

# CORPORATE GOVERNANCE REPORT

## GROUP GOVERNANCE STRUCTURE



## INTRODUCTION

The MMI board is committed to the highest standards of corporate practice and conduct, as recommended in the King Report on Governance for South Africa 2009 (King III). The group strives to have the best processes in place to implement principles of good corporate governance and to assist directors in discharging their duties and responsibilities, which include the delivery of excellent service to all stakeholders. Appropriate best practice is adopted and monitored in all the countries where the group operates.

## GOVERNANCE OF RISK

MMI recognises that clear accountability is fundamental to risk management and makes use of various assurance providers for its key risks, processes and controls. These assurance providers are all independent of the group and its activities. Combined assurance integrates and co-ordinates the activities of the assurance providers, whose functions include risk management, compliance, actuarial, internal audit and external audit. The MMI governance model is described in more detail in the MMI governance framework which is available on the MMI website [www.mmiholdings.com](http://www.mmiholdings.com).

## ASSESSMENT OF KING III PRINCIPLES

The assessment of the application and implementation of King III is ongoing, and includes current levels of compliance in respect of the guidance and oversight of risk, governance and compliance management across the group.

The results to date show that MMI's governance processes are well entrenched, and that the group is generally compliant with all the principles of King III. Where gaps have been identified, plans are being put in place to ensure compliance.

The main gaps are:

- Principle 7: The chief audit executive (CAE) should have a standing invitation to attend Executive Committee (Exco) meetings. Although the group's CAE does not have a standing invitation to MMI Exco meetings, he is operationally represented by the group Finance Director. He attends MMI Exco meetings when required to provide input or to report on particular issues, and has access to all the information required in fulfilling his duties and obligations. He attends all Audit Committee meetings.
- Principle 9: Sustainability reporting and disclosure should be independently assured. MMI previously commissioned an audit readiness assessment on selected non-financial indicators. Based on the findings of this assessment, the future assurance processes are still in the planning stage.

A table disclosing all the principles of King III, and how each has been applied, is available on the MMI website [www.mmiholdings.com](http://www.mmiholdings.com). Reasons are given in each instance where a principle has not been applied.

# CORPORATE GOVERNANCE REPORT *CONTINUED*

## BOARD AND COMMITTEES

The MMI board has been designated as the custodian of the group's corporate governance. The board is mandated in terms of its charter, and the board committees in terms of their respective terms of reference. The board charter and the committees' terms of reference clarify the MMI approach, and are available on the MMI website [www.mmiholdings.com](http://www.mmiholdings.com):

- The governance framework adopted by the board is based on King III.
- The board aspires to a progressively mature approach, with appropriate adoption of international best practices and frameworks.
- The board fully supports the appropriate implementation of corporate governance.
- The board is committed not only to the principles and recommendations contained in the King reports, but also to the practices outlined therein as these apply to the economic activities of the group.
- The board embraces a triple bottom line approach, which includes a strong focus on the economic, environmental and social impact of the group's business activities and not just its financial results.
- In exercising their fiduciary duty with due care, skill and diligence, the board will act in the best interest of all stakeholders of the group and not only shareholders, acting responsively and with responsibility towards them all.

The committees are currently addressing the following issues:

## SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE (SETC)

The MMI SETC has been in operation for over three years, and it focuses on monitoring and providing the group with strategic guidance on the delivery of transformation in line with the Companies Act, 71 of 2008 (Companies Act), and other related legislation. As a governance body for transformation, the committee has made progress in guiding the group in building a diverse workplace. The drive for diversity and transformation is evidenced in MMI's ability to maintain a level 2 contributor status for two successive years (2012 and 2013). Some of the strategic initiatives that MMI was able to deliver with the support of the committee include:

- MMI talent management strategy, which is aimed at ensuring consistency in the management of talent in general and equity talent in particular, as well as key value roles within the group.
- MMI leadership framework, which provides direction on the type of leadership behaviour, notably values-based and ethical behaviour, required across the group.

