

**Sanlam Securities UK
MIFIDPRU Disclosures**

September 2024



Background Information

This document outlines the disclosure requirements mandated by MIFIDPRU 8 for Sanlam Securities UK Limited (SSUK).

SSUK produces its Internal Capital Adequacy and Risk Assessment (ICARA) and related disclosures on a solo entity basis. The primary aim of the ICARA process is to determine whether SSUK complies with the Overall Financial Adequacy Rule (OFAR). This rule requires SSUK to maintain sufficient capital and liquidity resources to:

- Ensure financial viability throughout the economic cycle.
- Manage potential harm arising from its ongoing activities.
- Facilitate an orderly wind-down of the business, if necessary, while minimising harm to clients and the market.

Overall Financial Adequacy Rule (OFAR)

The OFAR mandates that firms:

- Hold adequate own funds and liquid assets to remain financially viable throughout the economic cycle and manage potential harm from their activities.
- Have the ability to wind down their business in an orderly manner, minimising harm to consumers and other market participants.

The latest iteration of SSUK's ICARA was approved by the SSUK Board on 8 November 2023, with a base reporting date of 31 December 2022. The disclosures within this document were approved by the SSUK Board on 13th August 2024.

As a non-SNI MIFIDPRU investment firm, our annual disclosures under the Investment Firm Prudential Regime (IFPR) encompass the following areas, providing transparency into our operations and risk profile:

1. **Governance Arrangements (MIFIDPRU 8.2.3G):** We have disclosed details of our governance arrangements, including the composition and responsibilities of our governing body.
2. **Risk Management (MIFIDPRU 8.3):** Our disclosures cover our risk management objectives, policies, and processes for identifying and assessing material risks.
3. **Own Funds (MIFIDPRU 8.4):** We have provided information on our own funds, including the composition and adequacy of our capital resources.
4. **Remuneration Policies and Practices (MIFIDPRU 8.5 and 8.6):** Our disclosures detail our remuneration policies and practices for all staff and material risk-takers.

Company Information

The Sanlam UK Group is part of Sanlam Limited, an international financial services group headquartered in South Africa.

Sanlam Securities UK Limited (SSUK) is ultimately in wind down. The firm provides custody services of residual client assets and monies for dormant accounts or illiquid stocks.



Risk Management Disclosures (MIFIDPRU 8.2)

MIFIDPRU 8.2.1R
A firm must disclose its risk management objectives and policies for the categories of risk addressed by:
(1) MIFIDPRU 4 (Own funds requirements);
(2) MIFIDPRU 5 (Concentration risk); and
(3) MIFIDPRU 6 (Liquidity).

SSUK maintains a robust risk management framework to identify, assess, and monitor risks on an ongoing basis. Key components of this framework include Risk Control Self-Assessments (RCSAs), Incident Management, and Key Risk Indicator (KRI) monitoring and reporting.

1. Own Funds Risk Management

SSUK's own funds' requirements are defined by its ICARA process, which is approved by the Board. The Finance team oversees the daily monitoring of own funds against established thresholds.

Potential for Harm:

- Insufficient own funds could lead to regulatory intervention, restrictions on business activities, or even insolvency in extreme cases. This could also impact SIUK's ability to attract or retain assets under management (AUM), as investors may view a poorly capitalised firm as a higher risk.

Strategies and policies to monitor the risk and reduce harm:

- The ICARA process includes recovery actions and notification procedures to address potential breaches of own funds thresholds.
- The Finance team regularly reports on compliance with its own funds' requirements to the Executive Committee (monthly), the Audit and Risk Committee (quarterly), and the Board (quarterly).

2. Concentration Risk Management

As SSUK does not have a trading book or engage in own-account dealing, its primary exposure to concentration risk arises from:

- Placement of its own cash.

Potential for Harm:

- Over-concentration of cash placements or fee income sources could lead to significant financial losses if those counterparties or sources were to fail or underperform. This could negatively impact SIUK's ability to meet client redemptions, leading to reputational damage and potential regulatory scrutiny.

Strategies and policies to monitor the risk and reduce harm:

- SSUK carefully monitors cash held at UK credit institutions and adheres to minimum credit rating requirements for these institutions as outlined in its Risk Appetite Statement.



3. Liquidity Risk Management

Within the ICARA process, SSUK has conducted a thorough assessment of its liquidity risk exposure, referencing MIFIDPRU 7 Annex 1 (guidance on assessing potential harms that may be relevant to the firm). SSUK's liquidity profile is relatively straightforward, with liabilities primarily consisting of staff and vendor costs.

Potential for Harm:

- Inadequate liquidity could result in an inability to meet financial obligations as they fall due, potentially leading to reputational damage, regulatory sanctions, or business disruption. It could also hinder SIUK's ability to service clients effectively, leading to client attrition and negative impacts on AUM.

