



**LIBERTY**

# **Liberty Holdings Limited**

**Governance at Liberty**  
for the year ended 31 December **2018**

# Governance at Liberty

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

## 2018 governance highlights

In 2018 the board approved an enhanced governance framework setting out the governance principles, practices and guidance to enhance effective and efficient management of the business. The adoption and implementation of this framework ensures sound and prudent management and oversight of Liberty's business, adequately recognising and protecting the interests of all its stakeholders.

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

Enhancing our understanding of risks

Balancing upside return opportunities with the cost of risk

Allocating capitals and resources to value-creating activities

Building legitimacy through ethical leadership

Protecting the Liberty brand and reputation through responsible behaviour

Adopting an inclusive approach to business

King IV™ was applied in its entirety except for a single practice that was not adopted. This is detailed below.

### King IV™ Recommended Practice

The chair of the governing body may be a member of the social and ethics committee but should not be its chair.

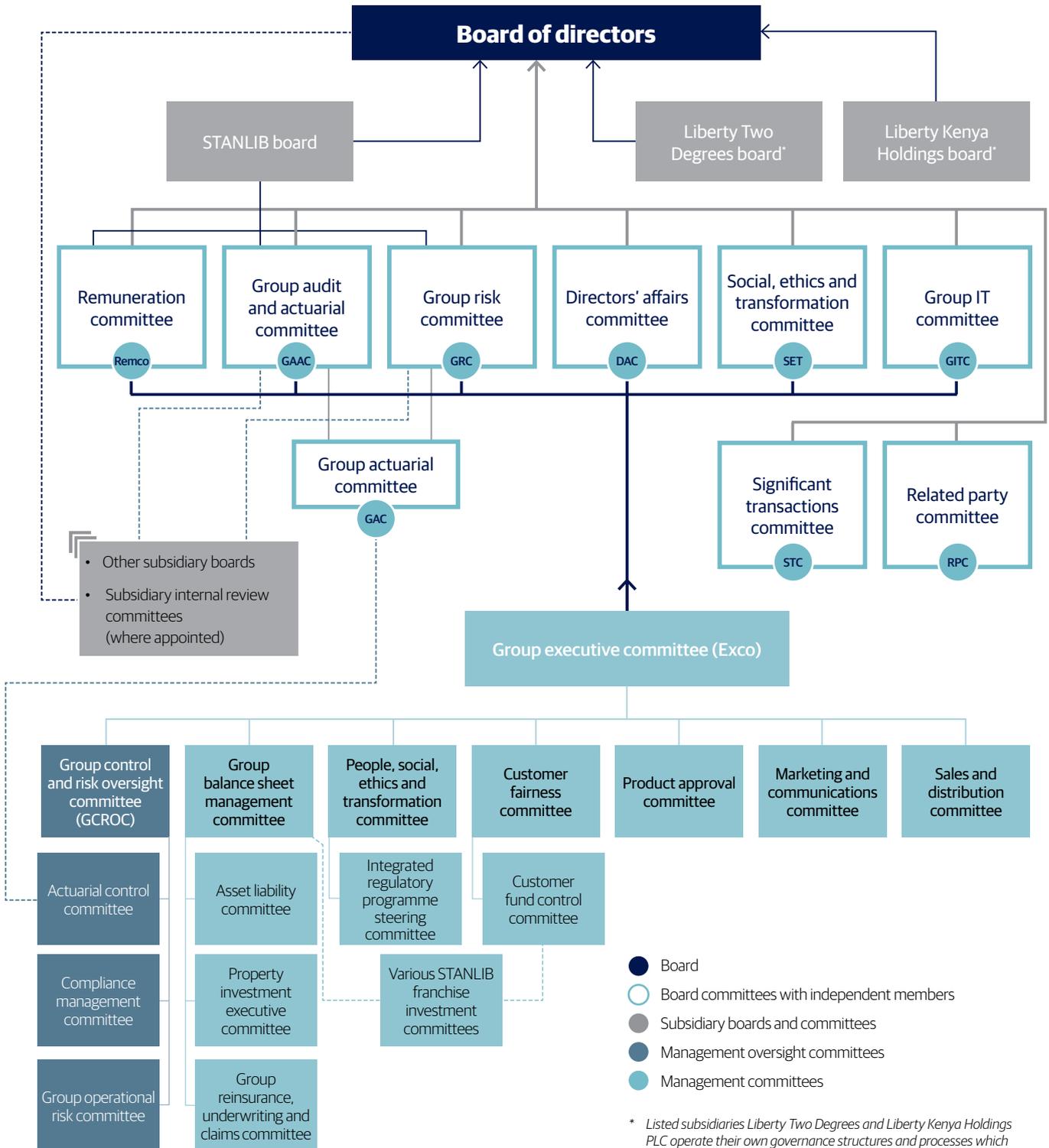
Principle 7, Note 36(e)

### Liberty's Response

At this stage the board believes that the chairman of the board is the most qualified person to chair the social, ethics and transformation committee due to his experience in the matters considered by the committee.

## 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 group directors' affairs committee.



## Governance approach

Liberty's governance structures and processes provide for 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 businesses effectively.

## Statement of compliance

The board subscribes to full compliance with applicable laws and regulations in the jurisdictions under 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/](http://www.libertyholdings.co.za/)

During 2018, Liberty was compliant in all material respects with the requirements of the Companies Act, 71 of 2008, the Companies Act Regulations, the Insurance Act, 18 of 2017, the FSB board notice 158 of 2014 "Governance and Risk Management Framework for Insurers" and the Listings Requirements of the JSE Limited.

