momentum

METROPOLITAN

MOMENTUM METROPOLITAN HOLDINGS LIMITED

(Formerly MMI Holdings Limited)

REMUNERATION REPORT

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The Board has made the Remuneration Committee responsible for ensuring that Momentum Metropolitan's remuneration policies and practices are designed to align performance with reward as well as attract and retain the right talent.

PART 1 – BACKGROUND STATEMENT

THE GROUP'S REMUNERATION PHILOSOPHY

The group's remuneration philosophy is to recruit, motivate, reward and retain employees who believe in, and live by our culture and values. We endeavour to encourage entrepreneurship by creating a working environment that motivates high performance so that all employees can positively contribute to the strategy, vision, goals and values of the group.

This philosophy, supported by a robust performance management practice, strives to set our employees' total remuneration package at a competitive level by benchmarking to the market and providing incentives geared to agreed performance outcomes, where appropriate.

We believe that the long-term success of the group is directly linked to the calibre of employees that we employ and the working environment that we create. It is, therefore, imperative that we make a concerted attempt to align the best interests of our employees with that of our other stakeholders.

REMUNERATION COMMITTEE MANDATE AND GOVERNANCE

The group's Remuneration Committee is mandated by the Board to ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. In order to deliver on this mandate the Remuneration Committee oversees the development, maintenance and implementation of the remuneration policy, which is tabled with the Board for approval.

The Remuneration Committee, which consists entirely of independent non-executive directors, reviews and oversees the remuneration policy and practices across the group, as well as the implementation of the remuneration policy in respect of the Exco. The CEO and other members of Exco attend meetings by invitation, but do not vote and are not present when their remuneration is discussed.

The Remuneration Committee had three meetings in 2019, with attendance set out in the table below.

Members	Meetings attended
Peter Cooper (Chairman)	3/3
Jabu Moleketi	3/3
Frans Truter	3/3
Johan van Reenen	3/3

The Remuneration Committee's full terms of reference, including its mandate, are available on www.momentummetropolitan.co.za.

The remuneration policy is reviewed annually. During these reviews, the Remuneration Committee has access to independent remuneration consultants to advise them on best practice, trends and regulatory changes.

In support of its mandate, the Remuneration Committee performs the following functions:

- Ensures that the Company's remuneration framework is aligned to the King IV Report on Corporate Governance (King IV™) and best practice
- Reviews the pay and reward systems of the company to ensure that they are sufficiently competitive to attract, motivate, reward and retain the right calibre of employees and to enhance a performance culture
- Reviews the remuneration of executive directors and executive management to ensure that it is market related, fair, responsible and transparent in the context of overall employee remuneration
- Reviews the contracts of employment for directors and executive committee members, including the performance contracts, to ensure that the terms of these agreements comply with the group's requirements and best practice
- Reviews and approves the annual balanced scorecard of the group, to ensure that the individual KPIs included in the scorecard, and the target ranges for each, are appropriate as a basis for determining the level of short- and long-term incentives
- Considers the proposed average annual increase in the group's guaranteed remuneration, ensuring that this reflects the relevant economic trends and the group's performance and affordability constraints. Ensures that the minimum guaranteed salary paid meets market benchmarks and statutory requirements
- Considers and approves the short- and long-term incentives schemes in operation in the group in support of the achievement of the group's strategic objectives. Ensures that these are benchmarked against the relevant comparator group, and that the remuneration outcomes of these schemes align with the financial outcome experienced by shareholders
- Oversees the process of ensuring that unjustified differences in income at all levels in the organisation are addressed
- Reviews the remuneration of non-executive directors to ensure it is market-related, and recommends the remuneration of non-executive directors to the Board for approval by shareholders at the AGM.

THE IMPACT OF BUSINESS PERFORMANCE ON REMUNERATION IN F2019

After two challenging years in which the financial threshold performance in terms of the group scorecard was not achieved, the initial results of the Reset and Grow strategy, introduced in the beginning of F2019, are encouraging. Diluted normalised headline earnings increased by 53%, and the value of new business increased by 57%. Despite lacklustre investment market returns for the year, the return on embedded value per share amounted to 9.4%.

Overall, the group scorecard for F2019 reflects a 2.9 rating (on a five-point scale, with three being on target), and a financial sub score rating of 3.0. This compares with a 1.9 overall rating for F2018, and a 0.9 financial sub score.

The financial performance conditions imposed on the performance units in the long-term incentive plan allocated in October 2016 and April 2017 were not achieved, which will result in the full forfeiture of performance units with regard to tranches vesting in October 2019 and April 2020.

IN RESPONSE TO THESE FACTORS, THE REMUNERATION COMMITTEE TOOK THE FOLLOWING DECISIONS:

- The variable remuneration pool (short-term incentives (STI) plus long-term incentives (LTI)) was increased by 5% to R650m despite the significantly improved earnings performance. This decision takes into account the fact that discretionary variable remuneration pools were granted by the Remuneration Committee over the past two years, notwithstanding the group not meeting the threshold financial performance targets in those years

- This year's additional 5% variable remuneration pool has been fully allocated to increase the LTI participation from 38 to 108 participants, while the STI pool has remained flat
- A call option-based phantom share scheme (Share appreciation rights or SARs) was used last year as the foundation of the LTI. The highly geared nature of call options on Momentum Metropolitan Holdings (MMH) shares (subject to the achievement of performance conditions), is not considered appropriate for the current year's larger participant pool. Consequently, the committee decided to revert to issuing long-term incentive plan (LTIP) performance units as a basis for the LTI. The performance conditions for the current year's LTIP will remain similar to the SAR scheme, however, instead of call options, participants will be allocated free units, each performance unit being equal in value to one share. The LTIP scheme does not include any retention units as a basis. The LTIP performance units will be allocated in October 2019, based on the weighted average share price in the 20 business days preceding the award date.

OTHER MATTERS CONSIDERED BY THE REMUNERATION COMMITTEE IN F2019 INCLUDED:

- Ongoing discussions around the implementation of changes to the remuneration policy and remuneration disclosure in terms of King IV™
- Benchmarking the executive management compensation to comparator groups
- Benchmarking the non-executive directors' fees with the relevant survey data
- Engaging with dissenting shareholders regarding the reasons for the less than 75% vote in favour of the group's remuneration policy at the AGM that took place on 26 November 2018 (see below for the actions taken by the Remuneration Committee to address the concerns raised by shareholders)
- Reviewing the short-term incentive scheme balanced scorecard outcome for F2019, and the formulation and approval of the F2020 scorecard
- Reviewing the calculation of the performance criteria related to the vesting of performance units in the long-term incentive scheme in October 2019 and April 2020, and approving the performance criteria applicable to the October 2019 long-term incentive scheme allocation
- Introducing a clawback policy with regard to incentive payments from 1 September 2019, whereby incentives paid to executives, senior managers and heads of control functions can be recovered from individuals, if it is found that these incentive payments were based on erroneous, inaccurate or misleading financial information attributed directly to these individuals. This policy complements the malus (pre-vesting forfeiture) policy that was already in place with regard to unvested incentive payments.

ACHIEVEMENT OF THE STATED OBJECTIVES OF THE REMUNERATION POLICY:

The Remuneration Committee is committed to ensuring that the group remuneration policy and remuneration structures are fair and responsible and that there is alignment between shareholder and employee interests. The Remuneration Committee believes that the policy supports the delivery of the group strategy in a responsible and sustainable manner.

