

Second Summary Report

Sanlam Private Wealth Pty Ltd

14 May 2026

Limitations

This Second Summary Report provides a summary of our work carried out as the Independent Expert as defined within paragraph 36 of the Court Enforceable Undertaking between Sanlam Private Wealth Pty Ltd (Sanlam) and the Australian Securities and Investments Commission (ASIC) solely for the purpose set out in Section 2 of this Second Summary Report.

Any party other than Sanlam and ASIC who access this Second Summary Report shall only do so for their general information and it should not be relied upon by any other party. Ashurst Risk Advisory Pty Ltd (Ashurst Risk Advisory) does not accept any responsibility for use of the information contained in this Second Summary Report.

Ashurst Risk Advisory expressly disclaims all liability for any cost, loss, damage, injury or other consequence which may arise directly or indirectly from use of, or reliance on, this Second Summary Report.

Contents

1. Second Summary Report	3
2. Background, scope and approach.....	7

1. Second Summary Report

1.1. Introduction

Sanlam Private Wealth Pty Ltd (Sanlam) entered into a Court Enforceable Undertaking (CEU) with the Australian Securities and Investments Commission (ASIC) on 23 December 2024, following an ASIC investigation.

Ashurst Risk Advisory Pty Ltd (Ashurst Risk Advisory, us or we) was appointed as the Independent Expert on 12 March 2025, pursuant to paragraphs 21 to 27 of the CEU.

Under our appointment, we conducted a Compliance Review in accordance with paragraph 28 of the CEU, with our findings and recommendations set out within our Independent Expert Report dated 11 July 2025.

Having considered our Independent Expert Report, Sanlam prepared and submitted a Remedial Action Plan to address the findings.

Sanlam notified ASIC and Ashurst Risk Advisory on 21 January 2026 that it had completed its implementation of the Remedial Action Plan.

1.2. Scope and approach

Under paragraph 35 of CEU, we had three months from the time of Sanlam's notification to review Sanlam's implementation of its Remedial Action Plan and to prepare an Implementation Report setting out any findings on:

- Whether Sanlam has adequately implemented each of the actions set out in the Remedial Action Plan.

- Whether each action described in the Remedial Action Plan continues to be operational since it was first implemented, and if not, the extent to which the action has not been operational.
- Whether any issues precluded or materially impacted the implementation or operation of any part of the Remedial Action Plan.
- Any further actions required to implement the Remedial Action Plan and reasonable timeframes for those further actions.

The Implementation Report is required to be issued to both Sanlam and ASIC.

Our review involved the testing of design and operational effectiveness across each of Sanlam's remediation actions.

1.3. Findings and recommendations

Sanlam was able to demonstrate that:

- It has adequately implemented each of the actions set out in the Remedial Action Plan.
- Each action described in the Remedial Action Plan continues to be operational since it was first implemented.

We found no issues that precluded or materially impacted implementation or the operation of any part of the Remedial Action Plan.

Considering the above, we have identified that no further actions are required to implement the Remedial Action Plan.

We found all interviewed personnel, Authorised Representatives, and Responsible Managers were able to articulate a consistent and appropriate understanding of their obligations and Sanlam's compliance expectations.

Findings of each area of the Remedial Action Plan are set out below:

1.3.1. Supervision and Monitoring

a) Corporate and Authorised Representative (C&AR) attestations

Sanlam has implemented a dynamic workflow-based tool (Jotforms) to request and receive monthly C&AR attestations. With each attestation tailored to the C&AR.

Our work found that the attestation questionnaires were suitable and relevant to the individual C&AR business activities and risk profiles.

The attestation process has been operating for 12 months, during which time incremental improvements were made, demonstrating embedment and continuous improvement.

Monthly attestation reviews are conducted, with data captured manually, and oversight provided by Sanlam's Compliance team and reported to the Compliance Committee and Board of Directors.

b) Risk profile

Risk profiles have been designed and implemented for each C&AR, covering risk categories including staff, management/board, trading, operational, legal and compliance, and IT and systems risk.

Each C&AR has been assessed using a risk matrix covering risks ranging from minimal to significant.

This risk profile mapping has been communicated to all relevant C&ARs, and testing confirmed that the documentation is completed and up to date.

c) Three Lines of Defence

Sanlam's Three Lines of Defence (3LOD) approach is documented in the Risk Management Policy, which designates business line management as the First Line, Risk Management & Compliance as the Second Line, and the Third Line will be undertaken by an independent Compliance Consultant.