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

**The board delegates responsibility for compliance to management and monitors this through the compliance control function.**

The compliance management committee assesses the impact of proposed legislation and regulation, and any other material regulatory issues are escalated to the group control and risk oversight committee and thereafter the GRC.

During 2018, no material breaches were identified that require separate disclosure.

## Statement of going concern

The board concluded and expressed in its responsibility statement in the 2018 annual financial statements, that the group is a going concern. The 2018 interim and annual financial statements were prepared on this basis.

## 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 group chief executive (supported by the Exco) and key functions are in place.

The performance of the board and its committees is evaluated periodically against their respective mandates and the results are collated by independent assurance providers. Feedback is provided to the DAC and thereafter to the board.

## The board of directors

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

The board directs the group 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 16 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 pages G5 and G6.

Simon Ridley and Howard Walker were appointed to the board on 1 September 2018 and Thembisa Skweyiya was appointed on 15 December 2018.

The appointment of executive directors is approved by the board on the recommendation of the DAC. At 31 December 2018 there were two executive directors viz. David Munro and Yuresh Maharaj who was appointed on 12 February 2018 post the resignation of Casper Troskie on 31 December 2017.

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:

- 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 shareholders at the annual general meeting
  - Ensure that the chairman, directors and members of committees have the adequate skills and knowledge to perform their functions and fulfil their responsibilities in terms of the fit and proper policy requirements
  - Approve company and group capital funding and the terms and conditions of rights or other issues and any prospectus in connection therewith
  - 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 the group, ensure that performance is measured against approved budgets and plans, and 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 the group
  - 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 GAAC
  - Review and approve management's valuation of unlisted investments
  - Consider and approve the annual financial statements, interim statements, dividend announcements and notices to shareholders, and consider and agree the basis for considering the group to be a going concern as per the recommendation of the GAAC
  - Ensure the integrity of the integrated report and statutory reporting to the Prudential Authority
  - Ensure that an effective risk management process exists and is maintained throughout the group
  - 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 GAC on the committee's work regarding the discretionary participation business
  - Ensure balanced reporting to stakeholders on the group'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 group address the needs of all stakeholders
  - Formulate the group's dividend policy
  - Ensure that conflicts of interest with the Standard Bank Group are appropriately recognised and managed.
- Ensure the sustainability of the group including the review of the material sustainability issues
  - Provide effective leadership based on an ethical foundation
  - Approve the group's objectives
  - Approve the 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 group 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 group 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 the group's policies on key issues such as risk management and the governance thereof, sustainability, IT governance, ethics and transformation
  - Approve the group's remuneration policy

## Board of directors

### 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
- 4 Exercising independent judgement and objectivity in decision making

The group chief executive recommends strategies and implementation plans, as well as oversees and manages the group's day-to-day operations.



**Jacko Maree** <sup>(63)</sup>  
**NON-EXECUTIVE CHAIRMAN**  
 Appointed: 2015

REMCO DAC SET GITC STC

**Areas of expertise and contribution:** Banking, financial services, governance, insurance, remuneration, risk and sub-Saharan Africa.  
**Other directorships of listed entities:** Standard Bank Group Limited (Deputy Chairman).



**Angus Band** <sup>(66)</sup>  
**LEAD INDEPENDENT DIRECTOR**  
 Appointed: 2008

REMCO GAAC DAC SET STC RPC

**Areas of expertise and contribution:** Finance, governance, human resources, insurance, remuneration and strategy.  
**Other directorships of listed entities:** Liberty Two Degrees (Chairman)<sup>1</sup>



**David Munro** <sup>(47)</sup>  
**GROUP CHIEF EXECUTIVE**  
 Appointed: 2017

SET GITC

**Areas of expertise and contribution:** Banking, financial services, governance, insurance, marketing, risk and sub-Saharan Africa.



**Tony Cunningham** <sup>(63)</sup>  
**INDEPENDENT DIRECTOR**  
 Appointed: 2009

GAAC GAC GRC

**Areas of expertise and contribution:** Actuarial science, asset and liability management, insurance, property investing risk and strategy.



**Monhla Hlahla** <sup>(55)</sup>  
**INDEPENDENT DIRECTOR**  
 Appointed: 2012

SET

**Areas of expertise and contribution:** Asset management, governance, human resources, negotiation, operations management, risk and strategy.



**Nooraya Khan** <sup>(49)</sup>  
**INDEPENDENT DIRECTOR**  
 Appointed: 2017

GAAC GRC

**Areas of expertise and contribution:** Accounting, auditing, financial structuring, governance, private equity and venture capital and risk.  
**Other directorships of listed entities:** Delta Property Fund Limited<sup>1</sup>



**Simon Ridley** <sup>(63)</sup>  
**NON-EXECUTIVE DIRECTOR**  
 Appointed: 2018

GRC GITC

**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 Roskruege Cele** <sup>(46)</sup>  
**INDEPENDENT DIRECTOR**  
 Appointed: 2016

SET GITC

**Areas of expertise and contribution:** Financial services, governance, human resources, strategy, sustainability and transformation.



**Sibusiso Sibisi** <sup>(63)</sup>  
**INDEPENDENT DIRECTOR**  
 Appointed: 2008

GRC DAC GITC

**Areas of expertise and contribution:** Digital business, information technology, insurance, risk, strategy and sustainability.



