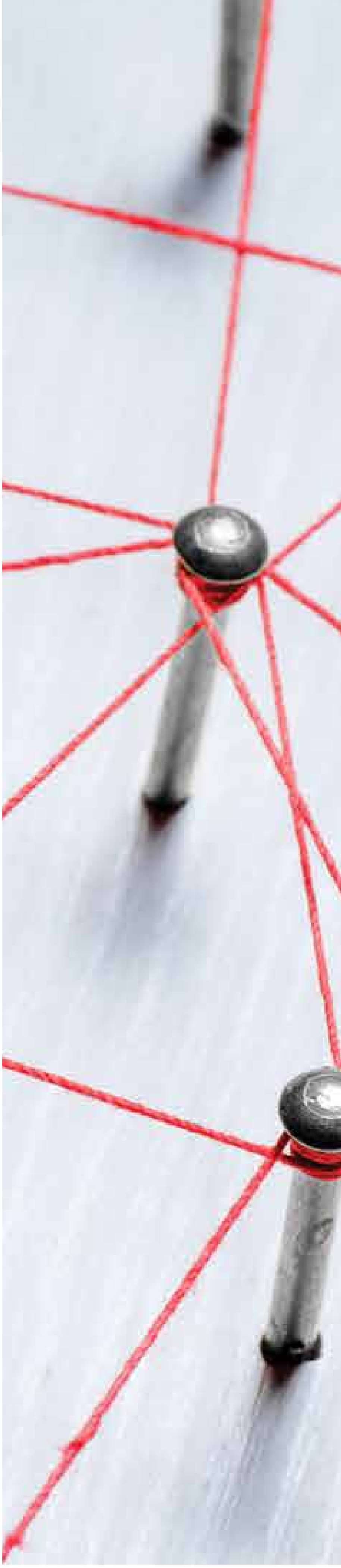

Remuneration report

MMI's remuneration philosophy is to recruit, motivate, reward and retain employees who believe in, and live by, our culture and values.


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Part 1: Background statement

MMI's remuneration report is set out under the following sections:

- **Part 1 –** A Background Statement regarding the group's remuneration philosophy and the governance of remuneration at MMI.
- **Part 2 –** An Overview of MMI's remuneration policy applicable to the coming year.
- **Part 3 –** The Implementation Report which deals with how we have implemented the remuneration policy during the past year.

MMI's remuneration philosophy

MMI'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.

MMI believes 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

MMI'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 is responsible to develop, maintain and oversee the implementation of the remuneration policy, which is then tabled to the Board for approval.

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

The Remuneration Committee had three meetings in 2018, with attendance set out in the table below.

Members	Meetings attended
Peter Cooper (chairman)	3
Jabu Moleketi	2
Frans Truter (appointed 2 March 2018)	2
Ben van der Ross (retired 24 November 2017)	1
Johan van Reenen	3

*The Remuneration Committee's full terms of reference, including its mandate as well as the Remuneration Policy, is available on **www.mmiholdings.com**.*

The Remuneration Committee has access to independent remuneration consultants to advise them on best practices, trends and regulatory changes, that are taken into account in formulating the remuneration policy, which is reviewed on an annual basis.

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

- Ensure that the Company's remuneration framework is aligned to the King IV Report on Corporate Governance (King IV) and best practice.
- Review 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.
- Review 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.
- Review 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.
- Review and approve the annual balanced scorecard of the group, to ensure that the individual Key Performance Indicators 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.
- Consider the proposed average annual increase in the group's guaranteed remuneration, ensuring that this reflects the relevant economic trends and group affordability constraints. Ensure that the minimum guaranteed salary is aligned to market benchmarks.

- Consider and approve the short- and long-term incentives schemes in operation in the group in support of the achievement of the group's strategic objectives. Ensure 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.
- Oversee the process of ensuring that unjustified differences in income at all levels in the organisation are addressed.
- Review the remuneration of non-executive directors to ensure it is market related, and recommend the remuneration of non-executive directors to the Board for approval at the AGM.

The impact of business performance on remuneration

The disappointing results of the group for the last two years made it particularly challenging for the Remco to balance the retention of key resources in the business, with the need to align to the outcome for shareholders. The destabilising effect of senior executive changes, and a strategic reset for the business, were additional factors that the Remco took into account.