Strategies and policies to monitor the risk and reduce harm:

- **Liquidity stress testing:** Conducted annually to assess the worst-case liquidity requirement under an extreme but plausible scenario. Stress testing results demonstrate that SSUK maintains sufficient liquidity to comfortably meet its regulatory requirements even under extreme stress.
- **Liquidity threshold requirements:** Reviewed as part of the ICARA process and approved by the Board.
- **Daily monitoring:** The SSUK finance team is responsible for monitoring the firm's liquid assets against the established thresholds daily.
- **Recovery actions and notification procedures:** Established as part of the ICARA process to address potential threshold breaches.
- **Regular reporting:** The Finance team provides formal reports to the SSUK Executive Committee on a monthly basis, and to the Audit and Risk Committee and the Board quarterly, regarding compliance with the set liquidity thresholds.

Strategy and Harm

MIFIDPRU 8.2.2R

The risk management objectives and policies for each of the items listed in MIFIDPRU 8.2.1R must include:

- (1) a concise statement approved by the firm's governing body describing the potential for harm associated with the business strategy; and
- (2) a summary of the strategies and processes used to manage each of the categories of risk listed in MIFIDPRU 8.2.1R and how this helps to reduce the potential for harm.

The business strategy of SSUK is to provide the services described below for the required timescales and wind down in an orderly manner. It will not be undertaking any new business activities.

The TSA to Sanlam Life and Pension and SFS ceased in September 2023 and the sole service remaining is the provision of custody services of residual client assets and monies. The remaining assets/client monies are small in number and relatively static by their nature. It is anticipated that there will be an orderly wind-down of the entity and removal of regulatory permissions in 2024.

The business recognises a number of harms associated with the business strategy. Primarily, the business strategy should ensure that SSUK treats its customers fairly, performs operational services defined in the TSA and winds down the business in an effective manner.

MIFIDPRU 8.2.3G

In complying with MIFIDPRU 8.2.2R, a firm may consider that information drawn from the ICARA process is a relevant and useful way of disclosing:

- (1) the firm's approach to risk management by reference to its risk management policies;
- (2) details of the firm's risk management structure and operations, for example, the senior management responsible for each area of risk (where applicable), and any relevant committees and their responsibilities;
- (3) how the firm sets its risk appetite; and
- (4) a summary of how the firm assesses the effectiveness of its risk management processes.

SSUK provides the following information drawn from its ICARA process as a relevant and useful way of disclosing its approach to risk management:



SUK's Approach to Risk Management:

The SSUK Risk Framework is outlined in the Board-approved Risk Framework Policy. The objective of this framework is to ensure that SSUK:

- Takes risks aligned with its strategy and risk appetite.
- Proactively identifies, mitigates, manages, and monitors harms to clients, the market, and the firm.
- Considers the impact of risk management decisions on clients' interests.
- Maintains a controlled environment that is designed and operates effectively.
- Manages operational errors consistently, ensuring they remain within tolerable levels.
- Allocates risk capital effectively and efficiently.

Risk Management Structure and Operations:

- **Risk Management (1st Line of Defence):** All SSUK staff, particularly front-line managers, are responsible for identifying and evaluating risks, designing and operating controls, and escalating errors to the Risk and Compliance team.
- **Risk Oversight (2nd Line of Defence):** The Risk and Compliance team independently oversees risks by recommending policies, reviewing compliance, ensuring risk assessments are performed, monitoring controls, facilitating incident management, and reporting risks to governance bodies.
- **Risk Assurance (3rd Line of Defence):** The Sanlam Group Internal Audit Function provides independent risk assurance.

How SSUK Sets Its Risk Appetite:

SSUK's Risk Appetite Statement, set against the Sanlam Group risk taxonomy, defines statements and tolerances (Red, Amber, Green) for monitoring and managing risk. Breaches of tolerances are escalated and the statement is reviewed annually or upon material changes.

Summary of How SSUK Assesses the Effectiveness of Its Risk Management Processes:

The effectiveness of the Risk Framework is reviewed and documented within the ICARA process. This assessment includes:

- Feedback from senior management and governance committees.
- Findings from Internal Audit.
- Incident and breach history, including financial impact.
- Findings from the Compliance Monitoring Programme.

Additional Risk Management Tools and Processes:

- **Risk Control Self-Assessment (RCSA):** A key tool for identifying and assessing risks and controls, owned by the 1st line of defence and reviewed regularly.
- **Incident Management:** A process to ensure consistent management, recording, and learning from incidents to improve processes and controls.

SSUK operates a robust governance framework to ensure risks are identified, escalated, monitored, and mitigated effectively.



