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Stakeholders are those parties who can affect or be affected by Sentinel's activities, objectives and policies. Sentinel's key stakeholders are our members, pensioners, beneficiaries and participating employers. Our other stakeholders include organised labour groups, investment managers, government, and the Fund's regulator and service providers.

### Why Sentinel engages with our stakeholders

Regular engagement with stakeholders helps us to manage the Fund more effectively and mitigate against potential risks. Stakeholder engagement enables us to identify and act upon the issues that affect our business; it improves our understanding of stakeholder expectations and strengthens transparency and accountability. For accurate planning and forecasting, it is imperative that stakeholder input informs Board and management decision making.

### Why stakeholders engage with Sentinel

Our stakeholders engage with us as Sentinel's business operations have a direct or indirect impact on their lives or their work. For example, our members and pensioners engage to ensure that their financial interests are being well managed.

### Sentinel's stakeholder relationship performance 2017

Sentinel receives few complaints, which demonstrates that the Fund's members and pensioners are overwhelmingly satisfied with Sentinel's performance. Although all complaints are considered seriously, in some instances Sentinel is

bound by the terms of the Pension Funds Act to override certain complaints. Complainants who remain unsatisfied may take their grievances to the Pension Funds Adjudicator, who will rule on conflicts of logic, rather than conflicts of law. The majority of the Pension Funds Adjudicator's findings are in favour of Sentinel.

Sentinel's default options and products remain appropriate to the vast majority of members. During the 2017 financial year, Sentinel held a number of successful stakeholder national outreach campaigns through road shows aimed at informing and educating members, pensioners and beneficiaries about their benefits and to clarify the operations of the Fund.

During the period under review, Sentinel received no complaints from its participating employers. As 50% of the Board comprises employers, feedback from this stakeholder group is inherent in the Fund's strategising and decision making. The remaining 50% of the Board comprises representatives from organised labour, enabling a 360° view of employer, employee and pensioner affairs.

Sentinel enjoys cordial working relationships with the regulator and the National Treasury, which regards Sentinel as a major player in investment markets. As a shareholder in many South African companies, Sentinel monitors their performances and plays a shareholder activist role when necessary. We are vigilant in protecting the investments of our stakeholders, especially when it appears that companies are making poor decisions or overpaying their leadership.

# Stakeholder engagement | Key stakeholders

continued

Stakeholder	Our stakeholders' interests	Our response	Our engagement strategy	Outcome
<b>Members</b>	Retirement savings that meet expectations	Members choose from flexible products Education and advice Product development	Newsletters, brochures Group sessions Individual consultations Website and online portal	Retain member trust and enhance reputation
<b>Pensioners</b>	Sustainable pensions that stay abreast of inflation	Annual pension increases Education and advice Pension income choice	Newsletters Annual information session SMS communication Website	Retain pensioner trust and enhance reputation
<b>Participating employers</b>	Benefits that meet their employee needs	Flexible employee products	Group and individual visits Written communication Information sessions Website	Sound, long-term relationships
<b>Organised labour</b>	Appropriate benefits for their membership	Flexibility of products and options	Represented on Board of Fund	Sound working relationships and trust
<b>Government</b>	Regulatory changes (impact on effective asset management)	Proposals on alternatives	Formal submissions Engage through industry body representatives	Influence proposed changes
	Social security reform (impact on membership)	Awaiting final proposals	Formal submissions Engage through industry body representatives	Influence proposed changes
<b>Investment managers</b>	Investment risk/return (low-return/high-volatility environment)	Constant monitoring	Formal annual feedback session Regular informal updates	Update expectations Adjust strategy as required
<b>Regulator</b>	Adhere to rules and regulations as well as accepted best practice Risk management Increased complexities brought about by new regulations	Independent compliance function Audit and Risk Committee Constant monitoring	Proposals and feedback on relevant matters	Achieve best practice levels of compliance