We consider this 3LOD approach to be suitable based on the size, nature and complexity of the business.

1.3.2. Organisational competency and human resources

a) Appointment of additional Responsible Managers

Improvements have been made to uplift organisational competency and human resources across Sanlam, including the appointment of an additional three Responsible Managers (RMs) and adequate compliance resources to support the execution of daily compliance activities. With these additional resources, and the reduction in business size and complexity, Sanlam is better placed to actively manage its regulatory obligations and operational demands.

RM roles and responsibilities are documented in the Risk Management Policy and Australian Financial Services Licensee (AFSL) Handbook, and RM details are captured within the C&AR risk profiles and an RM Attestation record.

b) Contingency and succession planning

Sanlam has documented a Contingency Plan for the Chief Risk & Compliance Officer (CRCO) role, which addresses trigger events, successor arrangements, regulatory notification obligations, and handover protocols.

No trigger events occurred during the Remedial Action Plan implementation period. Therefore, our testing was limited to design of the Plan, a walkthrough, and review of approval documentation.

Succession planning is addressed within the AFSL Handbook (section 3.5), with appropriate controls including cross-training for short absences and longer-term changes.

Sanlam has also documented an annual review process for ensuring adequate numbers of trained and competent staff.

1.3.3. Training

Sanlam has taken steps to improve its training measures, implementation, and monitoring across the business. Interviewees were able to articulate consistent approaches to completing, delivering, and reporting training completion.

Sanlam has established and implemented a quarterly training program which, over the last 12 months, covered AML/CTF and KYC, RG 181 Conflict of Interest, classification of wholesale and retail clients, and the updated Sanlam Licensee Handbook.

Training requirements are communicated to all C&ARs and RMs via standardised emails, updating them on Continual Professional Development (CPD) and quarterly training obligations.

Dedicated files have been created for each C&AR, with all certificates saved and organised into individually named folders.

Monthly CPD and compliance certificates were provided and assessed for the requested C&ARs and RMs, all of whom demonstrated completion of monthly compliance and CPD training.

We consider the nature and extent of this training to be appropriate given the nature, size and complexity of the business.

1.3.4. Risk Management Systems

Sanlam has continued to improve its risk management systems in line with its changing business. Interviewees were able to articulate a consistent risk message and identified key risks within the business, including fraud, third-party risk, and operational risks within the trade and settlement process.

A risk profiling exercise has been completed across the business, resulting in a documented risk profile.

Sanlam's Risk Management Policy constitutes its risk management system, with risk and control taxonomies, a risk assessment matrix, and a defined 3LOD structure.

The Compliance Committee papers and meeting minutes evidence that risk management matters, complaints, regulatory and compliance items are regularly tabled and discussed.

1.4. Next steps – Second Remedial Action Plan

Under paragraph 37 of the CEU, Sanlam has 21 business days from receipt of the Implementation Report to consider its findings.

As set out in this Second Summary Report, we have not identified any further actions required to implement the Remedial Action Plan. We recommend Sanlam continue its continuous improvement activities as stipulated within its Risk Management Policy.

2. Background, scope and approach

2.1. Background

Sanlam entered into a CEU with ASIC on 23 December 2024, following an investigation by ASIC.

Ashurst Risk Advisory was appointed as the Independent Expert on 12 March 2025, pursuant to paragraphs 21 to 27 of the CEU.

Compliance Review and First Independent Expert Report

As per paragraph 28 of the CEU, Ashurst Risk Advisory were required to conduct a Compliance Review of Sanlam's systems, processes and controls in order to assess Sanlam's compliance with certain obligations set out in s 912A (1) of the Corporations Act.

These certain obligations included:

- Supervision and monitoring (s 912A(1)(ca))
- Human resources (s 912A(1)(d))
- Competence to provide financial services (s 912A(1)(e))
- Training of representatives (s 912A(1)(f))
- Risk management systems (s 912(1)(h)).

The findings and recommendations of our Compliance Review were set out in our First Independent Expert Report dated 11 July 2025, which can be accessed via ASIC's [Court enforceable undertakings register](#).

Sanlam Remedial Action Plan

Pursuant to paragraph 31 of the CEU, Sanlam had 21 business days to consider our findings and recommendations and prepare a Remedial Action Plan.

