

SANLAM KENYA PLC

Policy in Respect to the Giving and Receipt of Gratifications

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Definitions

In this policy, unless the context clearly indicates the contrary, the following words and phrases shall have the respective meanings assigned to each of them hereunder.

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| Sanlam Group | Sanlam Kenya PLC and its subsidiaries |
| Policy | The Sanlam Kenya PLC Gift Policy |
| Excom | The Sanlam Kenya PLC Executive Committee |
| Unlawful Conduct | <p>Unlawful conduct for purposes of this policy is defined as all forms of:</p> <ul style="list-style-type: none">• offences involving fraudulent conduct or dishonesty;• corrupt practices;• misconduct in, or misuse of information relating to, a financial market i.e insider trading; or• handling of the proceeds of crime, or any property tainted by criminal activity as per the provisions of the Proceeds of Crime and anti-money laundering act; or• giving or receiving a bribe as per the provisions of the Bribery Act No. 47 of 2016• including any statutory or common-law offences, but not limited to such offences, and any breach of the provisions of this policy. |
| Gratification | The word gratification when used in this policy is defined to include, but is not limited to, any gift, the conveyance of anything of value, entertainment or hospitality. |

Introduction

The Sanlam Group Code of Ethics prescribes that all employees, including temporary and contract employees shall not offer, give or accept, but should refuse, any gift, favour, hospitality or benefit that may be regarded as an attempt to exert influence in unduly favouring any party or that is in contravention of the Sanlam Group's applicable policies. The Code of Ethics further calls for a formal policy to provide for the official declaration and recording of any corporate gift received or given.

Scope of the Policy

The purpose of this policy is to provide a framework for dealing with all forms of unlawful conduct and gratification as defined above, within the Sanlam Group. It is however not possible to prepare a policy which deals with every situation that could be faced. This policy establishes broad principles that are essential to ensure compliance with legislation and confidence in the integrity of the Sanlam Group. Common sense, rather than a rigid rule book, shall often determine the application of this Policy. However, if the acceptance of entertainment or gifts by an individual member of staff was challenged - internally or externally - it shall be necessary to show that acceptance was appropriate, consistent with this Policy and did not give grounds for concern that personal judgement or integrity had been compromised.

Application of the Policy

The policy applies to all directors, managers and employees, full-time and contracted, of any business or company within the Sanlam Group. The policy also applies to all independent contractors, intermediaries, agents and service providers when acting in the discharge of any duty under a contract or agreement with any business or company in the Sanlam Group.

This policy does not apply to gratifications offered by, accepted from, offered to or given to family or friends of persons subject to this policy with whom they have a non-business relationship. This policy does not apply to *bona fide* donations made on behalf of any company or business in the Sanlam Group or any expenditure that falls within the ambit of corporate social investment (CSI).

Legislation

This policy shall be governed by the following laws among others:

- i. The Anti-Corruption and Economic Crimes Act, 2003;
- ii. The Bribery Act No. 47 of 2016

The Anti-Corruption and Economic Crimes Act ("the anti-Corruption Act") No. 3 of 2003

The Act defines Corruption as "an offence of bribery, fraud, embezzlement or misappropriation of public funds, abuse of office, breach of trust or an offence involving dishonesty. The Act prohibits the giving or receiving or soliciting, or any offer or agreement to receive or give, of gratifications to anyone with the intention of influencing that person to show favour or disfavour in relation to the giver's business either in person or through an agent.

Offences under the Act carry stiff penalties which include a fine not exceeding one million shilling and/ or imprisonment for a term not exceeding ten years, in an additional a equal to two times the benefit or loss accrued as a result of the corrupt act.

The Bribery Act No. 47 of 2016

The Act defines Bribery as "an offer or request, promise or agreement to receive or the giving or receiving of a financial or other advantage to a person whether directly or indirectly through third parties which act would constitute the improper performance of a function or activity."

Where a person is found guilty of the offence of bribery, they shall be imprisoned for a term not exceeding 10 years and or a fine not exceeding Kes. 5,000,000/=. They shall further be required to pay a fine equal to five times the amount of the benefit derived by the briber or loss suffered by any person as a result of the offence. Where a Director is found culpable, they shall also be disqualified from holding the position of director in that or any other company in Kenya for a period of not more than ten years.

Where Sanlam Group is found to have enabled the offence Bribery, it shall be disqualified from transacting business with the national or county government for period of ten years after such conviction.

The onus is on persons subject to this policy to ensure their own compliance with the Anti-Corruption Act and the Bribery Act and a person shall consult with the legal department if any uncertainty is encountered in respect of gratifications. Furthermore, all transactions relating to the purchase or delivery of goods and services to Government entities shall at all times be approved by the respective Chief Executive Officers, as an accountability measure.

Sanlam Group's Policy in respect of the acceptance of gratifications

A person may not, directly or indirectly, solicit any gratification or offer to accept any gratification.

A person may not accept the following gratifications:

- Any gratification in circumstances that would constitute a contravention of the Anti-Corruption Act, Bribery Act, Proceeds of Crime and Anti-Money Laundering, Internal Policies such as the Procurement Policy, Anti Money Laundering Policy or any other relevant laws, regulations and policies;
- As a general rule, any gratification, directly or indirectly, from current or prospective customers or suppliers of any company or business in the Sanlam Group;
- Any gratification in circumstances in which it could appear to others that a person's business judgment has been compromised;
- Any gratification in the form of money, whether in cash or otherwise.

