



LIBERTY

In it with you

Liberty Holdings Limited

group of companies (Liberty)

Governance at Liberty

for the year ended 31 December

2023

Governance at Liberty

Effective corporate governance within an ethical environment creates and preserves value for all stakeholders.

2023 governance highlights

On the successful buy-out of minorities and delisting of Liberty Two Degrees, Liberty became the sole shareholder of Liberty Two Degrees Limited

Regulatory approval was obtained to transfer Standard Insurance Limited from Standard Bank to Liberty

The continuity of effective governance structures was agreed with Standard Bank

Enhancing our understanding of risks

Balancing upside return opportunities with the cost of risk

Allocating financial capital and resources to value-creating activities

Liberty's governance structures and processes
create value for all stakeholders by

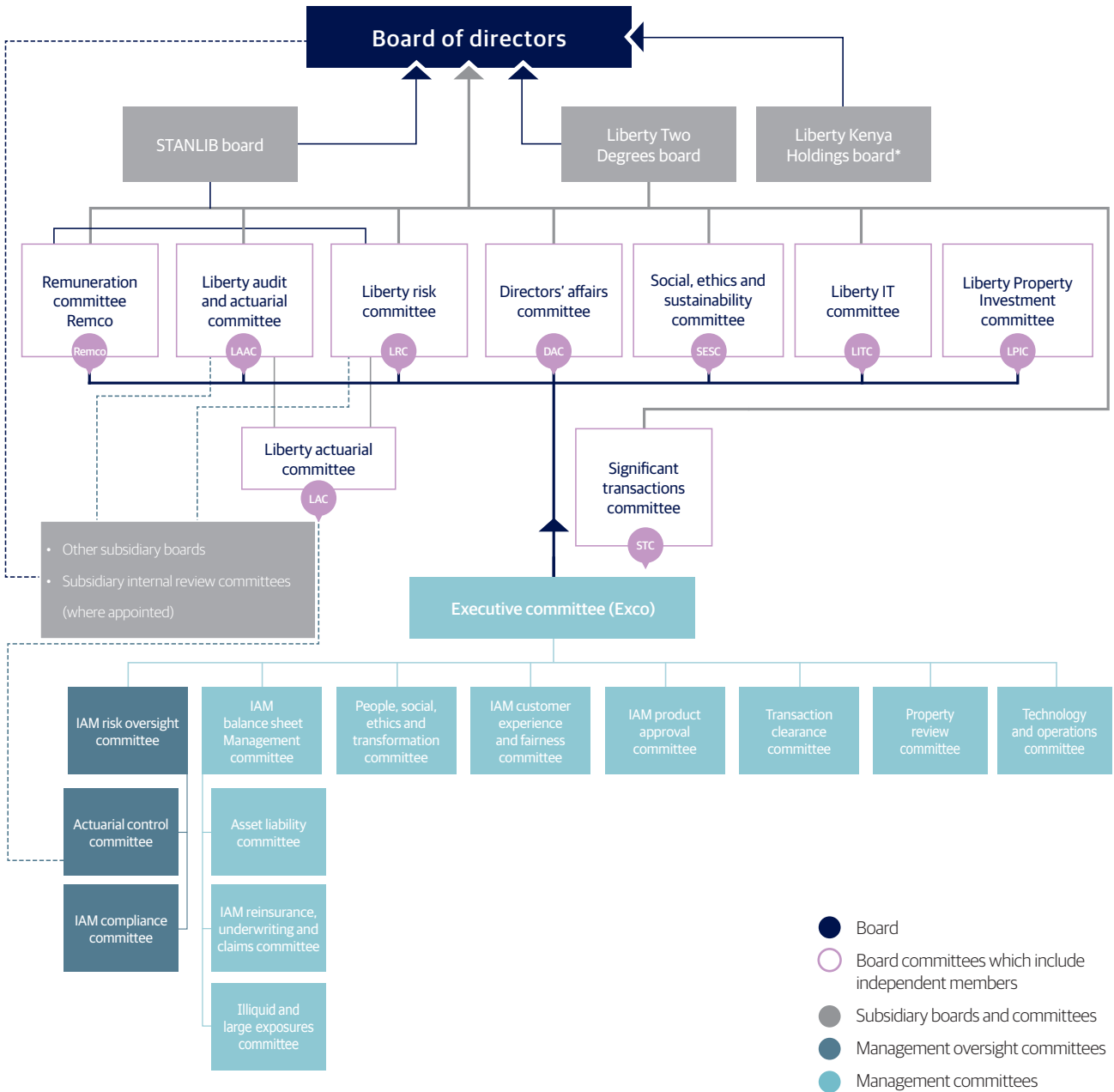
Building legitimacy through ethical leadership

Protecting the Liberty brand and reputation through responsible behaviour

Adopting an inclusive approach to business

Governance structures at Liberty

The board applies responsible governance in managing the business within the approved risk appetite through various committees and subsidiary boards. The boards and standing committees depicted below are appointed under the guidance of the directors' affairs committee:



* Listed subsidiary Liberty Kenya Holdings PLC operates its own governance structures and processes which are in conformance with Liberty's governance standards and relevant listings requirements.

Governance at Liberty (continued)

Governance approach

Liberty's governance structures and processes provide sound and prudent management and oversight of the group's businesses in the interests of clients, shareholders and other stakeholders. The structures and processes support and enhance the ability of those responsible for the governance of Liberty (the board, senior management and heads of key functions) to manage Liberty's business effectively.

Statement of compliance

The board subscribes to compliance with applicable laws and regulations in the jurisdictions in which it operates. The board has embraced King IV™ and, as recommended, has provided a narrative-based report, referencing each of the King IV™ principles and an explanation of the practices employed to apply the principles.



Available at www.libertyholdings.co.za/

During the year, King IV™ was applied in its entirety.

During 2023, Liberty was compliant in all material respects with the requirements of the Companies Act, 71 of 2008, the Companies Act Regulations, the Insurance Act, Prudential Authority Governance and Operational Standards for Insurers and the Listings Requirements of the JSE Limited.

The SESC has fulfilled its mandate as prescribed by the Regulations to the Companies Act and there are no instances of material non-compliance to disclose.

The board delegates responsibility for compliance to the chief executive and monitors this through the compliance control function.

