

# Notice of annual general meeting

## Notice to shareholders of the 17th (seventeenth) annual general meeting of MMI Holdings Ltd (MMI or the company)

Notice is hereby given that the 17th (seventeenth) annual general meeting (AGM) of the shareholders of the company, for the year ended 30 June 2018, will be held at 12:00 on Monday, 26 November 2018, in the Executive Boardroom, 1st Floor, MMI Head Office, 268 West Avenue, Centurion (the AGM notice). Registration for attendance at the AGM will commence at 11:00 on 26 November 2018.

### This notice is important and requires your immediate attention

If you are in any doubt about what action you should take, consult your broker, Central Securities Depository Participant (CSDP), banker, financial adviser, accountant or other professional adviser immediately.

If you have disposed of all your shares in MMI, please forward this document, together with the enclosed form of proxy, to the purchaser of such shares or the broker, banker or other agent through whom you disposed of such shares.

### Included in this notice are the following:

- The resolutions to be proposed at the meeting, together with explanatory notes. There are also guidance notes if you wish to attend the meeting or to vote by proxy.
- A proxy form for completion, signature and submission to the transfer secretaries of the company by shareholders holding MMI ordinary shares in certificated form or recorded in sub-registered electronic form in “own name”.

### Electronic participation in the AGM

Please note that the company intends to make provision for shareholders of MMI, or their proxies, to participate in the AGM by way of electronic communication, if requested to do so in the manner and form set out below. In this regard, video-conferencing facilities will only be made available in the Kilimanjaro VC Room, 1st Floor, Parc du Cap Building 7, Mispel Road, Bellville, Cape Town.

Should you wish to participate in the AGM electronically, you or your proxy are required to confirm your attendance and participation at the Bellville location by delivering written notice to the company, at the address detailed hereunder, by no later than 16:00 on Monday, 19 November 2018. The above-mentioned facility will only be made available on the date of the AGM if you have notified the company on/before 16:00 on 19 November 2018 that you intend to participate in the AGM by electronic means from Bellville. Should you fail to notify the company timeously of your intention in writing, this facility will not be available on the date of the AGM. Please note that the cost of the video-conferencing facility will be for the account of the company.

Please also note the important provisions regarding identification of shareholders attending the AGM, the appointment of proxies and voting detailed on page 354 of this AGM notice.

### Record date and last day to trade

The MMI Board of Directors (the Board) has determined that the record date for the purpose of determining which shareholders of the company are entitled to receive this notice is Friday, 21 September 2018, and the record date for purposes of determining which shareholders are entitled to participate in and vote at the AGM is Friday, 16 November 2018. Accordingly, only shareholders who are registered in the securities register of the company on Friday, 16 November 2018, will be entitled to participate in and vote at the AGM. The last day to trade in order to be entitled to vote at the AGM will therefore be Tuesday, 13 November 2018.

### Business to be transacted

The purpose of the AGM is for the following business to be transacted:

- Presentation of the report of the Board.
- Presentation of the Audit Committee’s report.
- Verbal report from the Chairman of the Social, Ethics and Transformation Committee (a full copy of this report can be found on pages 356 to 359).
- Presentation of the annual financial statements of the company for the financial year ended 30 June 2018. (Should you require a complete copy of the annual financial statements for the preceding financial year, this can be accessed on the MMI website [www.mmiholdings.com](http://www.mmiholdings.com).)

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- To consider and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions set out below.
- To transact such other business as may be transacted at an AGM.

For each ordinary resolution to be adopted, it must be supported by at least 50% (fifty percent) plus 1 (one) of the voting rights exercised on the resolution, unless a higher requirement has been prescribed in terms of the Listings Requirements of the JSE Ltd (the Listings Requirements).

For each special resolution to be adopted, it must be supported by at least 75% (seventy five percent) of the voting rights exercised on the resolution.

### 1 Ordinary resolution number 1

#### Election of directors appointed by the board

- 1.1 Mr Risto Sakari Ketola was appointed by the Board with effect from 16 January 2018. In accordance with the Companies Act, 71 of 2008, as amended (the Act) and the Memorandum of Incorporation of the company (the MOI), Mr Ketola resigns and, being available, has offered himself for election by shareholders of the company. His brief curriculum vitae is presented on the MMI website [www.mmiholdings.com](http://www.mmiholdings.com) and also appears on page 78 of the Integrated Report (IR).

Mr Ketola's performance and contribution were assessed by the MMI Nominations Committee on behalf of the Board, and the Board recommends Mr Ketola's election as a director of the company. The Audit Committee has also considered and satisfied itself as per the JSE Listings Requirements 3.84(g)(i) of the appropriateness of the expertise and experience of the finance director. Accordingly, the shareholders are requested to consider and, if deemed fit, to elect Mr Ketola as a director of the company.