FUTURE FOCUS AREAS

The Remuneration Committee will be focusing on the following areas:

- The review and approval of the performance criteria applicable to the long-term incentive scheme, to ensure appropriate alignment with shareholder interests
- Ongoing engagement with shareholders regarding the current year remuneration policy vote, prior to the annual general meeting scheduled to be held in November 2019 in light of the fact that, for the past three years, the remuneration policy has received an advisory vote below 75%
- A review of the performance measures applicable to executive management, to ensure that the performance outcomes for executives reflect the financial outcome for shareholders.

SHAREHOLDER VOTING

At the group's 26 November 2018 AGM, the Remuneration Policy received a 99% non-binding advisory vote from shareholders, while the Implementation Report received a 62% non-binding advisory vote from shareholders. We have solicited feedback from shareholders (and proxy voting advisers) regarding their concerns. Set out below are our responses to shareholder concerns:

Shareholder concern raised	Feedback and actions
The newly appointed Deputy CEO received a R7.5 million cash sign-on award. Rather than a cash award, such sign-on awards should be in the form of shares.	The Deputy CEO's employment agreement required her to invest the full after-tax proceeds of the sign-on award directly in MMI shares, which she did directly after receipt of the payment in F2018. Details of this shareholding are included in the Interest of Directors in Share Capital section on page 27.
The company entered into a mutual separation agreement with the previous CEO, in terms of which he retained his right to retention shares that vested until 31 December 2018, and an ex-gratia payment of R7 million was made for which no convincing rationale has been provided.	The share scheme vesting amounts were paid in terms of the rules of the long-term incentive scheme, given that the ex-CEO remained in service until December 2018. Other than the remaining salary payments and normal vesting of LTIP retention units up to 31 December 2018, no further payments were made during F2019.
The payment of bonuses to executives, despite the financial performance of the Group being well below target, is considered inappropriate.	The bonuses paid to executives in relation to the F2018 results were well below the on target level, given the below-target performance of the Group. In addition, 50% of these bonuses were deferred into the long-term share scheme for three years. The Remuneration Committee is of the view that this outcome strikes an appropriate balance between the need to retain executives (especially those in performing business units), and holding executives accountable for the financial performance of the Group.
The quantum of total remuneration for on target performance is high versus peers in financial services and other industries, and especially so considering what some shareholders regard as conservative performance targets.	The on target remuneration of the executive directors is benchmarked against peers, and is considered appropriate given the significant effort required to turn around the financial performance of the Group in the medium term. It should also be noted that the long-term incentives are subject to stretching financial performance measures and a compulsory holding period of two years after the three-year vesting period.

PART 2 – OVERVIEW OF THE GROUP'S REMUNERATION POLICY

ALIGNMENT TO THE GROUP STRATEGY

The remuneration policy is aligned with the overall business strategy, objectives and values of the group without being detrimental to the interests of its customers.

PAY FOR PERFORMANCE

Remuneration is structured around incentivising a performance culture in the organisation, with differentiation based on performance taking place for guaranteed and variable remuneration.

RISK-TAKING VERSUS FIDUCIARY ROLES

Regarding the manner in which variable incentive payments are awarded, distinctions are drawn between employees who operate in a risk-taking capacity and those who fulfil fiduciary roles (such as heads of control functions). As such the variable incentives for employees in fiduciary roles do not depend on the performance of the group, but are determined only with reference to the performance of the individual. This is to ensure that the independence of employees who act in a fiduciary capacity is not unduly compromised, and conflicts of interests are minimised.

BENCHMARKING AND COMPETITIVENESS

Roles are benchmarked based on a job grading process, and then compared with market benchmarks in the financial services sector. The group targets the 50th percentile of the market, although there is differentiation above and below the market median depending on the level of experience, scarce skills and level of performance.

TALENT ATTRACTION

Remuneration and benefits are considered a key lever in ensuring that top talent is attracted, motivated and retained by the organisation, to ensure the achievement of the group's strategic objectives.

CONSISTENT AND FAIR PRACTICES

The group's remuneration practices provide a basis for the fair and equitable treatment of employees, yet allow for differentiation where justified, for instance in relation to scarce skills, level of experience and performance.

FLEXIBILITY

The remuneration policy offers flexibility for the customisation of remuneration and benefits to cater for better work/life balance and specific business needs.

GOVERNANCE

Remuneration practices are designed to ensure adherence to the principles of good corporate governance, as depicted in best practice and regulatory frameworks (such as King IV™ and Solvency Assessment and Management).

REMUNERATION STRUCTURE AND DESIGN

The group's remuneration structure supports the business need to offer an appropriate mix of fixed and variable remuneration depending on the level and complexity of the specific role.

The remuneration structure, which follows, is made up of total guaranteed pay (TGP), short-term incentives (STI) and long-term incentives (LTI), which forms the basis of the overall remuneration applicable to all employees.

Remuneration element	Purpose and link to strategy	Eligibility	Remuneration policy	Performance conditions
Total Guaranteed Pay (TGP) – Cash Salary plus benefits	To attract and retain talent by providing the core guaranteed element of remuneration for the role	All staff employed by the Group	TGPs are benchmarked against the financial services market, targeting the 50th percentile. Increases are awarded on 1 September annually	Meet the requirements of the role
Short-term incentives (STI)	To support a high-performance culture within the organisation through reward for performance, and to ensure retention through the deferral of STI's above a threshold	All full time staff	STIs are discretionary, and are awarded as a percentage of TGP, which varies according to the level and complexity of the role. The actual award is based on a weighted mix of the level of performance achieved by the Group, the division and the individual using balanced scorecards that are weighted towards financial outcomes. Above a certain threshold, STIs are deferred into the LTI scheme to enhance retention and improve shareholder alignment.	The Group scorecard rating determines the size of the Group STI pool. The elements of the scorecard are set out below under short-term incentives.
Long-term incentives (LTI)	To incentivise executive and senior management to achieve performance targets that align with shareholder interests	Executives and senior managers	LTI awards are discretionary, and are awarded based on a percentage of TGP required to meet a targeted portfolio size. LTIs are subject to performance criteria that are approved by the Remuneration Committee	Performance units issued out of either the LTIP or SAR schemes are subject to performance conditions. Retention units (in run-off) or deferred STI units issued out of the LTIP, are subject to participants maintaining a satisfactory level of individual performance.

FAIR AND RESPONSIBLE REMUNERATION

The group is cognisant of its internal wage gap. As envisaged by the principles of fair and responsible remuneration, the Remuneration Committee considered the following:

- A review of the minimum guaranteed package of employees at the basic skills level to ensure that this is set at a level that offers employees a decent standard of living. The current minimum guaranteed package amounts to R129,000 per annum
- Ensuring that the average increases in guaranteed packages at executive and senior levels are lower than for general employees, reflecting the reality that inflationary pressure is more marked amongst general employees. For the current remuneration review cycle, the average increase for executive directors was 5.8% and that for the rest of the organisation was 5.9%. Employees earning a guaranteed package below R350,000 received an average increase of 6.3%
- A review of the income differentials at the various employee levels, to ensure that there is no unfair discrimination based on race, gender or age
- The level of variable remuneration paid is based on the outcome of the annual balanced scorecard, which is reviewed and approved by the Remuneration Committee at the beginning of the financial year.

Additionally, and when considering increases, the Remuneration Committee takes into account factors including, but not limited to, inflation, affordability, market trends, competitor remuneration and scarcity of skills.

SHORT–TERM INCENTIVES

The group's key STI is a discretionary performance bonus pool, paid annually as a percentage of an individual's TGP, along with a deferral into the long-term incentive scheme above a set threshold. Most employees are eligible to participate in the STI, excluding employees that are already on pay-for-performance contracts, which includes tied agents that are paid on a commission basis.

