

Sanlam Limited

Incorporated in the Republic of South Africa

Registration number: 1959/001562/06

JSE share code: SLM

NSX share code: SLA

ISIN: ZAE000070660

("Sanlam" or the "Company")

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN ARE RESTRICTED AND ARE NOT FOR RELEASE, PUBLICATION, DISTRIBUTION OR FORWARDING, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM THE UNITED STATES OF AMERICA ("UNITED STATES") (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA), AUSTRALIA, CANADA, JAPAN OR ANY JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL. PLEASE SEE THE IMPORTANT NOTICE AT THE END OF THIS ANNOUNCEMENT.

27 March 2018

Sanlam Limited

Proposed placing of new ordinary shares to raise up to ZAR 5,700 million

Sanlam today announces its intention to conduct a non pre-emptive cash placing of new ordinary shares in the Company (the "**Placing Shares**") to institutional investors, as at the date of this announcement (the "**Placing**"), to raise up to ZAR5,700 million of gross proceeds based on the closing share price as at 27 March 2018.

On 8 March 2018, Sanlam and Santam Limited announced that final agreements had been concluded to acquire an additional 53.37% shareholding in SAHAM Finances S.A. ("**Saham**"), increasing their stake, via Sanlam Emerging Markets Ireland Limited ("**SEMIL**"), to 100% (the "**Saham Acquisition**"). SEMIL first acquired a 30% stake in Saham in February 2016 and subsequently acquired a further 16.63% stake in May 2017, bringing the total held by SEMIL in Saham prior to the implementation of the Saham Acquisition to 46.63%.

The net proceeds from the placing will be used to part fund the Saham Acquisition. If the placing and the Saham Acquisition had been implemented by 31 December 2017, Sanlam's group solvency ratio (as measured by the Solvency Assessment and Management regime currently being implemented in South Africa and expected to be effective from 1 July 2018) would have reduced by approximately 0.13 times from the 2.18 times cover ratio as at that date. The placing will allow Sanlam to maintain a conservative level of leverage.

The implementation of the Saham Acquisition remains subject to the fulfilment or waiver, as the case may be, of a number of conditions precedent including, inter alia, the receipt of all necessary

regulatory approvals and the implementation by SAHAM S.A. of a corporate restructure in order to divest itself of all its investment holdings, assets and liabilities other than the Saham interest. In the event that the Saham Acquisition does not complete, post the completion of the Placing, the net proceeds will be added to available discretionary capital of the Company.

The Placing is being conducted through an accelerated bookbuild process (the "**Bookbuild**"), which will be launched immediately following this announcement. J.P. Morgan Securities plc, which conducts its South African investment banking activities as J.P. Morgan ("**J.P. Morgan**") and Deutsche Bank AG. London Branch ("**Deutsche Bank**") are acting as joint global coordinators and joint bookrunners (the "**Joint Global Coordinators and Joint Bookrunners**") in respect of the Placing. The Bookbuild will open with immediate effect following this announcement.

The Placing will be made outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and inside the US to qualified institutional buyers within the meaning of Rule 144A under the Securities Act, as amended in transactions exempt from the registration requirements of the Securities Act. In South Africa, the Placing will only be made by way of separate private placements to: (i) selected persons falling within one of the specified categories listed in section 96(1)(a) of the South African Companies Act, 71 of 2008, as amended ("**South African Companies Act**"); and (ii) selected persons, acting as principal, acquiring Placing Shares for a total acquisition cost of R1,000,000 or more, as contemplated in section 96(1)(b) of the South African Companies Act ("**South African Qualifying Investors**").

The Placing Shares will be issued by the Company under and in accordance with its existing general authority to issue shares for cash, granted by shareholders at the annual general meeting of the Company held on Wednesday, 7 June 2017.

The price per ordinary share at which the Placing Shares will be placed (the "**Placing Price**") will be decided at the close of the Bookbuild. The timing of the closing of the Bookbuild, the Placing Price and allocations are at the discretion of the Company and the Joint Global Coordinators and Joint Bookrunners. The Placing Price will be announced as soon as practicable on the Stock Exchange News Service of the exchange operated by the JSE Limited ("**JSE**") after the close of the Bookbuild.

The Placing Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the existing ordinary shares in the share capital of the Company, including the right to receive all dividends and other distributions declared, made or paid after the date of issue of the Placing Shares. For the avoidance of doubt, the Placing Shares are being offered cum dividend and investors who will be allocated shares as part of the Placing will be eligible to receive the 2017 dividend to be paid by the Company on Monday, 9 April 2018.