*"Resolved as an ordinary resolution that Mr Ketola be and is hereby elected as a director of the company with effect from 16 January 2018."*

- 1.2 Mr Hilgard Pieter Meyer was appointed by the Board with effect from 15 February 2018. In accordance with the Act and the MOI of the company, Mr Meyer resigns and, being available, has offered himself for election by shareholders of the company. His brief curriculum vitae is presented on the MMI website [www.mmiholdings.com](http://www.mmiholdings.com) and also appears on page 78 of the IR.

Mr Meyer's performance and contribution were assessed by the MMI Nominations Committee on behalf of the Board, and the Board recommends Mr Meyer's election as a director of the company. Accordingly, the shareholders are requested to consider and, if deemed fit, to elect Mr Meyer as a director of the company.

*"Resolved as an ordinary resolution that Mr Meyer be and is hereby elected as a director of the company with effect from 15 February 2018."*

- 1.3 Ms Jeanette Christina Cilliers (Marais) was appointed by the Board with effect from 1 March 2018. In accordance with the Act and the MOI, Ms Cilliers (Marais) resigns and, being available, has offered herself for election by shareholders of the company. Her brief curriculum vitae is presented on the MMI website [www.mmiholdings.com](http://www.mmiholdings.com) and also appears on page 78 of the IR.

Ms Cilliers' (Marais) performance and contribution were assessed by the MMI Nominations Committee on behalf of the Board, and the Board recommends Ms Cilliers (Marais)' election as a director of the company. Accordingly, the shareholders are requested to consider and, if deemed fit, to elect Ms Cilliers (Marais) as a director of the company.

*"Resolved as an ordinary resolution that Ms Cilliers (Marais) be and is hereby elected as a director of the company with effect from 1 March 2018."*

#### Effect of ordinary resolution numbers 1.1 – 1.3

If ordinary resolution numbers 1.1 to 1.3 are passed, the effect will be that Mr Ketola, Mr Meyer and Ms Cilliers (Marais) will be appointed as directors of the company with effect from their respective appointment dates mentioned in the above resolutions.

## 2 Ordinary resolution number 2

### Retirement by rotation and re-election of directors

In accordance with the MOI, at least one third of the non-executive directors of the company are required to retire by rotation as directors of the company at this AGM. In these circumstances Mr FJC Truter, Mr KC Shubane, Mr PJ Moleketi and Mr JC van Reenen retire by rotation in accordance with the MOI and, being eligible, all the aforementioned directors have offered themselves for re-election.

Brief curricula vitae of those directors standing for re-election are published on the MMI website [www.mmiholdings.com](http://www.mmiholdings.com). Accordingly, the shareholders are requested to consider and, if deemed fit, to re-elect those directors by way of passing the separate ordinary resolutions set out below:

#### Ordinary resolution 2.1

*“Resolved as an ordinary resolution that Mr FJC Truter be and is hereby re-elected as a director of the company with immediate effect.”*

#### Ordinary resolution 2.2

*“Resolved as an ordinary resolution that Mr KC Shubane be and is hereby re-elected as a director of the company with immediate effect.”*

#### Ordinary resolution 2.3

*“Resolved as an ordinary resolution that Mr PJ Moleketi be and is hereby re-elected as a director of the company with immediate effect.”*

#### Ordinary resolution 2.4

*“Resolved as an ordinary resolution that Mr JC van Reenen be and is hereby re-elected as a director of the company with immediate effect.”*

### Effect of ordinary resolution number 2

If each ordinary resolution detailed in 2 above is passed, the effect will be that Mr FJC Truter, Mr KC Shubane, Mr PJ Moleketi and Mr JC van Reenen will be re-appointed as directors of the company with immediate effect.

### **For noting only: resignations and retirements**

The shareholders are required to take note of the following resignations:

- Mr Wojciech Mareck Krzychylkiewicz with effect from 9 October 2017.
- Mr Nicolaas Abraham Stefanus Kruger with effect from 15 February 2018.
- Ms Mary Vilakazi with effect from 31 March 2018.

The shareholders are required to take note of the following retirements:

- Mr Benedict James van der Ross with effect from 24 November 2017.
- Mr Sydney Alan Muller with effect from 26 November 2018.

The Board wishes to thank the above past Board members for their participation and contribution to MMI.

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### 3 Ordinary resolution number 3

#### Re-appointment of external auditors

The Audit Committee has recommended the re-appointment of PricewaterhouseCoopers Inc. as auditors of the company, with Mr Andrew Graham Taylor as the designated audit partner, for the ensuing financial year or until the next AGM, whichever is the later date. Accordingly, the shareholders are requested to consider and vote on the following resolution:

*“Resolved as an ordinary resolution that the company hereby approves the re-appointment of PricewaterhouseCoopers Inc. as the external auditors of the company, with Mr Andrew Graham Taylor as the designated audit partner, for the ensuing financial year or until the next AGM, whichever is the later date.”*

#### Effect of ordinary resolution number 3

If ordinary resolution number 3 is passed, the effect will be that PricewaterhouseCoopers Inc. will be re-appointed as auditors of the company, with Mr Andrew Graham Taylor as the designated audit partner, for the ensuing financial year or until the next AGM, whichever is the later date.