- Quarterly monitoring of the transformation strategic deliverables.
- Overseeing the process of aligning the transformation strategy with the Financial Sector Charter (FSC) code and the revised B-BBEE codes.
- Monitoring the group's performance against the MMI employment equity (EE) plan.
- Ensuring that company procedures are ethical and in line with the legislative requirements of risk, compliance and Treating Customers Fairly.
- Drive for environmental sustainability and corporate social investment.

## Sustainability governance

The head of sustainability at MMI is supported by a sustainability champion in all group divisions. The champions are responsible for elevating division-specific sustainability issues to group level and for driving group-led sustainability activities at divisional level to address identified focus areas.

MMI's Exco performs a management review function and raises pertinent issues with the relevant committees of the board as and when appropriate.

Final accountability rests with the board and its committees, including the executive committees.

## FAIR PRACTICES COMMITTEE (FPC)

The FPC is mandated by the board to ensure that the fair treatment of clients is embedded as a core corporate value at all levels within the MMI group of companies. Furthermore, the FPC functions as the Discretionary Participation Committee of MMI's life companies, ensuring the compliance with, and the monitoring of any changes to the principles and practices of financial management. Finally, the FPC acts as the independent governance forum responsible for overseeing the implementation of, and adherence to, the Treating Customers Fairly initiative of the Financial Services Board (FSB). During the year under review, the FPC carried out the above functions.

## REMUNERATION COMMITTEE

One of the key roles of the Remuneration Committee is to assist the board by ensuring that MMI's pay and reward systems are sufficiently competitive to attract, retain and motivate critical talent that can have a positive influence on group performance. The committee takes into account local and international industry benchmarks, ensures that remuneration and incentive schemes are aligned with good business practice and that excellent performance is rewarded accordingly. In the past year,

a focal point was to amend the group's remuneration policy and revisit the deferral of variable remuneration in line with the Solvency Assessment and Management (SAM) regime. The committee also played an important role in developing appropriate key performance indicators and targets for the short-term incentive balanced scorecard. During this reporting period, the final integration of benefits was implemented with all permanent employees joining the new MMI Group Retirement Scheme (MGRS).

## ACTUARIAL COMMITTEE

The role of the Actuarial Committee is to impart effective actuarial expertise to the board, to enhance its understanding of technical actuarial matters; to assist the board in discharging its fiduciary duties to policyholders and shareholders; and to assist the statutory actuary in fulfilling his professional and statutory duties. During the year, in addition to these roles, the Actuarial Committee played an instrumental role in reviewing SAM Pillar I results as well as relevant SAM policies in preparation for the light and full SAM parallel runs.

## RISK AND COMPLIANCE COMMITTEE

The committee assists the board in discharging its responsibility for the total process of risk management and compliance within the MMI group.

During the preceding year, the committee dealt with various matters relating to risk evaluation, risk management processes and adherence to the group's risk management framework. The committee focused on the review and challenge of the holistic risk profile, with specific attention to strategic and operational risks. The committee also reviewed MMI's overall compliance with significant laws and regulations.

The committee approved a number of new frameworks and policies required under the SAM interim measures, including the annual approval of the policies and frameworks already in existence at MMI. The revised terms of reference for the committee were approved by the board.

## BALANCE SHEET MANAGEMENT COMMITTEE (BSM)

The BSM Committee focuses on the enhancement and protection of the shareholder balance sheet and the impact that investment market volatility has on the group's solvency, embedded value and earnings. The committee fulfils a corresponding oversight role and assists the MMI board in forming an independent opinion regarding the quality, integrity and reliability of the group's BSM procedures and processes. During the year, the committee focused on the refinement of the asset-liability matching disciplines and risk limits applicable to those portfolios where shareholders assume the exposure to market risks.

## AUDIT COMMITTEE

The Audit Committee is an independent statutory committee appointed by the shareholders. In addition to its statutory responsibilities, the committee deals with duties that are delegated to it by the MMI board of directors. During the year, various issues were tabled, such as:

- approval of the published MMI group financial results;
- trading updates;
- review of the integrated report;
- approval of the risk-based internal audit plan for the financial year;
- approval of the external audit plan for the financial year;
- reviewing management's assessment of going concern;
- development of the combined assurance model;
- review of the group's internal financial controls (IFC); and
- recommendations on the dividend proposals.

