

CORPORATE GOVERNANCE REPORTING TEMPLATE FOR ISSUES OF SECURITIES TO THE PUBLIC

TO BE FILLED IN LINE WITH THE REQUIREMENTS OF THE CODE OF CORPORATE GOVERNANCE PRACTICES FOR ISSUERS OF SECURITIES TO THE PUBLIC, 2015

Company Name (in full) SANLAM KENYA PLC

Reviewer's Name
 Stock Code KEO000000414
 Sector INSURANCE
 Year - 2019
 Date of Financial Year End
 Chairman Signature
 CEO Signature
 Company Secretary Signature

Company market to book ratio at end of financial year
 No of outstanding shares at end of financial year
 Closing price of stock at end of financial year
 Net sales as per Income Statement at end of financial year
 Net profit as per Income Statement at end of financial year
 Total debt (short and long term) as per Balance Sheet at end of financial year
 Total equity as per Balance Sheet at end of financial year
 Total no. of Board members at end of financial year
 No. of independent directors at end of financial year
 No. of non-executive directors at end of financial year

Company Details to be Provided:

1.72
 144,000,000
 17.2
 5,646,546,000
 114,399,400
 2,763,210,000
 1,441,085,400
 10
 3
 7

Mandatory or 'apply or explain'	Part No.	Question	Kenya Code Reference	Application - FA, PA or NA - See Notes 1, 2, 3&4	Application or Explanation - Note 3 & 4	Source of Information
	A	INTRODUCTION				
M	A.1	Has the company developed and published a Board Charter which is periodically reviewed and which sets out the Board responsibility for internal control?	1.1.2, 2.6.2, 6.3.2	FA	A Board Charter has been developed and approved by the Board. Annual Review conducted. 2019 review was on 4th May 2019. Board charter is published on the company's website	Board Charter
M	A.2	Do the Board Charter or company documents distinguish the responsibilities of the board from management in line with Code requirements?	1.1.2, 2.3.1, 2.3.2, 2.6.2	FA	The Board Charter outlines the respective roles and responsibilities of the Board and management. The Charter further differentiates the role of the Chairman and that of the Group Chief Executive Officer.	Board Charter
A or E	A.3	Is there a statement indicating the responsibility of Board members for the application of corporate governance policies and procedures of the company?	1.1.6	FA	Yes. This is included in Clause 1.1 of the Board Charter	Board Charter
M	A.4	How has the Board ensured all directors, CEOs and management are fully aware of the requirements of this Code?	1.1.6	FA	This is done through various trainings. The CG code is uploaded on E Board and the company's website to which the directors and management can access. The CG code is also uploaded on HR connect which provides an e-learning platform for management	Board, HR Connect
M	A.5	Do company documents indicate the role of the Board in developing and monitoring the company strategy?	Part II - Overview, 2.3	FA	Yes. This is included in Clause 1.1 of the Board Charter. The Board is also involved in the annual development of the Group's strategy and quarterly review of the status of the implementation of the strategy and business plans.	Board Charter, Quarterly Board minutes
A or E	A.6	Does the company strategy promote sustainability of the company?	2.3.6	FA	The strategic plan as developed is aimed at ensuring the sustainability of the Group and achieving the set business targets.	Corporate Strategic Plan
M	A.7	Are all board committees governed by a written charter/terms of reference, disclosing its mandate, authority, duties, composition, leadership and working processes?	2.2.2	FA	The Investment Committee, Audit Committee and Human Resources Committee are governed by the respective committee Charters which are uploaded on eboard. In addition, the Charters are published on the company's website.	Investment Committee Charter, Audit Committee Charter, Human Resources Committee Charter
	B	BOARD OPERATIONS and CONTROL				
M	B.1	Has the Board established a Nomination Committee comprised mainly of independent and non-executive Board members?	2.1.2, 2.2.2	FA	A Human Resources, Nomination and Remuneration Committee of the Board has been set up.	Committee Minutes, Human Resources Committee Charter
M	B.2	Is the chairperson of the Nomination Committee an independent director?	2.2.3	FA	No. Mrs Susan Mudhume, the Chairperson of the Committee was previously an independent non-executive Director.	Minutes of the Committee meetings