**Thembisa Skweyiya** <sup>(45)</sup>  
**INDEPENDENT DIRECTOR**  
 Appointed: 2018

GRC GITC

**Areas of expertise and contribution:** Banking, financial services, governance, law and strategy.  
**Other directorships of listed entities:** Imperial Logistics Limited, Woolworths Holdings Limited



**Jim Sutcliffe** <sup>(62)</sup>  
**INDEPENDENT DIRECTOR**  
 Appointed: 2009

REMCO GAAC GAC GRC RPC

**Areas of expertise and contribution:** Actuarial science, asset management, governance, insurance, remuneration and risk.



**Sim Tshabalala** <sup>(45)</sup>  
**NON-EXECUTIVE DIRECTOR**  
 Appointed 2013

REMCO DAC STC

**Areas of expertise and contribution:** Banking, financial services, governance, insurance, strategy, sub-Saharan Africa and transformation.  
**Other directorships of listed entities:** Standard Bank Group Limited<sup>1</sup>

## Board of directors (continued)



**Santie Botha** <sup>(54)</sup>  
**INDEPENDENT DIRECTOR**  
 Appointed: 2013

REMCO DAC SET GITC

**Areas of expertise and contribution:** Banking, business intelligence, governance, marketing, sales, strategy and sub-Saharan Africa.  
**Other directorships of listed entities:** Curro Holdings Limited (Chairman), Famous Brands Limited (Chairman), Telkom Limited!



**Yuresh Maharaj** <sup>(41)</sup>  
**FINANCIAL DIRECTOR**  
 Appointed: 2018

GRC

**Areas of expertise and contribution:** Accounting, auditing, financial services, financial reporting, insurance, governance and remuneration.



**Yunus Suleman** <sup>(61)</sup>  
**INDEPENDENT DIRECTOR**  
 Appointed: 2015

GAAC GAC GRC STC

**Areas of expertise and contribution:** Accounting, auditing, financial services, financial reporting and governance.  
**Other directorships of listed entities:** Tiger Brands Limited<sup>1</sup>, Gold Fields Limited<sup>2</sup>.



**Howard Walker** <sup>(57)</sup>  
**INDEPENDENT DIRECTOR**  
 Appointed: 2018

GAC GRC

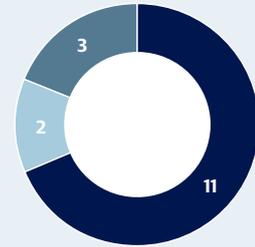
**Areas of expertise and contribution:** Financial services, actuarial science, investments, asset and liability management, insurance and risk and governance.

### Board demographics



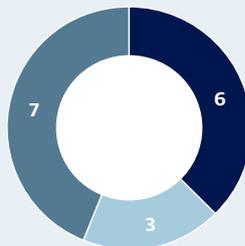
Black female  
 Black male  
 White female  
 White male

### Independence



Independent directors  
 Executive directors  
 Non-executive directors

### Age



40 – 49 years  
 50 – 59 years  
 60 – 69 years

### Tenure of non-executive directors



<3 years  
 3 – 5 years  
 6 – 8 years  
 >9 years

### Liberty director primary skills matrix



Non-executive director

Independent non-executive director

Executive director

(\*\*) Denotes age as at 31 December 2018

REMCO Remuneration committee

GAAC Group audit and actuarial committee

GAC Group actuarial committee  
The GAC is a sub-committee of the GAAC

GRC Group risk committee

DAC Directors' affairs committee

SET Social, ethics and transformation committee

GITC Group IT committee

STC Significant transactions committee

RPC Related party committee

Committee chairman

Completed years of service on Liberty Holdings Limited board

Completed years of service Liberty Group Limited board

## Board meetings

Four scheduled board meetings were held during 2018 and a two-day strategy session was held in September 2018. Three directors' information sessions were held during the board cycles.

In addition to the scheduled board meetings, the chairman holds one-on-one meetings with the other non-executive 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 non-executive chairman and group chief executive are separate
- 14 of the 16 directors are non-executive, with 11 of the 14 non-executive directors being classified as independent in terms of the Companies Act and as defined by King IV™
- Four directors, Angus Band, Tony Cunningham, Sibusiso Sibisi and Jim Sutcliffe, have served for nine years or more on the boards of Liberty Holdings Limited and Liberty Group Limited. An independence assessment was undertaken by the DAC in November 2018. An extensive checklist was completed and a review undertaken to determine whether these four directors could still be considered independent. After debate, the committee recommended to the board that Angus Band, Tony Cunningham, Sibusiso Sibisi and Jim Sutcliffe be considered independent and the board accepted this recommendation. At the same meeting the independence of all directors was holistically reviewed and the consensus was that all directors exercise independent judgement
- Non-executive directors do not hold service contracts with the group
- 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 the group. The cost of this advice will be borne by Liberty. No director obtained independent professional advice on the affairs of Liberty during 2018 or 2017.

## Closed sessions

After every board meeting, non-executive directors meet without management present in closed sessions led by the chairman. These sessions commence with all executive directors present to answer questions or raise any matters necessary. The executive directors 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 group chief executive.

## Conflicts of interest and other commitments

In terms of the Companies Act, if a director has a personal financial interest in respect of a matter to be considered at a meeting of the board or knows that a related person has a personal financial interest, the director is obliged to disclose the interest and its general nature, recuse him/herself and not take part in the consideration of 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. The group 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 the group's approach to business ethics and its obligations to clients, advisers, shareholders, employees, representatives, suppliers, the public and the authorities.