### 4 Ordinary resolution number 4

#### Appointment of the Audit Committee

The company is required to approve the appointment of the Audit Committee of the company. Accordingly, the shareholders are requested to consider and approve the appointment of the Audit Committee by way of passing the separate ordinary resolutions set out below. It is noted that Mr S Muller retires as a MMI director on 26 November 2018, and simultaneously as a member on the MMI Audit Committee. The Board has satisfied itself that all the Audit Committee members meet the provisions of the Act and that they are independent and therefore recommends their re-appointment.

#### Ordinary resolution 4.1

*“Resolved as an ordinary resolution that the re-appointment of Mr FJC Truter as a member of the Audit Committee be and is hereby approved with immediate effect.”*

#### Ordinary resolution 4.2

*“Resolved as an ordinary resolution that the re-appointment of Mr LL von Zeuner as a member of the Audit Committee be and is hereby approved with immediate effect.”*

#### Ordinary resolution 4.3

*“Resolved as an ordinary resolution that the re-appointment of Mrs F Daniels (Jakoet) as a member of the Audit Committee be and is hereby approved with immediate effect.”*

#### Effect of ordinary resolution number 4

If each ordinary resolution detailed in 4 above is passed, the effect will be that Mr FJC Truter, Mrs F Daniels (Jakoet) and Mr LL von Zeuner will be re-appointed as the Audit Committee of the company.

### 5 Ordinary resolution number 5

#### Non-binding advisory vote on MMI Remuneration Policy

*“Resolved as an ordinary resolution that the shareholders consider, by way of a non-binding advisory vote, the company’s Remuneration Policy which is available on the company’s website [www.mmiholdings.com](http://www.mmiholdings.com).”*

#### Effect of ordinary resolution number 5

In terms of principle 14 of the King IV Report on Corporate Governance™ for South Africa, 2016 (hereafter referred to as King IV™), the company’s remuneration policy should be tabled to the shareholders to pass a non-binding advisory vote in the same manner as an ordinary resolution at the AGM. Accordingly, the resolution would be carried if the shareholders pass a non-binding advisory vote on the Remuneration Policy which appears on page 104 of the IR.

## 6 Ordinary resolution number 6

### Non-binding advisory vote on MMI Implementation Report

*“Resolved as an ordinary resolution that the shareholders consider, by way of a non-binding advisory vote, the company’s Implementation Report which is available on the company’s website [www.mmiholdings.com](http://www.mmiholdings.com).”*

### Effect of ordinary resolution number 6

In terms of principle 14 of the King IV Report on Corporate Governance™ for South Africa, 2016 (hereafter referred to as King IV™), the company’s Implementation Report should be tabled to the shareholders to pass a non-binding advisory vote in the same manner as an ordinary resolution at the AGM. Accordingly, the resolution would be carried if the shareholders pass a non-binding advisory vote on the implementation report which appears on page 111 of the IR.

## 7 Appointment of director or company secretary to implement ordinary and special resolutions

*“Resolved as an ordinary resolution that any one director of the company or the company secretary be and is hereby authorised to take such steps, do all such things and sign all such documents as may be necessary or required for the purpose of implementing the ordinary and special resolutions proposed and passed at this meeting.”*

### Effect of ordinary resolution number 7

If ordinary resolution number 7 is passed, the effect will be that any director of the company or the company secretary will be authorised to attend to the necessary in order to implement the ordinary and special resolutions passed at this meeting.

## 8 Special resolution number 1

### Approval of directors’ remuneration

In compliance with the provisions of section 66(9) of the Act and Regulations (as amended from time to time), the shareholders are required to approve the fees of the non-executive directors of the company. It is proposed that non-executive directors of the company will be paid a fixed annual fee for the services they render to the company as detailed in this special resolution number 1. The proposed directors’ fees will not be dependent on attendance by the relevant Director of Board and committee meetings, and have been determined by the Remuneration Committee and approved by the Board. The Remuneration Committee has agreed that the current non-executive directors’ fees be increased by 5.5%, effective retrospectively from 1 September 2018. There will be no increase in fees for members serving on the MMI Board governance Committees. Accordingly, the shareholders are requested to consider and vote on the following special resolution:

### Special resolution 1: Non-executive directors’ fees (NEDs)

*“Resolved as a special resolution that the non-executive directors of the company shall be paid fees for services rendered (excluding VAT thereon, when applicable), in accordance with the scale of fees set out below with effect from 1 September 2018, and such scale of remuneration shall be valid until the company’s next AGM, or such later period permitted in terms of the Act.”*

