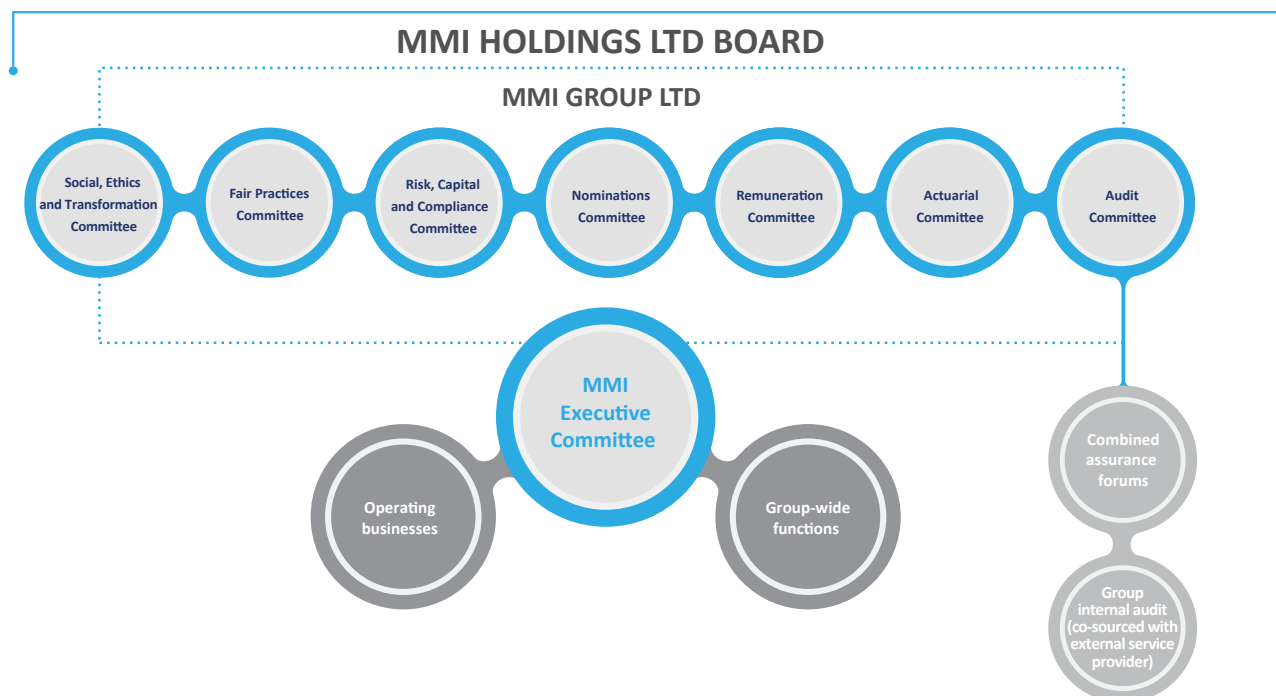


GROUP GOVERNANCE STRUCTURE



Introduction

The MMI board, representing the MMI group of companies, is committed to the highest standards of corporate practice and conduct, as defined in the King IV Report on Corporate Governance™ (hereafter referred to as King IV). The group strives and makes all reasonable endeavours to implement the best processes and principles of good corporate governance to assist its directors in discharging their duties and responsibilities, which includes the delivery of excellent service to all stakeholders.

Appropriate best practice is adopted and monitored in all the countries where MMI operates.

Governance of risk

MMI recognises that clear accountability is fundamental to effective risk management, and makes use of various assurance providers to provide comfort that its key risks, processes and controls are functioning as intended. Combined assurance integrates and coordinates the activities of the assurance providers, whose functions include risk management, compliance, actuarial, internal audit and external audit.

Assessment of King principles

In the past, MMI undertook regular assessments on the application and implementation of King III. Post the coming into effect of King IV during April 2017, MMI conducted and

considered on its application and adherence to the seventeen King IV principles. The outcome of the assessment reveals that MMI's governance processes are well entrenched and that the group applies and complies with all the principles of King IV. MMI will, going forward, make every endeavour to implement the King IV Recommended Practices as far as practically possible for its business.

MMI's report on the application and disclosure of the seventeen King IV principles is available on the MMI website www.mmiholdings.com.