The SET is responsible for governance and oversight of Liberty's ethical culture. The group chief executive, David Munro is the Ethics Champion for the group and an interim ethics officer has been appointed. During 2018, the group's Ethics Strategy was developed and approved by the SET.

Liberty was a founding sponsor of the GIBS Ethics and Governance Think Tank and continued to sponsor its work in 2018.

## Gender diversity policy

The JSE Listings Requirements specifically require companies to consider the promotion of gender diversity. To this end, the board is committed to maintaining the percentage of female representation on the board to above 30%. The diversity policy has been updated to articulate Liberty's approach regarding the promotion of diversity on its boards of directors, in line with King IV™.

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.

## The chairman and lead independent director

The chairman, Jacko Maree, is not classified as independent in terms of governance best practice criteria due to him currently holding the position of deputy chairman of Standard Bank Group Limited, and thus, as recommended by King IV™ and in compliance with the JSE Listings Requirements Regulation 3.84(c), Angus Band continues in the role of lead independent director.

The board recognises that the function of the lead independent director is to provide leadership and advice to the board when the chairman has a conflict of interest without detracting from or undermining the authority of the chairman.

## 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. At the end of the 2017 board cycle, a comprehensive evaluation of the effectiveness of the board and committees was undertaken by all directors. For the first time these evaluations were done electronically and the results were evaluated by the company secretary and discussed at the DAC in February 2018. There were no significant areas of concern raised by any of the directors.

An external board evaluation commenced at the end of 2018 and is progressing well. The outcome will be discussed firstly with the chairman of the board and then at the DAC meeting in May. At this meeting any gaps identified will be discussed and communicated to the board. Thereafter, a remediation plan will be put in place to close any gaps, if necessary.

## Re-election of directors

In accordance with the Memorandum of Incorporation of Liberty Holdings Limited, non-executive directors are subject to retirement by rotation and re-election by shareholders at least once every three years. In February 2019, the DAC considered the candidates to stand for election or re-election at the annual general meeting in May 2019. Simon Ridley, Howard Walker and Thembisa Skweyiya were appointed since the last annual general meeting and are therefore standing for election. The other directors standing for re-election are Monhla Hlahla, Jacko Maree, Jim Sutcliffe and Sim Tshabalala.

## 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 the group'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 units. 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 Liberty Holdings Limited, all other subsidiaries have their own boards of directors. The DAC considers the appointment of directors on all material or significant boards while the group 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 the group's main South African registered long-term insurance licenced entity. From a materiality perspective, most of the group'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 function as an integrated unit. Both boards have the same non-executive chairman, lead independent director, group chief executive, 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 the group's wholly owned asset manager. Due to the importance of governance over investors' funds, managed and administered by the group, its board includes four non-executive directors. These directors are Tony Cunningham, Monhla Hlahla and Jim Sutcliffe. Howard Walker was appointed to the board on 1 September 2018. These directors are also members of the LHL and LGL boards. Derrick Msibi is the chief executive of STANLIB and David Munro is the non-executive chairman.

### Liberty Two Degrees

On 1 November 2018 Liberty Two Degrees was constituted as a corporate REIT and listed on the JSE. Liberty held 58,9% of the REIT at 31 December 2018. The directors of the board are Angus Band (non-executive chairman), Brian Azizollahoff (lead independent director), Zaida Adams (independent), Wolf Cesman (independent), Lynette Ntuli (independent), Amelia Beattie (chief executive) and José Snyders (financial director).

## Boards of directors of subsidiary companies

(continued)

### Liberty Kenya Holdings PLC (LKH)

Liberty holds 57.7% of LKH, which is listed on the Nairobi Stock Exchange. LKH conducts the group's long-term insurance operation in Kenya and is the investment holding company for the group's short-term insurance businesses in East Africa. The directors of the board are Philip Odera (chairman), (Susan Mboya-Kidero resigned on 24 October 2018), Peter Gethi (independent), Gayling May (independent), Jeff Hubbard (non-executive) and Mike du Toit (executive).

## Share dealing by directors and senior personnel

Liberty has a code of conduct relating to share dealing by directors and other parties who have comprehensive knowledge of the group's affairs. The code imposes closed periods to prohibit dealing in LHL 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 group 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 Liberty Holdings Limited, any group subsidiary or associated company.

## Political party contributions

No contributions were made by Liberty to any political party during 2018 and 2017.

## 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 the group or of the company's directors any failure to comply with such legislation, including the JSE Listings Requirements.

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.

In compliance with section 3.84(j) of the JSE Listings Requirements 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 the group. 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.

## Board committees

The following standing committees of the board were in place during 2018. 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.



These mandates are available on [www.libertyholdings.co.za/investor](http://www.libertyholdings.co.za/investor)

### 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 2018

#### Angus Band (chairman)

Santie Botha

Jim Sutcliffe

3

Independent directors

Jacko Maree

Sim Tshabalala

2

Non-executive directors

### Meetings and attendance

Four meetings were held during 2018. The group chief executive as well as the group HR executive and the financial director attend the Remco meetings but recuse themselves when appropriate.

### Remuneration philosophy

Further information on remuneration is provided in the remuneration report and includes the remuneration philosophy which will be put to shareholders for a non-binding vote at the annual general meeting scheduled for 17 May 2019.