M	B.3	Has the board adopted and published procedures for nomination and appointment of new Board members?	2.1.1, 2.1.7	FA	The detailed process is provided in the Human Resources, Nomination and Remuneration Committee Charter. Further new directors are subject to the shareholder's approval at the subsequent AGM following their appointment as provided in the Articles of Association.	Clause 4.1 of the Human Resources, Nomination and Remuneration Committee Charter.
M	B.4	Is the Board size adequate for the exercise of the company business?	2.1.4	FA	Board Charter and the Articles of Association provide that the Board shall have between 4-10 directors. In 2019, the number of directors were 10 comprising of 3 independent directors.	Financial Statements, Board Charter
A or E	B.5	Has the board adopted a policy to ensure the achievement of diversity (including age, race and gender) in its composition?	2.1.2, 2.1.3, 2.1.5, 2.5.1	FA	The Board diversity is evidenced in its composition. The Board comprises of two female directors, 6 Kenyan directors, 1 Tanzanian director and 3 South African directors. The ages of the board members vary from 37 years to 75 years.	Financial Statements, Board Charter
M	B.6	Do the Board members represent a mix of skills, experience, business knowledge and independence to enable the discharge of their duties?	2.2.1	FA	The Board comprises of professionals in Law, Banking, Insurance, Actuarial, corporate development, MBA, MSC, Doctorate, Strategy Management, Audit	Financial Statements, Board Charter
M	B.7	Has the board adopted and applied a policy limiting the number of board positions each Board member may hold at any one time?	2.1.6	FA	Board Charter provides that members should be judicious in the number of directorships they accept. Executive directors are permitted to take up only non-executive directorships which are not detrimental to their role at Sanlam	Part III Clause 3 of the Board Charter
M	B.8	Have any Alternate Board members been appointed? If so, have the Alternate Director/s been appointed according to regulation and Code requirements?	2.1.6, 2.1.7	FA	The Articles of Association provide how an alternate director is to be appointed. Babobhai Chotabhai Patel is an alternate director to Rohan Patel	Board Charter and Articles of Association
M	B.9	Are independent directors at least one-third of the total number of Board members?	1.1.2, 2.1.3, 2.4.1	PA	Three directors namely, Freda Britz, Rose Agutu and Grace Mwai are independent directors.	Board Minutes, Public Announcements
A or E	B.10	Does the Board have policies and procedures to annually assess the independence of independent Board members?	2.4.1	FA	The Board Charter details the tests to be applied in determining the independence of directors including a non-executive director who is not employed by Sanlam Kenya, Sanlam Emerging Markets or any other affiliate of the Sanlam Group; and their family members	Part III Clause 3 of the Board Charter
M	B.11	Do all independent Board members have a tenure of less than 9 years?	2.4.2	FA	Freda Britz was appointed in November 2018. Grace Mwai and Rose Agutu were appointed on 9th May 2019.	Financial Statements, Board Minutes
M	B.12	Is the Board comprised of a majority of non-executive board members?	2.1.3	FA	7 out of 10 directors are non-executive directors	Financial Statements
M	B.13	How does the Board ensure a smooth transition of Board members?	2.1.8	FA	As part of the Board's role in conjunction with Sanlam SPA (for the shareholders' directors representatives) it has put in place a succession plan which is part of the Board's May agenda	Board Charter
M	B.14	Has the Board established an effective Audit Committee according to Code requirements?	2.2.4, 6.5.1, 2.1.7	FA	An Audit, Actuarial, Risk and Compliance Committee has been established	Audit Committee Charter, Financial Statements
M	B.15	Are the functions of the Chairperson and the Chief Executive Officer exercised by different individuals?	2.3.3	FA	The Group's Chairman is Dr John Simba and the Group Chief Executive Officer is Dr Patrick Tumbo	Financial Statements
M	B.16	Is the Chairman of the Board a non-executive board member?	2.3.4	FA	The Group's Chairman, Dr John Simba is a non-executive Director	Financial Statements