Role of the board

The MMI board is the custodian of the group's corporate governance, it acts in the best interests of MMI and its stakeholders at all times, and it takes ultimate responsibility for MMI and the group of companies (generally). The board is duly mandated in terms of its board charter, which includes details such as the roles and responsibilities of the board, its directors and the composition of the board. The board committees are mandated in terms of their respective terms of reference that set out its purpose, composition and duties. The MMI board charter is reviewed on a regular basis and is in line with best corporate governance principles.

For the board charter and the board committees' terms of reference, refer to the MMI website www.mmiholdings.com.

The MMI board is supported by the board committees depicted in the group governance structure (as shown above). These

committees have delegated responsibility to assist in matters as defined in their respective terms of reference. These committees report to the MMI board on a quarterly basis and also to other relevant boards, committees and forums from time to time as required. The MMI board approves the delegated responsibility and powers, limits and authorities applicable to each board committee.

Composition of the board

The chairman of the board is independent and free from any conflict of interest since appointment. The strategic operational role of the CEO is separate from that of the chairman of the board.

The board of directors consists of an appropriate mix of individuals that ensures an adequate spread and level of

knowledge, skills, expertise, diversity and independence with division of responsibilities and accountability, as outlined in the board charter.

Retirement of director

Mr B van der Ross was appointed as a member of the MMI board of directors of the company with effect from 1 December 2010. In accordance with the Companies Act, 71 of 2008 as amended (Companies Act) and the Memorandum of Incorporation (MOI), Mr van der Ross, having reached the age of 70 (seventy) years, will retire as a director on the MMI board with effect from the date of the annual general meeting (AGM), being 24 November 2017.

Attendance at board meetings from 1 July 2016 to 30 June 2017

	Holdings board
Meetings held	4
Members	Meetings attended
JJ Njeke (chairperson) ¹	4
Louis von Zeuner (deputy chairperson) ²	4
Nicolaas Kruger (group CEO)	4
Mary Vilakazi (group deputy CEO)	4
Peter Cooper	4
Fatima Jakoet	4
Stephen Jurisich ³	4
Niel Krige	4
Jabu Moleketi	2
Syd Muller	4
Vuyisa Nkonyeni	4
Khehla Shubane	4
Frans Truter	4
Ben van der Ross	3
Johan van Reenen	4
Voyt Krzychylkiewicz ⁴	4

¹ Chairperson

² Appointed deputy chairperson on 1 December 2016

³ Appointed on 1 October 2016

⁴ Alternate to Peter Cooper

Corporate governance report (continued)

Members of the MMI Holdings Ltd board and committees as at 30 June 2017

Directors	Independent committee members	Audit	Actuarial	Remuneration	Social, Ethics and Transformation	Fair Practices	Risk, Capital and Compliance	Nominations
JJ Njeke (chairperson)								✓ ¹
Louis von Zeuner (deputy chairperson) ²		✓					✓ ¹	✓
Nicolaas Kruger (group CEO)			✓		✓	✓	✓	
Mary Vilakazi (group deputy CEO)			✓					
Peter Cooper				✓ ¹			✓	✓
Fatima Jakoet		✓					✓	
Stephen Jurisich ³			✓ ¹			✓		
Niel Krige								
Jabu Moleketi				✓	✓			
Syd Muller		✓			✓ ¹			
Vuyisa Nkonyeni							✓	
Khehla Shubane					✓	✓		
Frans Truter		✓ ¹					✓	✓
Ben van der Ross				✓	✓	✓ ¹		
Johan van Reenen				✓			✓	
Voyt Krzychylkiewicz ⁴								
	George Marx					✓		
	Marli Venter		✓					
	David Park		✓					
	Kavi Pather ⁵		✓					

¹ Chairperson

² Appointed deputy chairperson on 1 December 2016

³ Appointed on 1 October 2016

⁴ Alternate to Peter Cooper

⁵ Consultant – appointed on 1 March 2017

Directors' independence

The board has considered the King IV recommendations on the independence of directors, as well as the provisions of the JSE Listings Requirements, and the individual status of the directors are recorded on pages 64 and 65 of this integrated report.

The company applies the governance practice that the board should comprise a majority of non-executive directors, of which a majority are independent.

Appointment and re-election of directors

The Nominations Committee is tasked with the responsibility to consider suitable candidates for appointment as directors on the MMI Holdings board and the election or re-election of directors are duly tabled for shareholder approval. The appointment, rotation, resignation and removal of directors are undertaken in accordance with the company's Memorandum of Incorporation (MOI), the Companies Act and other relevant prescriptions or requirements. The MMI MOI is available on request from the company.