The committee discharges its responsibilities with the support of the divisional audit and risk panels, which report to the committee on a quarterly basis. The external and internal auditors attend committee meetings by invitation, present regular reports to the committee, and meet independently with the committee members from time to time. The committee monitors adherence to its roles and responsibilities against a well-structured matrix, which corresponds to the terms of reference of the committee and is in line with both the Companies Act and King III recommendations.

The Audit Committee also has responsibility for the oversight of:

### Group internal audit services

MMI Group Internal Audit (GIA) provides independent, objective assurance and consulting services designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating and assessing the effectiveness of risk management, internal control, and governance processes. Major weaknesses are brought to the attention of the Audit Committee of the board, the external auditors and members of executive management for their consideration and remedial action.

The chief audit executive (CAE), in discharge of his/her duties, is accountable to the board, Audit Committee and audit panels of the MMI group, which consist of MMI Holdings Ltd and its subsidiaries. The CAE reports administratively to the MMI group finance director and functionally to the MMI group Audit Committee chairperson. The MMI group Audit Committee decides on the CAE's appointment and removal and is responsible for his/her performance evaluation.

# CORPORATE GOVERNANCE REPORT *CONTINUED*

The MMI CAE resigned during the period under review, and the group Finance Director, Preston Speckmann, is currently managing this portfolio until a new candidate is appointed.

## Divisional audit and risk panels


The Audit Committee is assisted by divisional audit and risk panels, which have been established in terms of its mandate. The audit and risk panels report quarterly to the MMI Audit Committee. The roles and responsibilities, authority, composition, operations and other matters relating to the divisional audit and risk panels are delegated to them by the Audit Committee. The responsibilities of the audit and risk panels in respect of the divisions are essentially the same as those of the Audit Committee to ensure consistency.

## NOMINATIONS COMMITTEE

The Nominations Committee oversees the composition of the board and makes recommendations to the board on various issues, such as director appointments to the MMI main and divisional boards, succession planning for the board and its committees and the appointment of members to board committees. The committee also plays a critical role in overseeing matters of corporate governance within the group. During the preceding year, the committee considered the results from the annual board and committee performance assessments and made various resultant decisions. In addition, the committee dealt with various governance matters such as a review of the composition of the board of directors and certain governance committees. These changes were subsequently implemented. The committee also approved the MMI Fit and Proper policy, which was developed as part of the SAM interim measures policies. The revised terms of reference for the committee were approved by the board.

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Nominations Committee is responsible for identifying fit and proper candidates who could be appointed to the board, and evaluating them against the specific disciplines and areas of expertise required. The appointment, rotation, resignation and removal of directors are done in accordance with the company's constitution and the Companies Act. For more detail, please see the MMI Memorandum of Incorporation on the MMI website

 [www.mmiholdings.com](http://www.mmiholdings.com).

## ETHICS

### CODE OF CONDUCT

The group strategic human resources executive is responsible for the code of conduct and for ensuring that the requisite behaviour is aligned with MMI's values. The group code of conduct is available on the MMI website [www.mmiholdings.com](http://www.mmiholdings.com).

The code of conduct addresses, among others, the following areas:

- Commitment to regulatory compliance
- Prohibiting giving and receiving of bribes
- Prohibiting facilitation payments
- Guidelines on giving and receiving gifts
- Guidelines on political donations
- Dealing with conflicts of interest
- Other issues such as money laundering
- Prohibiting anti-competitive practices

## REPORTING FRAUD

MMI has a number of business-specific KPMG fraud and ethics lines in place for the use of all stakeholders, eg employees, customers and authorities. In order to provide these stakeholders with as many different options as possible to report fraud, the following channels are available:

- KPMG fraud lines (anonymous if informant requests)
- Online reporting (anonymous if informant requests) via the intranet and the internet
- Direct contact with our investigators (we have offices in Port Elizabeth, Centurion, Durban and Cape Town)
- Through group internal audit and industrial relations

We have ensured that all the African subsidiaries have either a KPMG fraud line, a web reporting tool, or an alternative method of reporting fraud.