The details of the performance targets of the group's STI scheme for 2020, which relate to group objectives, are set out below:

Scorecard rating range – 2020 KPI's			
KPI	**Weighting**	**Target (3–Rating)**	**Stretch (5–Rating)**
Normalised headline earnings growth	30%	8% growth	>20% growth
Return on embedded value	15%	13%	>16%
Value of new business	15%	R415m	>R500m
Client experience	10%	Board assessment	
Strategic priorities	20%	Board assessment	
Transformation	10%	EE Targets	

In addition, each major business unit has its own scorecard that aligns with the group scorecard, but contains business unit-specific targets and objectives.

Group objectives are reviewed and approved by the Remuneration Committee. Business unit objectives are approved by the Exco. Individual objectives must be agreed with the employee's line manager or team leader. For executive committee members, objectives are agreed with the CEO (and approved by the Remuneration Committee), while the CEO's strategic objectives are agreed with the Board.

Meeting the group's objectives is paramount. Performance against the group's targets determines the size of the aggregate bonus pool. The performance of each business unit against its scorecard determines how the aggregate bonus pool gets distributed.

The financial KPIs represent the key financial metrics that drive value generation, while the strategic objective KPIs represent the key non-financial deliverables against which members of executive management are measured. The target and stretch performance levels are set based on the historical volatility of the various financial metrics. The range from the target to the stretch is set to ensure that in order to achieve a stretch rating one would have to outperform significantly, rather than to occasionally benefit from favourable market/economic conditions.

Details regarding the actual performance of the group in terms of the annual balanced scorecard are set out in Part 3 (Implementation Report) on page 21.

VESTING LEVELS

The group's overall STI pool is based on an on-target percentage of normalised headline earnings before tax before STI. Performance in excess of target results in a pool above 100% of the on-target pool, and performance below the target results in a pool below 100%. Should the group perform below target, the Remuneration Committee retains the discretion to allocate an incentive pool to reward performing divisions and individuals.

The group STI pool is then allocated to divisions based on their own scorecard ratings, again resulting in a performance-adjusted pool.

The individual employee vesting level is based on an on-target vesting percentage of TGP, driven by the level and complexity of the role, adjusted for the actual weighted performance of the individual, based on a mix of divisional and individual performance ratings.

MAXIMUM STI CAP

The maximum cap on the STI for all employees and executives (inclusive of the portion of the STI deferred into the LTI) is equal to 200% of TGP.

DEFERRAL OF STI INTO THE LTI

For STIs above a minimum threshold, 50% of the STI is paid in cash and the other 50% is deferred into the LTIP. The following STI deferral policy applies:

Quantum of STI	Deferral terms
Below R300,000	No deferral and bonus is paid in cash
Above R300,000	The first R100,000, plus 50% of the amount above R100,000 is paid in cash (subject to a minimum cash payment of R300,000), with the remainder being deferred into the LTIP in three equal tranches, vesting after one, two and three years

Even though STIs are awarded for past performance, the above deferral mechanism assists with the retention of key talent and scarce resources, while also allowing the Remuneration Committee the right to invoke the pre-vesting forfeiture of STIs should the performance of the group, division or individual deteriorate significantly (for further details regarding the other circumstances in which pre-vesting forfeiture and clawback can be invoked, please see the malus and clawback section on page 13).

LONG–TERM INCENTIVES

The group currently operates the following LTI schemes:
- The Outperformance Plan (OPP)
- The Share Appreciation Rights scheme (SAR)
- The Long-term Incentive Plan (LTIP).

All the above schemes are cash settled phantom share plans with vesting periods ranging from three to five years. In addition, where dividends are paid these are reinvested as additional units that vest in line with the vesting date (and subject to the achievement of performance conditions) of the LTIP units to which they relate.

OPP

The OPP was a once-off allocation in October 2014, of which 60% vested in October 2018, and the remaining 40% will vest in October 2019. Full vesting (100%) only takes place should the annualised group ROEV exceed nominal GDP growth + 6% over the four- and five-year performance periods ended June 2018 and June 2019, respectively. The annualised group ROEV from inception to the end of June 2019 is 7.0%, which is below the GDP + 6% hurdle rate, which averaged 12.1% over the same period, therefore all of the OPP units were forfeited by participants.

SAR

The SAR scheme is a performance-based scheme that was implemented in October 2018, in terms of which a small group of senior managers and executives were allocated Share Appreciation Rights (SARs) that reference their value to the growth in the Momentum Metropolitan share price over the vesting period, with vesting taking place over three years, and with settlement of the vested benefit taking place in three annual tranches after three, four and five years. Performance is measured over a three-year period, with a mandatory holding period of two years after vesting. The following performance conditions apply to this scheme:
- Normalised headline earnings growth over the period to meet or exceed an average of 11% pa (aligned to the budgeted earnings for 2021 of R3,873m) – 33% weighting
- ROEV to exceed the risk free rate plus 3% - 33% weighting
- Total shareholder return (TSR) to exceed the TSR of an equal-weighted index of Momentum Metropolitan’s main listed peers - 33% weighting.

The three performance conditions are measured independently, ie. the achievement of one of the conditions will result in 1/3rd of the total benefit vesting, achieving two will result on 2/3rds vesting and achieving all three will result in 100% vesting.

For the F2019 LTI allocations, the Remuneration Committee decided not to award any units in the SAR scheme, but to rather revert to the LTIP scheme, the details of which are set out below.

LTIP

The group adopted the LTIP in 2011. The LTIP is a cash settled scheme comprising both retention and performance units that reference their value to the Momentum Metropolitan share price. When dividends are paid these are reinvested in the scheme and these dividend units vest in line with the LTIP tranches to which they relate. As from 1 July 2018 participation in the LTIP includes the deferral of STI payments above a threshold, as set out in the STI section above.

As mentioned under the SAR scheme above, the Remuneration Committee decided to revert back to the LTIP scheme for the share scheme awards to be made in October 2019. The committee is of the opinion that the participation in the group's share scheme should be increased to 108 participants (from the 38 participants in the 2018 SAR scheme allocation) and the highly geared nature of the SAR scheme would be less appropriate for a broader group of participants. All allocations from the LTIP for F2019 represent performance units, which vest subject to the achievement of performance conditions set at the award date.

The performance conditions for the performance units allocated out of the LTIP up to 1 April 2018, along with the vesting profile, are set out below:

Threshold	Target	Stretch
Annualised ROEV over the performance period (three years) to meet/ exceed the 10-year zero-coupon RSA bond yield at the start of the financial year (defined as "risk free rate") + 1.5%.	Annualised ROEV over the performance period (three years) to meet/ exceed the "risk free rate" + 3%.	Annualised ROEV over the performance period (three years) to meet/ exceed the "risk free rate" + 6%.

Details regarding the LTIP performance vesting outcomes for the tranche vesting in October 2019, are set out in Part 3 (Implementation Report) on page 22.

The performance conditions for the October 2019 award, to be measured based on the June 2022 results, are set out below:

Performance measure	% Weighting	Target
Normalised Headline Earnings growth	33%	R4.0bn (9% growth pa)
Normalised Headline Earnings growth	33%	R4.2bn (11% growth pa)
Total Shareholder Return (TSR) vs equal-weighted peer index	33%	Exceed peer group TSR

The introduction of two tiers of earnings growth enhances the balance between a more realistic target and a more demanding stretch target.

The removal of the ROEV measure is due to a shift in focus toward earnings, to ensure a better balance between current and future performance. In addition, some shareholders have indicated that they see ROEV as an overly subjective measure, that is based too heavily on projections regarding expected future performance.

The above performance conditions are applicable to the CEO, Financial Director and all group-wide service employees, while for business unit executives and senior managers, 50% of the performance conditions relate to the above, and the other 50% to equivalent, but business unit-specific, financial targets.