The key financial metrics in MMI's balanced scorecard, which represent 65% of the overall scorecard KPI's, are core headline earnings, the value of new business and the return on embedded value. Below is a summary of the performance for the year in each of these metrics:

- MMI's diluted core headline earnings of R2 809m represent a decline of 12% year-on year. This was despite strong improvements in Momentum Corporate's group underwriting results, strong mortality and disability results across the group, as well as improved International results for remaining core operations. These positive factors were more than offset by increased investment in client engagement activities and specific technology investments to improve intermediary and client experience, the impact of a reinsurance correction and a reinsurance loss, including an allowance for higher future reinsurance premiums on Momentum Retail risk products, lower profits from the Momentum Retail legacy life products and weaker early duration lapse experience in Metropolitan Retail.
- The overall value of new business was disappointing and declined to R301m. This resulted in new business margins declining from 1.3% to 0.7% of premiums. Although overall sales volumes remained flat over the period, the margins were driven down by expenses increasing at a faster rate, significant assumption changes which partly resulted from the more realistic treatment of expenses that were previously classified as unallocated, and re-pricing of some products.
- Group embedded value declined to R39.6bn – June 2017 EV was R42.5bn. This equates to EV per share of R25.43 at 30 June 2018. The return on embedded value (ROEV) for the year was -1.1% with the ROEV on covered business (life insurance operations) increasing by 7.3% during the period.

Based on the above financial metrics, the overall MMI balanced scorecard resulted in a rating of 1.9 on a 5-point scale, with a 3-rating being on-target. This below-threshold performance resulted in the Remco deciding to allocate a discretionary variable remuneration pool (comprising both STI and LTI benefits) at a level 12% lower than the 2017 pool. It is also important to note that, as a result of the low ROEV for 2017 and 2018, the performance conditions on the long-term incentive plan were not met for the October 2018 and April 2019 vesting tranche, resulting in all performance units being forfeited. It is also highly unlikely that the performance conditions for the unvested tranches that will vest in 2019 and 2020, will be met.

In response to this challenging business environment, the Remco took the following actions:

- A decision was made to significantly reduce the participation in the long term incentive scheme going forward, to ensure that only senior executives that have a material impact on the group's performance, be included. A decision was also made to introduce a share appreciation rights scheme which is fully performance-based, to incentivise the senior executive management.
- The threshold for the deferral of short-term incentives was lowered to ensure the retention of staff.
- An average salary increase of 5.5% was approved, with the average increase for staff with a guaranteed package below R150 000 increasing by 6.5%. The average increase for Group Exco members was 4.7%.

Matters considered by the Remuneration Committee in 2018.

- Ongoing discussions around the implementation of changes to the remuneration policy and remuneration disclosure in terms of King IV.
- Benchmarked the executive management compensation to comparator groups.
- Benchmarked the non-executive directors' fees with the relevant survey data.

- Engaged with dissenting shareholders regarding the reasons for the more than 25% vote against the group's remuneration policy at the AGM that took place on 24 November 2017 (see page 103 for the actions taken by the Remuneration Committee to address the concerns raised by shareholders).
- Agreed the terms of the mutual separation arrangement with the previous Group CEO.
- Finalised the appointment of the group's new CEO, as well as the appointment of a Deputy CEO and three other Executive Committee positions, two of which were external and an internal promotion.
- Reviewed the benchmarks for short and long-term incentives and concluded that whilst the overall on-target variable incentives aligned with the market, MMI's long- and short-term incentive schemes have been updated as set out in Part 2 (Overview of MMI's Remuneration Policy).
- Reviewed the short-term incentive scheme balanced scorecard for 2018, and the formulation and approval of the 2019 Scorecard.
- Reviewed the calculation of the performance criteria related to the vesting of performance units in the long-term incentive scheme in October 2018 and April 2019.
- Considered and approved revised rules for the short- and long-term incentives schemes (refer further details provided in Part 2 (Overview of MMI's Remuneration Policy)).

Achievement of stated objectives of the remuneration policy

The Remuneration Committee is committed to ensure 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

Given the significant changes in executive management over the past year, and the recent changes in the variable remuneration structure, the Remuneration Committee will be focusing on the following areas:

- The review and approval of the performance criteria applicable to the Share Appreciation Rights scheme to be implemented in the new financial year, to ensure appropriate alignment with shareholder interests.
- In the light of the fact that, for the past two years, an advisory vote against the remuneration policy of more than 25% was received, we will be engaging directly with shareholders regarding the current year remuneration policy vote, prior to the Annual General Meeting to be held in November 2018.
- Review the performance measures applicable to executive management, to ensure that the performance outcomes for executives fairly reflect the financial outcome for shareholders.