Governance Disclosures (MIFIDPRU 8.3)

MIFIDPRU 8.3.1R

A non-SNI MIFIDPRU investment firm must disclose the following information regarding internal governance arrangements:

- (1) an overview of how the firm complies with the requirement in SYSC 4.3A.1R to ensure the management body defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the firm, including the segregation of duties in the organisation and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of clients;
- (2) subject to MIFIDPRU 8.3.2R, the number of directorships (executive and non-executive) held by each member of the management body;
- (3) where relevant, whether the FCA has granted a modification or waiver of SYSC 4.3A.6R(1)(a) or (b) in order to allow a member of the management body to hold additional directorships;
- (4) a summary of the policy promoting diversity on the management body, including explanations of:
 - (a) the objectives of the policy and any target(s) set out in the policy; and
 - (b) the extent to which the objectives and any target(s) have been achieved; and
 - (c) where the objectives or target(s) have not been achieved:
 - (i) the reasons for the shortfall; and
 - (ii) the firm's proposed actions to address the shortfall; and
 - (iii) the proposed timeline for taking those actions;
- (5) whether the firm has a risk committee; and
- (6) whether the firm:
 - (a) is required by MIFIDPRU 7.3.1R to establish a risk committee; or
 - (b) would have been required by MIFIDPRU 7.3.1R to establish a risk committee, but that obligation has been removed as a result of a waiver or modification granted by the FCA.

MIFIDPRU 8.3.3G

When deciding what information to disclose to satisfy the obligations in MIFIDPRU 8.3.1R(1), a firm may find it helpful to consider:

- (1) the requirements in SYSC 4.3A.1R(1) to (7) regarding the responsibilities of the management body; and
- (2) the requirements in SYSC 4.3A.3R regarding the necessary skills and attributes of members of the management body.

SSUK has established a structured governance approach to ensure effective alignment between oversight and management responsibilities for risk. The risk governance structure has clearly defined roles and responsibilities for the Board, control committees, control functions, and accountable executives.

The SUKH board ("The Board") sets the overall corporate governance standards and framework that the Group is expected to comply with. The Board is responsible for monitoring the management and performance of the Sanlam UK entities.

Board Membership

The composition of the Board structure for the Sanlam UK Group entities is as follows:

Members:		SUKH	SUK	SSUK	SSUK	SPL	SSUKH	SPIH	PN
		07812240	06575362	05809399	01825674	07182140	09100501	06469549	03953790
Mr Haydn Franckeiss	Executive	√	√	√	√	√	√	√	√
Mr Carl Roothman	NED			√					
Mr Thomas van Heerden	NED	√	√	√	√		√	√	
Mr Hugh Ward	INED			√	√				

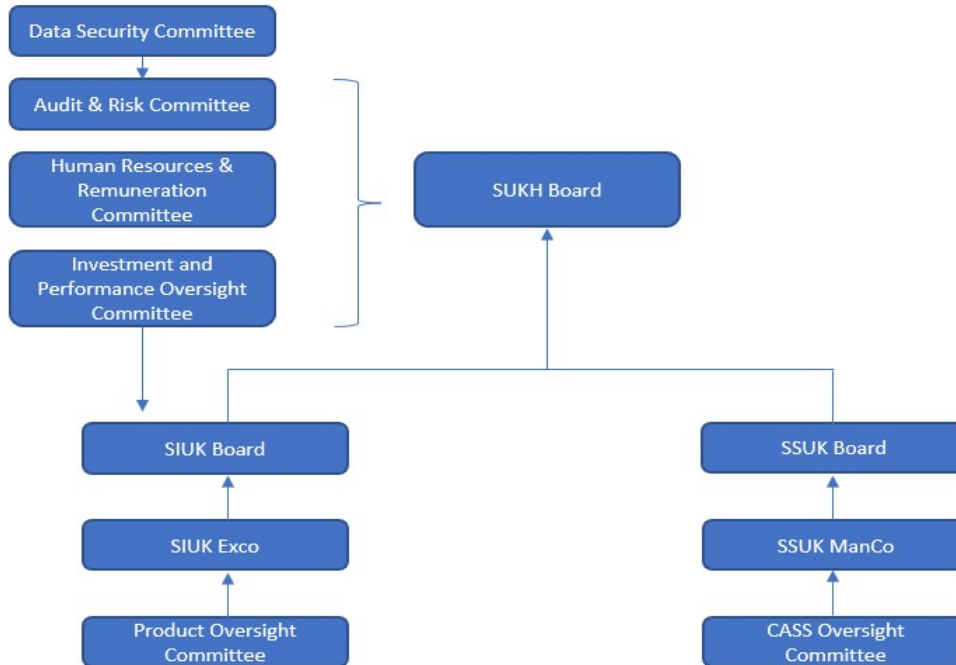
The SUKH board retains ultimate authority except where delegated to relevant sub-committees. The role of the sub-committees is to support the Board. While the committees are accountable to the Board, they do not relieve the Board of its responsibilities.