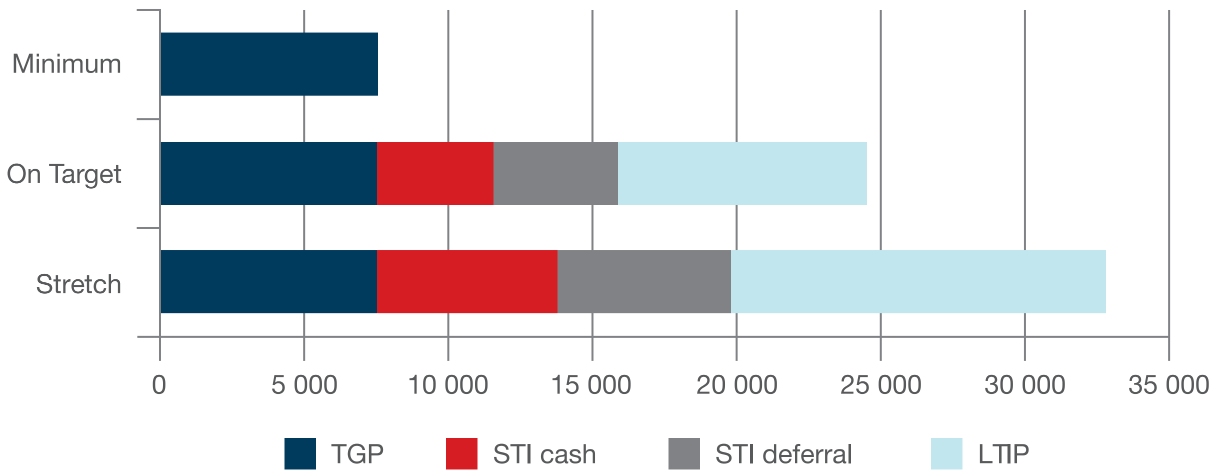
EXECUTIVE DIRECTOR PAY MIX

On an executive management level the graphs below show the pay mix for the CEO, Deputy CEO and the FD respectively at minimum, on target and stretch levels of performance. The pay mix at executive level is weighted towards "at-risk" variable pay, and in turn the variable pay is contingent on meeting financial and strategic performance targets and realising the company's remuneration policy. The objective is to achieve a balanced pay mix appropriate for the job, level and performance of each executive.

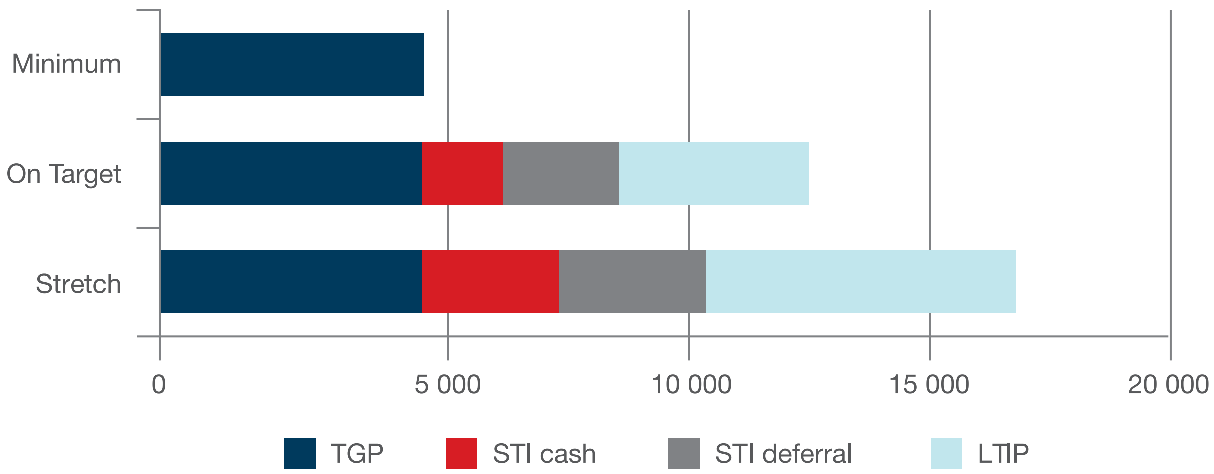
The basis for determining the quantums under the minimum, on target and stretch performance levels is:

- Minimum – a group scorecard rating of below 2 is achieved, and the Remuneration Committee does not award any discretionary STI or LTI. Only the TGP is guaranteed.
- On target – is based on the achievement of a 3-rating on the group scorecard, where the STI represents 110% of TGP for the CEO and 90% of TGP for the other executive directors. The LTI is assumed to meet two of the three performance criteria, and is based on the current LTIP scheme allocation.
- Stretch – is based on the achievement of a 5-rating on the group scorecard, where the STI represents 165% of TGP for the CEO, and 135% of TGP for the other executive directors. The LTI is assumed to meet all performance criteria, and is based on the current LTIP scheme allocation.

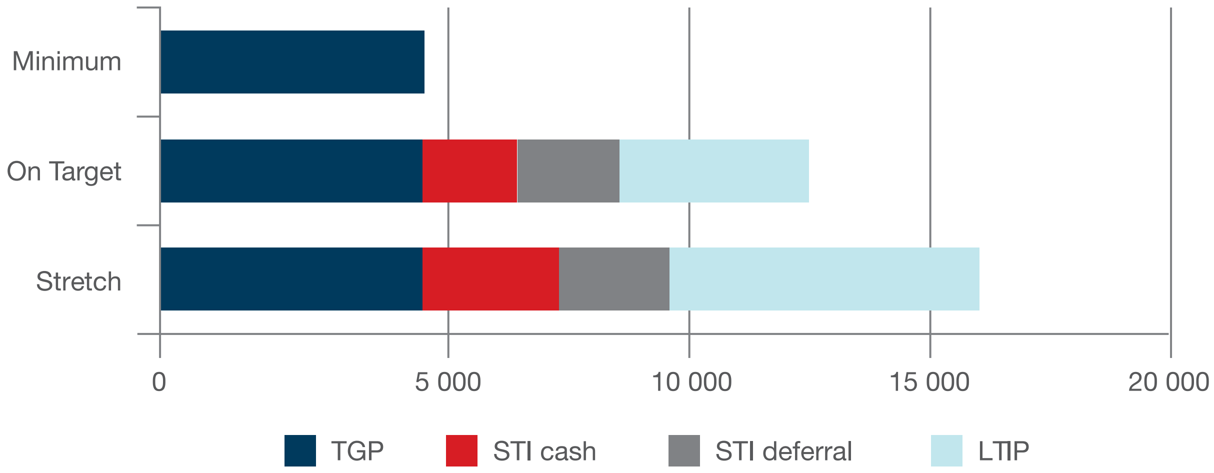
CEO – HILLIE MEYER (R'000)



DEPUTY CEO – JEANNETTE CILLIERS (MARAIS) (R'000)



FD – RISTO KETOLA (R'000)



As can be seen from the above graphs, a significant proportion of the total executive remuneration is based on the achievement of the short- and long-term strategic and financial objectives of the group, in alignment with the outcome for shareholders.

MALUS AND CLAWBACK

The group has a pre-vesting forfeiture (malus) and post-vesting recovery (clawback) policy that applies to all vested and unvested STI and LTIP amounts relating to executive directors, senior managers, heads of control functions and other material risk takers.

The Remuneration Committee may, at any time on or before the vesting date for unvested incentives, reduce the quantum of the deferred STI or number of units comprising the LTIP, in whole or in part, after the occurrence of an actual risk event (trigger event).

