1. PURPOSE
This document establishes the principles and standards for the governance of Compliance within the Imperial Group and its operations (Imperial).

Compliance Governance is the accountability of the Imperial Board who delegates this task to the Group Risk Committee. The design and management of the Compliance governance system is delegated to the Divisional Head of Legal and co-ordinated with support from applicable Divisional Risk Officers.

2. SCOPE
This policy applies to Imperial’s directors and employees, and to all contractors working for or at Imperial.

Imperial’s legal and regulatory compliance obligations include:
- Legal obligations, including:
  - legislative;
  - contractual;
  - permits, licences and other forms of authorisation;
  - common law;
  - equitable obligations; and
  - relevant industry codes and compulsory standards;
- External obligations, including:
  - regulatory policies and codes; and
  - JSE Listing and other government requirements;
  - For subsidiaries that are Financial Services Providers, FAIS, FICA and their related legislative framework; and
- Imperial policies, procedures and guidelines.

Detailed operational procedures support Imperial’s legal and regulatory compliance obligations.

3. KEY PRINCIPLES
The Compliance Governance Policy is guided by the governance principles of King IV and aligned to the group’s risk assessment of the legal universe of applicable legislation of the territories in which Imperial has operations or operates cross border transactions.

The King Report on Governance for South Africa (King IV) outlines in chapter 5.4 the Governance of Compliance providing Principle 13 which states that the governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.
The Compliance Policy establishes the overarching principles and commitment to action for Imperial with respect to achieving compliance by:

- identifying a clear compliance framework within which Imperial operates;
- promoting a consistent, rigorous and comprehensive approach to compliance throughout Imperial Holdings Limited;
- developing and maintaining practices that facilitate and monitor compliance within Imperial;
- seeking to ensure standards of good corporate governance, ethics and community expectations; and
- engendering a culture of compliance where every person within Imperial accepts personal responsibility for compliance and acts ethically and with integrity.

4. Policy Overview

This Compliance Policy is aligned with Imperial’s strategic objectives as articulated within our Strategic Plan and is based on best practice standards.

Imperial recognises that there are four elements for an effective compliance program:

- **Commitment** – Imperial Holdings Limited’s commitment to, and the establishment of, a compliance program;
- **Implementation** – Imperial Holdings Limited’s implementation of a compliance program, including ongoing education and maintenance;
- **Monitoring and Measuring** – reporting and supervision of the compliance program; and
- **Continual Improvement** – regular review and continual improvement of the compliance program.

Imperial:

- encourages and supports an effective Board and Senior Management organisational structure which endorses an ethical and positive compliance culture;
- maintains an appropriate compliance program which identifies, manages, reports, reviews, monitors and measures compliance obligations and compliance performance;
- ensures clear accountability for and ownership of the compliance program, obligations and any compliance issues;
- regularly reports to the CEO, divisional executives, divisional boards and group Board (as required);
- reviews its procedures to ensure compliance obligations are integrated in the day-to-day operations;
- provides necessary resources to enable our people to understand their own personal accountability in respect of compliance and to be able to effectively carry out their responsibilities;
- conducts appropriate pre-employment screening of potential employees and contractors;
- takes seriously any failure by an individual to comply with Imperial’s compliance obligations. A number of consequences may flow from an individual’s actions, including, in serious matters, termination of employment or contract;
- incorporates compliance management into business plans and risk management processes;
- provides education and training as part of the implementation of the compliance program, detailing individual responsibilities, reporting and communication methods; and
- regularly reviews and implements improvements to the compliance program.
5. IMPERIAL COMPLIANCE FRAMEWORK

A divisional compliance framework needs to be approved incorporating the following:

- Objectives of the framework
- Divisional legal universe
- Accountabilities and responsibilities
- Compliance management methodology
- Breach management process to ensure monitoring and reporting aligned to the Imperial criteria:

<table>
<thead>
<tr>
<th>Substantial Breach</th>
<th>General Breach</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Catastrophic</strong></td>
<td><strong>Significant</strong></td>
</tr>
<tr>
<td>Loss of any business registration/license, or other key license or accreditation loss; OR significant legal penalties or regulator sanctions against the Imperial Holdings Limited or its subsidiaries; OR criminal convictions resulting in imprisonment against a Director or staff member</td>
<td>Imperial Holdings Limited prosecution; OR Director(s)/ staff member(s) are prosecuted without being imprisoned; OR Holdings Limited or its subsidiaries that impacts on any key element of the business</td>
</tr>
<tr>
<td><strong>Major</strong></td>
<td><strong>Medium</strong></td>
</tr>
<tr>
<td>Imperial Holdings Limited prosecution or Directors/staff being subject to legal proceedings resulting in only minor or no legal penalties; OR licensing restrictions/sanctions applied.</td>
<td></td>
</tr>
</tbody>
</table>

6. RESPONSIBILITIES

Imperial’s board carries out its governance duties through various committees that oversee the governance of Compliance. For the purposes of this document, the key committees that oversee Compliance Governance are:

- The Imperial Board of Directors, the Group Risk Committee; the Group Audit Committee and the Group Social, Ethics and Sustainability Committee at a strategic level;
- Divisional boards, Executive Committees; Group Head of legal and the Group Legal and compliance forum at a tactical level; and
- The legal and compliance managers and where applicable project committees at the operational level.

7. IMPLEMENTATION OF POLICY

The Compliance governance policy will be rolled out across the Imperial Group. It needs to be embraced by Imperial and its related processes filtered into the daily operations and the way we do business.