### Key areas of focus for 2018

- A more rigorous approach to risk adjusted remuneration was introduced during 2018 where incentive awards were based on a combination of group, business and individual performance including effective risk management and compliance criteria.
- The short-term incentive construct for the insurance operation was reviewed and it was concluded that the construct and funding is in line with national and international best practice.
- The short-term incentive scheme was changed slightly to allow for the personal key performance indicator component to be more discretionary and no longer a formulaic outcome. The financial performance scale was also changed to include a limit of 145% of the target slope with further outperformance creating a pool for discretionary allocation subject to the Remco approval.
- In 2018 a once off award of the Liberty equity growth scheme rights were granted to a small group of 32 individuals to drive a high level of motivation and engagement for key individuals in executing Strategy Refresh.

- The long-term incentive scheme was also reviewed and changes to the current restricted share scheme and a specific performance share plan will be put to the shareholders at the upcoming annual general meeting in May 2019 for approval. The revised equity schemes will ensure that appropriate equity instruments are offered to employees to enable longer term retention and greater alignment with shareholders in terms of more appropriate performance conditions that will be imposed on awards for relevant senior employees who have influence on business performance outcomes.

### Planned areas of future focus

- Validation of remuneration levels will be conducted across the business in line with the new structures and capabilities created in terms of the refreshed business strategy.
- The reward philosophy will be aligned to an employee experience programme that will be rolled out as part of the refreshed strategy across the business.
- The STANLIB short term incentive structure will be revisited in line with business strategy changes envisaged over the next two years.

## Board committees (continued)

### Group audit and actuarial committee (GAAC)

**As the statutory audit committee, the GAAC is also the audit and actuarial committee of LGL and the audit committee of STANLIB. 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 GAC.**

Membership at 31 December 2018

**Yunus Suleman (chairman)**

**Angus Band**

**Tony Cunningham**

**Nooraya Khan**

**Jim Sutcliffe**

**5** Independent directors

On 8 March 2018 Nooraya Khan was appointed to the GAAC.

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 GAAC.

The chairman and members of the GAAC 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 2018. All members of the GAAC are independent directors who are suitably qualified, having the necessary expertise required to discharge their responsibilities.

### Meetings and attendance

The GAAC met five times during 2018. Four were the normal quarterly meetings and one was an ad hoc meeting, to specifically discuss and provisionally approve material actuarial and other liabilities involving the exercise of significant judgement.

At the normal quarterly meetings the main focus was on financial performance remediation and risk and compliance enhancement. Other areas of focus during 2018 were the STANLIB operations.

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

### External and internal audit

For 2018, PricewaterhouseCoopers Inc. (PwC) was Liberty's lead independent firm of external auditors, appointed to LHL and many of the group's subsidiaries. Certain of the group's subsidiaries are audited by SNG Grant Thornton, or in certain African territories, by KPMG Inc.

Pursuant to sections 94(7)(d) and (e) of the Companies Act, the GAAC has approved a policy governing the provision of non-audit services by the group's external auditors to maintain independence. The policy requires the GAAC's prior approval for any non-audit assignment with a fee more than R750 000 (2017: R750 000).

The committee also approved the budgeted audit fee for the 2018 financial year and the final fee for 2017, which were both considered appropriate.

On 26 February 2019, the GAAC resolved that, pursuant to sections 90(2)(c), 94(7)(a) and 94(8) of the Companies Act, it supported the re-appointment of the audit firm, PwC, and the audit partner, Alsue du Preez, as the group's auditor for the financial year ending 31 December 2019, and that it had satisfied itself that both the audit firm and audit partner were independent of the group. The re-appointment of PwC was approved by the board and will be put to shareholders for approval at the annual general meeting in May 2019.

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

### Annual financial statements and integrated report

In fulfilling its oversight responsibilities, the committee has reviewed and discussed the audited annual financial statements and the related schedules with the chairmen of the other board committees and management. The committee considers that the report complies 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.

As advocated by King IV™, the committee has overseen the preparation of the 2018 integrated report and has recommended the approval of the integrated report by the board.

The board's approval of the 2018 integrated report was obtained and is included on the inside front cover of the integrated report.

The board's approval of the annual financial statements was obtained and is included on page 2 of the annual financial statements which are available at



[www.libertyholdings.co.za/investor](http://www.libertyholdings.co.za/investor)

The GAAC has mandated the GITC to provide oversight in respect of IT governance.

### Compliance risk management

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

## Board committees (continued)

### Key areas of focus for 2018

- Approval of material actuarial and other liabilities involving the exercise of significant judgement
- Consideration of the performance of the external auditors for the 2018 year
- Approval of the external audit plan and fees for the 2018 year
- Recommendation of the interim and final dividend
- Discussion of the key audit matters for the 2018 year, as reported in the independent auditor's report
- Consideration and approval of the presentation of the disposal groups held for sale in the annual financial statements
- Consideration of the restructuring of Liberty Two Degrees
- Consideration of the impact of the JSE's yearly "Reporting back on proactive monitoring of financial statements in 2018" report
- Consider the progress made in strengthening STANLIB's control environment.

Specific areas of focus undertaken by GAC, a standing sub-committee of GAAC included:

- Consideration of key results from the 31 December 2017 Long Term Insurance Regulatory submission
- Discussion and approval of the key valuation assumptions.

### Planned areas of future focus

- Monitor the group's preparedness for the implementation of IFRS 17
- Monitor the finalisation of the group's financial architecture programme
- Monitor the progress made in resolving control weaknesses at STANLIB.

### Group actuarial committee (GAC)

The GAC is a sub-committee of the GAAC established to assist the GAAC 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 GAC also receives reports on insurance risk and escalates concerns to the GRC.

Membership at 31 December 2018

Tony Cunningham  
(chairman)

Yunus Suleman

Jim Sutcliffe

Howard Walker

4

Independent directors

Howard Walker was appointed to the GAC on 1 September 2018.