During 2023 Liberty and its subsidiaries became part of the Insurance and Asset Management (IAM) business unit of Standard Bank and thus management committees were retitled to include reference to IAM and board committees were retitled to include specific reference to Liberty. The IAM management committees provide oversight and report to the Liberty board committees as well as the IAM business unit.

Complying with all applicable legislation, regulations, standards and codes is integral to Liberty's culture and imperative to achieving Liberty's strategy.

The IAM compliance committee (ICC) assesses the impact of proposed legislation and regulation, and any other material regulatory issues are escalated to the IAM risk oversight committee (IROC) and thereafter the Liberty Audit and Actuarial Committee (LAAC).

During 2023, no material breaches were identified that require separate disclosure.

Statement of going concern

The boards of Liberty Holdings Ltd (LHL) and Liberty Group Limited (LGL) concluded and expressed in their responsibility statements in the 2023 annual financial statements, that LHL and LGL are a going concern.

Board accountability and delegation

The board is ultimately accountable for the effective governance of Liberty. It is the responsibility of the board to ensure that clearly defined roles and responsibilities for its various committees, subsidiary boards, the chief executive (supported by the IAM Stratco which also acts as the Liberty Exco) and key functions are in place.

The board is satisfied that all the Liberty entities have operated in conformity with their Memorandums of Incorporation.

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The board of directors

The board acknowledges its responsibility for the effective governance of Liberty and ultimate control of Liberty's various businesses, as well as providing clear strategic direction.

The board directs the Liberty group of companies and provides an independent review on all issues of strategy, performance, resources and standards of conduct, either directly or through its committees. The board meets on a quarterly basis and holds an annual strategy meeting. Additional meetings are arranged when necessary.

The company has a unitary board structure consisting of eight directors. The directors are drawn from diverse backgrounds and bring a wide range of experience, insight and professional skills to the board.

Their particulars are set out on page G5.

The appointment of executive directors is approved by the board on the recommendation of the DAC. At 31 December 2023 there was one executive director, being Yuresh Maharaj.

David Munro resigned from the board on 9 March 2023 and David Hodnett was appointed on 7 July 2023 as the Standard Bank representative.

Members of the board have regular contact with the other senior executive management through their invited participation in board and board committee meetings, in addition to other requested or scheduled briefing sessions.

Board mandate

The board operates in terms of a mandate that includes the following key terms of reference:

- Ensure the sustainability of the Liberty group of companies including the annual performance review of the material sustainability issues.
- Provide effective leadership based on an ethical foundation.
- Approve Liberty's objectives, strategies and plans for achieving those objectives.
- Review the corporate governance process periodically including IT governance and assess achievement against objectives.
- Ensure that an effective governance framework is adopted and implemented in the Liberty group of companies and regularly monitor and evaluate the adequacy and effectiveness of the framework.
- Review board and board committee mandates and approve recommended changes.
- Delegate to the chief executive or any director holding any executive office or any senior executive any of the powers, authorities and discretions vested in the board, including the power of sub-delegation. Similarly, delegate such powers, authorities and discretions to any committee and subsidiary company board as may be created from time to time.
- Approve major changes to Liberty's policies on key issues such as risk management and the governance thereof, sustainability, IT governance, ethics and transformation.
- Approve Liberty's remuneration policy.
- Evaluate and approve, where appropriate, the remuneration to be paid to non-executive directors for board and committee membership based on recommendations made by the Remco, for ultimate approval by the shareholder at the annual general meeting.
- Ensure that the chairman, directors and members of committees have adequate skills and knowledge to perform their functions and fulfil their responsibilities in terms of the fit and proper policy requirements.
- Approve capital funding for Liberty and its subsidiaries.
- Consider and approve significant capital expenditure recommended by the Exco ensuring that such expenditure is within the limits imposed by the delegation of authority.
- Ensure that an adequate budget and planning process exists, approve annual budgets for Liberty, ensure that performance is measured against approved budgets and plans.
- Approve the delegation of authority for capital expenditure.
- Approve significant acquisitions, mergers, take-overs, disposals of operating companies, equity investments and new strategic alliances by Liberty.
- Take responsibility for systems of financial, operational and internal controls, the adequacy and review of which is delegated to committees, with the board ensuring that reporting on these issues is adequate.
- Consider and approve any significant changes proposed in accounting policy or practice as recommended by the LAAC.
- Review and approve management's valuation of unlisted investments as recommended by the LAAC.
- Consider and approve the company annual financial statements, dividend announcements and notices to shareholders, consider and agree the basis for considering the Liberty group of companies to be a going concern as per the recommendation of the LAAC.
- Ensure the integrity of external and statutory reporting to the Prudential Authority.
- Ensure that an effective risk management process exists and is maintained throughout the Liberty group of companies.
- Ensure that reporting to the board on regulatory compliance is comprehensive.
- Ensure compliance with the Principles and Practices of Financial Management and review the annual report from the LAC on the committee's work regarding the discretionary participation business.
- Ensure balanced reporting to stakeholders on Liberty's position and that such reporting is done in a manner that can be understood by stakeholders.
- Review non-financial matters which have not been specifically delegated to a committee of the board.
- Ensure that the diverse dispute resolution mechanisms throughout the Liberty address the needs of all stakeholders.
- Formulate Liberty's dividend policy.
- Ensure that conflicts of interest with the Standard Bank Group are appropriately recognised and managed.

Governance at Liberty (continued)

Board of directors at 31 December 2023

The duties of individual board members include:

- 1 Acting in good faith, honestly and reasonably
- 2 Exercising due care and diligence
- 3 Acting in the best interests of the group and its clients
- 3 Exercising independent judgement and objectivity in decision making



Yunus Suleman ⁽⁶⁶⁾
INDEPENDENT CHAIRMAN
 Appointed: 2015
 (appointed as chairman on 10 March 2022)
DAC STC REMCO
Areas of expertise and contribution:
 Accounting, auditing, financial services, financial reporting and governance.
Other directorships of listed entities:
 Gold Fields Limited¹.



Yuresh Maharaj ⁽⁴⁶⁾
CHIEF EXECUTIVE OFFICER
 Appointed: 2018
 (appointed as chief executive officer on 10 March 2022)
LRC
Areas of expertise and contribution:
 Accounting, auditing, financial services, financial reporting, insurance, governance and remuneration.