## PROMOTION OF ACCESS TO INFORMATION ACT, 2 OF 2000

For the period under review, there were 14 requests for information, of which nine were granted, two were partially granted, two were not completed due to outstanding documentation and one was referred to the relevant division. No requests were declined.

## INFORMATION TECHNOLOGY GOVERNANCE

MMI's business is critically dependent on its information systems and information technology (IT). To ensure proper governance and risk management of this key business function, Exco established the IT Steering Committee (ITSC) tasked with overseeing all MMI IT governance and the MMI IT strategy. The board is ultimately responsible for IT governance.

Key responsibilities of the ITSC include:

- Development of an MMI IT philosophy and IT strategy
- IT risk management and assurance
- Approval of major investments in technology (in collaboration with the board and divisional chief executive officers)
- IT performance measurement and worldwide IT trend analysis

The chairman of the ITSC is the chief operating officer, who is also a member of the Executive Risk Committee. All MMI's IT governance issues are reported to the Risk and Compliance Committee of the board through the ITSC. MMI has also appointed a chief technology officer (CTO) who takes ownership of and responsibility for the MMI IT philosophy and strategy. The CTO reports to the chief operating officer.

## MANAGING IT RISKS

The ITSC provides executive oversight and review of MMI's IT risk profile by:

- Ensuring the MMI IT risk management framework is appropriately implemented within all divisions, group service areas and subsidiaries
- Ensuring that MMI management is aware of their responsibilities as they relate to IT risk management and the implementation of controls
- Ensuring the IT risk exposures of MMI and the effectiveness of IT risk management processes are appropriately managed
- Monitoring key corrective actions initiated by management and the IT risk management functions
- Reporting key IT risk exposures and the effectiveness of the management thereof to the Executive Risk Committee

## BUSINESS DISRUPTION AND DISASTER RECOVERY

MMI's business continuity management (BCM) programme ensures that our business will be able to continue its critical business processes should a large-scale incident disrupt business activities. BCM testing and disaster recovery were conducted across the group during the year under review.

The programme is driven and owned by the divisions, with programme guidance, monitoring and reporting provided at group level. Annual activities performed as part of our BCM programme include:

- Updating our business impact analysis and recovery plans
- Reviewing our recovery strategy and plans
- Validating our recovery procedures by exercising them
- Ensuring awareness of BCM throughout the group
- Reporting on our BCM status and capability

## COMPLIANCE

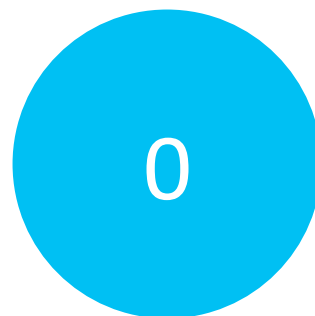
The MMI compliance function is responsible for the compliance strategy of the group and oversees the effective implementation of the MMI compliance risk management policy. It is also accountable to the board for reporting and managing identified compliance risks.



Number of board committees



B-BBEE status



Number of material compliance breaches

# CORPORATE GOVERNANCE REPORT *CONTINUED*

The compliance function is an integral part of the wider MMI enterprise risk management function and reports to the chief risk officer and the board. The chief risk officer reports to the MMI chief executive officer.

No material compliance breaches were reported during the period under review. MMI offers a wide range of financial services and a large number of legislative requirements are applicable when conducting business.