### Meetings and attendance

The GAC met six times during 2018. Four were the normal quarterly meetings and two were ad hoc meetings. The first ad hoc meeting was to discuss the key results from the 31 December 2017 Long Term Insurance Regulatory submission (LT2017) and the second ad hoc meeting was to discuss and approve the key valuation assumptions. GAC meetings are attended by the external auditors, the chief actuary, the head of actuarial function, the group chief executive, the head of internal audit control, the financial director and appropriate members of the senior executive management team.

### Key areas of focus for 2018

- Business as usual
  - Review and oversight of key area's of actuarial judgement including assumption setting and modelling
  - Approval of the reinsurance strategy
  - Review and setting of discretionary bonuses of with-profits and smoothed bonus business
- Review and oversight of the financial architecture programme
- Review and oversight of the rationalisation of products and portfolios and the drive towards simplification.

### Planned areas of future focus

- Embedding of the new regulatory regime from both a group and solo perspective
- Review and oversight of the rationalisation of products and portfolios and the drive towards simplification.

## Board committees (continued)

### Group risk committee (GRC)

The GRC is also the risk committee of LGL and STANLIB and is responsible for providing the board with oversight relating to risk and control matters. The GRC reviews Liberty's risk and control philosophy, strategy, policies and processes recommended by the Exco. Additional responsibilities include scrutinising management actions, ensuring compliance with risk policies and reviewing the overall risk profile of the group as well as sufficiency of capital.

Membership at 31 December 2018

Jim Sutcliffe (chairman)

Tony Cunningham

Nooraya Khan

Sibusiso Sibisi

Yunus Suleman

Howard Walker

**6** Independent directors

Simon Ridley

**1** Non-executive director

Yuresh Maharaj

**1** Executive director

On 8 March 2018 Nooraya Khan and Yuresh Maharaj were appointed to the GRC and on 1 September 2018, Simon Ridley and Howard Walker were appointed to the GRC.

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

### Meetings and attendance

Four meetings were held during 2018. Meetings are attended by the head of actuarial function, statutory actuary and chief risk officer, Liberty's external auditors, group chief executive and appropriate members of the senior management team.

### 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 defence risk governance model, as described in the risk section of the 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 annual financial statements at [www.libertyholdings.co.za/investor](http://www.libertyholdings.co.za/investor)

### Actions taken to monitor the effectiveness of risk management and how the outcomes were addressed

- Regular closed session of the GRC with the group's chief risk officer when the committee members are provided with an independent view of the competency and capacity of the risk control functions
- The strengthening of the risk selection philosophy, frameworks, internal policies and standards
- Execution of the risk and compliance enhancement programme (RCEP)
- Financial remediation programme: Focus on tighter expense management and simplification in products and operational processes to drive further expense efficiencies
- Embedding the market conduct risk policy into the business.

### Key areas of focus for 2018

- Approval of revised group policies and confirmation of the cancellation of selected group policies in terms of the RCEP programme
- Monitoring of the progress made by the RCEP programme
- Consideration of the impact and potential impact of the performance fees technical breach at STANLIB
- Adjustment to the risk appetite and risk profile following the implementation of the new prudential regulatory regime
- Consideration of the risks related to the Edcon group
- People and execution risks
- Technology risks, specifically availability of systems and business continuity
- Responding to communication from, and comprehensive supervision by, the Prudential Authority.

### Planned areas of future focus

- Review and approval of the risk management framework, the strategy, risk and capital process policy and the capital management framework
- Continue to monitor the progress made by the RCEP programme
- Review and approval of risk metrics required for risk measurement across the group
- Oversee severe stress testing as part of the annual recovery plan
- Assessments of the risk management policies to ensure they remain appropriate to support the risk management system.

## Board committees (continued)

### 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 2018

Angus Band (chairman)

Santie Botha

Sibusiso Sibisi

**3** Independent directors

Jacko Maree

Sim Tshabalala

**2** Non-executive directors

### Meetings and attendance

Three meetings were held during 2018. The group chief executive attended these committee meetings.

### Key areas of focus for 2018

- Review of the outcome of the internally performed board and committee evaluations
- Review and approval of the governance framework
- Review of the critical skills on the board
- Constitution of the board in 2019 and 2020 and succession planning
- Sourcing and appointment of new directors
- Review and approval of revised board and committee mandates
- Implementation of the new organisational structure
- Approval of the external board evaluation process for 2018/2019.

### Planned areas of future focus

- Review of the outcome of the externally performed board and committee evaluations;
- Review of the critical skills on the board;
- Constitution of the board in 2020 and 2021 and succession planning;
- Succession planning for senior management;
- Embedding of the organisational structure.

### Social, ethics and transformation committee (SET)

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

Membership at 31 December 2018

Jacko Maree (chairman)

**1** Non-executive director

Angus Band

Santie Botha

Monhla Hlahla

Carol Roskrugre Cele

**4** Independent directors

David Munro

**1** Executive director

A significant part of the responsibilities of the SET 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 2018. Meetings are attended by the group executive – group strategic services and appropriate members of the senior management team.

### Key areas of focus for 2018

- Stakeholder engagement strategy
- Organisational redesign
- Transformation storyboard
- Trade marketing
- Reputation measurement survey planning
- Unclaimed benefits.

### Planned areas of future focus

- Reputation measurement survey
- Pipelines for the development of critical skills
- Progress made in the areas of employment equity and skills development
- Confirmation of Liberty's material matters
- Refreshed brand strategy
- Ethics strategy.