A or E	B.17	Has the Board established procedures to allow its members access to relevant, accurate and complete information and professional advice?	2.3.5	FA	The Board has unfettered to the Management and external company's professional advisers. In addition, a repository for information is available on E Board for the Board's access	Part 1 of the Board Charter, Financial Statements, E Board
M	B.18	Has the Board adopted a policy on managing conflict of interest?	2.3.8	FA	Board members are required to disclose any declaration of interest and to recuse themselves from decisions in a matter where there is a conflict of interest. An agenda item on Declaration of interest applies in all meetings	Board Charter, Board Minutes
M	B.19	Has the Board adopted a policy on related party transactions to protect the interests of the company and all its shareholders and which meets the requirements of the Code?	2.3.7	FA	A Group wide policy on related party transactions has been implemented and a quarterly report on related party transactions is tabled half annually to the Board. Disclosures are also included in the Financial Statements	Audit Committee Minutes of the Board, Financial Statements
M	B.20	Has the company appointed a qualified and competent company secretary who is a member in good standing of ICPSK?	2.3.9	FA	Emma Wachira CPS Reg 1898	
A or E	B.21	Has the Board adopted policies and processes to ensure oversight of sustainability, environmental and social risks and issues?	2.3.2, 2.3.6	FA	These are embedded in Sanlam's business practices. Sanlam Tower has been designed and constructed to reduce the environmental carbon footprint making it a green building	Board Charter
A or E	B.22	Has the Board developed an annual work-plan to guide its activities?	2.6.3	FA	An annual Board work plan is in place and it details the various items to be discussed at the different quarterly meetings.	Addendum B of the Board Charter
M	B.23	Has the Board determined, agreed on its annual evaluation process and undertaken the evaluation or the performance of the Board, the Board Committees, the CEO and the company secretary?	2.6.4, 2.8	PA	2018 Board and Committee Evaluations done electronically on E Board	E Board Board Evaluations Report
A or E	B.24	Has the Board established and applied a formal induction program for in-coming members?	2.7.1	FA	The induction program for new directors is integrated on eboard	E Board
A or E	B.25	Do Board members participate in on-going corporate governance training to the extent of 12 hours per year?	2.7.3	PA	Directors attended the corporate governance trainings in 2018 as follows; Nelus B, and Corrie F attended the 5 day training by the Centre for Corporate Governance	Training certificates
A or E	B.26	Has the Board set up an independent Remuneration Committee or assigned to another Board committee the responsibility for determination of remuneration of directors?	2.9.2	FA	The Remuneration function is undertaken by the Human Resources, Nomination and Remuneration Committee	Human Resources, Nomination and Remuneration Committee Charter
M	B.27	Has the Board established and approved formal and transparent remuneration policies and procedures that attract and retain board members?	2.9.1	FA	Policy on Directors' remuneration is included in the Board charter and HR Charter. Directors' fees are benchmarked against the industry as per the last survey done. Directors' Remuneration Disclosure is included in the Financial Statements	Financial Statements
M	B.28	How does the Board ensure compliance with all applicable laws, regulations and standards, including the Constitution and internal policies?	2.10, 2.10.1, 2.10.2	FA	Head of Compliance, Internal Audit & External Audit report to the Audit, Actuarial, Risk and Compliance Committee and provides assurance on the Group's compliance	Audit, Actuarial, Risk and Compliance Committee Charter
M	B.29	In the past year, has the Board organized a legal and compliance audit to be carried out on a periodic basis?	2.10.3	NA	Compliance functions reviews & reports on the legal & compliance matters to the audit committee. A legal and compliance audit will be carried out in H2 2020	
A or E	B.30	Has the Board subjected the company to an annual governance audit?		NA	A governance audit will be done in H2 2020	
C. RIGHTS OF SHAREHOLDERS						