Shareholder voting

At MMI's 24 November 2017 AGM, the remuneration policy received a 68% advisory vote from our shareholders. We have solicited feedback from shareholders (and proxy voting advisers) regarding their concerns. Set out on the next page are the MMI responses to the shareholder concerns.

Shareholder concern raised	Feedback and actions
Additional large loss-of-office payment to an exiting executive director	The employment contracts for members of executive management do not commit the company to make service payments in the event of termination of employment on account of their failures. Upon termination of employment, the company will make payments as required in terms of legislation, and the consequences of unvested short-term and long-term incentives will be governed by the rules of the incentive plans and the basis for termination of employment. The Remuneration Committee however has the discretion to negotiate mutual separation agreements. Certain contractual payments were made to the previous CEO who left the group in February 2018, in terms of a mutual separation agreement. The details of this are set out in the Implementation Report.
The use of retention shares in the long-term incentive scheme is not in line with best practice.	The Remuneration Committee decided to change the long-term incentive plan going forward. A new Share Appreciation Rights scheme has been introduced in terms of which all awards are subject to explicit performance conditions, with participation limited to executives and senior managers.
The use of a threshold vesting level for long-term incentives is not considered appropriate – there should be no vesting below the target.	The new Share Appreciation Rights scheme, where performance is measured against two financial targets and a competitor total shareholder return index, does not provide for vesting below the target.
A three-year term for long-term incentives is considered too short.	In response to shareholders concerns and to ensure our incentives remain competitive, we have extended the term of the new Share Appreciation Rights scheme. This scheme is subject to a three-year vesting period, with a holding period of a further two years. Performance is measured over a three year period with settlement taking place in equal tranches after three, four and five years.
Additional performance measures should be introduced for the long-term incentive scheme, in addition to the ROEV.	The new Share Appreciation Rights scheme vesting is subject to two financial performance conditions as well as MMI's total shareholder return relative to a competitor index. These performance conditions are independent of one another and will each determine one third of the vesting.
Insufficient details regarding non-financial performance measures in the balanced scorecard.	Further details have been included regarding the non-financial performance measures for 2019 in Part 2 (Overview of MMI's Remuneration Policy), with the outcome for 2018 being reported on in Part 3 (Implementation Report).

Part 2: Overview of MMI's remuneration policy

The remuneration policy is based on the following fundamental principles:

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 conflict 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

MMI'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 is made up of total guaranteed pay (TGP), short-term incentives (STI) and long-term incentives (LTI), forms the basis of the overall remuneration applicable to all employees as follows:

Remuneration element	Purpose	Practical implementation
Total Guaranteed Pay (TGP) – Cash Salary plus benefits.	To provide the core guaranteed element of remuneration for the role.	TGP's are benchmarked against the financial services market, targeting the 50th percentile.
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.	STI's 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, STI's are deferred to enhance retention and improve shareholder alignment.
Long-term incentives (LTI).	To incentivise executive and senior management to achieve performance targets that align with shareholder interests.	LTI's are discretionary, and are awarded based on a percentage of TGP required to meet a targeted portfolio size. LTI's are subject to performance criteria that are approved by the Remuneration Committee.

Total guaranteed pay

All employees, including executive directors, managing executives, heads of control functions and other employees who may have a material impact on the risk exposure of MMI, receive TGP irrespective of company performance.

The key objective is to provide the base element of remuneration that reflects the person's position at MMI and is payable for doing the job expected of them. TGP is paid monthly on a cost to company basis, and remuneration levels are generally targeted at the median or 50th percentile level.

TGP is normally benchmarked against the financial services market, and is set at a level that is competitive to the market and aligns with expected operational performance. The benchmarking peer group is selected based on size and sector, and is considered appropriate to MMI's business.

Fair and responsible remuneration

MMI 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 skilled 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 R120 500 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 5.1% and that for the rest of the organisation was 5.5%.
- 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.
- Ensuring that pay is differentiated according to performance of both the company and the individual, with short-term incentives based on the outcome of the annual balanced scorecard, and the vesting of long-term incentives based on performance relative to predetermined performance criteria.
- 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, including tied agents that are paid on a commission basis.

