

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

Sanlam Life Insurance Limited
(Incorporated in the Republic of South Africa)
(Registration No. 1998/021121/06)
Bond Issuer Code: BISLI
("Sanlam Life")

Capitec Bank Holdings Limited
Incorporated in the Republic of South Africa
Registration number 1999/025903/06
Ordinary Share Code: CPI ISIN Number:
ZAE000035861
Preference Share Code: CPIP ISIN Number:
ZAE000083838
("Capitec")

Capitec Bank Limited
(Incorporated in the Republic of South Africa)
(Registration No. 1980/003695/06)
Bond Issuer Code: BICAP
("Capitec Bank")

VOLUNTARY ANNOUNCEMENT: TERMINATION OF THE FUNERAL INSURANCE CO-OPERATION BETWEEN THE SANLAM GROUP AND THE CAPITEC GROUP

1. Introduction

Capitec Bank, Capitec Ins Proprietary Limited ("**Capitec Ins**") (wholly-owned subsidiaries of Capitec), Sanlam Developing Markets Limited ("**SDM**") (a wholly owned subsidiary of Sanlam) and Centriq Life Insurance Company Limited ("**Centriq**") are parties to a co-operation arrangement in terms of which funeral policies are sold to the clients of Capitec Bank ("**the Funeral Product Co-operation Arrangement**").

The boards of directors of Sanlam, Capitec and Capitec Bank jointly announce that Capitec Bank and Capitec Ins jointly gave notice of the termination of the Funeral Product Co-operation Arrangement, which termination will become effective from 31 October 2024 ("**Termination Date**") (the "**Transaction**").

Sanlam will continue to provide reinsurance and administration services in respect of the Funeral Product Co-Operation Arrangement up to the Termination Date, during which time the existing arrangements between SDM, Centriq, Capitec Ins and Capitec Bank will remain in place.

As a result of the termination of the Funeral Product Co-Operation Arrangement, a reinsurance recapture amount of R1.9 billion is payable on or before the Termination Date to the relevant Sanlam

entities. The reinsurance recapture amount represents the loss to the Sanlam group for its 30% participation in the Funeral Product Co-operation Arrangement expected to be in-force at 31 October 2024.

2. Overview of the Transaction

Sanlam, through SDM and Centriq (a wholly owned subsidiary of Santam Limited), and Capitec, through Capitec Bank and Capitec Ins, have enjoyed a mutually beneficial and successful relationship over the past six years through the Funeral Product Co-Operation Arrangement which was jointly launched by Sanlam and Capitec Bank in November 2017 to service the mass retail funeral insurance market in South Africa.

On 30 October 2023 Capitec Bank and Capitec Ins jointly gave notice to Sanlam of the termination of the Funeral Product Co-Operation Arrangement at the end of the initial 7-year term with effect from the Termination Date. The notice of termination was given in accordance with the relevant provisions of the Funeral Product Co-operation Arrangement.

Subject to the relevant regulatory approvals and effective 1 November 2024, Sanlam will cease to provide reinsurance and any administration services in relation to the funeral policies forming part of the Funeral Product Co-Operation Arrangement. Capitec Life Limited, a newly licensed insurer forming part of the Capitec group, will take over the administration of the in-force insurance book pursuant to the terms of the relevant agreements, and will commence writing new funeral business on its own insurance license. The policies in-force on the Termination Date will remain in the Centriq cell captive licence and will be transferred to the Capitec Life license at a later date, subject to the relevant regulatory requirements and approvals.

The Transaction is subject to certain conditions (including but not limited to) approval from the relevant authorities in South Africa and which are standard to a transaction of this nature.

3. Effective Date

The Funeral Product Co-Operation Arrangement will terminate with effect from the Termination Date, and the R1.9 billion will be paid to the relevant Sanlam entities by no later than the Termination Date, subject to the terms and conditions of the relevant agreements.

Bellville

4 December 2023

Enquiries

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Equity Sponsor to Sanlam

The Standard Bank of South Africa Limited

Debt Sponsor to Sanlam Life Insurance Limited

Rand Merchant Bank, a division of FirstRand Bank Limited

Legal Advisors to Sanlam

Webber Wentzel

Stellenbosch

4 December 2023

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PSG Capital

Debt Sponsor to Capitec Bank

PSG Capital

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Clyde & Co