Trigger events include but are not limited to:

- Reasonable evidence of actions or conduct, which in the reasonable opinion of the Board, amounts to employee misbehaviour, dishonesty, fraud or (gross) misconduct. Discovery of a material misstatement of the financial results for the performance or employment period of the incentive, resulting in an adjustment in the audited consolidated accounts of the group.
- The discovery that any information used to determine the quantum of cash incentives, or the number of shares or units subject to a long-term incentive award was based on error, or inaccurate or misleading information.
- Subsequent under performance at an individual level. Events or behaviour of the employee or the existence of events attributable to an employee that have led to the censure of the group by a regulatory authority. This includes events or behaviour that have had a significant detrimental impact on the reputation of the group, e.g. a material risk management failure, provided the Remuneration Committee is satisfied that the relevant employee was responsible for the censure or reputational damage.

The list of trigger events is not exhaustive and the decision to reduce the quantum of unvested incentives or pursue recovery of previously paid incentives, ultimately resides with the Remuneration Committee.

In addition to the pre-vesting forfeiture of unvested incentives, from 1 September 2019 the Committee introduced a clawback policy for all variable incentive awards from that date. In terms of this policy the Remuneration Committee may pursue the recovery of previously vested and paid STI or LTI amounts where:

- There is reasonable evidence of material error or employee misbehaviour and/or
- The group suffers a material risk event that can be reasonably attributed to the actions of a specific individual or group of individuals.

EXECUTIVE AND SENIOR MANAGEMENT – SERVICE AGREEMENTS

Sign-on awards

For appointments that are critical to the business, the group may offer sign-on awards whether in the form of cash or LTIPs to new members of executive management and key employees. The sign-on LTIP awards are ordinarily subject to a three-year vesting period, with a two-year compulsory holding period thereafter. The LTIP award is subject to forfeiture should the employee resign or be dismissed by the group during the vesting period in accordance with the rules of the scheme. Any cash-based sign-on awards are subject to clawback, and employees will have to repay these awards if they resign from the group within a certain period as documented in their employment contracts. The group Exco has the discretion to determine sign-on awards.

Restraints of trade

The Remuneration Committee may, from time to time, conclude restraint of trade agreements with members of executive management. These restraint of trade agreements may be contractual only, i.e. unpaid or, where appropriate, subject to an appropriate payment, and are aligned with the overall business strategy of the group. Disclosure of these payments will be made in line with any applicable regulatory requirements.

Payments on termination of employment

The employment contracts for members of the executive management do not compel the Remuneration Committee to make any payments in the event of termination of employment on account of their failures. Upon termination of employment any payments made to that executive will be as required in terms of legislation, and the consequences of unvested STIs and LTIPs will be governed by the rules of the incentive plans and the basis for the termination of employment. The Remuneration Committee has discretion regarding the terms of such agreements (to be exercised on a case-by-case basis). No payment shall be made due to a termination based on a lack of performance.

In the event of resignation or dismissal for just cause, all unvested incentives in the form of deferred STIs and LTIPs, will be forfeited in terms of the relevant incentive plan rules.

In the event of death, disability, retrenchment, retirement or early retirement, unvested incentives will vest pro-rata based on the extent to which performance conditions were met to date, if applicable, based on the period of employment from award date to termination of service date.

The following table sets out how payments under each element of remuneration are dealt with, for the various reasons for termination:

Reasons for Termination				
Remuneration element	**Voluntary resignation**	**Dismissal / Termination for cause**	**Normal & early retirement, retrenchment and death**	**Mutual separation**
TGP	Paid over the notice period or as a lump sum	No payment	Normally no payment is made, however in some cases pre-retirement leave is paid in terms of certain legacy employment contracts.	Paid over the agreed notice period or as a lump sum
STI	All unvested awards shall be forfeited in their entirety and will lapse immediately on the date of termination	Automatic forfeiture of unvested deferred bonus units in the LTIP	All unvested deferred bonus units vest on the date of termination (as these have already been subject to past performance criteria, and are therefore earned)	Discretion applied based on terms of the separation agreement
LTI	All unvested awards shall be forfeited in their entirety and will lapse immediately on the date of termination	All unvested awards shall be forfeited in their entirety and will lapse immediately on the date of termination	In respect of retention units a pro rata portion will vest on termination date. In respect of performance units, the pro rata portion shall vest subject to the measurement of performance to date	Discretion applied based on terms of the separation agreement

Retention payments

The Remuneration Committee has the discretion to make retention payments to executives and key employees in exceptional circumstances. Such retention payments are subject to an appropriate clawback period, and may be subject to certain minimum performance hurdles.

Minimum shareholding requirements

Minimum shareholding requirements introduced in 2015 are in line with global best practice. These requirements encourage executives to utilise their LTI vesting benefit to buy Momentum Metropolitan Holdings shares, and to be personally invested in the company, thus increasing executive ownership and alignment between executive and stakeholder interests.

The CEO's requirement (expressed as a percentage of TGP) is 200%, and for other executives 100%, to be achieved within five years of being appointed to the executive committee.

The Remuneration Committee will, from time to time, set requirements for executives, such as the minimum required shareholding, and the period over which it should be achieved, and monitor compliance with these requirements.

NON-EXECUTIVE DIRECTOR FEES

Non-executive directors, in serving the Group, are paid an annual retainer fee. They do not receive additional fees per meeting. Also, they do not receive performance incentive payments, share appreciation rights, pension fund benefits, loans on preferential terms, expense allowances or any other form of financial assistance.

The fees for non-executive directors are revised annually and submitted for consideration to the Remuneration Committee. The fees are submitted annually for approval at the AGM. In considering the non-executive directors' fees, various factors are taken into account, including a review of the market analysis related to non-executive fees. Market benchmarking takes into account the size of the Group as well as the complexity of the work performed.

Non-executive directors may receive ad hoc supplementary fees, calculated on an hourly basis, for significant additional work performed during the financial year. Payment of these fees is not guaranteed and is limited to ad hoc committee work required from non-executive directors.

VOTING STATEMENTS (NON–BINDING ADVISORY VOTE ON THE REMUNERATION POLICY)

This remuneration policy is subject to an advisory vote by shareholders at the AGM on 26 November 2019. Shareholders are requested to cast a non-binding advisory vote on Part 2 of this remuneration report, as it appears above.

PART 3 – IMPLEMENTATION REPORT

EXECUTIVE DIRECTORS – REMUNERATION DISCLOSURE

The South African Companies Act, 71 of 2008 (Companies Act) has defined the term “prescribed officer”. The duties and responsibilities of directors under the Companies Act also apply to “prescribed officers”. The Remuneration Committee has considered the definition of “prescribed officers” and resolved that the executive directors are the prescribed officers of the group. Remuneration earned by the executive directors in accordance with the single figure remuneration disclosure guidance set out in King IV™, is set out below:

SINGLE FIGURE REMUNERATION: EXECUTIVE DIRECTORS

GUARANTEED PACKAGE (A)

Executive Director	Months as executive director		Salary		Retirement fund contribution		Medical Aid contribution		Subtotal: Guaranteed package	
			R'000		R'000		R'000		R'000	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Hillie Meyer [1]	12	5	7 033	2 600	–	–	–	–	7 033	2 600
Jeannette Cilliers (Marais)	12	4	3 820	1 235	212	83	51	16	4 083	1 334
Risto Ketola	12	6	3 447	1 627	278	129	141	73	3 866	1 829
Nicolaas Kruger [2]	–	8	–	3 981	–	356	–	206	–	4 543
Mary Vilakazi	–	9	–	2 963	–	520	–	58	–	3 541
Total			**14 300**	**12 406**	**490**	**1 088**	**192**	**353**	**14 982**	**13 847**