The details of the performance targets of the group's STI scheme for 2019 are set out below:

KPI	Weighting	2019 target
Normalised headline earnings	30%	R2 950m
Return on embedded value	15%	13%
Value of new business	15%	R385m
Strategic objectives: • **Client net promoter score.** • **Momentum distribution footprint growth.** • **Metropolitan agent productivity.** • **Exit loss-making operations in Africa.** • **Increase in engaged Multiply membership.** • **Success of India and African Bank JV's.**	40%	

The table on the previous page relates to group objectives. 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 Group CEO. 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 STI pool. The performance of each business unit against its scorecard determines how the aggregate STI pool gets distributed.

The financial KPI's represent the key financial metrics that drive value generation, whilst the strategic objective KPI's represent the key non-financial deliverables against which executive management are measured.

Details regarding the actual performance of MMI in terms of the 2018 balanced scorecard are set out in Part 3 (Implementation Report) on page 113.

Vesting level

The group's overall STI pool is based on an on-target percentage of core headline earnings in terms of the group scorecard. 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) is equal to 200% of TGP.

Deferral of STI

For STI's above a minimum threshold, 50% of the STI is paid in cash and the other 50% is deferred in the form of LTI benefits. The following STI deferral policy applies:

Quantum of STI	Deferral terms
Below R100 000	No deferral and bonus is paid in cash.
Above R100 000	The first R100 000, plus 50% of the amount above R100 000 is paid in cash, with the remainder being deferred in three equal tranches, vesting after one, two and three years.

Even though STI's are awarded for past performance, the above deferral mechanism assists with the retention of key talent and scarce resources, whilst also providing exposure to share price growth. This also allows the Remuneration Committee the right to invoke the pre-vesting forfeiture of STI's should the performance of the group, division or individual deteriorate significantly prior to vesting (for further details regarding the other circumstances in which pre-vesting forfeiture can be invoked, please see the pre-vesting forfeiture section below).

Long-term incentives

The group currently operates the following LTI schemes:

- The MMI Outperformance Plan (OPP).
- The MMI Long-term Incentive Plan (LTIP).
- The MMI Share Appreciation Rights scheme (SAR).

All the above schemes are cash settled phantom share plans with vesting periods ranging from 3 to 5 years. In addition, where dividends are paid these are reinvested as additional units that vest in line with the vesting date of the cash settled units to which they relate.

OPP

The OPP was a once-off allocation in October 2014, of which 60% will vest in October 2018, and the remaining 40% will vest on October 2019. Full vesting (100%) will only take place should the annualised group ROEV exceed nominal GDP growth + 6% over the four- and five- year performance periods, ending June 2018 and June 2019 respectively. The annualised group ROEV from inception to the end of June 2018 is 6.8%, which is below the GDP + 6% hurdle rate, therefore the first 60% of the OPP will be forfeited in October 2018. Details regarding this unvested once-off LTIP award attributed to executive directors are disclosed in the LTI table in Part 3 (Implementation Report) on page 116.

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 MMI 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 is limited to only the deferral of STI payments above a threshold, as set out in the STI section above, and any sign-on LTIP allocations to replace the current share scheme benefits at a previous employer. Prior year allocations from the LTIP will run off in accordance with the vesting dates of the remaining tranches. As explained under the STI section above, the LTIP units relating to STI deferrals will vest in equal tranches over a one, two and three year period. As performance was taken into account when making the award, no further prospective performance conditions will apply to the deferred STI units.

The existing annual LTIP allocations to Executive Committee members range from 180% of TGP annually to the CEO, to between 100% and 150% of TGP for the other Exco members.

The performance conditions for the existing performance units allocated out of the LTIP, along with the vesting profile, are set out below:

Threshold	Target	Stretch
Annualised ROEV over the performance period (normally 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 (normally three years) to meet/exceed the risk free rate + 3%.	Annualised ROEV over the performance period (normally three years) to meet/exceed the risk free rate + 6%.

Details regarding the LTIP performance vesting outcomes for the tranche vesting in October 2018, are set out in Part 3 (Implementation Report) on page 114.