This plan was required to outline the actions and associated timeframes to address any recommendations, or alternatively, identify any recommendations Sanlam did not intend to implement and provide justification.

Sanlam's Remedial Action Plan was submitted to both ASIC and Ashurst Risk Advisory for review prior to implementation.

Pursuant to paragraph 34 of the CEU, Sanlam was required to notify ASIC and Ashurst Risk Advisory within two business days of the full implementation of the Remedial Action Plan. This notification was made on 21 January 2026.

2.2. Scope of the Implementation Report

The requirements of the Implementation Report are set out in paragraph 35 of the CEU. Pursuant to those requirements, the Report sets out:

- Whether Sanlam has adequately implemented each of the actions set out in the Remedial Action Plan.
- Whether each action described in the Remedial Action Plan continues to be operational since it was first implemented, and if not, the extent to which the action has not been operational.
- Whether any issues precluded or materially impacted the implementation or operation of any part of the Remedial Action Plan.

- Any further actions required to implement the plan.
- Reasonable timeframes for those further actions.

Under paragraph 37 of the CEU, Sanlam has 21 business days from receipt of this Implementation Report to consider its findings.

2.3. Approach

To deliver the Implementation Report, our engagement involved a structured assessment of design and operational effectiveness, where applicable, across each area of Sanlam's Remedial Action Plan. The following activities were undertaken to complete this review.

- We reviewed policies, procedures and process documentation relevant to each area of the Remedial Action Plan.
- We conducted interviews with a sample of Sanlam's risk and compliance personnel, RMs, and C&ARs, including those with responsibility for monitoring, supervising and training.
- We undertook walkthroughs of key systems, processes and controls, including those used in managing risk and compliance obligations and the monitoring, supervision and training of representatives.
- We undertook design effectiveness testing to assess whether each action was appropriately designed to achieve its stated objective.
- We undertook operational effectiveness testing to assess whether each action had been implemented and was operating as designed over a sufficient period of time to demonstrate embedment.
- We assessed whether RMs are suitably qualified to perform their duties and whether there is a sufficient number of RMs to oversee Sanlam's ability to meet its obligations under section 912A(1) of the Corporations Act.

The selection of ten interviewees was designed to reflect a range of licence types, business models, geographical locations, and experience levels.

2.4. Limitations and disclosures

The Implementation Report has been prepared solely for the purpose set out in our engagement letter and may not be relied upon for any other purpose.

Our work does not constitute an audit, review, or assurance engagement conducted in accordance with Australian Auditing Standards (ASAs), Australian Standards on Review Engagements (ASREs), or any other assurance standards issued by the Auditing and Assurance Standards Board (AUASB). Accordingly, we do not express an audit opinion, review conclusion, or any form of assurance on the financial information, data, or other subject matter examined in connection with this engagement.

Our work has not been designed to identify or detect fraud, irregularities, errors, or illegal acts. While we may identify indicators of such matters during the course of our work, we make no representations as to the existence or absence of fraud or illegal acts, and we accept no responsibility for detecting or reporting on any such matters.

We accept no duty of care, obligation, or liability to any third party in connection with the Implementation Report or any reliance that any such party may seek to place upon it.

Generative Artificial Intelligence (AI) tools may have been used to generate content in, or assist in tasks associated with the delivery of, Report. While AI can improve our work, it is not infallible, and consequently all AI-generated content has been reviewed by a human.

About Ashurst Risk Advisory

Ashurst Risk Advisory Pty Ltd (ABN 74 996 309 133) is part of the Ashurst Group. Ashurst Risk Advisory services do not constitute legal services or legal advice and are not provided by Australian legal practitioners. The laws and regulations which govern the provision of legal services in the relevant jurisdiction do not apply to the provision of non-legal services.

For more information about the Ashurst Group, which Ashurst Group entity operates in a particular country and the services offered, please visit www.ashurst.com.

Limitation of use

This Second Summary Report is intended solely for the information and internal use of Sanlam Private Wealth Pty Ltd (Sanlam) and the Australian Securities and Investments Commission (ASIC) in accordance with the terms and conditions set out in our engagement letter dated 12 March 2025. It is for your use only and should not be relied upon by any other party. No other person or entity is entitled to rely, in any manner, or for any purpose, on this Second Summary Report. We do not accept any responsibility to anyone other than Sanlam and ASIC for use of or reliance on this Second Summary Report.