The following proposed and current legislation will have or already has a significant impact on the business of MMI:

Legislation	Management
National health insurance (NHI)	Metropolitan Health is participating in industry discussions on this initiative and is considering its effect on MMI's health business.
Protection of Personal Information Act, 4 of 2013	MMI has convened various internal forums which are ensuring implementation of controls to meet the requirements of the Act.
Solvency Assessment and Management (SAM) regime	MMI participated in the various South African quantitative impact studies. Policies required to meet the interim measures posed by SAM have been identified, drafted and approved by the MMI board. MMI has a programme in place to measure ongoing progress to meet SAM requirements.
Treating Customers Fairly (TCF)	In support of the TCF initiative, MMI has revised its strategy and operating model to underpin its client-centric focus. The group is actively identifying opportunities to align products, services and client requirements.
Financial Services Laws General Amendment Act (Omnibus Act), 45 of 2013	The Act affects all financial institutions supervised by the Financial Services Board (FSB) and the South African Reserve Bank (SARB) and as such affects MMI. The Act aims to ensure that even during the transition to the "Twin Peaks" system, South Africa has a sounder and better regulated financial services industry, which promotes financial stability by strengthening the financial sector regulatory framework and enhancing the supervisory powers of the regulators. MMI was represented on the ASISA working group that gave input into the development of the legislation.
Draft Taxation Laws Amendment Bill, 2014 (DTLAB)	The DTLAB proposes that new risk business written by long-term insurers from 1 January 2016 be taxed on an operating profits basis in the corporate fund instead of in the relevant policyholder funds. MMI has reviewed the proposed legislation and are participating in industry groups who are lobbying to ensure that the proposed changes are equitable.

## BOARD EVALUATION

In line with best practice and King III, MMI carried out an appraisal of the performance of the board, its committees and individual directors during July 2013. The appraisal was undertaken by means of a self-assessment questionnaire and was conducted over a three-week period. There was 100% participation by all the directors. In general, the appraisals revealed that the board and committees were performing well. Areas identified as requiring development were acknowledged and discussed at Nominations Committee and board level. The appraisal process is conducted annually and the next one is currently under way. This will be an external assessment of the board.

## SHARE DEALING AND INSIDER TRADING

The group has developed and adopted a policy on dealings in MMI securities, which was approved at the board meeting held in November 2013. The policy was subsequently amended to include an addendum, which deals with disclosure by members of the Exco and key employees. In essence, the policy imposes closed periods to prohibit dealing in the company's shares before the announcement of interim and year-end financial results as well as in any other period considered price sensitive in accordance with the Listings Requirements of the JSE Ltd. All employees of the group are prohibited from trading in the listed company's shares during closed periods unless clearance to trade has been obtained from the group company secretary under the direction of the chairman of the board. The policy has been widely distributed within MMI to ensure that directors and employees are familiar with its content.

## POLITICAL PARTY SUPPORT

MMI endorses all the principles and institutions that support a free and democratic society. However, it does not favour any political party.

## FINANCIAL REPORTING

The group's annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are supported by reasonable judgements and estimates. The preparation is supervised by the group finance director, Preston Speckmann, BCompt (Hons), CA(SA). The directors are responsible for the financial statements of the group and the company, and are satisfied that they fairly present the financial position, performance and cash flows of the group and the company as at 30 June 2014. The external auditors are responsible for auditing the financial statements (see report on page 76). The embedded value statement is also subject to an independent review.

## SHAREHOLDER COMMUNICATION

The group maintains highly rated standards of shareholder communication that are widely recognised by members of the investment community. Over and above the normal interim and full-year financial disclosure, the group also publishes quarterly financial updates that are distributed to all relevant parties.

## DIRECTORS' INTERESTS

As a director of MMI's strategic empowerment partner, Kagiso Tiso Holdings (Pty) Ltd, Vuyisa Nkonyeni has an interest in the contractual relationship between the two parties.

The following non-executive directors are also directors of RMI Holdings Ltd, a 24.5% shareholder in MMI Holdings Ltd: Leon Crouse, Johan Burger and Khehla Shubane.

## DIRECTORS' INDEPENDENCE

The board has considered the King III recommendations on independence of directors, as well as the provisions of the JSE Listings Requirements on the matter, and the individual status of the directors are recorded on pages 26 and 27.

The company complies with the King Code's recommendation of ensuring that the board comprises a majority of independent non-executive directors. The King Code's nine-year rule, which could possibly affect the independence of non-executive directors is not applicable. This is due to the nature of the group as well as the role and functions of the MMI Holdings board, which was constituted after the merger of Momentum and Metropolitan, that are substantially different from its predecessor. All directors were accordingly appointed to the MMI Holdings board with effect from 1 December 2010 – the effective date of the merger. It should be noted that MMI Holdings Ltd (previously Metropolitan Holdings Ltd) was incorporated on 21 December 2000.