M	C.1	Does the governance framework recognize the need to equitably treat all shareholders, including the minority and foreign shareholders?	3.0 Overview, 3.2.1	FA	Yes. The board ensures that all shareholders are treated equally	Articles of Association
M	C.2	Other than at the AGM, how does the Board facilitate the effective exercise of shareholders' rights?	3.1.1	FA	The Board communicates to shareholders through various media including company's website, public announcements, media releases, financial statements, and direct correspondence.	Public Announcements, Company's website
M	C.3	How does the Board facilitate shareholders participation at the AGM?	3.1.1	FA	Agenda of the AGM which is circulated beforehand encourages the shareholders to appoint proxies to presenet them at the meeting and to submit special notice requirements. Shareholders are encouraged to ask questions at the AGM	Financial Statements-AGM Notice, AGM Minutes
A or E	C.4	Are minority and foreign shareholders holding the same class of shares treated equitably?	3.2.1	FA	Yes, the company has only issued one class of shares-ordinary shares	Articles of Association, Financial Statements
A or E	C.5	Is there evidence that the Board proactively provides information to shareholders and the media, (and in a timely basis) on corporate affairs and corporate governance?	3.1.1, 3.4.1	FA	Material information on the half yearly and yearly financial results and changes in the directorships are issued to the public on a duploaded on the website within 24 hours.	Company's website, Public Notifications
D. STAKEHOLDER RELATIONS						
A or E	D.1	Does the Board have a stakeholder-inclusive approach in its practice of corporate governance and which identifies its various stakeholders?	4.1.1	FA	YES. Sanlam identifies and includes its stakeholders on the basis of their impact on the Group's business.	Board Charter, Procurement Policy, Whistleblowing Policy
A or E	D.2	Has the Board developed policies, procedures and strategies to manage relations with different/key stakeholder groups?	4.1.2, 4.1.3, 4.1.5, 4.2.1	FA	YES. This is included in the Stakeholder Management Policy which has been approved by the Board.	Stakeholder Management Policy
A or E	D.3	How does the Board take into account the interests of key stakeholder groups prior to making decisions?	4.1.4	FA	Regular staff meetings to obtain feedback from the employees and agents, consultative discussions with various shareholders, obtaining opinions from independent professionals on the impact of certain decisions to the stakeholders eg Statutory Actual	Financial Statements- Statutory Actuary Report, Staff Meetings
M	D.4	How does the Board ensure effective communications with stakeholders?	4.2, 4.2.1	FA	Chairman's and CEO Statements are published in the Financial Statements. Media releases are regularly sent out by the company. Staff Communique are issued by the GCEO	Company website, Public notifications, Regularly E shots to the employees from the GCEO, Financial Statements
M	D.5	Has the Board established a formal dispute resolution process to address internal and external disputes?	4.3.1	FA	The employee hand book details the process to be followed on dispute resolution	Employee Hand Book
E. ETHICS AND SOCIAL RESPONSIBILITY						
A or E	E.1	Does the Board ensure that all deliberations, decisions and actions are founded on the core values (responsibility, accountability, fairness and transparency) underpinning good governance and sustainability?	5.1.1	FA	Board decisions are made in line with Sanlam's policies on good governance, fairness and sustainability	Code of Ethics Policy, Gift Policy, Anti-bribery Policy
M	E.2	Has the Board developed a Code of Ethics and Conduct (which includes sustainability) and has it worked to ensure its application by all directors, management and employees?	2.6.1, 5.2.2, 5.2.3, 5.2.4	FA	Code of Ethics Policy is in place	Code of Ethics Policy
A or E	E.3	How does the Board ensure that compliance with the Ethics Code and Conduct is integrated into company operations?	5.2.3	FA	All employees are required to electronically issue a declaration on the compliance with the Code of Ethics	Code of Ethics - annual declaration
A or E	E.4	Does the Board incorporate ethical and sustainability risks and opportunities in the risk management process?	5.2.1	FA	Yes	Risk Management Report-Financial Statements