Subject to the approval by the JSE, listing and trading of the Placing Shares on the JSE ("**Admission**") is expected to commence at 09h00 Tuesday, 3 April 2018 (or such time and/or date as may be agreed between the Company and the Joint Global Coordinators and Joint Bookrunners). Investors will receive Placing Shares listed and trading on the JSE. In addition, subject to approval by Namibian Stock Exchange Limited, the Placing Shares will also be listed

on the Namibian Stock Exchange. The Placing is conditional upon, amongst other things, Admission becoming effective and the placing agreement between the Company and the Joint Global Coordinators and Joint Bookrunners not being terminated in accordance with its terms prior to Admission.

Pursuant to the terms of the placing agreement, Sanlam has agreed to customary lock-up arrangements for a period of 120 days from the date of the Placing.

Contacts

J.P. Morgan contact details:

Barry Meyers

Managing Director

Tel: +44 (0)74 088 03058

Deutsche Bank contact details:

Nicolas Skaff

Managing Director

Tel: +44 (0)20 754 55030

Joint Global Coordinators and Joint Bookrunners

J.P. Morgan

Deutsche Bank

Sponsor

Deutsche Securities (SA) Proprietary Limited

IMPORTANT NOTICE

This announcement is not for publication or distribution or release, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Australia, Canada or Japan or any other jurisdiction where such an announcement would be unlawful. The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession this announcement or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No action has been taken that would permit an offering of the Placing Shares or possession or distribution of this announcement in any jurisdiction where action for that purpose is required.

This announcement does not constitute or form part of an offer for sale or solicitation of an offer to purchase or subscribe for securities in the United States, Australia, Canada, Japan or any other jurisdiction where such offer or solicitation would be unlawful. The Placing Shares have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or transferred, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject

to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There is no public offering of the Placing Shares in the United States, the United Kingdom or elsewhere.

In member states of the European Economic Area ("**EEA**") which have implemented the Prospectus Directive (each, a "**Relevant Member State**"), this announcement and any offer of Placing Shares if made subsequently is directed exclusively at persons who are "qualified investors" within the meaning of the Prospectus Directive ("**EEA Qualifying Investors**"). For these purposes, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in a Relevant Member State), and includes any relevant implementing measure in the Relevant Member State. In the United Kingdom, this announcement is directed exclusively at, and any investment or investment activity to which this announcement relates is available only to, and will be engaged in only with, EEA Qualifying Investors who are (i) investment professionals falling within Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order, and/or (iii) other persons to whom an offer of the Placing Shares may otherwise be lawfully communicated (all such persons together being referred to as "**UK Relevant Persons**"). Persons in the United Kingdom who are not UK Relevant Persons and persons in other Relevant Member States who are not EEA Qualifying Investors should not take any action on the basis of this announcement and should not act or rely on it.

In South Africa, the Placing will only be made by way of separate private placements to: (i) selected persons falling within one of the specified categories listed in section 96(1)(a) of the South African Companies Act; and (ii) selected persons, acting as principal, acquiring Placing Shares for a total acquisition cost of R1,000,000 or more, as contemplated in section 96(1)(b) of the South African Companies Act (South African Qualifying Investors). This announcement is only being made available to such South African Qualifying Investors. Accordingly: (i) the Placing is not an offer to the public as contemplated in the South African Companies Act; (ii) this announcement does not, nor does it intend to, constitute a "registered prospectus" or an "advertisement", as contemplated by the South African Companies Act; and (iii) no prospectus has been filed with the South African Companies and Intellectual Property Commission ("**CIPC**") in respect of the Placing. As a result, this announcement does not comply with the substance and form requirements for a prospectus set out in the South African Companies Act and the South African Companies Regulations of 2011, and has not been approved by, and/or registered with, the CIPC, or any other South African authority.

The information contained in this announcement constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act, 37 of 2002, as amended and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Placing Shares or in relation to the business or future investments of Sanlam, is appropriate to the particular investment objectives, financial situations or needs of a prospective investor, and nothing in this announcement should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa.

No prospectus or offering document has been or will be prepared in connection with the Placing. Any investment decision in connection with the Placing must be made on the basis of all publicly available information relating to Sanlam's shares. Such information has not been independently verified. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

No representation or warranty, express or implied, is made by the Joint Global Coordinators and Joint Bookrunners or any of their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this announcement or such publicly available information, and nothing in this announcement will be relied upon as a promise or representation in this respect, whether or not to the past or future, and accordingly none of the Joint Global Coordinators and Joint Bookrunners or any of their respective affiliates or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to Sanlam, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

This announcement does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in Sanlam's ordinary shares.

This announcement does not represent the announcement of a definitive agreement to proceed with the Placing and, accordingly, (i) there can be no certainty that the Placing will proceed and (ii) the terms of the Placing may be varied.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that such Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any

losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.