The Nominations Committee also considers the fit and proper status of prospective directors and regularly reviews the fit and proper status of the appointed directors on the board.



Corporate governance report (continued)

BOARD COMMITTEES

Social, Ethics and Transformation Committee

The MMI Social, Ethics and Transformation Committee (SETC) is mandated and authorised by the board of directors to fulfil its monitoring and evaluation roles. In doing this, the SETC monitors the progress of the group in ensuring that the racial imbalances of the past are corrected, and that leadership and talent are encouraged by positive and affirmative policies.

Meetings held in 2016/2017	3
Members	Meetings attended
Syd Muller (chairman)	3
Nicolaas Kruger	2
Jabu Moleketi	3
Khehla Shubane	3
Ben van der Ross	2

Summary of key strategic initiatives in 2017

- Monitoring of MMI's broad-based black economic empowerment (B-BBEE) contributor status, in particular the more stringent targets under skills development, preferential procurement, enterprise and supplier development, as well as the introduction of the Black Industrialists Fund in terms of equity equivalents and ownership top up.
- Monitoring progress towards the achievement of the group's employment equity (EE) plan.
- Monitoring the promotion of gender diversity at the MMI Holdings board level and the MMI voluntary target setting of 21% female representation on the MMI Holdings board.
- Monitoring the impact of the new upcoming Preferential Procurement Policy Framework Act (PPPFA) on MMI.
- Progress of the group's sustainability plans, including the reduction of its carbon footprint.
- Monitoring the impact of corporate social investment (CSI) initiatives in targeted communities and beneficiaries.
- Ensuring that company procedures are ethical and in line with the legislative requirements for risk, compliance and Treating Customers Fairly (TCF).

The SETC has satisfied itself that the management of corruption, commercial crime and unethical employee behaviour is appropriately and effectively dealt with within the group.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

The SETC has confirmed its support of the revised group transformation strategy, and the various initiatives in support of the implementation of the strategy. Progress towards attaining the strategic goals and objectives is monitored on a periodic basis, and the SETC remains confident that the group will achieve its various targets.

At MMI, we consider B-BBEE and transformation as essential in achieving MMI's vision of being the preferred lifetime Financial Wellness partner with a reputation for innovation and trustworthiness. B-BBEE underpins our purpose to enhance Financial Wellness in a country that continues to grapple with inequality, inadequate access to financial services and lack of financial literacy, among other issues. MMI is guided by the Financial Sector Code (FSC) in delivering its B-BBEE and transformation objectives. MMI has maintained a Level 2 contributor status under the current FSC.

Sustainability governance

The head of sustainability reports to the group chief financial officer.

Fair Practices Committee

The Fair Practices Committee (FPC) is mandated by the MMI board to ensure that the fair treatment of clients is embedded as a core corporate value at all levels of the group. The FPC acts as an independent governance forum responsible for overseeing the implementation of, and adherence to, TCF in relation to life licence products, business practices pertaining to linked-investment services provider products, unit trust products, healthcare business, investment business, employee benefits business and all other operations forming part of MMI group. Fair treatment is measured against the fairness outcomes defined by the Financial Services Board (FSB) in their TCF initiative. The FPC also functions as the Discretionary Participation Committee of MMI's life companies, ensuring compliance with and the monitoring of any changes to the principles and practices of financial management (PPFM).

Meetings held in 2016/2017		3
Members		Meetings attended
Ben van der Ross (chairman)		3
Stephen Jurisich		3
Nicolaas Kruger		2
George Marx*		3
Khehla Shubane		3

* Independent committee member.

Summary of key strategic initiatives in 2017

- Monitored the MMI Client Experience Measure Survey.
- Approved the PPFM compliance report for discretionary participation business.
- In light of the FSB's focus on market conduct, the FPC considered alignment such as a change of focus and/or name of the FPC, internal changes required within MMI, changes in certain terminology used in the group to amplify the focus on market conduct, and the move to TCF outcomes.
- Monitored improvement of client satisfaction within MMI.
- Monitored the Momentum Complaints Dashboard.
- Introduction to the MMI Outcomes-based Investment philosophy.
- Assessed Capital Protector Whole Life reviews.
- Assessed updates on the MMI group PPFM reports.
- Formed an Outcomes-based solutions OBS sub-committee for the OBS Transition Programme, with updates presented to the FPC each quarter.
- Reviewed Credit Life pricing after new regulations from a fairness position.
- Reviewed TCF implementation and provided ongoing monitoring of the transition to market conduct, which will include TCF.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Corporate governance report (continued)

Risk, Capital and Compliance Committee

This Committee is responsible for assisting the board in discharging its responsibility for risk, capital and compliance management within the MMI group.

