

SANTAM LIMITED  
(Incorporated in the Republic of South Africa)  
Registration Number 1918/001680/06  
JSE share code: SNT  
ISIN: ZAE000093779  
NSX share code: SNM  
(“Santam”)

## INCREASED PARTICIPATION INTEREST IN SHIRIRAM GENERAL INSURANCE IN INDIA

### 1. Introduction and transaction summary

In December 2013, Santam, Sanlam Limited (“**Sanlam**”) and Sanlam Emerging Markets Proprietary Limited (“**SEM**”), a wholly owned subsidiary of Sanlam, entered into a framework agreement (“**Framework Agreement**”) which set out the terms by which Santam participates in Sanlam’s investments in emerging market short-term insurance businesses using SEM as the investment vehicle.

Following recent regulatory changes allowing a 49% foreign shareholding in insurance companies in India, SEM has increased its stake in in Shriram General Insurance Company Limited (“**SGI**”) by 23%.

Shareholders are advised that in terms of the Framework Agreement, Santam has elected to participate in the increased investment in SGI through the subscription for a further share of a separate class (“**Target Share**”) in SEM for a consideration of R251.35 million (the “**Purchase Consideration**”) (the “**Transaction**”). The Target Share is linked to the economic benefits of SGI.

The Purchase Consideration was funded from cash resources and the Transaction became effective on 5 December 2016.

### 2. Background and rationale

In December 2013 Santam subscribed for a Target Share linked to a 7.0% participatory interest in SGI. The Transaction increases Santam’s participation interest in SGI from 7.0% to 15.1% thereby increasing Santam’s exposure to the company which it believes is well positioned for growth in the Indian market. SGI is the short-term insurance business of the Shriram Group, a financial conglomerate based in India. SGI is positioned to be a market leader in motor insurance.

### 3. Small related party transaction

As Sanlam is the majority shareholder of Santam, the Transaction is a small related party transaction for Santam in terms of Section 10.1(b) of the JSE Listings Requirements. Accordingly, in terms of section 10.7(b) of the JSE Listings Requirements, an independent expert is required to provide an opinion as to the fairness of the terms of the Transaction.

Investec Bank Limited (“**Investec**”) was appointed as the independent expert to provide a fairness opinion. Investec has found the terms and conditions of the Transaction fair to the shareholders of Santam. Their fairness opinion is available for inspection at Santam’s registered office for a period of 28 days from the date of this announcement.

Cape Town

7 December 2016

Sponsor: Investec Bank Limited