## Board committees (continued)

### Group information technology committee (GITC)

Reviews, monitors and provides guidance on matters related to the group's IT strategy, governance, technology and digitisation, operations, policies and controls. The GITC reviews and provides guidance on the group's assessment of risks associated with disaster recovery, business continuity and IT security.

Membership at 31 December 2018

#### Sibusiso Sibisi (chairman)

Santie Botha

3

Independent directors

Carol Roskruge Cele

Jacko Maree

2

Non-executive directors

Simon Ridley

David Munro

1

Executive director

Carol Roskruge Cele was appointed to the GITC on 1 July 2018 and Simon Ridley was appointed on 1 September 2018.

### Meetings and attendance

Three meetings were held during 2018.

The chief information officer (CIO) provides regular updates to the GITC and to the board on the status of material IT projects as well as other governance-related matters.

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

### Governance of technology and information

GITC has been specifically established to discharge the board's accountability for the governance of technology and information.

The CIO drives the group wide implementation of effective governance practices with the Exco providing management oversight over all group information and technology initiatives.

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

Key channels through which the effectiveness of technology and information management is monitored are:

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

### Key areas of focus during 2018

- Management of, and response to, the unauthorised breach of Liberty systems
- Availability of systems and networks
- Business continuity
- IT strategy
- Partnerships for developing and/or deploying technology capabilities
- The new IT operating model and closing critical IT skills gaps.

### Planned areas of future focus

- Managed service – components of the IT environment that can be managed and maintained by third-party vendors
- Transformative initiatives
- Alignment of technology with business imperatives
- Implementation of the new IT operating model to ensure transparent and predictable IT services.

## Board committees (continued)

### Group significant transactions committee (STC)

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

Membership at 31 December 2018

Jacko Maree (chairman) **2** Non-executive directors  
Sim Tshabalala

Angus Band **2** Independent directors  
Yunus Suleman

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 met six times during 2018 and in each case there was compliance with the terms of reference specified in the mandate. Due to the nature of the composition of this committee, meetings occur as the need arises and hence attendance is not included in the attendance table.

### Group related party committee (RPC)

Oversees transactions between Liberty, Standard Bank and other related parties and ensures the rights of non-controlling shareholders are considered and protected.

Membership at 31 December 2018

Angus Band (chairman) **2** Independent directors  
Jim Sutcliffe

#### Meetings and attendance

This committee met by teleconference two times and physically met two times during 2018 and there was compliance with the terms of reference specified in the mandate. Due to the nature of the composition of this committee, meetings occur as the need arises and hence attendance is not included in the attendance table.

## Meetings and attendance

	LHL and LGL								
	Board meetings <sup>1</sup>	Remco	GAAC <sup>2</sup>	GAC <sup>3</sup>	GRC	DAC	SET	GITC	STANLIB board meetings
Jacko Maree	5/5	4/4				4/4	4/4	3/3	
Angus Band	4/5	4/4	5/5			4/4	4/4		
Santie Botha	5/5	3/3				4/4	4/4	3/3	
Tony Cunningham	4/5		5/5	6/6	4/4				3/4
Monhla Hlahla	4/5						4/4		3/4
Nooraya Khan	5/5		3/3		4/4				
Yuresh Maharaj	5/5				4/4				
David Munro	5/5						4/4	2/3	4/4
Simon Ridley	2/2				0/1			1/1	
Carol Roskruge Cele	4/5						3/3	2/2	
Sibusiso Sibisi	5/5				4/4	4/4		3/3	
Yunus Suleman	5/5		5/5	6/6	4/4				
Jim Sutcliffe	5/5	4/4	5/5	6/6	4/4				4/4
Sim Tshabalala	5/5	4/4				4/4			
Howard Walker	2/2			1/1	1/1				1/1
Derrick Msibi									4/4

<sup>1</sup> One of the five board meetings was the strategy session.

<sup>2</sup> One of the five meetings was a special meeting to specifically discuss and provisionally approve, the second to discuss and agree the publishing of a trading statement

<sup>3</sup> Two of the six GAC meetings were special meetings, one to discuss key judgment areas and the explanation of key results from the 31 December 2017 Long Term Insurance Regulatory submission (LT12017) and the second to discuss and approve the key valuation assumptions and bonus recommendations.

## Group executive committee (Exco)

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

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

The Exco generally meets 10 times during a year. Members of Exco at 31 December 2018 and their years of financial service experience are set out below.

	Years of financial services experience
David Munro: Group chief executive	23
Pumeza Bam: Group HR executive	7
Philip Harrison: Chief risk officer <i>Appointed 1 June 2018</i>	14
Giles Heeger: Executive – Asset Management	22
Jeff Hubbard: Group executive	14
David Jewell: Group executive	25
Yunesh Maharaj: Financial director <i>Appointed 12 February 2018</i>	17
Benjamin Marais: Chief information officer	11
John Maxwell: Group executive	29
Sydney Mbhele: Chief marketing officer	8
Johan Minnie: Group executive – Sales, distribution and Bancassurance	23
Derrick Msibi: Chief executive – STANLIB	22
Thiru Pillay: Group executive – Group professional services	18