INCENTIVE AND CONTRACTUAL REMUNERATION (B)

Executive Director	Short-term incentives [3]		Retention payments		Long-term incentives reflected [4]		Contractual payments		Subtotal: incentive & contractual remuneration	
	R'000		R'000		R'000		R'000		R'000	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Hillie Meyer [1]	5 950	2 000	–	–	–	–	–	–	5 950	2 000
Jeannette Cilliers (Marais)	4 000	1 250	–	–	–	–	–	7 500	4 000	8 750
Risto Ketola	4 175	3 750	–	–	–	1 101	–	–	4 175	4 851
Nicolaas Kruger [2]	–	–	–	3 500	–	2 793	5 506	9 292	5 506	15 585
Mary Vilakazi	–	–	–	–	–	–	–	–	–	–
Total	**14 125**	**7 000**	**–**	**3 500**	**–**	**3 894**	**5 506**	**16 792**	**19 631**	**31 186**

* For footnotes refer to next page

TOTAL REMUNERATION (A + B)

Executive Director	Total guaranteed package R'000		Total incentive & contractual remuneration R'000		Total remuneration R'000	
	2019	2018	2019	2018	2019	2018
Hillie Meyer [1]	7 033	2 600	5 950	2 000	12 983	4 600
Jeannette Cilliers (Marais)	4 083	1 334	4 000	8 750	8 083	10 084
Risto Ketola	3 866	1 829	4 175	4 851	8 041	6 680
Nicolaas Kruger [2]	–	4 543	5 506	15 585	5 506	20 128
Mary Vilakazi	–	3 541	–	–	–	3 541
Total	**14 982**	**13 847**	**19 631**	**31 186**	**34 613**	**45 033**

1 The Group CEO's contract has been extended until 30 June 2023.

2 As mentioned in the prior year, in terms of the mutual separation arrangement, the ex-CEO received his monthly salary (R3,437,500) and LTIP vesting entitlements (R2,068,392) until 31 December 2018. LTIP benefits vesting beyond this date were forfeited. These payments have been shown collectively under "contractual payments" above.

3 The short-term incentive represents the approved performance bonus in the year to which it relates, including the portion deferred into the LTIP

4 The calculation basis for long-term incentives is:

2018:
- For LTIP performance units - the value of the number of October 2016 performance units vesting in October 2019, on the basis of performance conditions measured on 30 June 2019. In terms of these LTIP performance conditions all performance units will be forfeited.
- No LTIP retention units were issued to executive directors in the 2019 year, other than the deferred bonus units, which are included in the short-term incentive amounts above.

2019:
- For LTIP performance units - the value of the number of October 2015 performance units vesting in October 2018, on the basis of performance conditions measured on 30 June 2018. In terms of these LTIP performance conditions no performance units vested.
- For OPP performance units - the value of the number of October 2014 performance units vesting in October 2018, on the basis of performance conditions measured on 30 June 2018. In terms of these OPP performance conditions no performance units vested.
- For LTIP retention units - the number of retention units awarded during the 2018 year at the share price on award date being R18.42 per share.

COMPANIES' ACT DISCLOSURE: EXECUTIVE DIRECTORS

GUARANTEED PACKAGE (A)

Executive Director	Salary R'000		Retirement fund contribution R'000		Medical Aid contribution R'000		Subtotal: Guaranteed package R'000	
	2019	2018	2019	2018	2019	2018	2019	2018
Hillie Meyer	7 033	2 600	–	–	–	–	7 033	2 600
Jeannette Cilliers (Marais)	3 820	1 235	212	83	51	16	4 083	1 334
Risto Ketola	3 447	1 627	278	129	141	73	3 866	1 829
Nicolaas Kruger	–	3 981	–	356	–	206	–	4 543
Mary Vilakazi	–	2 963	–	520	–	58	–	3 541
Total	**14 300**	**12 406**	**490**	**1 088**	**192**	**353**	**14 982**	**13 847**

INCENTIVE AND CONTRACTUAL REMUNERATION (B)

Executive Director	Short-term incentive payments R'000		Retention payments R'000		Long-term incentive payments R'000		Contractual payments R'000		Subtotal: Incentive & contractual remuneration R'000	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Hillie Meyer	1 050	–	–	–	–	–	–	–	1 050	–
Jeannette Cilliers (Marais)	675	–	–	–	–	–	–	7 500	675	7 500
Risto Ketola	1 925	–	–	–	–	–	–	–	1 925	–
Nicolaas Kruger	–	–	–	3 500	–	10 616	5 506	9 292	5 506	23 408
Mary Vilakazi	–	–	–	–	–	4 391	–	–	–	4 391
		–	–		–					
Total	**3 650**	**–**	**–**	**3 500**	**–**	**15 007**	**5 506**	**16 792**	**9 156**	**35 299**

TOTAL REMUNERATION (A + B)

Executive Director	Total guaranteed package R'000		Total incentive & contractual remuneration R'000		Total remuneration R'000	
	2019	2018	2019	2018	2019	2018
Hillie Meyer	7 033	2 600	1 050	–	8 083	2 600
Jeannette Cilliers (Marais)	4 083	1 334	675	7 500	4 758	8 834
Risto Ketola	3 866	1 829	1 925	–	5 791	1 829
Nicolaas Kruger	–	4 543	5 506	23 408	5 506	27 951
Mary Vilakazi	–	3 541	–	4 391	–	7 932
Total	**14 982**	**13 847**	**9 156**	**35 299**	**24 138**	**49 146**

The tables above set out the remuneration of the executive directors in terms of the requirements of Section 30 (4)(4)(6) of the Companies' Act 2008. The tables include all remuneration paid to executive directors during the year, whereas the single figure remuneration disclosure is based on the King IV definition of executive remuneration.

TOTAL GUARANTEED PACKAGE – EXECUTIVE DIRECTORS

The total guaranteed packages (TGP) of the executive directors are set out in the table below.

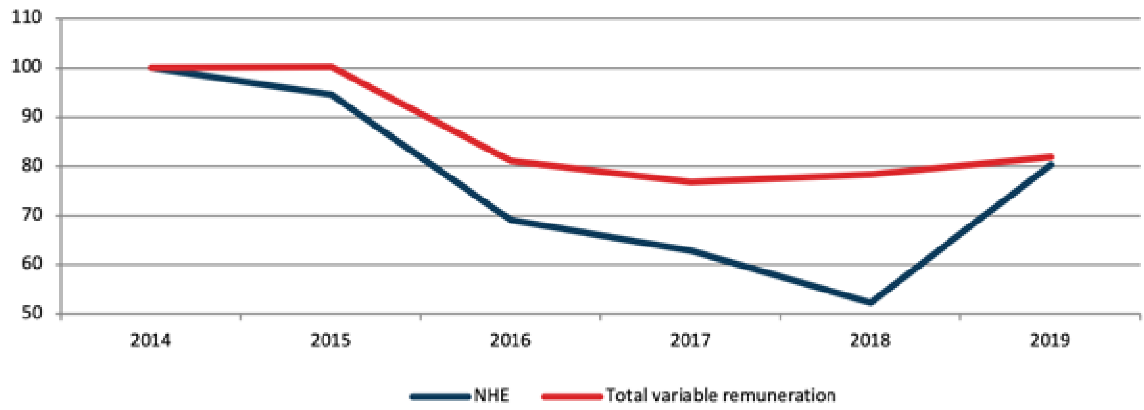
Executive Director	Total guaranteed package		% increase
	1 September 2019 R'000	1 September 2018 R'000	
Hillie Meyer	7 430	7 075	5.0%
Jeannette Cilliers (Marais)	4 340	4 100	5.9%
Risto Ketola	4 175	3 900	7.1%

The overall average % increase for executive directors is 5.8%.