## DIRECTORS' SHAREHOLDINGS

The direct and indirect shareholdings and share dealings of the directors of MMI Holdings Ltd as at 30 June 2014 are set out on pages 52 and 53. Directors have access to the group's shares through the open market.

## DELEGATION OF AUTHORITY

The board has delegated the authority for the management of the group to the MMI group chief executive officer by way of a framework for the delegation of authority. In delegating these powers, the board has imposed certain restrictions, conditions and limits that they believe to be appropriate for the effective exercise of such delegated powers. The chief executive officer has, in turn sub-delegated authority to the divisional chief executive officers and the head of support functions within MMI. The board reviews the delegation of authority regularly, and it is revised as deemed appropriate. The latest revision to the delegation of authority was considered at the board meeting held in June 2014. Despite having delegated power in this manner, it is still the ultimate duty of the board to monitor management's performance.

# CORPORATE GOVERNANCE REPORT *CONTINUED*

## MMI DIRECTORS' MMI SHAREHOLDING

AS AT 30 JUNE 2014

Listed shares	Direct beneficial '000	Indirect beneficial '000	To be delivered '000	Total '000
Nicolaas Kruger	64	315 <sup>1</sup>	— <sup>1</sup>	379
Wilhelm van Zyl*	400			400
Johan Burger	12	942 <sup>1</sup>	— <sup>1</sup>	954
Blignault Gouws*		210		210
Niel Krige		408		408
Syd Muller	8	42		50
Sizwe Nxasana			— <sup>1,2</sup>	—
Khehla Shubane		7		7
Frans Truter	44	433		477
Johan van Reenen		40		40
<b>Total listed shares</b>	<b>528</b>	<b>2 397</b>	<b>—</b>	<b>2 925</b>

Trades in MMI shares 2013/2014	Transaction date	Price	Number of shares	Nature of transaction	Extent of interest
Sizwe Nxasana	2013-11-01	R24.60	1 116 166	Sale	Direct

## MMI DIRECTORS' MMI SHAREHOLDING

AS AT 30 JUNE 2013

Listed shares	Direct beneficial '000	Indirect beneficial '000	To be delivered '000	Total '000
Nicolaas Kruger	64		315 <sup>1</sup>	379
Wilhelm van Zyl	400			400
Johan Burger	12	101	841 <sup>1</sup>	954
Blignault Gouws		210		210
Niel Krige		408		408
Syd Muller	8	42		50
Sizwe Nxasana			1 116 <sup>1,2</sup>	1 116
Khehla Shubane		7		7
Frans Truter	44	433		477
Johan van Reenen		40		40
Morris Mthombeni*	29			29
John Newbury*		75		75
<b>Total listed shares</b>	<b>557</b>	<b>1 316</b>	<b>2 272</b>	<b>4 145</b>

Trades in MMI shares 2012/2013	Transaction date	Price	Number of shares	Nature of transaction	Extent of interest
Johan Burger	2012-09-17	R20.54	100 672	Sale	Direct
Syd Muller	2012-09-21	R20.67	42 043	Purchase	Indirect
Sizwe Nxasana	2012-09-26	R20.89	108 416	Sale	Direct
Frans Truter	2012-10-01	R19.99	12 500	Purchase	Indirect
Blignault Gouws	2013-06-13	R21.26	102 678	Sale	Indirect

\* Resigned as director of MMI Holdings Ltd

<sup>1</sup> Unbundling linked to the FirstRand shares delivered November 2013 in terms of the FirstRand Executive Share Purchase Transaction and as announced on SENS, 7 February 2011

<sup>2</sup> Unbundled MMI shares delivered November 2013 resulting from the increased participation in the FirstRand Executive Share Purchase Transaction and as announced on SENS, 7 February 2011