Similarly, close family members of a person subject to this policy may not accept or be allowed to accept gratifications from anyone– customers, suppliers or others – in exchange for a past, current or future business relationships with any company or business in the Sanlam Group.

Gratifications may only be accepted if it does not constitute a contravention of the Anti-Corruption Act, The Bribery Act, the Procurement Policy, Anti Money Laundering Policy or any other relevant laws, regulations and policies; it is not in monetary form, is valued at less than KShs 7,500 and it falls within one of the following categories:

- Customary and reasonable meals and entertainment at which the giver is present, such as the occasional business meal or sporting event;
- Modest gifts or gifts of a promotional nature, such as calendars, diaries and other similar articles;
- Gratifications accepted on behalf of a company or business in the cluster, or gratifications of a corporate nature to be retained by the relevant company or business in the cluster, or utilised at the sole discretion of the company or entity.
- Any other gratification not specified above and which is not deemed inappropriate in terms of any other policy of a relevant cluster or business;

Provided that a person appointed by the entity's CEO may after due consideration of a motivated written request, approve the receipt of any gratification, including a gratification valued at more than KShs 7,500, prior to the acceptance

of such gratification; unless the receipt of such gratification would constitute an offence under the Anti-Corruption Act and the Bribery Act.

If any gratification that may not be accepted under this policy is offered or delivered, it should be returned with a polite and courteous explanation.

Sanlam Group's Policy in respect of giving gratifications

A person may not, directly or indirectly, give, offer to give or agree to give any gratification in response to a solicitation or offer to accept such gratification by another person.

A person may not give, offer to give or agree to give the following gratifications:

- Any gratification in circumstances that would constitute a contravention of the Anti-Corruption Act and the Bribery Act;
- As a general rule, any gratification, directly or indirectly, to any person or entity if any company or business in the Sanlam Group is a current or prospective customer or supplier of such person or entity;
- Any gratification in circumstances in which it could appear to others that business judgment of the recipient has been compromised;
- Any gratification in the form of money, whether in cash or otherwise;

Similarly, a person may not give, offer to give or agree to give any gratification to any close family member of another person in exchange for a past, current or future business relationship with any company or business in the Sanlam Group.

Gratifications may only be given or offered if it does not constitute a contravention of the Anti-Corruption Act and the Bribery Act, it is not in monetary form, is valued at less than KShs 7,500 and it falls within one of the following categories:

- Customary and reasonable meals and entertainment at which the giver is present, such as the occasional business meal or sporting event;
- Modest gifts or gifts of a promotional nature, such as calendars, diaries and other similar articles;
- Gratifications on behalf of a company or business in the Group, or gratifications of a corporate nature to another company or entity and where the gratification is to be retained by such company or entity, or utilised at the sole discretion of the company or entity;
- Any other gratification not specified above and which is not deemed inappropriate in terms of any other policy of a relevant cluster or business;
- The giving of gifts to governmental officials is strictly prohibited and may only be approved by Heads of Departments.

Provided that a person appointed by the respective CEO's may after due consideration of a motivated written request, approve the offering or giving of any gratification, including a gratification valued at more than KShs 7,500, prior to the offering of such gratification; unless the offering or giving of such gratification would constitute an offence under the anti-Corruption Act.

Pre-clearance, recording and reporting of gratifications and consultation

Transparent processes are in themselves a defence against allegations of corruption and impropriety. The following provisions shall therefore apply to all gratifications received, declined, offered or given by a person subject to this policy:

Pre-clearance

The offering or acceptance of the following gratifications is subject to pre-clearance:

- Any gratification given to, offered to, offered by or accepted from government officials or parties to a tender or contract;
- Any gratification valued at more than KShs 7,500;
- Any gratification where there is uncertainty about the appropriateness or legal implications of the acceptance, offering or giving of such gratification.

Recording

The offering, acceptance and giving of all gratifications must be recorded in the gift register to allow for monitoring of the frequency and value of gratifications offered to or by, accepted or given by the persons in the Group. The Group Company Secretary's office shall be the custodian of the gift register.

Reporting to Sanlam Group Company Secretary

Summarised details of the following gratifications must be reported to Company Secretary by all business units on a quarterly basis:

- All gratifications received, declined, offered or given by a person subjected to this policy where such gratification exceeds KShs 7,500 in value;
- Any gratification in respect of which pre-clearance was sought;
- Any gratification offered or given to a person subject to this policy, but declined or returned as a result of the provisions this policy.
- All Employees, Directors and Financial Consultants of Sanlam are also encouraged to report any acts that may be deemed or suspected to be in violation of this policy without fear of victimization

Consultation

- A person shall consult with the relevant manager of the business or the legal department if any uncertainty is encountered in respect of the offering, receipt or giving of any gratification.
- In certain situations, it may be appropriate to accept a gratification and have the gratification appraised and, after obtaining the approval of the Group Company Secretary, make a donation to any business within the Sanlam Group of an amount equal to the "fair disposal value".
- Some Sanlam Group businesses may have supplementary policies regarding gratification, which may require various reports or approvals. Persons subject to this policy are responsible for knowing the policies of their business unit in this regard.

Guidance

The provisions of this policy may be supplemented or clarified by guidance issued in the form of an Annexure to this policy or separate practice notes. Any Annexure and practice notes will be published on the Intranet after approval by the Excom and shall be considered to be part of this policy.