SAR

The SAR scheme is a new performance-based cash settled scheme to be implemented in October 2018, in terms of which a small group of executives and senior managers are allocated Share Appreciation Rights that reference their value to the growth in the MMI share price over the vesting period. Performance is measured over three years to determine the vesting percentage, with settlement taking place in three equal tranches after three, four and five years. The following performance conditions have been introduced for this scheme, with each determining one third of the vesting:

- An annualised ROEV over the performance period to meet or exceed the 10-year zero-coupon RSA bond yield (defined as risk free rate) + 3% – 33% weighting.
- A Total Shareholder Return (TSR), comprising the share price growth plus dividends reinvested, over the performance period, to meet or exceed the growth in an index of MMI's main listed insurance sector competitors over the performance period – 33% weighting.
- Normalised Headline Earnings growth over the performance period to meet or exceed 11% growth per annum – 33% weighting.

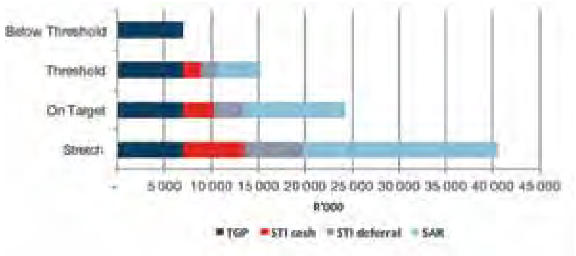
Executive director pay mix

On an executive management level, the graphs on the next page shows the pay mix for the CEO, Deputy CEO and the FD respectively, at threshold, 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. The objective is to achieve a balanced pay mix appropriate for the job, level and performance of each executive.

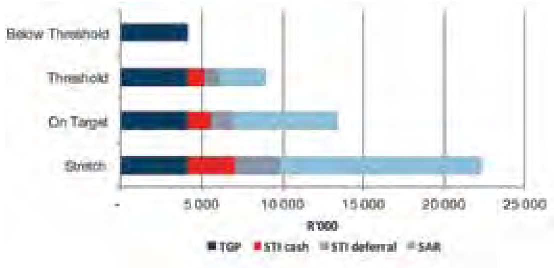
The SAR figures in the graphs on the next page have been based on the new SAR scheme to be awarded in October 2018. The SAR values at the various levels of performance have been determined as follows:

- Below threshold – none of the three performance conditions of the new SAR scheme are achieved.
- Threshold – only one of the three performance conditions is achieved resulting in 33% vesting, along with share price growth equal to the risk free rate plus 1.5% per annum until the performance measurement date in October 2021.
- Target – all three performance conditions are achieved, along with share price growth equal to the risk free rate plus 3.0% per annum until the performance measurement date in October 2021.
- Stretch – all three performance conditions are achieved, along with share price growth equal to the risk free rate plus 6.0% per annum until the performance measurement date in October 2021.

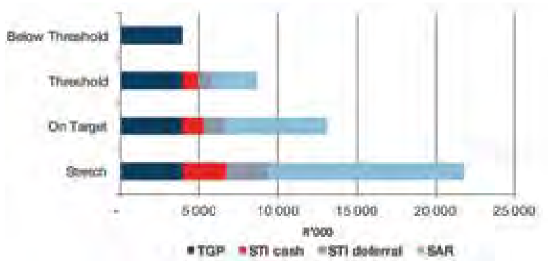
Chief Executive Officer – Hillie Meyer



Deputy CEO – Jeanette Cilliers (Marais)



Finance Director – Risto Ketola



The group has a pre-vesting forfeiture (malus) policy that applies to all unvested and deferred STIs and LTIs, i.e. unvested incentives. The Remuneration Committee may, at any time on or before the vesting date for unvested incentives, reduce the quantum of the cash 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 MMI or, where the employee is employed by a subsidiary of MMI, the audited accounts of that subsidiary.
- In the case of incentives that are subject to the achievement of prospective performance objectives, the assessment of any performance metric or condition in respect of an incentive that was based on error, or inaccurate or misleading information.
- The discovery that any information used to determine the quantum of cash incentives, or the number of shares 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 MMI or, where the employee is employed by a subsidiary of MMI, that subsidiary, by a regulatory authority. This includes events or behaviour that have had a significant detrimental impact on the reputation of MMI e.g. a material risk management failure or, where the employee is employed by a subsidiary of MMI, that subsidiary, provided the Board is satisfied that the relevant employee was responsible for the censure or reputational damage, and that the censure or reputational damage is attributable to him or her.