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	Current fees (excluding VAT)	Recommended fees (excluding VAT)
1.1 Chairperson of the Board	1 500 000	1 582 500
1.2 Deputy Chairperson of the Board	750 000	791 250
1.3 Board member	465 030	490 600
1.4 Chairperson of Audit Committee	387 730	387 730
1.5 Member	193 280	193 280
1.6 Chairperson of Actuarial Committee	322 510	322 510
1.7 Member	193 280	193 280
1.8 Chairperson of Remuneration Committee	322 510	322 510
1.9 Member	160 660	160 660
1.10 Chairperson of Risk, Capital and Compliance Committee	387 730	387 730
1.11 Member	193 280	193 280
1.12 Chairperson of Social, Ethics and Transformation Committee	258 500	258 500
1.13 Member	160 660	160 660
1.14 Chairperson of Nominations Committee	193 280	193 280
1.15 Member	96 640	96 640
1.16 Chairperson of Fair Practices Committee	258 500	258 500
1.17 Member	160 660	160 660
1.18 Chairperson of MMI Committee/Subsidiary Board*	258 500	272 700
1.19 Member of MMI Committee/Subsidiary Board*	160 660	169 500
1.20 <i>Ad hoc</i> work (hourly)	<i>The Board may, from time to time, call upon the services of NEDs to undertake additional work and the payment for such remuneration shall be a market-related hourly rate of R4 525.00, with the total maximum ad hoc hourly fees paid to all MMI directors (aggregated) in any given year shall not exceed R350 000.</i>	

\* Official MMI Board Governance Committees, or Boards for certain business units/operational structures, established from time to time.

Executive Directors shall not be remunerated for their services as directors of the company or its subsidiaries.

### Reason for and effect of special resolution number 1

The reason for special resolution number 1 is to obtain shareholders' approval for payment by the company of non-executive directors' fees as determined by the Remuneration Committee and approved by the Board, and as detailed above. The passing of special resolution number 1 will have the effect that the company will be authorised to pay non-executive directors fees in accordance with the scale of fees and effective dates detailed above for the services rendered to the company as directors.

## 9 Special resolution number 2

### General approval to provide financial assistance for subscription or purchase of securities in related or inter-related entities in terms of section 44 of the Companies Act

It is hereby noted that the company may from time to time provide financial assistance in terms of section 44 of the Act, by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company (as contemplated in the Act, including, without limitation, any present or future subsidiaries of the company, its holding company and subsidiaries of its holding company and/or any other company or corporation that is or becomes related or inter-related to the company) (collectively for purposes of this resolution, the affiliates), or for the purchase of any securities of the company or its affiliates, on such specific terms as may be authorised by the Board.

It is further noted that the Board shall not authorise any financial assistance contemplated in such special resolution unless the Board:

- Is satisfied that immediately after providing the financial assistance, the company will satisfy the solvency and liquidity test contemplated in section 4 of the Act (read with section 44(3)(b)(i)).
- Is satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company (section 44(3)(b)(ii)).
- Is satisfied any applicable conditions or restrictions respecting the granting of financial assistance set out in the MOI have been satisfied (section 44(4)).

In compliance with the requirements of the Act, the Board is seeking a general authority from shareholders to cause the company to provide financial assistance for subscription and purchase of securities as set out in section 44 of the Act.

*“Resolved as a special resolution that, in terms of and subject to the provisions of section 44 of the Act, the shareholders of the company hereby approve, as a general approval, the giving by the company of financial assistance, by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or any affiliate, or for the purchase of any securities of the company or its affiliates (including, without limitation, the giving of a guarantee to any subscriber, holder or purchaser of preference shares in any affiliate, as security for such affiliate’s obligations under such preference shares), as set out in section 44 of the Act, which approval shall be valid for a period of 2 (two) years from the date this special resolution is passed. The shareholders of the company hereby resolve that the Board may, subject to compliance with the requirements of the MOI, the Act, the Listings Requirements and the requirements of any other stock exchange upon which the shares of the company may be quoted or listed from time to time, each as presently constituted and as amended from time to time, authorise the company to provide financial assistance as contemplated in section 44 of the Act, on such terms and conditions and for such amounts as the Board may determine.”*

### Reason for and effect of special resolution number 2

The reason for special resolution number 2 is to grant the Board a general authority in terms of the Act to cause the company to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or any affiliate, or for the purchase of any securities of the company or its affiliates, as set out in section 44 of the Act in such amounts and on such terms and conditions as may be determined by the Board. The passing of special resolution number 2 will have the effect that the Board will have the flexibility, subject to the provisions of the MOI, the Act, the Listings Requirements and the requirements of any other stock exchange upon which the shares of the company may be quoted or listed from time to time, to provide financial assistance as set out in section 44 of the Act should it be in the interests of the company to do so. This general authority shall be valid for a period of 2 (two) years from the date of approval of this special resolution unless such general authority is varied or revoked by special resolution of shareholders prior to the expiry of such 2 (two)-year period.