Nick Criticos ⁽⁶⁵⁾
INDEPENDENT DIRECTOR
 Appointed: 2019
LAC LRC REMCO
Areas of expertise and contribution:
 Insurance, governance, financial services, asset management, actuarial, risk, strategy, remuneration and property.



Nooraya Khan ⁽⁵⁴⁾
INDEPENDENT DIRECTOR
 Appointed: 2017
SESC LAAC LRC REMCO DAC LITC
Areas of expertise and contribution:
 Accounting, auditing, financial structuring, governance, private equity and venture capital and risk.
Other directorships of listed entities:
 Nampak Limited.



David Hodnett ⁽⁵⁴⁾
NON-EXECUTIVE DIRECTOR
 Appointed: 2023
SESC LRC
Areas of expertise and contribution:
 Banking, financial services, governance, insurance, marketing, risk and sub-Saharan Africa.



Simon Ridley ⁽⁶⁸⁾
INDEPENDENT DIRECTOR
 Appointed: 2018
LAAC LRC LAC STC LITC REMCO
Areas of expertise and contribution:
 Financial services, governance, information technology, insurance, remuneration, risk, strategy and sub-Saharan Africa.
Other directorships of listed entities:
 Nampak Limited.

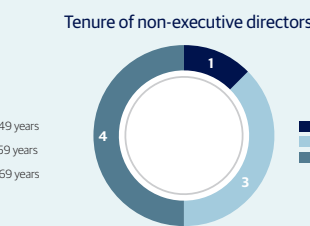
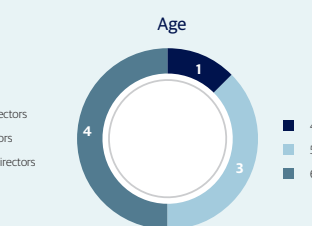
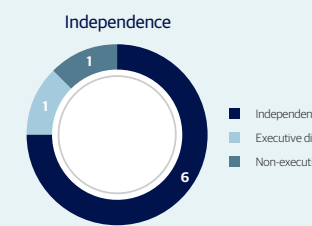
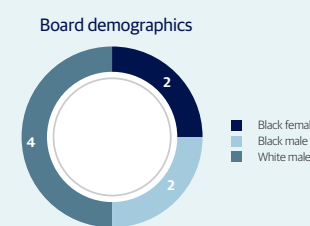


Carol Roskrug ⁽⁵¹⁾
INDEPENDENT DIRECTOR
 Appointed: 2016
SESC LITC LAAC DAC
Areas of expertise and contribution:
 Financial services, governance, human resources, strategy, sustainability and transformation.



Howard Walker ⁽⁶²⁾
INDEPENDENT DIRECTOR
 Appointed: 2018
LAC LRC LAAC
Areas of expertise and contribution:
 Financial services, actuarial science, investments, asset and liability management, insurance and risk and governance.

REMCO Remuneration committee	LAAC Liberty audit and actuarial committee	LAC Liberty actuarial committee <small>The LAC is a subcommittee of the LAAC</small>	LRC Liberty risk committee	DAC Directors' affairs committee
SESC Social, ethics and sustainability committee	LITC Liberty information technology committee	STC Significant transactions committee	Committee chairman	



Independent non-executive director
 Not independent director

Board meetings

Four scheduled board meetings were held during 2023 and a two-day strategy session was held in September 2023. Four directors' information sessions were held during the board cycles. Four additional board meetings were held to discuss and approve the buy-out of the Liberty Two Degrees' minority shareholders. An additional board meeting was held to discuss a customer fairness matter.

After the August 2023 board meeting the board met with representatives of the Prudential Authority.

In addition to the scheduled board meetings, the chairman holds one-on-one meetings with the other directors to encourage a free flow of information and the sharing of any concerns.

Independence

The executive element of the board is balanced by a strong group of independent directors so that no individual or small group of individuals can dominate the board's decision-making, ensuring that all stakeholders' interests are protected. In addition, the board's independence from the daily executive management team is ensured by adhering to several key principles, including:

- The roles of chairman and chief executive are separate.
- Six of the eight directors are independent non-executive directors in terms of the Companies Act and as defined by King IV™ at 31 December 2023.
- The chairman of the board is independent and thus a lead independent director has not been appointed.
- Non-executive directors do not hold service contracts with Liberty.
- All directors have access to the advice and services of the company secretary and are entitled, in terms of an agreed policy and after consultation with the chairman, to seek independent, professional advice on the affairs of Liberty. The cost of this advice will be borne by Liberty. No director obtained independent professional advice on the affairs of Liberty during 2023.

Closed sessions

After every board meeting, non-executive directors meet without management present in closed sessions led by the chairman. These sessions commence with the chief executive and key executive management present to answer questions or raise any matters necessary. Management then leave the meeting to enable the non-executives to continue their deliberations.

The primary objective of these sessions is to provide non-executive directors with an opportunity to test thoughts and insights among peers. The chairman, as the primary link between the board and executive management, provides feedback from the closed sessions to the chief executive.

Conflicts of interest and other commitments

In terms of the Companies Act, if a director has a personal financial interest in, or knows that a related person has a personal financial interest in any matter related to Liberty, the director is obliged to disclose the interest and its general nature, recuse him/herself and not take part in considering the matter.

The board is aware of the other commitments of its directors and is satisfied that all directors allocate sufficient time to enable them to discharge their responsibilities effectively. The company secretary maintains a register of directors' interests, which is tabled to the board annually and any changes are submitted to the board as they occur. Liberty complies with the conflict of interest provisions of the Companies Act.

Code of ethics

Liberty understands that when there is trust, business and society flourish. The board subscribes to the highest levels of ethics and integrity in conducting Liberty's business and in dealing with stakeholders. All Liberty employees and representatives are expected to act in a manner that reflects the company's values, builds trust and inspires confidence in the brand. The board has approved a formal Code of Ethics that prescribes Liberty's approach to business ethics and its obligations to clients, advisers, shareholders, employees, representatives, suppliers, the public and the authorities.

The SESC is responsible for governance and oversight of Liberty's ethical culture. The chief executive, Yuresh Maharaj, is the Ethics Champion for Liberty and a suitably qualified ethics officer is in place.

Diversity policy

Liberty's diversity policy articulates Liberty's approach regarding the promotion of diversity on its boards of directors, in line with King IV™. In addition, the board is actively trying to maintain the percentage of female representation on the board above 30%.