PERFORMANCE OUTCOMES FOR 2019

Both components of variable remuneration, being short-term incentives (STI) and long-term incentives (LTI), are subject to performance criteria set at the beginning of the performance period being measured.

The graph below illustrates the decline in the overall remuneration pool (STI plus LTI awarded) since 2014, in line with the decline in normalised headline earnings (NHE) over the same period (indexed to 100 in 2014):



Set out below are the performance outcomes for both the STI and LTI benefits for the current year.

Short–term incentives

Short-term incentives (STI) are determined with reference to the group's performance in terms of the annual balanced scorecard. The following table sets out the various key performance indicators, along with the targets for each and the actual results achieved for 2019. The overall rating of a 2.9 score (on a 5-point scale, with a 3-rating being on target), results in a rating of 95% of target for the year:

Key performance indicator	Weighting	2019 Target	Actual	Achieved (5–point scale)
Financial Measures				
Normalised headline earnings	25%	R2 900m	R3 074m	3.0
Value of new business	20%	R384m	R541m	5.0
Return on embedded value (excl. investment variances)	20%	13.25%	9.1%	1.0
Strategic Objectives				
Client Experience	10%	Board Assessment		3.0
Business Outcomes	20%	Board Assessment		3.2
Employment Equity	10%	EE Targets		2.0

The above rating resulted in the group's short-term incentive pool amounting to R515m, which is in line with the 2018 pool.

Long–term incentive vesting and anticipated vesting of outstanding awards

LTIP

The performance unit component of the LTIP allocations up to 2017 is subject to an ROEV target that is set at the allocation date. Executive management has full exposure to performance units for their LTIP allocation. The following table summarises the actual performance to date for all outstanding LTIP tranches:

LTIP Tranche	Performance threshold	Actual ROEV[1]
Units issued in 2016 and vesting in 2019 – Annualised performance for the 36 months – 1 July 2016 to 30 June 2019	10.7%	4.4%
Units issued in 2017 and vesting in 2020 – Annualised performance for the 24 months – 1 July 2017 to 30 June 2019	10.8%	4.3%
Units issued in 2018 and vesting in 2021[2] – Annualised performance for the 12 months – 1 July 2018 to 30 June 2019	10.6%	9.4%

1 Average annualised percentages, measured since inception of each tranche up to 30 June 2019.
2 The 2018 LTIP performance units were awarded to the CEO and Deputy CEO upon joining the group.

Based on the above, none of the LTIP performance units issued in October 2016 will vest in October 2019.

OPP

The OPP comprises only performance units, and these are subject to an ROEV target of 6% above the South African GDP rate, with a measurement period from 1 July 2014 to 30 June 2018 (for the first 60% vesting), and from 1 July 2014 to 30 June 2019 (for the remaining 40%). None of the current executive directors participated in the OPP, as this once-off allocation took place in 2014. As mentioned in the 2018 Remuneration Report, the first 60% of units did not meet the minimum ROEV required, therefore these performance units were forfeited in full.

The following table summarises the actual performance to date for the remaining for 40% of units that vest in 2019:

OPP Tranche	Performance Threshold	Actual ROEV
Units issued in 2014 and vesting in 2019 (40%) – Annualised performance for the 60 months – 1 July 2014 to 30 June 2019	12.1%	7.0%

Based on the above, none of the OPP performance units vested in either F2018 or F2019.

SHORT–TERM INCENTIVES AWARDED IN CASH AND DEFERRED – EXECUTIVE DIRECTORS

Set out below are the short-term incentives awarded to executive directors for the 2019 financial year, payable in the 2020 financial year, subject to the short-term incentive deferral rules as referred to in Part 2 of the remuneration report.

	Approved STI	% of TGP	Settled as follows:	
Executive Director	**2019 R'000**	**2019 %**	**Cash R'000**	**Deferred into LTIP R'000**
Hillie Meyer	5 950	80%	3 025	2 925
Jeannette Cilliers (Marais)	4 000	92%	2 050	1 950
Risto Ketola	4 175	100%	2 138	2 037

The performance ratings for the executive directors are determined based on a mix between their achievement of individual objectives, and the overall group scorecard. This ensures strong alignment between the incentive outcomes for individuals and the overall performance of the group.

LONG-TERM INCENTIVES – EXECUTIVE DIRECTORS

The table below provides an overview of the LTI awarded during the current and prior years, those forfeited and the indicative value of LTIs not yet vested (outstanding LTI) for the executive directors. It further illustrates the cash value of LTI delivered during the year.

Executive Director	Opening number on 1 July 2017	Granted during 2018[1]	Forfeited during 2018	Vested during 2018[2]	Closing number on 30 June 2018	Cash flow on settle-ments 2018	Est. closing fair value on 30 June 2018[3]	Granted during 2019[1]	Forfeited during 2019	Vested during 2019[2]	Closing number on 30 June 2019	Cash flow on settle-ments 2019	Est. closing fair value on 30 June 2019[3]
	'000	'000	'000	'000	'000	R'000	R'000	'000	'000	'000	'000	R'000	R'000
Hillie Meyer													
LTIP – performance units													
Award date – 9 Apr. 2018	–	1 246	–	–	1 246	–	22 017	26	–	–	1 272	–	24 130
LTIP – deferred bonus units													
Grant date – 1 Oct. 2018	–	–	–	–	–	–	–	57	–	–	57	–	1 081
SAR – performance units													
Award date – 1 Oct. 2018	–	–	–	–	–	–	–	2 332	–	–	2 332	–	15 380
Jeannette Cilliers (Marais)													
LTIP – performance units													
Award date – 1 Apr. 2018	–	271	–	–	271	–	4 034	6	–	–	277	–	5 255
LTIP – deferred bonus units													
Grant date – 1 Oct. 2018	–	–	–	–	–	–	–	34	–	–	34	–	645
SAR – performance units													
Grant date – 1 Oct. 2018	–	–	–	–	–	–	–	1 399	–	–	1 399	–	9 228
Risto Ketola													
LTIP – retention units													
Grant date – 1 Oct. 2016	79	4	–	–	83	–	1 460	2	–	–	85	–	1 612
Grant date – 1 Oct. 2017	–	56	–	–	56	–	990	1	–	–	57	–	1 081
LTIP – deferred bonus units													
Grant date – 1 Oct. 2018	–	–	–	–	–	–	–	109	–	–	109	–	2 068

Executive Director	Opening number on 1 July 2017	Granted during 2018 [1]	Forfeited during 2018	Vested during 2018 [2]	Closing number on 30 June 2018	Cash flow on settle-ments 2018	Est. closing fair value on 30 June 2018 [3]	Granted during 2019[1]	Forfeited during 2019	Vested during 2019[2]	Closing number on 30 June 2019	Cash flow on settle-ments 2019	Est. closing fair value on 30 June 2019 [3]
	'000	'000	'000	'000	'000	R'000	R'000	'000	'000	'000	'000	R'000	R'000
Risto Ketola (cont.)													
LTIP – performance units													
Award date – 1 Oct. 2016	236	13	–	–	248	–	1 217	5	–	–	253	–	–
Award date – 1 Oct. 2017	–	224	–	–	224	–	3 444	5	–	–	229	–	–
SAR – performance units													
Award date – 1 Oct. 2018	–	–	–	–	–	–	–	1 399	–	–	1 399	–	9 228
Nicolaas Kruger													
LTIP – retention units	347	152	–	(166)	333	3 201	5 891	–	(211)	(122)	–	2 068	–
LTIP – performance units	1 333	1 047	(40)	(401)	1 940	7 415	17 388	–	(1 940)	–	–	–	–
OPP – performance units	1 711	92	–	–	1 803	–	1 179	–	(1 803)	–	–	–	–
Mary Vilakazi													
LTIP – retention units	201	87	(208)	(81)	–	1 553	–	–	–	–	–	–	–
LTIP – performance units	595	587	(1 028)	(154)	–	2 838	–	–	–	–	–	–	–
OPP – performance units	856	46	(902)	–	–	–	–	–	–	–	–	–	–