While SSUK meets the conditions under MIFIDPRU 7.1.4 and is not required to establish a Risk, Remuneration, or Nomination Committee, the firm has nonetheless established these committees to ensure good governance.



Governance Structure

The chart below outlines the governance committees within SSUK.



Further Details on Governance Structure

- **SUKH Board ('The Board')**: Responsible for setting the Group's strategic aims, risk appetite, monitoring performance, and ensuring the SUKH Group is appropriately resourced and has effective controls in place. The Board also sets the values and supports the culture of the Group.
Frequency: Quarterly
- **Audit and Risk Committee (ARC)**: Responsible for setting and overseeing financial reporting standards, risk management, and internal controls within the Sanlam UK Group. It also monitors the effectiveness of risk management processes and engages with external and internal auditors.
Frequency: Quarterly +1
- **Human Resource and Remuneration Committee (HRRC)**: Responsible for recommending executive director appointments, reviewing remuneration policies, and ensuring compliance with these policies for Executive Directors, Senior Management, and key talent.
Frequency: Quarterly
- **Investment Performance Oversight Committee (IPOC)**: Provides oversight on investment performance, risk, and positioning of funds and segregated mandates. It also monitors investment activities and ensures fair customer outcomes.
Frequency: Quarterly
- **SSUK ManCo**: Responsible for implementing the Board's strategic direction and overseeing SSUK's day-to-day operations, including investment, operational, finance, risk, and compliance functions.
Frequency: Monthly
- **Data Security Committee (DSC)**: Demonstrates management commitment and active support for the implementation of an effective Information Security Management System (ISMS).
Frequency: Quarterly
- **CASS Oversight Committee (CASSOC)**: Responsible for ensuring compliance with the FCA's Client Assets Sourcebook (CASS) rules by overseeing CASS activities, reviewing policies and procedures, monitoring client money and assets, conducting due diligence, and ensuring timely reconciliation.
Frequency: Monthly



Directorships

FIDPRU 8.3.2R

The following directorships are not within the scope of MIFIDPRU 8.3.1R(2):

(1) executive and non-executive directorships held in organisations which do not pursue predominantly commercial objectives; and

(2) executive and non-executive directorships held within the same group or within an undertaking (including a non-financial sector entity) in which the firm holds a qualifying holding.

The below table outlines the number of directorships held for the Executive and Non-Executive members of the Board.

Members:	Position	Number of Directorships held in Sanlam Group	Number of Directorships held outside the Sanlam Group
Mr Haydn Franckeiss	Executive	14	2
Mr Carl Roothman	NED	12	11
Mr Thomas van Heerden	NED	17	0
Mr Hugh Ward	INED	1	15

Diversity Policy - Management Body

Sanlam is committed to promoting equality, diversity, and inclusion. It aims to foster a culture that actively values differences and recognises the valuable insights that individuals from diverse backgrounds and experiences bring to the workplace. The company's goal is to create a workforce that is truly representative of society and its customers, where every employee feels respected and empowered to contribute their best.

Sanlam strives to be an inclusive organisation that provides equal opportunities throughout employment, including recruitment, training, development, and advancement. It is dedicated to proactively addressing and eliminating discrimination.

The policy's key objectives are to:

- Provide equality, fairness, and respect for all employees, regardless of their employment status (temporary, part-time, or full-time).
- Avoid unlawful discrimination based on the protected characteristics outlined in the Equality Act 2010: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality, and ethnic or national origin), religion or belief, sex, and sexual orientation.

Oppose and prevent all forms of unlawful discrimination in areas such as pay and benefits, terms and conditions of employment, grievance and disciplinary procedures, dismissal, redundancy, parental leave, flexible working requests, and selection for employment, promotion, training, or other HR procedures.

The objectives have been achieved, there have been no instances of unlawful discrimination. Sanlam continues to see an improvement in diversity of age, race and gender.

Conflicts of Interest Policy

Sanlam Securities UK Limited (SSUK) adheres to the Sanlam UK Group Conflicts of Interest Policy. This policy outlines the principles and procedures for identifying, managing, and mitigating potential conflicts of interest. The policy is available to the public on the SSUK website.

SSUK has a robust governance structure in place to monitor conflicts of interest, including:

- **Formal Disclosure:** All Executive and Non-Executive Directors of the Board are required to formally disclose any conflicts of interest at Board meetings.
- **Ongoing Review:** Potential conflicts are regularly reviewed within the established governance framework to ensure appropriate management and mitigation.