Meetings held in 2016/2017	4
Members	Meetings attended
Louis von Zeuner (chairman)	4
Peter Cooper	4
Fatima Jakoet	4
Nicolaas Kruger	4
Vuyisa Nkonyeni	3
Frans Truter	4
Johan van Reenen	4

Summary of key strategic initiatives in 2017

- Reviewed and challenged the holistic risk profile (shareholder and policyholder risks) across MMI and the supporting risk management processes.
- Oversaw implementation of new risk appetite metrics and the Own Risk and Solvency Assessment (ORSA) process.
- Monitored the key focus areas reported on in the Risk report compared to the Critical Focus Areas included in the report to the MMI board.
- Oversaw IT governance in MMI.
- Approved the revised Stress Testing Framework.
- Monitored mergers and acquisitions transactions.
- Monitored MMI's risk appetite and capital management.
- Reviewed any risks pertaining to dividend sustainability for the foreseeable future.
- Assessed the impact of a sovereign debt downgrade scenario on MMI and the macroeconomic environment.
- Reviewed the financial performance of strategic initiatives and the financial risks attached to the initiatives.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Nominations Committee

This Committee makes recommendations to the board on various issues, such as the appointment of non-executive directors and executive directors, and ensures that appropriate consideration is given to succession planning for key executives, including succession planning for the board and its committees, and the appointment of members to board committees.

Meetings held in 2016/2017	4
Members	Meetings attended
JJ Njeke (chairman)	4
Peter Cooper	3
Frans Truter	4
Louis von Zeuner	4

Summary of key strategic initiatives in 2017

- Reviewed MMI's F2016 management philosophy and practice, together with succession planning at an executive committee (exco) level.
- Reviewed professional indemnity and directors' and officers' liability.
- Oversaw the MMI annual board and committee assessments, including member self-assessments.
- Considered the fit and proper status of responsible persons within MMI, and various governance-related matters.
- Analysed various in-country governance matters.
- Considered changes to the composition of the board and board committees, as well as prospective candidates on the MMI Holdings board. When reviewing and determining the optimal composition of boards, the Committee considers all aspects of diversity including race and gender. The Committee also ensures that the board composition should be appropriately balanced.

- Monitoring the board diversity policy adopted by MMI, which covers both target setting for gender representation on MMI boards, as well as diversity (including 'race' diversity). The voluntary target that has been set for female representation on the MMI board is 21% taking into account legislation such as the JSE Listings Requirements, B-BBEE Act and BEE Charters, on the matter. Voluntary target-setting for race diversity will be reviewed in future.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Remuneration Committee

The Remuneration Committee has an independent role to oversee the remuneration process and consider and approve remuneration-related issues.

Meetings held in 2016/2017		3
Members		Meetings attended
Peter Cooper (chairman)		3
Jabu Moleketi		1
Ben van der Ross		3
Johan van Reenen		3

Summary of key strategic initiatives in 2017

- Ensured that MMI adhered to fair and responsible remuneration across the company, specifically in terms of annual increase and bonus payments.
- In line with good governance principles, introduced Minimum Shareholding Requirements for MMI executive members.
- Based on market research and benchmarks, ongoing oversight of the final stages of implementing pre-vesting forfeiture of short-term and long-term incentives for executives.
- Debated the implications of King IV requirements, with the objective to implement the required changes as soon as practically possible.
- Ongoing benchmarking of non-executive directors' fees to ensure they remain market related.
- Reviewed the MMI Short-term Incentive Scheme Balanced Scorecard for F2017, and the formulation and approval of the F2018 Scorecard.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Please see our remuneration report starting on page 86 for further detail.

Actuarial Committee

The role of the Actuarial Committee is to act as a sounding board to the board and other board committees with regards to independent actuarial and related technical matters, to assist the board in discharging its fiduciary duties to policyholders and shareholders, and to assist the head of the actuarial function in fulfilling his professional and statutory duties.

