capacity position as at 31 December 2023:

Table 13

	Number of shares
Scheme allocation originally approved	12 000 000
Allocation under DSP and PDSP from 2009 to 2020	(4 912 735)
Shares forfeited from 2009 to 2020	789 302
Balance of scheme carried forward as at 31 December 2020	7 876 567
Allocation under DSP and PDSP in 2021	(403 666)
Shares forfeited in 2021	45 493
Balance of scheme carried forward as at 31 December 2021	7 518 394
Allocation under DSP and PDSP in 2022	(567 959)
Shares forfeited in 2022	116 040
Balance of scheme carried forward on 31 December 2022	7 066 475
Allocation under DSP and PDSP in 2023	(677 370)
Allocation under DSP and PDSP in 2023 (Transfers)	(53 466)
Shares forfeited in 2023	147 338
Shares forfeited in 2023 (Transfers)	21 456
Balance of scheme carried forward on 31 December 2023	6 504 433

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' payments, as required by the JSE Listings Requirements, is detailed below.

Table 14

Non-executive directors' payments for the year ended 31 December 2023

Individual	Board, committee and retainer fees R	Other meetings R	Fees from group R	Total R
Preston Speckmann ^{1,2}	878 781		682 690	1 561 471
Monwabisi Fandeso ²	1 119 535		735 957	1 855 492
Dawn Marole	636 631			636 631
Junior Ngulube	573 325			573 325
Paul Hanratty ³	676 735			676 735
Abigail Mukhuba ³	615 185			615 185
Lucia Swartz	324 128			324 128
Caroline Da Silva	846 569			846 569
Debbie Loxton ²	1 003 343		175 500	1 178 843
Shadi Chauke ²	944 162		341 500	1 285 662
Nombulelo Moholi	1 553 701			1 553 701
Lotz Mahlangeni ³	648 828			648 828
Total non-executive directors	9 820 923		1 935 647	11 756 570

¹ The amounts for Preston Speckmann do not include fees for directorships in the Sanlam Group. Sanlam fees were R1.88 million for 2023.

² Board member fees from Santam Limited subsidiaries.

³ Fees paid to holding company, Sanlam Limited.

Table 15

Non-executive directors' payments for the year ended 31 December 2022

Individual	Board, committee and retainer fees R	Other meetings R	Fees from group R	Total R
Preston Speckmann ¹	897 800		646 690 ²	1 544 490
Monwabisi Fandeso	886 600		648 250 ²	1 534 850
Dawn Marole	831 400			831 400
Machiel Reyneke ³	427 400			427 400
Junior Ngulube	506 300			506 300
Paul Hanratty ⁴	706 200			706 200
Abigail Mukhuba ⁴	762 900			762 900
Caroline Da Silva	695 800			695 800
Debbie Loxton	926 900			926 900
Shadi Chauke	743 200		218 500 ²	961 700
Nombulelo Moholi	1 305 000			1 305 000
Lotz Mahlangeni ⁴				
Total non-executive directors	8 689 500		1 513 440	10 202 940

¹ The amounts for Preston Speckmann do not include fees for directorships in the Sanlam Group. Sanlam fees amounted to R1.73 million for 2022.

² Board member fees from Santam Limited subsidiaries.

³ Retired June 2022.

⁴ Fees paid to holding company, Sanlam Limited (Lotz Mahlangeni appointed to board with effect December 2022 as non-executive director – no fees payable for the 2022 financial year).

Part 4: Directors' interest in share capital

Table 16

Total interest of all directors in share capital at 31 December 2023

Individual	Number of Santam shares		
	Beneficial		
	Direct	Indirect	Non-beneficial
Executive directors			
Tavaziva Madzinga	36 305		
Wikus Olivier ²	53 644		
Total executive directors	89 949		
Non-executive directors			
Nombulelo Moholi (chairperson)			
Paul Hanratty			
Dawn Marole			
Abigail Mukhuba			
Lucia Swartz ¹			
Monwabisi Fandesio	1 196		
Junior Ngulube	5 104		
Preston Speckmann			
Mmaboshadi Chauke			
Lotz Mahlangeni			
Total non-executive directors	6 300		
Total	96 249		

¹ Appointed to the board with effect June 2023.² Appointed to the board with effect July 2023.

Table 17

Total interest of all directors in share capital at 31 December 2022

Individual	Number of Santam shares		
	Beneficial		
	Direct	Indirect	Non-beneficial
Executive directors			
Tavaziva Madzinga	26 633		
Hennie Nel	28 282		
Total executive directors	54 915		
Non-executive directors			
Nombulelo Moholi (chairperson)			
Paul Hanratty			
Dawn Marole			
Abigail Mukhuba			
Monwabisi Fandesio	1 196		
Junior Ngulube	5 104		
Preston Speckmann			
Mmaboshadi Chauke			
Lotz Mahlangeni ¹			
Total non-executive directors	6 300		
Total	61 215		

¹ Appointed to the board with effect December 2022.



Contact

SANTAM HEAD OFFICE
REGISTERED ADDRESS

1 Sportica Crescent, Tyger Valley,
Bellville, 7530
PO Box 3881,
Tyger Valley, 7536
Tel: 021 915 7000
Fax: 021 914 0700

www.santam.co.za