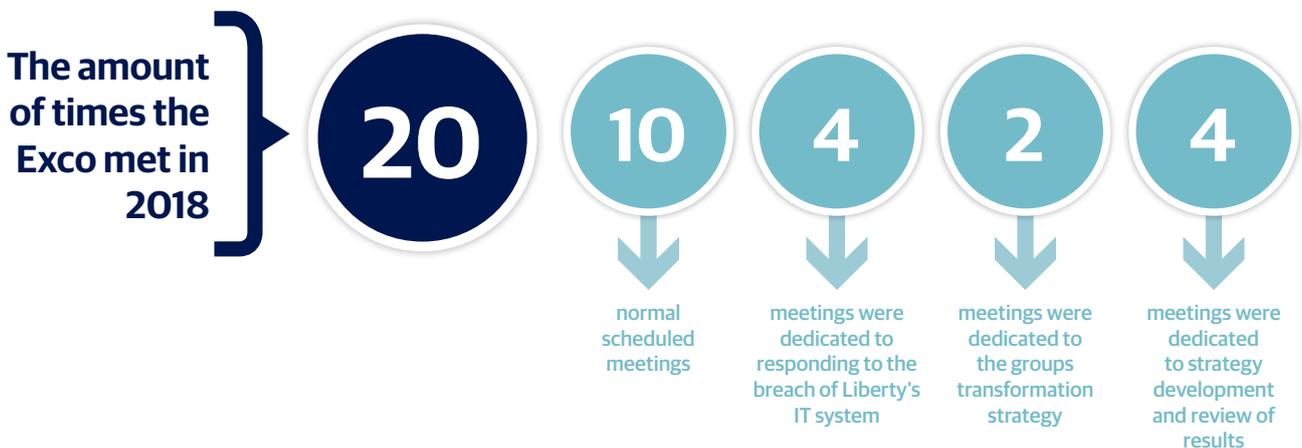
## Group executive committee mandate

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

- Formulate, execute and manage the group-wide 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 the integrated report and statutory reporting to the Prudential Authority
- Consider and report to the board on significant capitalisations, 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 group balance sheet management committee to ensure the efficient and effective management of all capital related operations and risks
- Delegate the risk control within the group to the group control and 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 the group'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 group transformation targets and all nominations for executive talent development programmes.



The Exco's full mandate can be found at [www.libertyholdings.co.za/investor](http://www.libertyholdings.co.za/investor)



## Management committees

The management committees within the Liberty governance structure are made up of representatives from the respective business unit chief executives and selected executives of the various business units and central group functions. The role of these committees is strategic and advisory in nature, being the custodian of the Liberty strategy as approved by the board. 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
<b>Group control and risk oversight committee</b>	<p>Approves, implements and exercises oversight of internal control and risk management strategies, governance standards and policies for the group.</p> <p>Responsibilities are executed through the following sub-committees:</p> <ul style="list-style-type: none"> <li>• The actuarial control committee oversees actuarial practices across the group and performs an objective technical advisory and internal governance role in the review of the group's actuarial assumptions, methodologies and models</li> <li>• The compliance management committee provides oversight and management of compliance risk and implementation of compliance projects</li> <li>• The group operational risk committee ensures implementation and monitoring of, as well as reporting on, the operational risk framework.</li> </ul>
<b>Group balance sheet management committee</b>	<p>Manages and monitors the balance sheets of LHL and its subsidiaries, the group'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"> <li>• The asset liability committee develops and implements strategies for the optimisation of the balance sheet and the management of market and liquidity risk</li> <li>• The LibFin credit committee manages and approves all debt instruments within the designated delegation of authority, in-house credit risk generated through the various business units, and reviews and approves the credit component of asset manager mandates</li> <li>• The property investment executive committee manages the group's South African on-balance sheet direct property investment strategies in relation to the purchase, development and sale of direct property assets</li> <li>• The group reinsurance underwriting and claims committee recommends the group reinsurance strategy to the group balance sheet management committee for approval and enables consistent group wide reinsurance decisions to ensure compliance with this policy. In particular, the committee focuses on optimising insurance risk and credit counterparty risk (related to reinsurance) as part of the group risk appetite framework.</li> </ul>
<b>People, social, ethics and transformation committee (PSET)</b>	<p>Manages people related risks in respect of transformation, retention, talent management, remuneration, ethics and culture.</p> <p>The legislative response committee, a sub-committee of PSET ensures that there is a strategic business response to regulatory developments by including regulatory developments in the strategic planning process. The committee also approves and exercises oversight in respect of the implementation of regulatory projects.</p>

## Management committees (continued)

Committee	Main purpose and sub-committees
<b>Customer fairness committee</b>	Makes decisions on customer fairness matters that have a significant systemic financial, operational, policy or stakeholder impact on the business. This committee is supported by the customer fund control committee which manages and monitors policyholder funds and portfolios including the appointment of asset managers.
<b>Product approval committee</b>	The product approval committee ensures effective and efficient group wide governance of decisions relating to new product development and alterations to existing products, specifically considering related risks, return on capital and customer fairness.
<b>Marketing and communication committee</b>	In conjunction with the Exco and the various business units, this committee ensures that marketing and communication strategies are aligned with Liberty's overall strategy, oversees marketing and communication investments and projects, corporate affairs and internal communication, and champions client-centricity. It also reports pertinent matters related to its mandate to the SET.
<b>Sales and distribution committee</b>	Oversees the execution of the group distribution strategy. In particular, the committee engages with the business units as well as group finance to develop, approve and maintain a commercially based financial model to drive sales and distribution, co-ordinates incentives across the group and ensures alignment between the business units and Standard Bank, develops and manages a sales and distribution cost allocation model that ensures alignment of the costs charged to the business units and the associated benefits to the business units and Standard Bank, and sets annual group distribution targets and any amendments to the sales targets.





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