In order to accomplish the above the committee performs the following functions:

- Provides oversight over the integrity and correctness of actuarial statements and reporting, including the overall methodology and assumptions used to value the assets and liabilities underlying the statutory and published valuation results, and embedded value results.
- Considers the projected valuation results over the business planning period, as part of the Own Risk and Solvency Assessment (ORSA) process.
- Ensures that details of the design features and pricing of new products and product revisions are regularly reviewed.
- Reports and accounts to the MMI Holdings board, at least quarterly.

Meetings held in 2016/2017		4
Members		Meetings attended
Stephen Jurisich (chairman)		4
Nicolaas Kruger		3
Kavi Pather*		1
David Park**		4
Marli Venter**		4
Mary Vilakazi		4

* Consultant.

** Independent committee member.

Corporate governance report (continued)

Summary of key strategic initiatives in 2017

During the year the committee dealt with, inter alia, the following:

- Considered the half-year and annual statutory and published valuation results, and embedded value results.
- Considered the SAM valuation results, as well as the projected balance sheet, risk appetite and economic capital results used in the ORSA process.
- Considered other matters, such as the proposed bonus declarations, Insurance Risk Annual Report and proposed dividend declarations.
- Expressed to the board its satisfaction with the performance of the head of the actuarial function.
- Monitored how the changing regulatory landscape would impact on valuation methodologies.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Audit Committee

The Audit Committee is an independent statutory committee appointed by the shareholders. In addition to its statutory responsibilities, the Audit Committee deals with duties that are delegated to it by the MMI board.

Meetings held in 2016/2017		6
Members		Meetings attended
Frans Truter (chairman)		6
Fatima Jakoet		6
Syd Muller		6
Louis von Zeuner		6

Summary of key strategic initiatives in 2017

- Approved the published MMI Holdings financial results.
- Reviewed and approved quarterly trading updates communicated to the market.
- Reviewed and approved the integrated report.
- Approved the risk-based internal audit plan for the financial year and quarterly internal audit feedback.
- Monitored the internal audit co-source agreement.
- Monitored the activity of the Divisional Combined Assurance Forums and conducted deep dives into some of the business units.
- Approved the external audit plan for the financial year and feedback from external audit at the financial year end meeting.
- Approved external audit fees.
- Reviewed management's assessment of going concern.
- Reviewed the development of the combined assurance model.
- Reviewed the group's internal financial controls (IFC).
- Reviewed the group's IT governance processes, including information security, disaster recovery plans and testing, and data governance.
- Provided recommendations on dividend proposals to the board.
- The Committee satisfied itself with the independence and objectivity of the external auditor and other requirements in terms of section 94(8) of the Companies Act and King IV principles and Recommended Practices.
- Ensured the independence of the internal audit function and that it has the necessary resources, standing and authority within the organisation to enable it to fulfil its duties as per King IV good governance requirements. This included assessing the performance of the chief audit executive and the internal audit function.
- The committee satisfied itself that the group finance director has the appropriate expertise and experience to act in this capacity.
- Oversaw the companies risks which included financial reporting risks, IFC, and fraud and information technology risks relating to financial reporting.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

BOARD EVALUATION

In line with best practice and the King IV recommended practices, MMI conducted a board and board committee evaluation (including a director self-assessment) in April 2017 for MMI Holdings Ltd and MMI Group Ltd. All directors participated in the process and the final evaluation report was tabled at the MMI Nominations Committee and MMI board meetings at the end of June 2017. The overall performance of the board and the individual members confirm an effective and well-performing board.

DELEGATION OF AUTHORITY

The board has delegated the authority for the management of the group to the MMI group chief executive officer (CEO) 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 CEO has, in turn sub-delegated authority to the MMI executive committee members, who are mandated to further sub-delegate to appropriate officials within MMI. The board reviews the delegation of authority regularly, as deemed appropriate and still retains the power monitor management's actions and performance.

ETHICS

Code of conduct

MMI has a code of ethics and standards for conduct for ensuring that the requisite behaviour is aligned with its values. For further details, refer to the group code of ethics on the MMI website www.mmiholdings.com.

The code of ethics and standards for conduct addresses, amongst others, the following areas:

- Commitment to regulatory compliance.
- Prohibiting the giving and receiving of bribes.
- Prohibiting facilitation of payments.
- Dealing with conflicts of interest.
- Anti-money laundering activities.
- Prohibition of anti-competitive practices.