Own funds (MIFIDPRU 8.4 and MIFID PRU 8.5)

MIFIDPRU 8.4.1R

(1) Subject to (2), a firm must disclose the following information regarding its own funds:

(a) a reconciliation of common equity tier 1 items, additional tier 1 items, tier 2 items, and the applicable filters and deductions applied in order to calculate the own funds of the firm;

(b) a reconciliation of (a) with the capital in the balance sheet in the audited financial statements of the firm; and

(c) a description of the main features of the common equity tier 1 instruments, additional tier 1 instruments and tier 2 instruments issued by the firm.

(2) A firm that is not required to publish annual financial statements is only required to disclose the information specified at (1)(a) and (c).

The below table outlines SSUK's own funds requirements as per MIFIDPRU 8 Annex 1R Disclosure template.

Composition of regulatory own funds			
	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	7,418	N/A
2	TIER 1 CAPITAL	7,418	N/A
3	COMMON EQUITY TIER 1 CAPITAL	-	N/A
4	Fully paid up capital instruments	870	Called up share capital
5	Share premium	4,220	Share premium account
6	Retained earnings	2,190	Profit and Loss Account
7	Accumulated other comprehensive income	-	N/A
8	Other reserves	138	Capital contribution
9	Adjustments to CET1 due to prudential filters	-	N/A
10	Other funds	-	N/A
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	0	N/A
19	CET1: Other capital elements, deductions and adjustments	-	N/A
20	ADDITIONAL TIER 1 CAPITAL	-	
21	Fully paid up, directly issued capital instruments	-	N/A
22	Share premium	-	N/A
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	N/A
24	Additional Tier 1: Other capital elements, deductions and adjustments	-	N/A
25	TIER 2 CAPITAL	-	
26	Fully paid up, directly issued capital instruments	-	N/A
27	Share premium	-	N/A
28	(-) TOTAL DEDUCTIONS FROM TIER 2	-	N/A
29	Tier 2: Other capital elements, deductions and adjustments	-	N/A



Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

Flexible template - rows to be reported in line with the balance sheet included in the audited financial statements of the investment firm.

Columns should be kept fixed, unless the investment firm has the same accounting and regulatory scope of consolidation, in which case the volumes should be entered in column (a) only.

Figures should be given in GBP thousands unless noted otherwise.

		a	b	c
		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross-reference to template OF1
		As at period end	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Investment in subsidiaries	0		N/A
2	Equity investments held at fair value through profit and loss	0		N/A
3	Debtors amount falling due after one year	0		N/A
4	Debtors amount falling due within one year	42		N/A
5	Cash at bank	7,648		N/A
	Total Assets	7,690		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Creditors amount falling within one year	272		N/A
	Total Liabilities	272		N/A
Shareholders' Equity				
1	Called up share capital	870		4
2	Share premium account	4,220		5
3	Profit and loss account	2,190		6
4	Capital contribution	138		8
xxx	Total Shareholders' equity	7,418		

Own funds: main features of own instruments issued by the firm

The own funds components are ordinary shares issued and accumulated audited profits of the Company.



K-Factor and Fixed Overhead Requirement

MIFIDPRU 8.5.1R

A firm must disclose the following information regarding its compliance with the requirements set out in MIFIDPRU 4.3 (Own funds requirement):

(1) the K-factor requirement, broken down as follows:

(a) the sum of the K-AUM requirement, the K-CMH requirement and the K-ASA requirement;

(b) the sum of the K-COH requirement and the K-DTF requirement; and

(c) the sum of the K-NPR requirement, the K-CMG requirement, the K-TCD requirement and the K-CON requirement; and

(2) the fixed overheads requirement.

SSUK assessment for K-factors and Fixed Overhead Requirement is outlined in the below table.

	Capital Assessment
The sum of K-AUM, K-CMH and K-ASA	£29,000
The sum of K-COH and K-DTF	£-
The sum of K-NPR, K-CMG, K-TCD and K-CON	£-
The sum of all K- Factors	£29,000
FOR	£150,891

Approach to assessing the adequacy of its own funds in accordance with the overall financial adequacy rule

MIFIDPRU 8.5.2R

A firm must disclose its approach to assessing the adequacy of its own funds in accordance with the overall financial adequacy rule in MIFIDPRU 7.4.7R.

SSUK assesses the adequacy of its own funds in accordance with the OFAR through a robust and structured Internal Capital Adequacy and Risk Assessment (ICARA) process. This process is designed to ensure that SSUK maintains sufficient financial resources to cover potential losses, meet regulatory requirements, and remain financially viable throughout the economic cycle.