In executing its mandate relating to director appointments, the DAC:

- Annually reviews the composition of the board considering the balance of skills, experience, background, culture, race and gender of the board.
- Continuously evaluates the progress and effect of efforts made in promoting diversity on the board.
- Evaluates the criteria for nomination and appointment of directors to the Liberty boards.

Board evaluation

Every year the profile of the board is evaluated by the DAC to obtain an overall view of the skills across the board, identify possible gaps and make recommendations to the board should this be necessary.

The performance of the board and its standing committees is evaluated periodically against their respective mandates and the results are collated by the company secretary and communicated to the chairmen of the board committees for appropriate action. This feedback is also considered by the chairman of the board in his meetings with the other non-executive directors to ensure that any concerns regarding board processes or capabilities are addressed.

An external evaluation of the board and committees by an independent company commenced in March 2023 and the results were presented to the DAC and the board at the meetings in August 2023.

An internal evaluation of the board and committees will be performed during 2024.

Governance at Liberty (continued)

Re-election of directors

In accordance with the Memorandum of Incorporation of Liberty Holdings Limited (LHL), non-executive directors are subject to retirement by rotation and re-election by shareholders at least once every three years. At the AGM in May 2023, Nick Criticos and Nooraya Khan were re-elected. At the AGM in June 2024 Simon Ridley and Carol Roskrug will be up for rotation, and, being eligible, will be standing for re-election. David Hodnett was appointed by the board on 7 July 2023, after the May 2023 AGM, so will also be standing for election by the shareholder at the June 2024 AGM.

Induction of new directors and ongoing information updates

A comprehensive induction programme has been developed and is in place for new directors to ensure they are adequately briefed and have the requisite knowledge of Liberty's structure, operations, policies and industry-related issues, to enable them to fulfil their duties and responsibilities. The induction includes an opportunity for the directors to meet with executive management of the various business lines. The company secretary is responsible for the administration of the induction programme.

In addition, one-on-one meetings are scheduled with management in key positions to provide briefings regarding complex industry specific issues.

New directors are provided with details of all applicable legislation, the company's Memorandum of Incorporation, board minutes, relevant mandates and documentation setting out their duties and responsibilities as directors.

Directors also participate in information sessions which are held periodically throughout the year to assist in keeping them abreast of economic, regulatory and industry trends and provide training on any other relevant matters should this be required.

Boards of directors of subsidiary companies

Apart from Liberty Group Limited, whose board of directors is the same as that of LHL, all other subsidiaries have their own boards of directors. The DAC considers the appointment of directors on all material or significant boards while the chief executive appoints the Liberty representative directors to the boards of smaller subsidiary companies. The role of these boards involves participating in discussions on, and maintaining strategic direction and policy, operational performance, approval of major capital expenditure, consideration of significant financial matters, risk management, compliance, succession planning and any other matters that do or may impact materially on the subsidiary companies' activities.

Liberty Group Limited (LGL)

LGL is a wholly-owned subsidiary of LHL and is Liberty's South African licenced life insurance entity. From a materiality perspective, most of Liberty's business and associated risks reside in this licenced entity. Consequently, the boards and standing committees of LHL and LGL are constituted with the same directors and function as an integrated unit. Both boards have the same chairman, chief executive and non-executive directors. The board meetings of these companies are combined meetings, resulting in improved efficiency and information sharing.

STANLIB Limited (STANLIB)

STANLIB is Liberty's wholly-owned asset manager. Due to the importance of governance over investors' funds managed and administered by Liberty, its board includes three non-executive directors. These directors are Nick Criticos, Yunus Suleman and Howard Walker. These directors are also members of the LHL and LGL boards so are therefore non-executive directors on the STANLIB board. Derrick Msibi is the chief executive of STANLIB and David Munro is the non-executive chairman.

Liberty Two Degrees

Post the buy out of minority shareholders, and subsequent delisting of Liberty Two Degrees, Liberty held 100% of Liberty Two Degrees at 31 December 2023. At the first board meeting after the delisting, all directors except Nick Criticos (non-executive chairman), Amelia Beattie (chief executive) and Barbara Makhubedu (financial director) resigned from the board. In addition a Liberty board committee has been constituted to have oversight over Liberty owned properties. The members are Nick Criticos (chairman), Nooraya Khan and Yunus Suleman.

Liberty Kenya Holdings PLC (LKH)

Liberty holds 73.47% of LKH, which is listed on the Nairobi Stock Exchange. LKH conducts Liberty's life insurance operation in Kenya and is the investment holding company for Liberty's non-life insurance businesses in East Africa. The directors of the board are Philip Odera (chairman), Peter Gethi (independent), Gladys Ogallo (independent), Rachel Mbai (independent), Rajesh Shah (independent), Jeff Hubbard (non-executive) and Mike du Toit (executive).

Standard Insurance Limited (SIL)

In December 2023 regulatory approval was received from the Prudential Authority to transfer 100% of the shareholding in SIL from Standard Bank Group to Liberty. This transfer was effected on 31 January 2024 and the board of SIL has commenced reporting to the Liberty board. The chairman of SIL is Howard Walker, an independent director of LHL and LGL.

Share dealing by directors, prescribed officers and senior personnel

Liberty has a code of conduct relating to share dealing by directors, prescribed officers and other parties who have comprehensive knowledge of the Group's affairs. The code imposes closed periods to prohibit dealing in Standard Bank Group securities before the announcement of mid-year and year-end financial results or during any other period considered price sensitive. This complies with the requirements of the Financial Markets Act of 2012, Chapter X, and the JSE Listings Requirements in respect of dealings by directors. The company secretary undertakes the administration required to ensure compliance with this code, under the direction of the chief executive. The code also restricts dealings by directors and other conflicted parties in any company's securities that may be affected by a transaction or proposed transaction involving Standard Bank, LHL, any group subsidiary or associated company.

Political party contributions

No contributions were made by Liberty to any political party during 2023.

The company secretary

The company secretary, currently Jill Parratt, is required to provide the directors of the company, collectively and individually, with guidance on their duties, responsibilities and powers. She is also required to ensure that all directors are aware of legislation relevant to, or affecting, the company and to report at any meetings of the shareholders of Liberty or of the company's directors any failure to comply with such legislation.