Reporting fraud and unethical behaviour

MMI has a number of business-specific anti-fraud and unethical behaviour reporting structures and processes in place, which includes telecommunication lines and web reporting tools for all employees, customers and authorities in local, and African subsidiaries. These reporting structures adhere to the standards set in relevant legislation and good corporate practices.

Promotion of Access to Information Act, 2 of 2000

MMI Holdings has established a formal process to timeously deal with requests for access to records by third parties within the prescriptions of the Promotion of Access to Information Act (PAIA). MMI's information officer in terms of PAIA is Douw Lotter.

INFORMATION TECHNOLOGY GOVERNANCE

MMI's business is critically dependent on its information systems and information technology (IT). To ensure appropriate governance and risk management of this key business function, the MMI executive established the MMI IT executive committee (IT exco) to oversee all IT governance and the IT strategy to support MMI's strategic objectives. The IT exco further established the MMI IT Architecture Committee to manage the design of MMI's technology deployment. The board is ultimately responsible for IT governance and the implementation of the overall IT strategy.

Key responsibilities of the IT exco include:

- Setting direction for how technology and information should be approached and addressed in MMI by developing an MMI IT philosophy and IT strategy.
- Approving a policy to articulate and give effect to the MMI IT philosophy and IT strategy on employing technology and information.
- Delegating to management the responsibility to implement and execute effective technology and information management.
- Exercising oversight of technology and information management and, in particular, ensuring that it results in:
 - Integration of people, technologies, information and processes across the organisation.
 - Integration of technology and information risks into organisation-wide risk management system.
 - Arrangements to provide for business resilience.
 - Proactive monitoring of intelligence to identify and respond to incidents, including cyber attacks and social media events.
 - Management of the performance of, and the risks pertaining to, third parties and outsourced providers.
 - The assessment of value delivered to MMI through significant investments in technology and information, including the evaluation of projects throughout their life cycles and of significant operational expenditure.
 - The responsible disposal of obsolete technology and information in a way that considers environmental impact and information security.
 - Ethical and responsible use of technology and information.
 - Compliance with relevant laws.

Corporate governance report (continued)

- Exercising oversight of the management of information and, in particular, that it results in:
 - Leveraging of information to sustain and enhance MMI's intellectual capital.
 - An information architecture that supports confidentiality, integrity, and availability of information.
 - Protection of privacy of personal information.
 - Continual monitoring of the security of information.
- Exercising oversight of the management of technology and, in particular, that it results in:
 - A technology architecture that enables the achievement of strategic and operational objectives.
 - Management of risks pertaining to the sourcing of technology.
 - Monitoring and appropriate responses to developments in technology, including the capturing of potential opportunities and the management of disruptive effects on MMI and its business model.
- Considering the need to receive periodic independent assurance on the effectiveness of MMI's technology and information arrangements, including outsourced services.
- Disclosing in relation to technology and information:
 - An overview of the arrangements for governing and managing technology and information.
 - Key areas of focus during the reporting period, including objectives, significant changes in policy, significant acquisitions, and remedial actions taken as a result of major incidents.
 - Actions taken to monitor the effectiveness of technology and information management, and how the outcomes were addressed.
 - Planned areas of future focus.
- Monitoring key corrective actions initiated by management and the IT risk management functions.
- Reporting key IT risk exposure and the effectiveness of the management thereof to the Risk, Capital and Compliance 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 was conducted across the group during the year under review.

The programme is driven and owned by the operating segments, 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 accountable to the board for managing and reporting identified compliance risks.

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

No material compliance breaches were reported during the period under review. MMI offers a wide range of financial services and is therefore subject to numerous legislative requirements when conducting its business.

The chairman of the IT exco is the deputy chief executive Officer, who is also a member of the MMI exco.

MMI has also appointed a chief technology officer (CTO), Mr C Kruger who, together with the deputy CEO, takes ownership of and responsibility for the MMI IT philosophy, strategy and governance. The CTO reports to the deputy CEO. All IT governance issues are reported to the Board Risk, Capital and Compliance Committee through the IT exco.

MANAGING IT RISKS

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

- Ensuring the MMI IT risk management framework is appropriately implemented within all segments, functions, 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 MMI's IT risk exposure and the effectiveness of IT risk management processes are appropriate, including cyber-related risks.