ICARA Process

The Risk and Compliance function coordinates SSUK's internal ICARA process. This process involves:

- Working Group Meetings:** Key stakeholders convene to discuss and assess critical inputs, including:
 - Key Risks:** Comprehensive identification and analysis of the main risks SSUK faces.
 - Potential Harms:** Thorough evaluation of the potential negative impacts these risks could have on SSUK, its clients, or the market.
 - Mitigating Actions:** Development and implementation of effective strategies and controls to reduce or manage these risks.
- Executive Committee Oversight:** The SSUK Executive Committee oversees and approves data inputs for the ICARA process, as well as the final ICARA document, providing recommendations to the Board.
- Board Approval:** The SSUK Board, through its SUKH Audit and Risk Committee, has ultimate approval authority for the ICARA.
- Regular Reviews:** The ICARA is reviewed at least annually and whenever there are significant changes to the business or its strategy, ensuring ongoing relevance and effectiveness.

Ongoing Monitoring

The Finance team continuously monitors and reports on the Own Funds Threshold Requirement and Liquid Asset Threshold Requirement. These thresholds are aligned with the SSUK Risk Appetite Statement, ensuring that SSUK's financial resources remain adequate to cover potential losses and meet regulatory obligations. By adhering to this rigorous approach, SSUK demonstrates its commitment to maintaining financial stability, mitigating risks, and protecting the interests of its clients and the market in accordance with the OFAR.

The firm is in compliance with the overall financial adequacy rule.



Remuneration (MIFIDPRU 8.6)

MIFIDPRU 8.6.1R

The rules in this section apply to all MIFIDPRU investment firms, unless otherwise specified.

MIFIDPRU 8.6.2R

A MIFIDPRU investment firm must disclose a summary of:

- (1) its approach to remuneration for all staff ("staff" interpreted according to SYSC 19G.1.24G);
- (2) the objectives of its financial incentives;
- (3) the decision-making procedures and governance surrounding the development of the remuneration policies and practices the firm is required to adopt in accordance with the MIFIDPRU Remuneration Code, to include, where applicable:

- (a) the composition of and mandate given to the remuneration committee; and
- (b) details of any external consultants used in the development of the remuneration policies and practices.

In complying with MIFIDPRU 8.6.2R(1), a firm may consider it appropriate to disclose:

- (1) the principles or philosophy guiding the firm's remuneration policies and practices;
- (2) how the firm links variable remuneration and performance;
- (3) the firm's main performance objectives; and
- (4) the categories of staff eligible to receive variable remuneration.

MIFIDPRU 8.6.3G

In complying with MIFIDPRU 8.6.2R(1), a firm may consider it appropriate to disclose:

- (1) the principles or philosophy guiding the firm's remuneration policies and practices;
- (2) how the firm links variable remuneration and performance;
- (3) the firm's main performance objectives; and
- (4) the categories of staff eligible to receive variable remuneration.

MIFIDPRU 8.6.5R

A MIFIDPRU investment firm must disclose the key characteristics of its remuneration policies and practices in sufficient detail to provide the reader with:

- (1) an understanding of the risk profile of the firm and/or the assets it manages; and
- (2) an overview of the incentives created by the remuneration policies and practices.

MIFIDPRU 8.6.6R

For the purpose of MIFIDPRU 8.6.5R, a firm must disclose at least the following information:

- (1) the different components of remuneration, together with the categorisation of those remuneration components as fixed or variable;
- (2) a summary of the financial and non-financial performance criteria used across the firm, broken down into the criteria for the assessment of the performance of:
 - (a) the firm;
 - (b) business units; and
 - (c) individuals.
- (3) for a non-SNI MIFIDPRU investment firm:
 - (a) the framework and criteria used for ex-ante and ex-post risk adjustment of remuneration, including a summary of:
 - (i) current and future risks identified by the firm;
 - (ii) how the firm takes into account current and future risks when adjusting remuneration; and
 - (iii) how malus (where relevant) and clawback are applied;
 - (b) the policies and criteria applied for the award of guaranteed variable remuneration; and
 - (c) the policies and criteria applied for the award of severance pay.
- (4) for a non-SNI MIFIDPRU investment firm not falling within SYSC 19G.1.1R(2):
 - (a) details of the firm's deferral and vesting policy, including as a minimum:
 - (i) the proportion of variable remuneration that is deferred;
 - (ii) the deferral period;
 - (iii) the retention period;
 - (iv) the vesting schedule; and
 - (v) an explanation of the rationale behind each of the policies referred to in (i) to (iv).

Where the firm's deferral and vesting policy differs for different categories of material risk takers, the information should be presented and sub-divided accordingly.

- (b) a description of the different forms in which fixed and variable remuneration are paid, for example, whether paid in:
 - (i) cash;
 - (ii) share-linked instruments;
 - (iii) equivalent non-cash instruments;
 - (iv) options; or
 - (v) short or long-term incentive plans.