A or E	E.5	How is the company performance on ethics assessed, monitored and disclosed to internal and external stakeholders?	S.2.4, S.2.5	FA	An external independent firm has been contracted to receive anonymous feedback on any alleged breach of the code of ethics. Any ethical issues are escalated to the Board	Whistleblowing Policy
A or E	E.6	Has the company established and implemented a whistle blowing policy?	S.2.5	FA	YES	Whistleblowing Policy
A or E	E.7	Has the Board/or management developed policies on corporate citizenship and sustainability and strategies for company use?	S.3.1, 5.4	FA	This is one of the tenets of the Code of Ethics Policy	Code of Ethics
M	E.8	Does the Board consider not only the financial performance but also the impact of the company's operations on society and the environment?	S.3.2, 5.3.3	FA	Through the Sanlam CSR program the Group supports the society eg schools in areas where it conducts business	Financial Statements
A or E	E.9	Does the Board monitor and report activities leading to good corporate citizenship and sustainability to demonstrate they are well coordinated?	S.4.1	FA	Quarterly Board reporting presented by the Head of Marketing	Board Reports, Financial Statements
F ACCOUNTABILITY, RISK MANAGEMENT AND INTERNAL CONTROL						
M	F.1	Does the Audit Committee and the Board consider and review the financial statements for integrity of the process and for truthful and factual presentation?	6.1, 6.1.1a	FA	YES The Audit Actuarial Risk and Compliance committee Reviews the interim and annual financial results and recommends their approval to the Board	Audit Committee Minutes of the Board, Financial Statements
M	F.2	Does the Annual Report contain a statement from the Board explaining its responsibility for preparing the accounts and is there a statement by the external auditor about his/her reporting responsibilities?	6.1.2	FA	Yes	Financial Statements-Report of the Directors
A or E	F.3	Does the board or audit committee have a process in place to ensure the independence and competence of the Company's external auditors?	6.1.1b	FA	The Audit Committee monitors the effectiveness of the external Auditors. The Audit Committee ensures that the external auditors and the partners rotate regularly as required. In 2018 the audit partner in charge of Sanlam retired by rotation and was replaced with another audit partner.	Financial Statements, Audit Committee Minutes
M	F.4	Do the shareholders formally appoint the external auditor at the AGM through a formal and transparent process?	6.1.3	FA	YES. This is part of the AGM Agenda	AGM Notice and Minutes
A or E	F.5	Is the Company working towards the introduction of integrated reporting (incorporating financial and non-financial information) or is the company's Annual Report prepared on an integrated basis using a framework available from the Integrated Reporting Council, The Global Reporting Initiative, G4 Sustainability Guidelines and/or Sustainability Accounting Standards Board standards?	6.1.5	PA	Yes. The Company is working towards integrated reporting	Financial Statements
A or E	F.6	Has the Board established an effective risk management framework which is inclusive of key risks as well as foreseeable risks, environmental and social risks and issues?	6.2.1	FA	The Company has adopted an ERM framework which is reviewed quarterly and a risk appetite statement approved by the Board bi-annually	Financial Statements, Audit Committee minutes
M	F.7	Has the Board established and reviewed on a regular basis the adequacy, integrity and management of internal control systems and information systems (including for compliance with all applicable laws, regulations, rules and guidelines)?	6.3.1, 6.3.2, 6.3.3	FA	This is done through the Internal Audit Function which reports on a quarterly basis to the Board	Audit Committee minutes
M	F.8	Does the Board annually conduct a review on the effectiveness of the company's risk management practices and internal control systems and report this to shareholders?	6.4.1	FA	Self assessment done annually and presented to the Audit Committee. Report included in the Financial Statements	Financial Statements
M	F.9	Has the Board established an effective internal audit function according to Code requirements and which reports directly to the Audit Committee?	6.5.2	FA	Yes. Internal audit reports to the board quarterly	Audit Committee minutes
A or E	F.10	Does the Board disclose details of Audit Committee activities?	6.5.2			
G TRANSPARENCY and DISCLOSURE						
M	G.1	Does the company have policies and processes to ensure timely and balanced disclosure of all material information as required by all laws, regulations and standards and this Code.	7.0 Overview, 7.1.1	FA	YES	Legal and Company Secretarial Manual, Compliance Manual
A or E	G.2	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to the company's governance, the Board and the Audit Committee?	7.1.1	FA	YES	Financial Statements
A or E	G.3	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to the company's mission, vision and strategic objectives?	7.1.1	FA	YES	Financial Statements
A or E	G.4	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to remuneration and whistleblowing?	7.1.1	FA	YES	Financial Statements
A or E	G.5	As a minimum, does the company website disclose current information on all areas prescribed in 7.1.1 (Board Charter, Whistleblowing Policy, Code of Ethics and information on resignation of directors)?	7.1.1	FA	YES	Website
A or E	G.6	Does the Board disclose the management discussion and analysis as required in 7.1.1?	7.1.1	PA	The company is working towards this as part of integrated reporting	
A or E	G.7	Has the Board provided disclosures as required in 7.1.1 on compliance with laws, regulations and standards, ethical leadership, conflict of interest, corporate social responsibility and citizenship?	7.1.1	FA	YES	Financial Statements
A or E	G.8	Has the Board made all required disclosures, including confirming requirements of 7.1.1 which include that a governance audit was carried out and that there are no known insider dealings?	7.1.1	NA	A Governance audit to be carried out in H2 2020	
A or E	G.9	Has the Board disclosed the company's risk management policy, company procurement policy, policy on information technology as per 7.1.1?	7.1.1	FA	YES	Website
M	G.10	Has the Board disclosed information on shareholders, including the key shareholders, including shareholding by directors and senior management and the extent of their shareholdings as required in 7.1.1 and on stakeholder who influence company performance and sustainability?	7.1.1	FA	YES	Financial Statements-Corporate Governance Statements
M	G.11	Has the Board disclosed all related-party transactions?	7.1.11	FA	YES	Financial Statements