The following is an overview of proposed and current legislation that will have or already has had a significant impact on our business:

LEGISLATION	MANAGEMENT
<p>Financial Sector Regulation Act and Insurance Bill</p>	<p>The Financial Sector Regulation Act 9 of 2017 has been promulgated in August 2017 and is awaiting proclamation. The Act is intended to give effect to the government decision in 2011 to shift to a twin peaks model of financial sector regulation for South Africa.</p> <p>The Financial Sector Regulation Act, 2017 will come into effect on a date determined by the Minister by notice in the Gazette. Different dates may be determined by the Minister in respect of the coming into effect of: (a) different provisions of the Act; (b) different provisions of the Act in respect of different categories of financial institutions; and (c) the repeal or amendment of different provisions of a law repealed or amended by the Act.</p> <p>The National Treasury presented its response to public comments received on the Insurance Bill, to Parliament’s Standing Committee on Finance in May 2017. Key issues addressed in the proposed revisions included the following:</p> <ul style="list-style-type: none"> • Transformation of insurance sector. • Promoting financial inclusion through micro-insurance. • Cost of regulation as a barrier to entry. • Alignment with the Financial Sector Regulation Bill. <p>MMI is participating in industry bodies and the public comments processes.</p>
<p>Financial Intelligence Centre Amendment Act</p>	<p>The Financial Intelligence Centre Amendment Act seeks to amend the Financial Intelligence Centre Act to enhance South Africa’s ability to combat financial crimes by proposing measures to address threats to the stability of South Africa’s financial system posed by money laundering and terrorism financing. The Financial Intelligence Centre Amendment Act was promulgated on 2 May 2017. The Minister of Finance accounced the coming into operation of a number of provisions of the FIC Amendment Act on 15 June 2017. The first set of provisions commenced on 13 June and the second set of provisions will commence on 02 October 2017.</p> <p>MMI has reviewed its anti-money laundering policies and procedures to align with the requirements of the Amendment Act.</p>
<p>IFRS 17</p>	<p>In May 2017, the International Accounting Standards Board (IASB) issued IFRS 17, Insurance Contracts. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. MMI will need to apply the standard for reporting periods from 1 July 2021 onwards. Significant effort and cost will be required to develop appropriate processes, systems and data over the next four years as the standard requires a substantial overhaul of MMI’s profit reporting on its insurance business. We are incorporating IFRS17 requirements in a number of developments planned for the next financial year.</p>

Corporate governance report (continued)

COMPANY SECRETARY

The company secretary has unrestricted access to the chairman of the board and chairpersons of all board committees, including the MMI group CEO, and plays a vital role in ensuring the effectiveness of the board and its committees. The board of directors have satisfied themselves that the company secretary is suitably qualified and competent, in accordance with applicable legislation, to act as the group company secretary. There is an arm's length relationship between the board and the company secretary in that the objectivity and independence of the company secretary is not unduly influenced. The company secretary engages professionally and independently of management and the directors, and does not have executive duties and responsibilities other than those that are core to a company secretary. Further to this, there is no conflict of interests affecting the company secretary's ability to adequately and effectively perform her duties. For the abbreviated CV of the group company secretary, Maliga Chetty, refer to the MMI website www.mmiholdings.com.

PRESCRIBED OFFICERS

King IV and the Companies Act require that the individual remuneration of all prescribed officers should be disclosed. The identified prescribed officers of MMI are Nicolaas Kruger and Mary Vilakazi, whose remuneration is set out on pages 100 and 101.

SHARE DEALING AND INSIDER TRADING

MMI developed and adopted a policy on dealings in MMI securities, which was approved at the board meeting during November 2013. The policy was subsequently amended to include an addendum that deals with disclosure by members of exco and key employees. In essence, the policy provides guidance on trading and restrictions on dealing in the company's listed shares during closed and prohibited periods as per the provisions of the JSE Listings Requirements. The directors and company secretary (including their associates) of MMI and its major subsidiaries may not trade during a prohibited period. 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 above policies have been widely distributed within MMI to ensure that directors and employees are familiar with its content. The board has also approved an Information Policy during June 2015 that deals with the identification, classification and effect of information arising in the ordinary course of business and information not arising in the ordinary course of business with respect to the listed company, and the regulatory and group compliance requirements in respect thereof.

POLITICAL PARTY SUPPORT

MMI endorses all the principles and institutions that support a free and democratic society. However, it does not make donations to or in favour of any political party.

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, and is thus considered as a non-independent director.

The non-executive directors, Peter Cooper and Khehla Shubane, although directors of RMI Holdings Ltd (a 25% shareholder in MMI), are not appointed as shareholder representatives on the MMI board and do not exercise any control or influence on the board, which is no different to that of any other MMI director. Thus, they are considered as independent directors.