MIFIDPRU 8.6.7G

In complying with MIFIDPRU 8.6.6R(1), a firm is reminded of the rules and guidance in SYSC 19G.4 on categorising fixed and variable remuneration.

Remuneration Policy Summary

The Remuneration Policy is designed to appropriately reward performance and align remuneration with prudent risk management. The policy is aligned with the business strategy, objectives, values, cultural ethos, and long-term success of SSUK, as well as the interests of clients and stakeholders. The policy applies to all SSUK staff. The policy ensures that SSUK maintains:

- A sound performance management structure for setting goals and objectives aligned with individual business functions and the broader SSUK business strategy.
- A performance framework measured against the achievement of objectives in line with expected Sanlam behaviours.
- Compliance with the firm's regulatory obligations.



Sanlam's Overarching Remuneration Policies

- **Alignment with strategy and stakeholder interests:** Remuneration is awarded in line with the firm's business strategy, objectives, values, and the long-term interests of various stakeholders.
- **Market benchmarking and regulatory compliance:** Remuneration market benchmark measures, remuneration trends, and all regulatory obligations are taken into account during annual reviews.
- **Promotion of sound risk management:** Incentive schemes are consistent with and promote sound and effective risk management, and do not encourage excessive risk-taking.
- **Performance assessment:** In assessing performance, personal performance and business performance are taken into account, along with the risk framework and appetite, as well as other relevant factors.
- **Differentiation in variable pay:** Sharp differentiation is applied to variable pay within each remuneration category. When an individual has performed poorly and is not seen to be adding significant value, or has not adhered to the company's risk framework, variable pay should be zero. When the individual has performed exceptionally well and the business function is above budget, the individual bonus should be commensurate with both outcomes.
- **Severance pay:** Severance pay is typically calculated under statutory requirements.
- **Guaranteed variable pay:** Sanlam do not pay guaranteed variable remuneration with the exception of occasional retention awards related to specific projects. Any retention award is subject to performance criteria and subject to malus and clawback policies.
- **Conflict of interest mitigation:** Remuneration arrangements include measures to avoid conflicts of interest.

Components of remuneration

Remuneration components include:

Pay element	Components
Fixed pay	Basic annual salary Employer pension contribution Healthcare benefit provision
Variable pay	Discretionary annual performance bonus

Variable Remuneration

All staff within SSUK are in scope for variable remuneration. In determining the annual variable component of salary the overall total remuneration of the individual is taken into account.

Company considerations	Individual considerations
Profit and financial performance: The awarding of variable pay will be limited in circumstances where a baseline profit level is not achieved. In these circumstances, bonuses will be reduced significantly, and in extreme cases, not paid at all.	Contributions to overall strategy of the business Investment Trading Operations Project Delivery
Adherence to compliance regulations and legislative rules	Adherence to conduct rules, company policies and other governance structures as appropriate.
Risk management and reporting	Operation within risk appetite guidelines, adhering to risk management policies
	Behaviour metrics and company values
	Individual performance objectives, performance management processes or formal disciplinary and conduct procedures

Senior staff responsible for the infrastructure of the firm are also assessed on factors such as effectiveness of controls and contribution to the business.



Malus and Clawback

To assist in their assessment of variable pay, the HRRC considers the Risk Adjustment report on adherence to the Company's risk framework and appetite, including ex-ante and ex-post risk adjustments on both an individual and collective basis.

Categories of risk include:

- Strategic risk, including delivery of strategic objectives and performance
- Market risks
- Operational risk, including conduct risk, financial crime risk, people risk, and information security risk

If a material risk event is identified, the Human Resources and Remuneration Committee will determine whether a remuneration adjustment is appropriate. Criteria for this determination include materiality, proximity, financial impact, and previous actions.

Risk events that are likely to lead to a collective ex-post risk adjustment include:

- Significant failure in risk management or reporting requirements
- Regulatory-enforced action
- Significant financial loss

Risk events that are likely to lead to individual ex-post risk adjustment include:

- Internal policy breach
- Behaviour against company values
- Formal disciplinary and performance management processes

Governance and Decision-Making Process

The Firm's policy has been agreed upon by the Board, in line with the remuneration principles laid down by the FCA.

The Firm has appointed an independent Remuneration Committee (HRRC).

The Firm's policy will be reviewed as part of annual processes and procedures, or following a significant change to the business requiring an update to its internal capital adequacy assessment.

The Firm's ability to pay variable remuneration is based on the Firm's audited profits, as well as the meeting of other business metrics unless otherwise agreed upon by the Board.

The HRRC provides independent oversight, challenge, and review of all remuneration policies and decisions for Sanlam in the UK.

The HRRC reviews and approves the remuneration policy annually. Sanlam's remuneration policy outlines the key standards and principles to which all remuneration arrangements within the group must adhere, including alignment with the Group's strategy and sound and effective risk management.