The company secretary is required to ensure that minutes of all shareholders' meetings, directors' meetings, and the meetings of any committees of the board are properly recorded and that all required returns are lodged in accordance with the requirements of the Companies Act.

The board of directors has considered and has satisfied itself that the company secretary is competent, appropriately qualified and experienced to fulfil her role as company secretary of Liberty and its subsidiaries. Furthermore, the board is satisfied that the company secretary maintains an arm's-length relationship with the board of directors. The company secretary is not a director of the company.

Governance at Liberty (continued)

Board committees

The following standing committees of the board were in place during 2023. The functions and responsibilities of each of these committees are documented and governed by approved mandates highlighting the terms of reference of the committees, as well as the authority delegated to the committees by the board. During the year the mandates were refreshed to reflect the change in name. Each committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Remuneration committee (Remco)

Responsible for formulating remuneration strategies and policies for approval by the board, and for monitoring the implementation of such policies.

Membership at 31 December

4 Independent directors	Nick Criticos (chairman)
	Nooraya Khan
	Simon Ridley
	Yunus Suleman

David Munro resigned from the board on 9 March 2023 and thus from this committee.

Meetings and attendance

Three meetings were held during 2023. The chief executive as well as the head of people and culture and the chief financial officer attend the Remco meetings, but recuse themselves when appropriate.

Key areas of focus in 2023

- STANLIB short-term incentive changes – work continued to enable alignment of the asset management business to the group's performance, stronger focus on investment performance and a more structured profit pool mechanism.
- Review of pay levels in line with a revised job level framework – to ensure that pay levels align to the new structures and capabilities created in terms of the revised business strategy.
- Reward philosophy alignment to a revised employee value proposition.
- The vesting of the Equity Growth Scheme executive scheme post the successful implementation of the Standard Bank transaction.

Planned areas of future focus

- Harmonisation of pay and benefits within the greater Standard Bank construct.
- Revision of the financial targets relating to incentive schemes to ensure alignment with Standard Bank.
- Review of pay levels aligned to the new structure and capabilities to be created in the Insurance and Asset Management business unit structure.

Liberty audit and actuarial committee (LAAC)

As the statutory audit committee, the LAAC is also the audit and actuarial committee of LGL and the audit committee of STANLIB and Liberty Two Degrees. Key responsibilities include governance and regulatory compliance, interaction with assurance providers and oversight of external reporting. Consideration of actuarial matters has been delegated to the LAC.

Membership at 31 December

4 Independent directors	Simon Ridley (chairman)
	Nooraya Khan
	Carol Roskrug Cele
	Howard Walker

Internal review committees consider detailed audit matters for STANLIB and its subsidiaries as well as for the other regulated companies in Liberty Africa Insurance. These internal review committees meet quarterly and report to the LAAC.

Since Liberty Two Degrees became a 100% subsidiary of Liberty, the LAAC assumed responsibility for Liberty Two Degrees.

The chairman and members of the LAAC are elected by the board and are subject to shareholder approval at the annual general meeting. Such approval was obtained at the meeting in May 2023. All members of the LAAC are independent directors who are suitably qualified, having the necessary expertise required to discharge their responsibilities.

Meetings and attendance

The LAAC met ten times during 2023. Four were the normal quarterly meetings and six were *ad hoc* meetings, the first to specifically discuss and provisionally approve material actuarial and other liabilities involving the exercise of significant judgement, the second to review the analysis of surplus, and the balance to review and approve various key judgements in respect of the International Financial Reporting Standard IFRS 17 Insurance Contracts.

At the normal quarterly meetings, the focus was on financial performance remediation and risk and compliance enhancement.

LAAC meetings are attended by the external auditors, the heads of control functions, the chief executive, the chief financial officer and appropriate members of the senior executive management team.

The members of the LAAC have ensured that there are appropriate financial procedures in place and these procedures are operating.

Board committees (continued)

External and internal audit

For 2023, PricewaterhouseCoopers Inc. (PwC) was Liberty's lead independent firm of external auditors, appointed to LHL and many of its subsidiaries, including STANLIB Limited. Some of Liberty's subsidiaries in certain African territories are audited by KPMG Inc.

PwC rotated off the Liberty audit in January 2024 and Ernst & Young Incorporated (EY) was selected as the independent auditor in place of PwC. EY started shadowing PwC in the last quarter of 2023.

On 5 March 2024, the LAAC resolved that, pursuant to sections 90(2)(c), 94(7)(a) and 94(8) of the Companies Act, it appointed the audit firm, EY, as the Liberty's auditor for the financial year ending 31 December 2024, and that it had satisfied itself that the audit firm was independent of Liberty.

The designated auditor responsible for performing the function of auditor for the 2024 year is Cornea de Villiers.

The appointment of EY was approved by the board and will be put to the shareholder for approval at the annual general meeting in June 2024.

The LAAC receives input from the LITC in respect of IT governance.

Pursuant to sections 94(7)(d) and (e) of the Companies Act, the LAAC has approved a policy governing the provision of non-audit services by Liberty's external auditors to maintain independence. The policy requires the LAAC's prior approval for any non-audit assignment with a fee of more than R750 000 (2022: R750 000).

The committee also approved the budgeted audit fee for the 2023 financial year and the final fee for 2022, which were both considered appropriate.

The members of the LAAC review the audit plans, budgets and scope of the external and internal audit functions. The external auditors, heads of the internal audit, actuarial and compliance control functions, chief executive and company secretary all have unrestricted access to the chairman of the LAAC.

The members of the LAAC are satisfied that the chief financial officer and heads of control function have the appropriate expertise and experience.

Annual financial statements

In fulfilling its oversight responsibilities, the committee has reviewed and discussed the audited annual financial statements and the related schedules for LHL and LGL with the chairmen of the other board committees and management.

The committee considers that the annual financial statements for LHL and LGL comply with the Companies Act and International Financial Reporting Standards and has therefore recommended the annual financial statements for approval by the board. These statements will be open for discussion at the forthcoming annual general meeting.

The board's approval of the annual financial statements was obtained and is included on page 3 of the annual financial statements which are available on request from the company secretary.

Compliance risk management

Oversight of compliance risk management is delegated to the LAAC, which reviews and approves the mandate of the compliance officer. The compliance officer provides a quarterly report on the status of compliance risk management within Liberty and significant areas of non-compliance, as well as providing feedback on interaction with regulators. The internal audit control function periodically audits the compliance control function as well as the compliance policy and governance standards.

