

SANLAM KENYA PLC - QUESTIONS FROM SHAREHOLDERS AGM 27TH JUNE 2022

I. WHETHER DIVIDENDS WILL BE PAID

	SHAREHOLDER NAME	QUESTION	ANSWER
1.	OJWANG,EMMANUEL OKOTH 254733382602	Are we getting dividends this year ?	<p><u>Questions 1 – 4 & 6</u></p> <p>The Board of Directors has NOT proposed payment of dividend in the financial year ending 31st December 2021. This is to enable the business continue to service its operational costs and finance costs arising from the Kes 3 billion debt.</p> <p>Though no dividend has been declared in the recent past, the Company takes a long-term view of Sanlam as a good investment and its turnaround strategy has begun bearing fruit. In the year under review, Sanlam Life, its long-term insurance subsidiary grew its revenues by 41%, and its market share by 1.1%, while profitability at Kes 642 million was a 28% improvement.</p> <p>Sanlam General on the other hand posted a 24% improvement in revenues and an increase in market share, and as such management is now confident the remaining lever is improving on efficiencies to address its profitability.</p> <p>It is our opinion therefore that despite there being no dividend declaration for the year 2021, the Group’s performance is expected to continue improving well into the future thereafter which the Board of Directors will consider the payment of dividends to shareholders in accordance with the Dividend Policy.</p> <p><u>Question 5, 6,17</u></p> <p>The capital requirements for Insurance companies were revised in the year 2014, and insurers given up to the year 2020 to raise their capital. As such over that period,</p>
2	PATEL,MAYUR 255783468171	Why I am not paid my dividends from 2014 / 2021.	
3	NGURE,JOB FRANCIS 254722873122	When are we getting the dividend and of how much? If no dividends, can we get a shares bonus?	
4	KIMANI,GEORGE MARIMA 254722897167	Are you paying dividends this year?	
5	GICHOHI,HEZEKIAH WANG'OMBE 254724742214	For a long time the company has not made profit. There has been no dividend payments. What is our company's challenges and how do our directors plan to overcome the same. Is it logical to assume that the company does not budget profits or that there are other beneficiaries other than shareholders? Are Directors satisfied with management of our company and are we able to afford quality managers?	
6	WANJUI,RAPHAEL GAKUO MBATIA 254712460360	I bought ,3000 shares and no benefits why?	

7	WAWERU,ALEXAND ER MUTUNE 254722974143	What action is the Board of Directors & management taking to shore up the share price of Sanlam Plc at the NSE; bearing in mind that it has remained very low for quite sometime now?	Management shifted significant effort towards raising of capital internally. Every available surplus was therefore utilized to increase regulatory capital as opposed to distribution to shareholders.
8	CHAMI,ALOIS WAFULA 254721554735	Would you improve the group business now and the next level of business?	<p>The year 2020 however, was an unfortunate period in our history as the economy was impacted by the pandemic, disrupting the economy. In the same year, we saw the regulator allow the industry some additional time beyond 2020 to continue building up capital because of the negative impacts of the pandemic on business, including Sanlam. In response as well, the insurance industry and Sanlam applied more aggressive capital retention strategies aimed at protecting the sustainability of the business going forward.</p> <p>The above notwithstanding, we take a long-term view of the benefits of the investment, as we expect the group to become profitable in the future and distribute dividends at an appropriate time in the future. Sanlam Life was able to report significant profitability and revenue growth as well as market share position, while Sanlam General improved its revenue and market share significantly, with a strategic intent to now address operating efficiencies and profitability going forward.</p> <p>A critical ingredient to maintain the turn around strategy is the onboarding of Competent leadership in the business and to this end, the Board of Directors has competent management in place and continues to play its critical role of evaluating management performance annually.</p> <p><u>Question 7, 8</u></p> <p>The only legitimate approach to improving the share price that the Board is applying is to improve the company's financial performance, financial position, governance, innovation, product development and publicity. This is sufficient to position Sanlam as an attractive investment now and in the long run, and with time impact its share price positively.</p>

9	NJIRU,MONICA NJOKI 254724206384	When will physical meetings resume	<p><u>Question 9,10,11</u></p> <p>The Covid-19 pandemic has changed every aspect of our corporate and social fabric. Thought leaders suggest that many aspects of the conduct of our business might never be the same again.</p> <p>In response to the pandemic, the ongoing Government directives regarding prevention of Covid19 is still applicable following the upsurge in new Covid-19 infections. The government has advised avoiding crowded places and gatherings. As such, the Board of Directors will in the interim continue with the hybrid Annual General Meetings. This directive is further supported by the Companies Act No. 7 of 2015 which allows public companies to conduct hybrid meetings. In this regard, the Board has put in place measures to ensure that the statutory requirements for calling and conducting a valid hybrid general meeting are complied with.</p> <p>The above notwithstanding, our shareholders request to meet physically will continue to be evaluated over time taking into consideration the operating conditions but in the interim continue the hybrid model until further notice.</p>
10	KALOO,ANCENT WAITA 254724230737	When are we going back to having AGM's like we used to?	
11	ABDALLA,FAUZIAH NYAMBURA 254722250785	When are we likely to start physical meetings.	
12	MURUU,REGINA WANGUI 254721628361	Please give shareholders lunch vouchers to enable us cope with current difficult situations.	The board has noted the request and will take this into consideration in the future
13	MUDOGA,ISAAC AYEKHA	Do you own simply wallstreet?	No. We don't
14	CHAMI,ALOIS WAFULA	How would you improve the level of integrity credibility?	The group has a robust governance structure encompassing the Board of Directors, Board committees, management, and independent assurance providers such as the external, internal, and regulatory auditors who facilitate a credible and high integrity environment. Policies, procedures, and codes of conduct further enshrine integrity in our conduct of business and comply with all regulatory provisions.
15	NABRIKI,PAMELLA NASIMIYU	How many shares do I have?	

