

From the Office of the Group CEO



At Alexander Forbes, transformation is a key strategic business requirement. We recognise that it is a business imperative in South Africa and as a responsible citizen, we will play a meaningful part in contributing positively towards the overall transformation of our country. As market leaders in everything that we do, we will continuously strive to be a leader in our transformation, seeking a top quartile position in the Financial Services sector through adopting a holistic approach to achieving sustainable transformation.

We believe that the successful implementation of Broad Based

Black Economic Empowerment (BBB-EE) will contribute to the economic empowerment of those previously excluded, resulting in the meaningful participation in all levels of the South African economy. Our commitment and approach to BBB-EE at both Group and divisional level is evidenced by the fact that external BEE audits are conducted at all levels of the business. Our approach includes a series of initiatives to transform our management structures and staff profile and increase strategic spend on skills development, social investment, development and support of black-owned enterprises.

In recent years we completed a change in ownership, which has resulted in the Group becoming privately owned. Thereafter, the effective broad-based shareholding in the South African operations changed to 22.63%. The shareholding includes the Shanduka Group, the Alexander Forbes Community Trust and the participation of black employees in both the management scheme as well as the staff share trust.

Diversity in people management is very important. Slowly, our workforce must become more reflective of the demographics of South Africa. Gender equity and opportunities for disabled people forms an equally important aspect of transformation. While we continually want to enrich

the gene pool" with "fresh DNA" from the external market, our main aim is to "grow our own timber" allowing, as had been the case up to now, for competent young people to rise through the business into leadership roles. We strive to create an enabling and conducive environment in which all our employees can contribute and realise their career aspirations.

The success of BBB-EE is reliant on the growth of black entrepreneurs, which is why we continuously implement coherent procurement and enterprise development strategies. This commitment is extended to the development of local communities.

Our recent BBB-EE rating serves as a good benchmark of our empowerment performance. But transformation is hard work and requires continuous effort and the right mindset. This would not be possible without the collective involvement of all our employees, especially top management.

BBB-EE is an integral part of our business strategy and throughout the 75 years of our development and growth, we have always had the ability to provide services and add value to our clients. Innovation, adaptation and professional service have been critical to our success.

We believe that our commitment to and participation in transformation will contribute towards the creation of a vibrant economy benefiting our staff, clients, shareholders and the communities in which we operate.

On behalf of the Group, I pledge continued commitment and involvement in the creation of an enabling environment to ensure the success of the implementation of Broad-Based Black Economic Empowerment, thus contributing towards the BBB-EE scorecard of our valuable clients.

A handwritten signature in black ink, appearing to read 'Edward Kieswetter'. The signature is fluid and cursive, written over a light-colored background.

Edward Kieswetter
Group CEO