Key areas of focus in 2023

- Monitoring the Liberty's progress in respect of the implementation of IFRS 17.
- Consideration of the impact of the JSE's yearly "Reporting back on proactive monitoring of financial statements in 2023" report.
- Strengthening the analysis of surplus controls.

Planned areas of future focus

- Overseeing the integration of SIL into the Liberty governance and financial reporting processes.
- Continuing to monitor Liberty's implementation of IFRS 17.
- Consideration of the impact of the JSE's yearly "Reporting back on proactive monitoring of financial statements in 2024" report.

Governance at Liberty (continued)

Board committees (continued)

Liberty actuarial committee (LAC)

The LAC is a sub-committee of the LAAC established to assist the LAAC with its responsibilities relating to capital adequacy, the review of actuarial guidance, the discharge of its actuarial compliance related obligations and the review of material statutory reporting to the Prudential Authority. The LAC also receives reports on insurance risk and escalates concerns to the LRC.

Membership at 31 December

3	Independent directors	Howard Walker (chairman)
		Nick Criticos
		Simon Ridley

Meetings and attendance

The LAC met six times during 2023. Four were the normal quarterly meetings and two were *ad hoc* meetings. The first *ad hoc* meeting was to discuss and approve submissions to the Prudential Authority and review the head of actuarial function's report. The second *ad hoc* meeting was to approve key valuation assumptions.

LAC meetings are attended by the external auditors, the chief actuary, the head of actuarial function, the chief executive, the head of the internal audit function, the chief financial officer and appropriate members of the senior executive management team.

Key areas of focus in 2023

Specific areas of focus undertaken by the LAC included:

- Discussion and approval of the key valuation assumptions.
- Review and oversight of key areas of actuarial judgement including assumption setting and modelling.
- Approval of the reinsurance strategy.
- Review and setting of discretionary bonuses of the smoothed bonus business.
- Review and oversight of the rationalisation of products and portfolios and the drive towards simplification.
- Approval of classification of lines of business and measurement approach under IFRS 17.

Planned areas of future focus

- Review and oversight of the rationalisation of products and portfolios and the drive towards simplification.
- Discussion and approval of the key valuation assumptions.
- Review and oversight of key areas of actuarial judgement including assumption setting and modelling.
- Approval of the reinsurance strategy.

Liberty risk committee (LRC)

The LRC is also the risk committee of LGL, STANLIB, and Liberty Two Degrees since it became a wholly owned subsidiary of Liberty. The LRC is responsible for providing the board with oversight relating to risk and control matters. The LRC reviews Liberty's risk and control philosophy, strategy, policies and processes recommended by the Exco.

The LRC recommends Liberty's risk appetite and monitors the risk profile relative to the risk appetite. Additional responsibilities include scrutinising management actions, ensuring compliance with risk policies and reviewing the overall risk profile of Liberty as well as sufficiency of capital.

Membership at 31 December

4	Independent directors	Nooraya Khan (chairman)
		Nick Criticos
		Simon Ridley
		Howard Walker
1	Executive director	Yuresh Maharaj

Internal review committees at subsidiary level are responsible for the risk oversight function. The chief risk officer reports any relevant risk issues arising at these committee meetings to the LRC on a quarterly basis. The chairmen of these committees and the chief risk officer have unrestricted access to the chairman of the LRC.

Meetings and attendance


Four meetings were held during 2023. Meetings are attended by the head of actuarial function and chief risk officer, Liberty's external auditors, chief executive and appropriate members of the senior management team.

Board committees (continued)

The governance of risk

The board is ultimately accountable for the effective governance of risk management. The board delegates its oversight and management responsibilities in terms of the three lines of defense risk governance model, as described in the risk section of the LGL annual financial statements.

Liberty has established an enterprise risk management (ERM) function to focus on and address all relevant and material risks. The ERM function places consideration of risk as a focal point in business activities and enables Liberty to make intelligent risk-based decisions by proactively addressing risks and opportunities, facilitate capital efficiency improvement and to create value for stakeholders.

 More details concerning risks and risk management can be found in the risk management section of the LGL annual financial statements which are available on Liberty's website.

Key areas of focus in 2023

- Review of the risk metrics required for risk measurement across Liberty.
- People and execution risks.
- Technology risks, specifically availability of systems and business continuity.
- Review of the top 10 risks.
- Climate change risk.
- Approval of Liberty Holdings Limited's Own Risk and Solvency Assessment (ORSA).
- Oversee the integration of Liberty into Standard Bank.

Planned areas of future focus

- Revision of the risk appetite statement.
- Approval of the LHL recovery plan.
- Oversee severe stress testing as part of the annual recovery plan.
- Review of the risk management framework and associated policies to ensure they remain appropriate to support the risk management system.
- Assess the implications of climate change on the business.
- Oversee the integration of SIL into Liberty.

Directors' affairs committee (DAC)

Manages, oversees and reviews the composition, structure and effectiveness of the board and its committees. The DAC is also responsible for determining and evaluating the adequacy, efficiency and appropriateness of the Liberty governance structure, practices and processes in line with regulatory requirements.

Membership at 31 December

3

Independent directors

Yunus Suleman
(chairman)

Nooraya Khan

Carol Roskrug

Meetings and attendance

Four meetings were held during 2023. The chief executive attended these committee meetings.

Key areas of focus in 2023

- Revision of the Fit and Proper Policy.
- Approval of the Standard Bank subsidiary framework and its impact on Liberty.
- IAM structure and how Liberty fits in.
- Review of management succession planning.
- Review of the results from the external board evaluation.
- Review of the Liberty Delegation of Authority.

Planned areas of future focus

- Approve the Liberty Delegation of Authority.
- Review of the critical skills on the board.
- Agree on the internal board evaluation.
- Assess the performance of the management team.
- Review of the Governance Framework.
- Evaluate governance at SIL.
- Consider the optimisation of the structure of STANLIB within the broader Standard Bank Group.

Governance at Liberty (continued)

Board committees (continued)

Social, ethics and sustainability committee (SESC)

Manages Liberty's stance on transformation, social and economic development, ethical conduct, good corporate citizenship, sustainability and stakeholder management.