M	G.12	Does the Board include in its Annual Report a statement of policy on good governance and the status of the application of this Code?	1.1.3, 7.1.1r	FA	YES	Financial Statements
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Note 1 The Reporting Template shall be used by companies to report on their application of the provisions of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (the Code). The completion of the Reporting Template and its filing with the Capital Markets Authority (CMA) will fulfill the reporting requirements of the Code at 1.1.3 paragraph 2. All elements marked in green are mandatory and MUST be complied with. Failure to fully apply will result in regulatory sanctions. When completing column 'F' for MANDATORY ITEMS, 'FA' will mean 'Fully Complied With', 'PA' will mean 'Partially Complied With' and 'NA' will mean 'Not Complied With'.

Note 2 Column 'F' should be marked as follows: 'FA' - Full Application, 'PA' - Partially Applied or 'NA' - Not Applied. Full application of this Code is required by the Code. Therefore anything less than 'Full application' is considered 'non-compliance or non-application' of the Code. A response of PA or NA is non-compliance and requires an explanation to be provided with a firm commitment to moving towards full compliance. See also Note 4.

Note 3 An explanation of how the Code provision is applied is required in column 'G' and shall be supported by evidence of how application has been achieved. If the provision is NOT applied, an explanation for why it is not applied or only partially applied is required in column 'G'. For each question, column 'G' must be completed.

Note 4 If an explanation is required because of non-application of any element of the Code, the explanation must be satisfactory, must be provided to relevant stakeholders including the Capital Markets Authority and shall include:

- a: reasons for non-application
- b: time frame required to meet each application requirement
- c: strategies to be put in place to progress to full application.

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