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## 10 Special resolution number 3

### **General approval to provide financial assistance to related or inter-related entities in terms of section 45 of the Companies Act**

It is hereby noted that the company may from time to time provide financial assistance in terms of section 45 of the Act to persons who are related or inter-related (as contemplated in the Act) to the company (including, without limitation, any present or future subsidiaries of the company, its holding company and subsidiaries of its holding company and/or any other company or corporation that is or becomes related or inter-related to the company) (collectively for purposes of this resolution, the affiliates), whether in the form of loans and/or loan facilities, guarantees and/or guarantee facilities, mortgages, pledges, cessions, bonds or otherwise, on such specific terms as may be authorised by the Board (collectively, for the purposes of this resolution, financial assistance).

It is further noted that the Board shall not authorise any financial assistance contemplated in such special resolution unless the Board:

- Is satisfied that immediately after providing the financial assistance, the company will satisfy the solvency and liquidity test contemplated in section 4 of the Act (read with section 45(3)(b)(i)).
- Is satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company (section 45(3)(b)(ii)).
- Is satisfied any applicable conditions or restrictions respecting the granting of financial assistance set out in the MOI have been satisfied (section 45(4)).

In compliance with the requirements of the Act, the Board is seeking a general authority from shareholders to cause the company to provide such financial assistance to affiliates.

*“Resolved as a special resolution that, in terms of and subject to the provisions of section 45 of the Act, the shareholders of the company hereby approve, as a general approval, the giving by the company of financial assistance to affiliates, which approval shall be valid for a period of 2 (two) years from the date this special resolution is passed. The shareholders of the company hereby resolve that the Board may, subject to compliance with the provisions of the MOI, the Act, the Listings Requirements and the requirements of any other stock exchange upon which the shares of the company may be quoted or listed from time to time, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance to affiliates as contemplated in section 45 of the Act, on such terms and conditions and for such amounts as the Board may determine.”*

### **Reason for and effect of special resolution number 3**

The reason for special resolution number 3 is to grant the Board a general authority in terms of section 45 of the Act to cause the company to provide financial assistance to any affiliate in such amounts and on such terms and conditions as may be determined by the Board. The passing of special resolution number 3 will have the effect that the Board will have the flexibility, subject to the provisions of the MOI, the Act, the Listings Requirements and the requirements of any other stock exchange upon which the shares of the company may be quoted or listed from time to time, to provide financial assistance to affiliates should it be in the interests of the company to do so. This general authority shall be valid for a period of 2 (two) years from the date of approval of this special resolution unless such general authority is varied or revoked by special resolution of shareholders prior to the expiry of such 2 (two)-year period.

## 11 Special resolution number 4

### General approval of share buy-back

It is hereby noted that the company and/or its subsidiaries may from time to time acquire securities issued by the company. In this regard, it is proposed that the company renew its general approval for a share buy-back with the following special resolution:

*“Resolved as a special resolution that the company hereby approves, by way of a general approval, the repurchase by the company or any of its subsidiaries from time to time of shares issued by the company upon such terms and conditions and in such amounts as the Board may from time to time determine, but subject to the provisions of the MOI, the Act, the Listings Requirements and the requirements of any other stock exchange upon which the shares of the company may be quoted or listed from time to time, and subject to such other conditions as may be imposed by any other relevant authority, and subject further to the following conditions:*

- Any acquisition in terms hereof may only be effected through the order book operated by the JSE trading system and may only be done without any prior understanding or arrangement between the company and the counterparty.
- The company is authorised thereto by its MOI.
- This general approval shall be valid only until the company's next AGM, provided that it does not extend beyond 15 (fifteen) months from the date of this resolution, during which time this general approval may be varied or revoked by special resolution passed at a general meeting of the company.
- Any such acquisitions of the company's shares shall be announced when an aggregate of 3% (three percent) of the initial number of shares of the relevant class has been purchased and for each 3% (three percent) in aggregate of the initial number of shares of that class acquired thereafter.
- In determining the price at which the ordinary shares are repurchased by the company or its subsidiary in terms of this general authority, the maximum price at which such shares may be repurchased will not be greater than 10% (ten percent) above the weighted average of the market value for such ordinary shares for the 5 (five) business days immediately preceding the date of repurchase of such shares.
- In the case of an acquisition by a subsidiary of the company of shares in the company under this general approval, such acquisition shall be limited to a maximum of 10% (ten percent) in aggregate of the number of issued shares of any class of shares of the company, taken together with all the shares held by all the subsidiaries of the company, at the time of such acquisition.
- The general repurchase by the company of its own shares shall not, in aggregate in any one financial year, exceed a maximum of 15% (fifteen percent) of the company's issued shares of that class in any one financial year.
- The Board by resolution, authorises the repurchase, confirms that the company has passed the solvency and liquidity test detailed in the Act in relation to the repurchase of securities, and confirms that since the solvency and liquidity test was applied, there have been no material changes to the financial position of the company or the group.
- At any time, the company shall only appoint one agent to effect any acquisitions on the company's behalf in terms of this general approval.
- The company or its subsidiaries may not acquire the company's shares during a prohibited period as defined in terms of the Listings Requirements, unless it has a repurchase programme in place where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation), and full details of the programme have been disclosed in an announcement on SENS prior to the commencement of the prohibited period.”