Membership at 31 December

2	Independent directors	Nooraya Khan Carol Roskrug
1	Non-executive director	David Hodnett (chairman)

David Munro resigned from the board on 9 March 2023 and thus from this committee. David Hodnett was appointed as chairman of this committee on his appointment to the board on 7 July 2023.

A significant part of the responsibilities of the SESC is ensuring that the organisation is a responsible corporate citizen and acts in an ethical manner at all times.

Meetings and attendance

Four meetings were held during 2023. Meetings are attended by the head of people and culture and the head of marketing and communications as well as by appropriate members of the senior management team.

Key areas of focus in 2023

- Approach to brand.
- IAM integration and the impact on staff.
- Client experience.
- Unclaimed benefits.
- Corporate social investment.
- Environmental, Social and Governance (ESG) and climate targets.
- Employee Wellness.

Planned areas of future focus

- Improved communication with employees.
- Monitor climate targets.
- Business conduct.
- Deep dive into the brand strategy.
- Ethics of Artificial Intelligence.
- Technology Enablement & People & Culture Technology Alignment.

Liberty information technology committee (LITC)

Reviews, monitors and provides guidance to the board and management on matters related to Liberty's IT strategy, governance, technology and digitalisation, operations, policies and controls. The LITC reviews and reports to the LRC on Liberty's assessment of risks associated with disaster recovery, business continuity and IT security.

Membership at 31 December

3	Independent directors	Carol Roskrug (chairman) Simon Ridley Nooraya Khan
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Meetings and attendance

Four meetings were held during 2023.

The head: technology and operations provides regular updates to the LITC and to the board on the status of material IT projects as well as other governance-related matters.

The internal audit control function considers the impact of IT on financial controls in its annual audit plan. Material findings are reported to the LAAC and LITC which monitors remedial actions implemented by management. The LRC ensures that IT related risks are adequately addressed through risk monitoring and assurance processes.

Governance of technology and information

LITC was specifically established to discharge the board's accountability for the governance of technology and information.

The head: technology and operations drives the Liberty wide implementation of effective governance practices with the Exco providing management oversight over all Liberty information and technology initiatives.

Actions taken to monitor the effectiveness of technology and information management and how the outcomes were addressed

- Quarterly IT overview reporting to the LITC.
- Regular reporting on technology operations.
- Regular reviews undertaken by the internal audit control function.
- Identified deficiencies are separately monitored and tracked.

Board committees (continued)

Key areas of focus in 2023

- Standard Bank Group and Liberty Integration: Approved the new IAM Technology & Operations operating model and structure.
- Application Managed Services (AMS): Improved technology stability and resilience resulting in better Client, Adviser and Colleague experience.
- Data: Data Operating model implemented and data posture significantly strengthened.
- Technology roadmap: Analysis completed for applications and infrastructure. Target state for technology and design principles agreed and detailed design underway.
- Cybersecurity – No Cybersecurity priority 1 or 2 incidents during 2023.
- Continue focus on maturing Technology and Operations risk, control and conduct posture.
- Disaster Recovery exercise for the total Technology estate successfully completed.

Planned areas of future focus

The IT strategy for 2024 will build on the focus areas from 2023 with a key focus on the following:

- Continue technology integration into the Standard Bank Group.
- Agree the IAM technology roadmap and build out the target state for the Business Lines.
- Always Secure – Information Security and Cyber Resilience.
- Data and Analytics.
- Cloud Journey.
- Continue to drive the Technology Modernisation programme.
- Focus on technology talent with a key focus on retention of skills.
- Mature the control environment.

Significant transactions committee (STC)

Evaluates significant acquisitions, disposals, investments, credit arrangements and related party transactions.

Membership at 31 December

2 Independent directors

Yunus Suleman
(chairman)

Simon Ridley

The STC is a standing committee of the board and was constituted to assist the board with the evaluation of significant acquisitions, credit arrangements and related party transactions. The committee meets on an *ad hoc* basis when required.

Other directors are invited to attend meetings from time to time depending on the subject matter under discussion.

Meetings and attendance

The STC did not meet during 2023 as all transactions were reviewed by the whole board.

Governance at Liberty (continued)

Meetings and attendance

	LHL, LGL and STANLIB								
	Board meetings ¹	Remco	LAAC ²	LAC ³	LRC	DAC	SESC	LITC	STANLIB
Nick Criticos	6/10 ⁴			6/6	4/4				5/5
Nooraya Khan	10/10	4/4	10/10		4/4	4/4		4/4	
David Hodnett	3/3				2/2		2/2		
Yuresh Maharaj	10/10				4/4				
David Munro	1/1	1/1				1/1	1/1	1/1	5/5
Simon Ridley	10/10	4/4	10/10	6/6	4/4			4/4	
Carol Roskrug	9/10		9/10			4/4	4/4	4/4	
Yunus Suleman ⁵	10/10	4/4				4/4			5/5
Howard Walker	10/10		10/10	6/6	4/4				5/5
Derrick Msibi									5/5

¹ One of the ten board meetings was the strategy session, one was to consider a customer and fairness matter and four were to discuss and approve the buy-out of the Liberty Two Degrees' minority shareholders.

² Six of the ten LAAC meetings were ad hoc meetings, the first to review the analysis of surplus, the second to specifically discuss and provisionally approve material actuarial and other liabilities involving the exercise of significant judgement and the balance to approve various key judgements in respect of IFRS 17.

³ Two of the six LAC meetings were ad hoc meetings, the first ad hoc meeting was to discuss and approve submissions to the Prudential Authority and review the report from the head of actuarial function. The second ad hoc meeting was to approve key valuation assumptions.

⁴ As four of the ten board meetings were to discuss the buy-out of the Liberty Two Degrees' minority shareholders, Nick Criticos recused himself from these four meetings as he is the chairman of Liberty Two Degrees and was thus conflicted.

⁵ Yunus Suleman, as chairman of the board, attends all committee meetings, not only meetings of the committees of which he is a member.

Executive committee (Exco)

The IAM Stratco also acts as the Liberty Exco and consists of the chief executive and other selected executives heading significant business lines and functions. The chief executive is the chairman of the Exco. The committee's role is both strategic and operational in nature, being the custodian of the Liberty strategy as approved by the board. The committee monitors the implementation of strategy and adherence to the Liberty governance and policy framework.