Directors' shareholding

The direct and indirect shareholding of the directors of MMI as at 30 June 2017 are set out on the following two pages. Directors have access to the group's shares through the open market.

MMI directors' MMI shareholding

As at 30 June 2017

Listed shares	Direct beneficial '000	Indirect beneficial '000	Total '000
Nicolaas Kruger	64	4 573	4 637
Johan Burger*	12	942	954
Niel Krige	–	408	408
Syd Muller	8	42	50
Khehla Shubane	78	7	85
Frans Truter	44	433	477
Johan van Reenen	–	40	40
Jabu Moleketi	–	112	112
Mary Vilakazi	–	1 703	1 703
Peter Cooper	292	150	442
Stephen Jurisich**	–	–	–
Total listed shares	498	8 410	8 908

* Resigned as director of MMI Holdings Ltd 22 November 2016.

** Appointed as director of MMI Holdings Ltd on 1 October 2016 – 169 shares held in MMI.

Trades in MMI shares F2017	Transaction date	Price	Number of shares	Nature of transaction	Extent of interest
Jabu Moleketi	2016-09-08	R24-17	42 000	Purchase	Indirect

MMI directors' MMI shareholding

As at 30 June 2016

Listed shares	Direct beneficial '000	Indirect beneficial '000	Total '000
Nicolaas Kruger	64	4 573	4 637
Johan Burger*	12	942	954
Niel Krige	–	408	408
Syd Muller	8	42	50
Sizwe Nxasana**	–	60	60
Khehla Shubane	78	7	85
Frans Truter	44	433	477
Johan van Reenen	–	40	40
Jabu Moleketi	–	70	70
Mary Vilakazi	–	1 703	1 703
Peter Cooper	292	150	442
Total listed shares	498	8 428	8 926

* Resigned as director of MMI Holdings Ltd on 22 November 2016

** Retired as director of MMI Holdings Ltd on 30 September 2015

Corporate governance report (continued)

European call options on MMI shares

In terms of a private long-term funding transaction with Rand Merchant Insurance Holdings Ltd, the following executive directors have, in their individual capacities, purchased European Call Options on MMI shares as follows:

European call options on MMI shares	Transaction date	Reference price	Strike price	Number of options	Expiration date
Nicolaas Kruger	2015-12-07	R22-10	R39-78	1 524 769	2020-11-13
Mary Vilakazi	2015-12-07	R22-10	R39-78	609 907	2020-11-13
Nicolaas Kruger	2015-12-10	R21-10	R37-99	2 733 082	2020-11-13
Mary Vilakazi	2015-12-10	R21-10	R37-99	1 093 233	2020-11-13

MMI directors' RMI shareholding

As at 30 June 2017

Listed shares	Direct beneficial '000	Indirect beneficial '000	Total '000
Johan Burger*	–	1 184	1 184
Jabu Moleketi	6	14	20
JJ Njeke	17	–	17
Khehla Shubane	25	10	35
Frans Truter	21	164	185
Peter Cooper	758	3 061	3 819
Stephen Jurisich**	3	–	3
Total listed shares	830	4 433	5 263

* Resigned as director of MMI Holdings Ltd on 22 November 2016

** Appointed as director of MMI Holdings Ltd on 1 October 2016

Trades in RMI shares F2017	Transaction date	Price	Number of shares	Nature of transaction	Extent of interest
Frans Truter	2017-05-31	R40-00	10 000	Purchase	Indirect

MMI directors' RMI shareholding

As at 30 June 2016

Listed shares	Direct beneficial '000	Indirect beneficial '000	Total '000
Johan Burger*	–	1 184	1 184
Jabu Moleketi	6	14	20
JJ Njeke	17	–	17
Sizwe Nxasana**	7	–	7
Khehla Shubane	25	10	35
Frans Truter	21	154	175
Peter Cooper	758	3 061	3 819
Total listed shares	834	4 423	5 257

* Resigned as director of MMI Holdings Ltd on 22 November 2016

** Retired as director of MMI Holdings Ltd on 30 September 2015

All changes in directors' MMI and RMI shareholding between 1 July 2016 and 30 June 2017 were published on SENS as prescribed. No changes in the above shareholding/interest occurred between 30 June 2017 and the date of approval of the annual financial statements.