1 Comprises new awards and grants during the year, dividend units on existing awards and grants, and deferred bonus units in terms of the STI deferral policy.
2 Representes the cash settled on vesting date, including vested dividend units.
3 Calculated as:
- LTIP retention units – the number of unvested units multiplied by the MMI share price at the reporting date
- LTIP performance units – the number of unvested units multiplied by the latest probability of future vesting at the reporting date, multiplied by the share price at the reporting date
- OPP performance units – the number of unvested units multiplied by the latest probability of future vesting at the reporting date, multiplied by the share price at the reporting date
- SAR performance units – the number of unvested units multiplied by the latest probability of vesting at the reporting date, multiplied by the option valuation per unit as at the reporting date

NON – EXECUTIVE DIRECTORS' FEES

Non-executive directors are paid an all-inclusive retainer, which is annually benchmarked by participation in various market surveys. The non-executive directors' fees are not linked to the performance of the company in any way. The following table reflects the fees paid to non-executive directors during the year.

Non-Executive Director	Months service		Fees		Ad hoc fees		Total fees	
			R'000		R'000		R'000	
	2019	2018	2019	2018	2019	2018	2019	2018
Peter Cooper	12	12	1 136	1 077	–	–	1 136	1 077
Lisa Chiume [5]	4	–	366	–	–	–	366	–
Fatima Daniels	12	12	994	968	–	–	994	968
Linda de Beer [5]	4	–	292	–	–	–	292	–
Stephen Jurisich	12	12	1 595	1 523	–	–	1 595	1 523
Niel Krige	12	12	791	690	–	–	791	690
Voyt Krzychylkiewics [4]	–	3	–	–	–	–	–	–
Kgaugelo Legoabe-Kgomari	–	–	–	–	–	–	–	–
Sharron McPherson [5]	4	–	248	–	–	–	248	–
Jabu Moleketi	12	12	808	786	–	–	808	786
Sello Moloko [5]	4	–	280	–	–	–	280	–
Syd Muller [3]	5	12	1 139	1 697	–	45	1 139	1 742
JJ Njeke	12	12	2 197	1 982	–	–	2 197	1 982
Vuyisa Nkonyeni	12	12	766	658	–	–	766	658
Khehla Shubane	12	12	865	786	–	–	865	786
Frans Truter	12	12	2 223	2 154	–	–	2 223	2 154
Ben van der Ross [1]	–	5	–	630	–	–	–	630
Johan van Reenen	12	12	952	980	–	–	952	980
Louis van Zeuner [2]	8	12	1 447	2 152	–	–	1 447	2 152
Total			**16 099**	**16 083**	–	**45**	**16 099**	**16 128**

1 Resigned November 2017
2 Resigned February 2019.
3 Retired November 2018
4 Resigned October 2017
5 Appointed March 2019
6 Appointed June 2019

INTEREST OF DIRECTORS IN SHARE CAPITAL

Director's MMH shareholding at 30 June 2019 – Number of ordinary shares ('000)			
Director	**Direct beneficial**	**Indirect beneficial**	**Total**
Hillie Meyer	248	390	638
Jeannette (Cilliers) Marais	189	–	189
Peter Cooper	292	150	442
Stephen Jurisich *	–	–	–
Niel Krige	–	408	408
Jabu Moleketi	–	112	112
Khehla Shubane	78	7	85
Frans Truter	44	433	477
Johan van Reenen	–	144	144
Total Ordinary Shares	**851**	**1 644**	**2 495**

* 169 shares held in MMH.

MMH shareholding of directors who resigned or retired during F2019 – Number of ordinary shares ('000)			
Director	**Direct beneficial**	**Indirect beneficial**	**Total**
Syd Muller *	50	–	50
Total Ordinary Shares	**50**	**–**	**50**

* Retired as director of MM Holdings Limited on 26 November 2018.

Trades in MMH shares during 2019					
Director	**Transaction date**	**Price**	**Number of shares**	**Nature of transaction**	**Extent of interest**
Hillie Meyer	07/09/2018	17.1729	58,240	On market	Direct
Hillie Meyer	14/09/2018	16.5726	293,300	On market	Indirect

Director's MMH shareholding at 30 June 2018 – Number of ordinary shares ('000)			
Director	**Direct beneficial**	**Indirect beneficial**	**Total**
Hillie Meyer	190	150	340
Jeannette (Cilliers) Marais	189	–	189
Peter Cooper	292	150	442
Stephen Jurisich *	–	–	–
Niel Krige	–	408	408
Jabu Moleketi	–	112	112
Syd Muller	50	–	50
Khehla Shubane	78	7	85
Frans Truter	44	433	477
Johan van Reenen	–	144	144
Total Ordinary Shares	**843**	**1 404**	**2 247**

* 169 shares held in MMH.

MMH shareholding of directors who resigned during F2018 – Number of ordinary shares ('000)			
Director	**Direct beneficial**	**Indirect beneficial**	**Total**
Nicolaas Kruger	64	4 573	4 637
Mary Vilakazi	–	1 703	1 703
Total Ordinary Shares	**64**	**6 276**	**6 340**

Directors' RMI shareholding at 30 June 2019 – Number of ordinary shares ('000)			
Director	**Direct beneficial**	**Indirect beneficial**	**Total**
Hillie Meyer	26	18	44
Peter Cooper	758	3 061	3 819
Stephen Jurisich	3	–	3
Jabu Moleketi	6	14	20
JJ Njeke	17	–	17
Khehla Shubane	13	10	23
Frans Truter	21	164	185
Total Ordinary Shares	**844**	**3 267**	**4 111**

Directors' RMI shareholding at 30 June 2018 – Number of ordinary shares ('000)			
Director	**Direct beneficial**	**Indirect beneficial**	**Total**
Hillie Meyer	26	18	44
Peter Cooper	758	3 061	3 819
Stephen Jurisich	3	–	3
Jabu Moleketi	6	14	20
JJ Njeke	17	–	17
Khehla Shubane	25	10	35
Frans Truter	21	164	185
Total Ordinary Shares	**856**	**3 267**	**4 123**

All changes in directors' MMH and RMI shareholding between 1 July 2018 and 30 June 2019 were published on SENS as prescribed. No changes in the above shareholding/interest occurred between 30 June 2019 and the date of approval of the annual financial statements.

MINIMUM SHAREHOLDING REQUIREMENT MEASUREMENT

The following table reflects the current shareholding by executive directors in MMH shares, relative to the minimum shareholding requirement (MSR) at 30 June 2019:

Number of MMH ordinary shares[1] at 30 June 2019 ('000)			
Director	**Minimum shareholding requirement**	**Current qualifying shareholding**	**Date by which the minimum shareholding requirement must be met.**
Hillie Meyer	746	638	1 March 2023
Jeannette (Cilliers) Marais	216	189	1 March 2023
Risto Ketola	206	–	1 July 2022

[1] Based on the MMH share price of R18,97 per share at 30 June 2019.

VOTING STATEMENT (NON-BINDING ADVISORY VOTE ON THE IMPLEMENTATION REPORT)

This report is subject to an advisory vote by shareholders at the 26 November 2019 AGM. Shareholders are requested to cast an advisory vote on the remuneration implementation report as contained in Part 3 of this report.