The purpose of Exco is to assist the chief executive to manage, direct, control and co-ordinate the business activities and affairs of Liberty, subject to statutory limits and the board's limitations on delegation of authority to the chief executive, to achieve sustainable growth within the approved risk profile.

There were ten meetings during the year, five of which were attended by all the IAM Leadership Forum members and five of which were attended by only the business lines heads and chief executives of Liberty subsidiaries.

	Years of financial services experience
Yuresh Maharaj: Chief Executive	22
Pumeza Bam: Head – People and Culture	12
Amelia Beattie: Chief Executive – Liberty Two Degrees Limited	24 years in property sector
Deon de Klerk: Head – Africa Regions	30
Philip Harrison: Chief Risk and Actuarial Officer	19
David Jewell: Head – SA Retail Life and Savings	30
Brian Kipps: Head – SBG Investments and Asset Management	24
Lindi Monyae: Head – Corporate Benefits	12
Sunil Nagar: Head – Technology and Operations	22
Yvonne Perumal: Head – Legal	21
Thiru Pillay: Head – Compliance and Group Real Estate Services	23
Thabang Ramogase: Head – Marketing and Communications	5
Willem van den Berg: Chief Financial and Value Management Officer	23
Johan van Greuning: Chief Executive – Standard Insurance Limited	28

Governance at Liberty (continued)

Executive committee mandate

The Exco operates in terms of a board approved mandate that includes the following key terms of reference:

- Formulate, execute and manage the Liberty strategy and performance targets (financial, non-financial and operational) as approved by the board of directors.
- Review relevant material submissions to the board prior to board meetings.
- Ensure the integrity of statutory reporting to the Prudential Authority.
- Consider and report to the board on significant acquisitions, mergers, take-overs, divestment of operating subsidiaries, disposals, joint ventures and strategic alliances.
- Determine the terms of reference and procedures of key management committees which the Exco forms and delegates authority to, by approving the mandates and reviewing the minutes and reports where necessary. In addition, oversee the progress and performance of all sub- committees and consider recommendations from these sub-committees.
- Delegate the management of the balance sheet to the IAM balance sheet management committee to ensure the efficient and effective management of all capital related operations and risks.
- Delegate risk control within Liberty to the IAM risk oversight committee to ensure sufficient review of the regulatory environment, operational issues, reputational matters and IT risk management.
- Review significant changes proposed to all policies, practices, values, the code of ethics or strategic plans and make recommendations to the board where appropriate.
- Monitor the adequacy and level of compliance of Liberty's financial and operational internal controls.
- Recommend the corporate governance and risk management objectives for approval by the board, which includes regulatory matters such as risk appetite and stress testing scenarios.
- Report to the board or relevant board committee on the annual budget, forecasts, business plans and capital expenditure plans, as well as any operational expenditure beyond agreed limits.
- Agree the introduction of all new services or products, strategic marketing and branding issues with the board.
- Conduct regular talent reviews to ensure attention is given to succession planning, leadership development, pipeline management, appointments and performance development.
- Ensure that all internal audit findings are appropriately resolved in a timely manner.
- Approve transformation targets and all nominations for executive talent development programmes.

The number of times the **Exco met in 2023**

10

6

normal
scheduled
meetings

2

brief catch-up
meetings

1

meetings to
approve financial
results

1

meetings
dedicated
to strategic
initiatives

Management committees

The management committees within the Liberty governance structure are made up of representatives from the respective business line chief executives and selected executives of the various business units and central functions. These committees have primary accountability for the day-to-day management, control and reporting of business performance in accordance with the strategies, policies and risk parameters set by the board.

The key oversight and management committees and their main purposes and sub-committees are set out below:

Committee	Main purpose and sub-committees
IAM risk oversight committee	<p>Approves, implements and exercises oversight of risk management strategies, governance standards and policies for Liberty.</p> <p>Responsibilities are executed through the following sub-committees:</p> <ul style="list-style-type: none"> • The actuarial control committee (ACC) oversees actuarial practices across Liberty and performs an objective technical advisory and internal governance role in the review of Liberty's actuarial assumptions, methodologies and models. The ACC has a reporting line to the LAC. • The compliance management committee provides oversight and management of compliance risk and implementation of compliance projects.
IAM balance sheet management committee	<p>Manages and monitors the balance sheets of LHL and its subsidiaries, Liberty's financial position, capital management structure, dividend payments, material capital flows as a result of strategic investments and disinvestments as well as capital market activities.</p> <p>This committee is supported by the following sub-committees:</p> <ul style="list-style-type: none"> • The asset liability committee develops and implements strategies for the optimisation of the balance sheet and the management of market and liquidity risk. • The reinsurance, underwriting and claims committee recommends the reinsurance strategy to the IAM balance sheet management committee for approval and enables consistent Liberty wide reinsurance decisions to ensure compliance with this strategy. The committee further approves and oversees underwriting and claims processes. • The illiquid and large transactions committee supports the IAM balance sheet management committee in its responsibilities relating to the management of exposures to illiquid asset classes and large exposures on the balance sheet.
People, social, ethics and transformation committee	<p>Manages people related risks in respect of transformation, retention, talent management, remuneration, ethics and culture.</p> <p>Assists the Exco in discharging its duties in respect of diversity, social and economic development, good corporate citizenship, sustainability and labour matters.</p>
Transactions clearance committee	<p>Considers transactions with the Standard Bank Group (SBG) including but not limited to the Master South African and African bancassurance agreements and other services under consideration to be provided by SBG to Liberty. The value for the whole SBG group also needs to be a focus, so the business case of each transaction presented to this committee needs to make sense for the group as a whole. The committee is also required to manage significant outsourced relationships and intra group transactions.</p>
IAM customer experience and fairness committee	<p>Makes decisions on customer experience and fairness matters that have a significant systemic financial, operational, policy or stakeholder impact on the business.</p>
IAM product approval committee	<p>Ensures effective and efficient Liberty wide governance of decisions relating to new product development and alterations to existing products, specifically considering related risks, return on capital and customer fairness.</p>
Property review committee	<p>Manages Liberty's South African on-balance sheet direct property investment strategies in relation to the purchase, development and sale of direct property assets.</p>
Technology and operations committee	<p>Ensures the appropriate enablement of business strategy through innovative technology solutions, by mandating and capacitating the IT execution functions within the group. This committee will also promote an ethical IT governance culture and awareness within the group.</p>



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