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## **Directors' statement in relation to the share repurchase as required in terms of the Listings Requirements**

Pursuant to, and in terms of, the Listings Requirements, the Board herewith states that in determining the method by which the company intends to repurchase its shares, the maximum number of shares to be repurchased and the dates upon which such repurchases will take place, the Board will only make such repurchases if, at the time of the repurchase, the Board is of the opinion that the requirements of sections 4, 46 and 48 of the Act and the Listings Requirements will have been complied with, and that:

- The company and the group will be able in the ordinary course of business to pay its debts as they become due for a period of 12 (twelve) months after the date of this notice.
- The consolidated assets of the company and the group will be in excess of the consolidated liabilities of the company and the group for a period of 12 (twelve) months following the date of this notice. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements, which comply with the Act.
- The ordinary share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of this notice.
- The working capital available to the company and the group will be adequate for ordinary business purposes for a period of at least 12 (twelve) months after the date of this notice.

## **Reason for and effect of special resolution number 4**

The reason for special resolution number 4 is to grant the Board a general authority, in terms of the Listings Requirements and the MOI, for the acquisition by the company, or any subsidiary, of the company's shares.

The passing of special resolution number 4 will have the effect of providing the Board with the flexibility, subject to the provisions of section 48 of the Act and the Listings Requirements, to acquire the company's shares should it be in the interests of the company to do so. This general authority shall be valid until its variation or revocation by special resolution at any subsequent general meeting of the company, provided that the general authority shall not be extended beyond 15 (fifteen) months from the date of approval of this special resolution.

## **General statements and information Listings Requirements**

In accordance with the Listings Requirements, the following information relating to the matters detailed below can be found on the relevant page/s of the integrated report (which is available on the company's website [www.mmiholdings.com](http://www.mmiholdings.com)), namely:

- The major shareholders of the company.
- The share capital of the company.

## **Directors' responsibility statement**

The directors, whose names are set out in the integrated report (which is available on the company's website [www.mmiholdings.com](http://www.mmiholdings.com)), collectively and individually accept full responsibility for the accuracy of the information contained in this notice, the integrated report and accompanying documents, and certify that, to the best of their knowledge and belief, there are no facts that have been omitted, which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the notice, integrated report and accompanying documents contain all information required by law and the Listings Requirements.

## **Material changes**

Other than the facts and developments reported on in the integrated report, no material changes in the financial or trading position of the company and its subsidiaries have occurred between 30 June 2018 and the date of this notice.

## **Shareholder identification, proxies and voting**

In accordance with the provisions of section 63(1) of the Act, before any person may attend or participate in a shareholders' meeting, that person must present reasonably satisfactory identification, and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder or as a proxy for a shareholder, has been reasonably verified. Any shareholder of the company that is a company may authorise any person to act as its representative at the AGM.

If you hold certificated shares (i.e. have not dematerialised your shares in the company) or are registered as an

“own name” dematerialised shareholder (i.e. have specifically instructed your CSDP to hold your shares in your own name), then:

- You are entitled to attend and vote at the AGM or, alternatively,
- In accordance with the provisions of section 58 of the Act, you are entitled to appoint one or more proxies (who need not be shareholders of the company) to attend, speak and, on a poll, to vote or abstain from voting in your stead by completing the form of proxy enclosed with the notice. You should pay careful attention to the notes set out at the end of the form of proxy. It is recommended that the form of proxy be forwarded to the transfer secretaries office of the company, Link Market Services SA (Pty) Ltd, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg (or PO Box 4844, Johannesburg 2000), by at least 12:00 on Thursday, 22 November 2018, or be delivered to the MMI company secretary or Link Market Services representative in the Executive Boardroom, 1st Floor, MMI Head Office, 268 West Avenue, Centurion before the commencement of the AGM at 12:00 on Monday, 26 November 2018.