The main bonus schemes incorporate balanced scorecards that ensure remuneration outcomes are based on a combination of financial and non-financial performance. Non-financial performance can override financial performance where appropriate.

The Remuneration Policy outlines the criteria for severance packages.



Material Risk Takers

The Compliance and HR teams are jointly responsible for identifying Material Risk Takers (MRTs) within SSUK. An MRT is defined as a staff member whose professional activities have a material impact on the risk profile of the firm or the assets it manages.

The identification process follows the criteria outlined in SYSC 19.5G.

MIFIDPRU 8.6.8R

- (1) Subject to (7), a MIFIDPRU investment firm must disclose the quantitative information required by (2) to (6) for the financial year to which the disclosure relates.
- (2) An SNI-MIFIDPRU investment firm must disclose the total amount of remuneration awarded to all staff, split into:
- fixed remuneration; and
 - variable remuneration.
- (3) A non-SNI MIFIDPRU investment firm must disclose the total number of material risk takers identified by the firm under SYSC 19G.5.
- (4) A non-SNI MIFIDPRU investment firm must disclose the following information, split into categories for senior management, other material risk takers, and other staff:
- the total amount of remuneration awarded;
 - the fixed remuneration awarded; and
 - the variable remuneration awarded.
- (5) A non-SNI MIFIDPRU investment firm must disclose the following information, split into categories for senior management and other material risk takers:
- the total amount of guaranteed variable remuneration awards made during the financial year and the number of material risk takers receiving those awards;
 - the total amount of the severance payments awarded during the financial year and the number of material risk takers receiving those payments; and
 - the amount of the highest severance payment awarded to an individual material risk taker.
- (6) A non-SNI MIFIDPRU investment firm not meeting the conditions in SYSC 19G.1.1R(2) must disclose the following information, split into categories for senior management, and other material risk takers:
- the amount and form of awarded variable remuneration, split into cash, shares, share-linked instruments and other forms of remuneration, with each form of remuneration also split into deferred and non-deferred;
 - the amounts of deferred remuneration awarded for previous performance periods, split into the amount due to vest in the financial year in which the disclosure is made, and the amount due to vest in subsequent years;
 - the amount of deferred remuneration due to vest in the financial year in respect of which the disclosure is made, split into that which is or will be paid out, and any amounts that were due to vest but have been withheld as a result of performance adjustment;
 - information on whether the firm uses the exemption for individual material risk takers set out in SYSC 19G.5.9R, together with details of:
 - the provisions in SYSC 19G.5.9R(2) in respect of which the firm relies on the exemption;
 - the total number of material risk takers who benefit from an exemption from each provision referred to in (i); and
 - the total remuneration of those material risk takers who benefit from an exemption, split into fixed and variable remuneration.
- (7)
- For the purposes of (4), (5)(a), (5)(b) and (6), a non-SNI MIFIDPRU investment firm must aggregate the information to be disclosed for senior management and other material risk takers, where splitting the information between those two categories would lead to the disclosure of information about one or two people.
 - Where aggregation in accordance with (a) would still lead to the disclosure of information about one or two people, a non-SNI MIFIDPRU investment firm is not required to comply with the obligation in (4), (5)(a), (5)(b) or (6).

Quantitative Disclosures

The below table outlines the disclosure requirements per MIFIDPRU 8.6.8

Staff Category	Total number of individuals	Total amount of Fixed Remuneration	Total amount of Variable Remuneration	Total amount of Reward
Senior Management and Material Risk Takers	8	£437,568	£216,489	£654,057
All other Staff	25	£1,055,189	£214,814	£1,270,003

Compensation Type	Senior Managers and Material Risk Takers
The total amount of guaranteed variable remuneration awards made during the financial year	0
Number of Individuals receiving guaranteed variable remuneration	0
Total amount of the severance payments awarded during the financial year	£236,603
Amount of the highest severance payment awarded to an individual material risk taker.	£32,854



[MIFIDPRU 8.6.9R](#)

A non-SNI MIFIDPRU investment firm that relies on MIFIDPRU 8.6.8R(7) must include a statement in the main body of its remuneration disclosure that:

- (1) explains the obligations in relation to which it has relied on the exemption; and
- (2) confirms that the exemption is relied on to prevent individual identification of a material risk taker.

[MIFIDPRU 8.6.10G](#)

The purpose of the exemption referred to in MIFIDPRU 8.6.8R(7) is to avoid firms having to disclose information:

- (1) that would enable a material risk taker to be identified; or
- (2) that could be associated with a particular material risk taker.

SSUK has relied on the exception under MIFIDPRU 8.6.8R(7) as only two staff members are categorized as senior management. SSUK has aggregated the data for these individuals to prevent the identification of personal information.