## MMI DIRECTORS' RMI SHAREHOLDING

AS AT 30 JUNE 2014

Listed shares	Direct beneficial '000	Indirect beneficial '000	Total '000
Nicolaas Kruger			
Wilhelm van Zyl*	8	64	72
Johan Burger		1 184	1 184
Blignault Gouws*		102	102
Jabu Moleketi	6	14	20
JJ Njeke	17		17
Sizwe Nxasana	7		7
Khehla Shubane		6	6
Frans Truter	21	145	166
<b>Total listed shares</b>	<b>59</b>	<b>1 515</b>	<b>1 574</b>

Trades in RMI shares 2013/2014	Transaction date	Price	Number of shares	Nature of transaction	Extent of interest
Nicolaas Kruger	2013-10-23	R27.52	8 127	Sale	Direct
Blignault Gouws*	2013-09-10	R26.65	45 100	Purchase	Indirect
Jabu Moleketi	2013-09-25	R27.70	1 000	Sale	Direct
Jabu Moleketi	2014-03-31	R28.76	1 900	Sale	Direct

## MMI DIRECTORS' RMI SHAREHOLDING

AS AT 30 JUNE 2013

Listed shares	Direct beneficial '000	Indirect beneficial '000	Total '000
Nicolaas Kruger	8		8
Wilhelm van Zyl	8	64	72
Johan Burger		1 184	1 184
Blignault Gouws		57	57
Jabu Moleketi	9	14	23
John Newbury*		37	37
JJ Njeke	17		17
Sizwe Nxasana	7		7
Khehla Shubane		6	6
Frans Truter	21	145	166
<b>Total listed shares</b>	<b>70</b>	<b>1 507</b>	<b>1 577</b>

Trades in RMI shares 2012/2013	Transaction date	Price	Number of shares	Nature of transaction	Extent of interest
Jabu Moleketi	2012-12-18	R21.71	9 260	Purchase	Direct
Frans Truter	2012-09-26	R21.50	5 000	Purchase	Indirect
Blignault Gouws	2013-06-24	R23.19	57 345	Purchase	Indirect

\* Resigned as director of MMI Holdings Ltd

<sup>1</sup> Unbundling linked to the FirstRand shares delivered November 2013 in terms of the FirstRand Executive Share Purchase Transaction and as announced on SENS, 7 February 2011

<sup>2</sup> Unbundled MMI shares delivered November 2013 resulting from the increased participation in the FirstRand Executive Share Purchase Transaction and as announced on SENS, 7 February 2011

# CORPORATE GOVERNANCE REPORT *CONTINUED*

## MEMBERS OF THE MMI HOLDINGS LTD BOARD AND COMMITTEES

AS AT 30 JUNE 2014

Directors	Independent committee members	Audit	Actuarial	Remuneration	Social, Ethics and Transformation	Fair Practices	Risk and Compliance	Balance Sheet Management	Nominations
JJ Njeke (chairperson)									✓*
Johan Burger (deputy chairperson)								✓*	✓
Nicolaas Kruger (group CEO)			✓		✓	✓	✓	✓	
Wilhelm van Zyl** (deputy group CEO)			✓***						
Preston Speckmann (group finance director)							✓	✓	
Ngao Motsei (executive director)									
Leon Crouse								✓	
Fatima Jakoet		✓					✓*		✓
Niel Krige									
Jabu Moleketi					✓				
Syd Muller		✓			✓*				
Vuyisa Nkonyeni							✓		
Sizwe Nxasana				✓*					✓
Khehla Shubane					✓	✓°			
Frans Truter		✓*							✓
Ben van der Ross				✓	✓	✓*			
Johan van Reenen				✓			✓		
Louis von Zeuner°		✓°					✓°	✓°	
	Blignault Gouws		✓			✓			
	Stephen Jurisich		✓*						
	George Marx					✓			
	Jaco van der Walt							✓	
	Marli Venter†		✓†						

- \* Chairperson
- \*\* Resigned 30 June 2014
- \*\*\* Resigned 14 March 2014
- ° Appointed 1 January 2014
- † Appointed 19 June 2014