16	DANIEL KIMOTHO	<p>There are huge losses from the general insurance business and investments The administration expenses are higher than the income</p>	<p><u>Question 15</u></p> <p>Noting the confidentiality of your request which is specific to you, this cannot be posted in this forum. Our registrars, IMAGE REGISTRARS will be reaching out to you in the next two days to directly confirm to you, your shareholding.</p> <p>You can also reach out to Image registrars at ABSA plaza to obtain these details, via the contacts below,</p> <p>Address: 5th Floor, Barclays Plaza, Loita street, Phone: +254 709 170 000/735 565 666 Email: info@image.co.ke</p> <p><u>Question 16</u></p> <p>Despite a 24% growth in revenue, Sanlam general reported losses. This was caused by a sharp increase in the claims, claims reserves, and expense provisions, causing the larger than expected amounts in the profit and loss statement. These adjustments triggered a restatement but are “once off” and not expected to recur. The economy was also affected and the covid 19 impacts on corporate and individual client’s ability to pay their premiums compromised, which led huge “once off” provisions being made in the income statement, further aggravating the loss.</p> <p>Noting that these are not expected to recur in the future, the Board of Directors is confident that Sanlam General performance will improve going forward.</p>
17	DANIEL KIMOTHO	<p>Shareholders have not received dividends in the last five years. Yet the Directors and the staff costs have increased. The shareholders are disappointed. Also the advertising costs have increased by KShs 157m.</p>	<p>Question 17:</p> <p>Dividends are addressed in the response to questions 1 and 5 above.</p> <p>Advertising costs: These increased as the company came under more pressure to make itself visible in a very competitive market with</p>

			<p>Over 50 insurance players. This was a good investment as premiums increased by 38% and the group improved its market share.</p> <p>Staff Costs: Staff costs increased by 11% because of new hires necessary to secure competitiveness and retain talent in a competitive market short of skilled staff. This is part of a long-term strategy to extract value from the most important company asset, Human Capital. The results are visible as the life insurance business increased revenue and profitability while the short-term business improved revenues with a future commitment to address profitability through improved efficiencies.</p>
18	SALLY CHEPKORIR	What is your take on the climate change and how prepared is Sanlam. How will it affect the insurance industry	<p>Climate change is expected to affect all industries and humanity and by extension the insurance industry and Sanlam unless humanity mitigates the risk. Uncontrolled exploitation of finite resources would put at risk the ability to conduct viable commercial and public service activity by industry and governments in the future. As such the company is in the process of implementing a sustainability strategy whose substance is informed by UN's sustainable Development Goals and the triple bottom line framework that seeks to strike a balance between profit seeking, the health of the planet and humanity.</p> <p>The company has started putting in place measures to recycle finite resources and reduce wastage and takes note that this is now a permanent fixture of the groups business strategy subject to continuous improvement.</p>
19	SALLY CHEPKORIR	Most CEOs are keen on building sustainability. Are the elections going to affect Sanlam and how prepared are you	<p>The group, though non-partisan in politics is optimistic that the elections will not and should not affect the economy nor the insurance industry's commercial prospects. Further, the group has a robust risk management and business continuity framework that can address any business disruptions and ensure sustainability of the business.</p>

20	SALLY CHEPKORIR	Sanlam has a strong brand. What measures have you put in place to protect the brand	We enhance the Sanlam brand by instilling strong core values in our staff to guard our shareholders' trust.
21	IRUNGU KIMANI	Receivables are high and this was a key audit matter. Retained earnings are negative How is the company prepared to adopt IFRS17 by 2023	Premium receivables increased in line with the growth in revenues, while the significant audit matter was regarding the noted premium debt defaults by clients that had to be impaired in the financials thereby impacting Sanlam General profitability. The retained earnings are negative since these are accumulated losses over the years. That notwithstanding, we take a long-term view of the business and the improved performance in the subsidiaries as an indication that the negative retained earnings will reverse to a positive over a period of sustained profitability in the future. The Group is already in the process of implementing IFRS17 reporting requirement in preparation of its adoption in 2023.
22	MURUU,REGINA WANGUI	Please give shareholders Gift Vouchers to buy basic goods for their families.	The board has noted the request and will take this into consideration in the future
23	NABRIKI,PAMELLA NASIMIYU	How much per share.	Despite there being no dividend declaration for the year 2021, the Group's performance is projected to improve in the foreseeable future after which the Board of Directors will then deliberate on the payment of dividends to shareholders in accordance with the Dividend Policy. The Board of Directors rationale to this conclusion is highlighted in the answers to shareholder questions 1 and 5 above.
24	MUTHIANI,ELIZABETH KIDIANGI	No dividends for us?	
25	AMAZON CAPITAL VENTURES LIMITED	The increase in income by 31% does not translate to profits. What will cause that discrepancy?	Though Sanlam Life grew in revenue and profitability, Sanlam General grew in revenue but made a loss due to once off adjustments that increased claims and expense provision significantly, eroding year 2021 profits. This is not expected to recur due to its "once off" nature. Our feedback to shareholder questions 1 and 5 further reiterates our informed optimism about the group's prospects.

26	MUTHIANI, ELIZABETH KIDIANGI	We are asking for gift for data bundles for the meeting	The board has noted the request and will take this into consideration in the future
----	------------------------------	---	---