If you hold dematerialised shares (i.e. have replaced the paper share certificates representing your shares with electronic records of ownership under the JSE’s electronic settlement system, Strate Ltd (Strate)), through a CSDP or broker, other than dematerialised shareholders with “own name” registration, you are not registered as a shareholder of the company but your CSDP or broker is so registered. In these circumstances, and subject to the mandate between yourself and your CSDP or broker (or their nominee),

- If you wish to attend the AGM, you must inform your CSDP or broker of your intention to attend and obtain the necessary letter of representation to do so from your CSDP or broker or, alternatively,
- If you are unable to attend the AGM but wish to be represented thereat, you should provide your CSDP or broker with your voting instructions. This must be done in the manner and time stipulated in the mandate between you and the CSDP or broker concerned. You should not complete the attached form of proxy.

On a poll, every shareholder present in person or represented by proxy shall have the number of votes determined in accordance with the voting rights associated with the shares held by such shareholder, which in the case of the company is one vote for every ordinary share held by such shareholder.

Directors: MJN Njeke (Chairman), LL von Zeuner (Deputy Chairman), HP Meyer (Group Chief Executive Officer), JC Cilliers (Marais) (Deputy Chief Executive Officer), R Ketola (Group Finance Director), P Cooper, F Daniels (Jakoet), SC Jurisich, JD Krige, PJ Moleketi, SA Muller, V Nkonyeni, KC Shubane, FJC Truter, JC van Reenen.

By order of the Board



**Maliga Chetty**  
*Group company secretary*

4 September 2018

**Registered office**  
268 West Avenue  
Centurion  
0157

# Report by the Social, Ethics and Transformation Committee

Report by the Social, Ethics and Transformation Committee (SETC) to be presented at the 17th (seventeenth) Annual General Meeting of the Shareholders of the company, to be held on 26 November 2018, at MMI Head Office, 268 West Avenue, Centurion.

## Introduction

The SETC's mandate, received from MMI Holdings Ltd's (MMI or the company) Board of Directors, is to fulfil the following monitoring and evaluation roles:

- Transformation, focusing on broad-based black economic empowerment (B-BBEE) under the Financial Sector Code (FSC) and Employment Equity legislations.
- Compliance with relevant social, ethical and legal requirements of the group, as well as the best practice codes.
- Risk, compliance and treating customers fairly as they relate to ethical behaviour within the group.
- Environmental sustainability.
- Corporate social investment.

## Key activities of the committee

### Transformation and people practices

MMI Holdings continues to be steadfast in its commitment to transformation, and therefore it is integrated into the business and governance structures. The group's progress on transformation is monitored by the SETC of the MMI Board. The SETC believes that transformation is integral to achieving the company's vision of being the preferred lifetime Financial Wellness partner with a reputation for innovation and trustworthiness. B-BBEE underpins the company's strategic objective to enhance financial wellness, to promote access to financial services and improve financial literacy in a country that continues to grapple with inequality.

### Latest B-BBEE verification

In December 2017, the much anticipated FSC was promulgated, resulting in all financial institutions who underwent their B-BBEE audit after December to be audited against the revised codes. The new requirements of the code, saw a number of companies declining in their B-BBEE performance, including MMI who moved to a Level 3 under the revised FSC, after many years of being a Level 2 contributor. Although Level 3 is generally not a negative performance, the company's goal is to work towards going back to Level 2, and eventually Level 1. This goal will be achieved through implementation of the company's transformation strategy, which the SETC will monitor closely.

### MMI Holdings' Revised FSC Scorecard

B-BBEE Element	Maximum Points	MMI 2018
Equity Ownership	28.00	19.50
Management Control (including Employment Equity)	20.00	12.52
Skills Development	23.00	9.92
Preferential Procurement	19.00	17.00
Enterprise and Supplier Development	14.00	12.90
Socio-Economic Development, including Consumer Education	8.00	6.00
Empowerment Financing	15.00	14.82
Access to Financial Services	12.00	8.15
<b>Total</b>	<b>120 + 19</b>	<b>100.82</b>
	<b>Bonus Points</b>	<b>Level 3</b>

### *Equity Ownership*

Although there has been no change which can be attributed directly to MMI equity ownership structure throughout the year, there have been significant changes which relate to the measurement of the ownership scorecard as a result of the amendment of the FSC which was gazetted in December 2017. The changes impacted both the MMI black ownership level and scorecard.

Three B-BBEE transactions were concluded and registered with the BEE Commission, i.e. partnerships with:

- MMI Strategic Investments and Aluwani Management Partners.
- Metropolitan Health and a consortium involving Thebe Health Group, POPCRU group of companies and Validate.
- Providence Healthcare Risk Managers and Thebe Ya Bophelo Administrators.

The total value of the transactions is over R430 million, with a focus on increasing black ownership in the three businesses.

### *Employment Equity*

The company believes that a diverse workforce will yield better results, therefore diversity has been adopted as one of the new key strategic priorities. The company continues to grapple with minimal retention of Africans. However there have been concerted efforts from leadership to improve the status quo.