## ATTENDANCE AT MEETINGS FROM 1 JULY 2013 TO 30 JUNE 2014

Directors	Holdings board	Audit	Actuarial	Remuneration	Social, Ethics and Transformation	Fair Practices	Risk and Compliance	Balance Sheet Management	Nominations
Meetings held	5	5	4	5	3	2	3	3	2
Members	Meetings attended								
JJ Njeke	5*								2*
Johan Burger	5							2*	2
Nicolaas Kruger	5		3		2	2	3	1	
Wilhelm van Zyl**	4**		3***						
Preston Speckmann	5						3	2	
Ngao Motsei	4								
Leon Crouse	5							2	
Fatima Jakoet	5	5					3*		2
Niel Krige	5								
Jabu Moleketi	4				1				
Syd Muller	4	5			3*				
Vuyisa Nkonyeni	3						3		
Sizwe Nxasana	5			5*					2
Khehla Shubane	5				3	0*			
Frans Truter	4	5*							2
Ben van der Ross	5			5	3	2*			
Johan van Reenen	5			5			3		
Louis von Zeuner*	3*	1*					1*	1*	
Blignault Gouws <sup>®</sup>	2		3			1		1	
Mary Vilakazi <sup>^</sup>	2	3	4					2	
Stephen Jurisich <sup>#</sup>			4*						
George Marx <sup>#</sup>						2			
Jaco van der Walt <sup>†</sup>								3	
Marli Venter <sup>#</sup>			1 <sup>†</sup>						

\* Chairperson

\*\* Resigned 30 June 2014

\*\*\* Resigned 14 March 2014

• Appointed 1 January 2014

† Appointed 19 June 2014

# Independent committee members

<sup>®</sup> Blignault Gouws retired on 27 November 2013, as a result of which he resigned as a director on the MMI Holdings Ltd Board, as well as a member on the BSM Committee. He continues to serve on the Actuarial and Fair Practices Committees as an independent member.

<sup>^</sup> Mary Vilakazi resigned as a director on the MMI Holdings Ltd Board, and as a member of the Audit Committee on 27 November 2013.

She continued to serve as an independent member on the Actuarial and BSM Committees until 30 April 2014 and, since being appointed in a MMI Executive capacity, serves as a management member since 1 May 2014.

# CORPORATE GOVERNANCE REPORT *CONTINUED*

## MMI DIVISIONAL AUDIT PANELS AS AT 30 JUNE 2014

Directors	Momentum Retail	Metropolitan Retail	Momentum Investments	Metropolitan International	Metropolitan Health	Momentum Employee Benefits	Momentum Short-term Insurance
Preston Speckmann					✓		
Fatima Jakoet				✓	✓*	✓	
Syd Muller		✓		✓	✓		
Frans Truter	✓*	✓*	✓*	✓*		✓*	✓*
Louis von Zeuner							✓**
Ethel Matenge-Sebesho***			✓				

\* Chairperson

\*\* Appointed 1 January 2014

\*\*\* Independent member

## MMI DIVISIONAL AUDIT PANELS ATTENDANCE AT MEETINGS FROM 1 JULY 2013 TO 30 JUNE 2014

Directors	Momentum Retail	Metropolitan Retail	Momentum Investments	Metropolitan International	Metropolitan Health	Momentum Employee Benefits	Momentum Short-term Insurance
<b>Meetings held</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Members</b>	<b>Meetings attended</b>						
Preston Speckmann					4		
Fatima Jakoet				4	4*	4	
Syd Muller		4		4	4		
Frans Truter	4*	4*	4*	4*		4*	4*
Louis von Zeuner							1**
Mary Vilakazi <sup>Δ</sup>	4	4	3				
Ethel Matenge-Sebesho***			4				

\* Chairperson

\*\* Appointed 1 January 2014

\*\*\* Independent member

<sup>Δ</sup> Mary Vilakazi resigned as a director on the MMI Holdings Ltd Board, and as a member of the Audit Committee on 27 November 2013. She continued to serve as an independent member on the Divisional Audit Panels of Momentum Retail, Metropolitan Retail and Momentum Investments until 30 April 2014, and thereafter as a management member.