

Sanlam Limited
(Incorporated in the Republic of South Africa)
Registration number 1959/001562/06
JSE share code: SLM
A2X share code: SLM
NSX share code: SLA
ISIN: ZAE000070660
("Sanlam")

TRANSFER OF THE GROUP RISK AND RETAIL LIFE BUSINESSES OF ALEXANDER FORBES LIFE TO SANLAM LIFE IN TERMS OF SECTION 50 OF THE INSURANCE ACT

1. Introduction and Rationale

The board of directors of Sanlam is pleased to announce that Sanlam Life Insurance Limited ("**Sanlam Life**"), a subsidiary of Sanlam, has entered into an agreement pursuant to which it will, subject to the fulfilment of certain conditions (including the requisite approvals of the Prudential Authority), acquire the group risk and retail life businesses ("**AF Life Book**") of Alexander Forbes Life Limited ("**AF Life**") via a transfer of the AF Life Book from AF Life to Sanlam Life in terms of Section 50 of the Insurance Act for a total consideration of ZAR100 million (subject to adjustment) (the "**Consideration**") (the "**Transaction**").

The Transaction will contribute towards the realisation of Sanlam's South African growth strategy by strengthening Sanlam Life's position in the group risk and retail life insurance markets. The Transaction is expected to deliver capital synergies by integrating the AF Life Book into the Sanlam Life licence and diversifying the portfolio of risks. This integration process will start after obtaining final approval from all relevant regulatory bodies.

2. Overview of the Transaction

The Consideration will be paid in instalments as follows: 50% at the effective date, 25% at the first anniversary of the effective date and a further 25% at the second anniversary of the effective date, based on achievement of agreed metrics. The Transaction will be funded from Sanlam Life's existing cash resources.

Agreed policy liabilities, assets, reinsurance contracts, business and binder contracts of the AF Life Book will transfer to Sanlam Life.

The Transaction is subject to the fulfilment of certain conditions including (but not limited to) AF Life shareholder, regulatory and competition authority approval and certain counterparty consents.

3. Financial information of the Transaction

AF Life is an entity focused on group risk and retail life business. As at March 2021, the entity reported R966 million and R37 million in gross written premium for its group risk book and retail life book of business respectively. The Transaction will add approximately 630

employers and 210,000 members to the group risk business of Sanlam Life and 3,700 policies to the retail book of Sanlam Life.

4. JSE Listings Requirements categorisation

The Transaction is not a categorised transaction for Sanlam in terms of the Listings Requirements of the JSE Limited. This announcement is accordingly released on a voluntary basis.

5. Effective Date

The effective date will be dependent on the fulfilment of the conditions to which the Transaction is subject, including regulatory approvals, and is expected to occur immediately after these approvals are obtained.

Bellville
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Enquiries
Sanlam Investor Relations
Phone: +27 21 947 8455
E-mail: ir@sanlam.co.za

Transaction Sponsor to Sanlam
The Standard Bank of South Africa Limited

Legal Advisers to Sanlam
Glyn Marais Incorporated