- A transformation workshop was held with the MMI Executive, where the current Employment Equity results were shared with the leaders. The workshop was well received, and the leaders made commitments to help drive transformation in their areas. Fourteen positions on Transitional Leadership were committed for Employment Equity to help improve representation of African employees, especially women.
- Representation of people with disabilities increased from 99 to 115, with the introduction of a new learnership programme focusing on people with disabilities.

### *Skills Development*

Although there is a decline in Skills Development performance due to changes in legislation, the company continues to invest time and money in its workforce, in partnership with Inseta.

- Over R153 million spent towards developing our black employees.
- Over R85 million spent on the development and upskilling of our black female employees.
- Over 570 learnership opportunities created.

### *Preferential Procurement*

MMI has a procurement strategy that supports transformation, and continues to show positive performance, currently scoring full points against the revised FSC scorecard. The procurement team is committed to proactively identify opportunities for preferential procurement throughout the value chain to maintain/improve the status quo, and continue to go beyond compliance by supporting and developing **small businesses**, to enable them to graduate onto our supply chain and **access other markets**.

# Report by the Social, Ethics and Transformation Committee continued

Over R5 billion was spent on preferential procurement in 2017, with:

 <b>21.02%</b>	Spent on qualifying small enterprises (QSEs)
 <b>13.13%</b>	Spent on exempted micro enterprises (EMEs)
 <b>22.94%</b>	Spent on suppliers who are at least <b>51% black owned</b>
 <b>15.57%</b>	Spent on suppliers who are at least <b>30% black women owned</b>

## Enterprise and Supplier Development and Empowerment Financing

MMI's Masikhulise Enterprise Development Trust continues to support and develop small businesses, including brokers and intermediaries. The Trust is mandated to address the challenge that the financial services industry is facing around untransformed supply chains, by supporting and providing funding to empower small businesses to access new markets including MMI's supply chain.

- Over R56 million spent on Enterprise Development to develop and grow small businesses.
- Over 500 jobs created through the partnership with ASISA in supporting small businesses.
- Over 400 enterprises supported through Enterprise and Supplier Development initiatives.
- Over 7.9 billion spent on Targeted Investments and B-BBEE transactions through Empowerment Financing.

## Corporate social investment (CSI)

A significant achievement was the implementation of the MMI Foundation's Youth Employment Strategy — a review, research and benchmarking process which spanned almost 18 months. This entailed changing the MMI Foundation (MMIF) Board and aligning operational elements like the MMIF funding model to support the new strategy. The MMIF now focuses exclusively on initiatives which support young people throughout the journey to employment, from recruitment and training to income generation and career management and mentoring.

The client-facing brands will continue to be the face of MMIF investments. The Momentum and Metropolitan approach, which is to stay the course with people, remains supportive and helps them realise their aspirations, aligns well with this new emphasis of the MMIF to sustain development by offering continued support.

## Ethical conduct

The centralised Group Forensic Services (GFS) team is mandated by the SETC to collaborate with business to set strategy and related policies and process in order to ensure that the zero tolerance risk appetite in respect of commercial crime is maintained, including implementing and maintaining specific processes and controls to deal with serious employee misconduct. The SETC continues to monitor and evaluate the GFS quarterly.

## Treating Customers Fairly

The SETC continues to review the quarterly monitoring reports on activities relating to customer relations and the fair treatment of clients. The SETC assumes an oversight role on these activities, which are currently being monitored by the MMI Fair Practices Committee (FPC). This FPC is mandated by the MMI Board to provide oversight that fair treatment of clients, a core corporate value, is embedded across the value chain of the MMI group.

## Environmental sustainability

MMI actively subscribes to the recommendations set out under the King IV Report on Corporate Governance™ for South Africa, 2016, the United Nations Principles for Responsible Investing and the Code for Responsible Investing in South Africa. In addition, the group strives to comply with relevant legislation relating to environment, social and governance (ESG) enactments. To this end, the group has a sustainability policy and a responsible investment policy in place, which are available on the MMI website. The SETC considers quarterly reports on MMI's sustainability activities.

MMI has been listed on the Johannesburg Stock Exchange (JSE) Socially Responsible Investment Index since 2010, and is listed on the current FTSE/JSE Responsible Investment Index and the FTSE/JSE Responsible Investment Top 30 Index. The group calculates its carbon footprint on an annual basis, and also participates in the CDP (formerly the Carbon Disclosure Project) process. The group has met its carbon emissions reduction target two years ahead of schedule, and has introduced an updated longer-term target. Detailed information regarding this is available on the MMI website.

## Conclusion

No significant risks have been identified or have arisen during the past year in respect of the functions of the SETC recorded in the regulations and in the terms of reference of the SETC.



### Syd Muller

*Chairman: MMI Social, Ethics and Transformation Committee*

4 September 2018