The list of trigger events is not exhaustive and the decision to reduce the quantum of unvested incentives ultimately resides with the Remuneration Committee.

The consequence of pre-vesting forfeiture is that any remaining (deferred) STI tranches or unvested LTI's will be forfeited when a trigger event can be attributed to the actions of a specific individual.

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, LTIPs or SARs to new members of executive management and key employees. The LTIP or sign-on awards are ordinarily subject to a three to five-year vesting period. The LTIP or SAR 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 SAR and LTIP. 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 CEO 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. There are currently no restraint of trade agreements in place.

Payments on termination of employment

The employment contracts for members of 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 LTIs 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, i.e. deferred STI, and LTIs, 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, if applicable, and the time of employment from award date to termination of service date.

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

	Reasons for Termination			
	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 STI units.	All unvested deferred STI 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.
LTIP	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 cash 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 LTIP, OPP and SAR vesting benefit to buy MMI 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 5 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 MMI, are paid an annual retainer fee. They do not receive additional fees per meeting. Also, they do not receive performance incentive payments (STI or LTI), 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 MMI Holdings 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 statement (Non-binding advisory vote on the remuneration policy)

This remuneration policy is subject to an advisory vote by shareholders at the 26 November annual general meeting.

Shareholders are requested to cast a non-binding advisory vote on Part 2 of this remuneration report, as it appears above. The company will engage with the dissenting shareholders should the votes against the remuneration policy exceed 25%.

Part 3 – Implementation report

Changes to executive directors on the Board

During the current year the following changes in executive directors took place:

- On 15 February 2018, Nicolaas Kruger stepped down from the Board and as CEO as part of a mutual separation arrangement.
- On 15 February 2018, Hillie Meyer was appointed to the Board as CEO on a three-and-a half-year contract that includes standard period provisions. In terms of this contract, he will earn a guaranteed package to be reviewed annually, and he will participate annually in the group's STI scheme. His long-term incentive is represented by LTIP performance units allocated shortly after the commencement of his contract, and a SAR to be allocated on 1 October 2018, both with a vesting period ending on 1 October 2021. The group's standard performance conditions in terms of all LTIP and SAR units will apply, with a measurement period from 1 July 2018 to 30 June 2021. Whilst vesting of the LTIP and SAR will take place on 1 October 2021, settlement of the LTIP and SAR (if any) will take place in three equal tranches on 1 October 2021, 1 October 2022 and 1 October 2023, with the settlement value being determined based on the MMI share price at each settlement date.
- On 1 March 2018, Jeanette Cilliers (Marais) was appointed to the Board and as Deputy CEO.
- On 31 March 2018, Mary Vilakazi resigned from the Board and as Deputy CEO.
- On 16 January 2018, Risto Ketola was appointed to the Board as Finance Director.

Executive directors – single figure 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 MMI.

Remuneration earned by the executive directors in accordance with the single figure remuneration disclosure guidance set out in King IV, is set out below:

	Months as executive director		Salary		Company contributions		Subtotal: Total guaranteed package		Short-term incentives[6]		Retention payments[6]		Value of long-term incentives[7]		Contractual payments		Total remuneration	
			R'000		R'000		R'000		R'000		R'000		R'000		R'000		R'000	
	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17
Hillie Meyer[1]	5	-	2 865	-	-	-	2 865	-	2 000	-	-	-	-	-	-	-	4 865	-
Nicolaas Kruger[2]	8	12	3 981	5 723	562	832	4 543	6 555	-	-	3 500	-	2 793	9 520	9 292	-	20 128	16 076
Jeanette Cilliers (Marais)[3]	4	-	1 235	-	99	-	1 334	-	1 250	-	-	-	-	-	7 500	-	10 084	-
Mary Vilakazi[4]	9	12	2 963	3 174	578	691	3 541	3 865	-	-	-	-	-	4 477	-	-	3 541	8 342
Risto Ketola[5]	6	-	1 627	-	202	-	1 829	-	3 750	-	-	-	1 101	-	-	-	6 680	-
			12 671	**8 897**	**1 441**	**1 523**	**14 112**	**10 420**	**7 000**	**-**	**3 500**	**-**	**3 894**	**13 997**	**16 792**	**-**	**45 298**	**24 418**

[1] Appointed as executive director and Group CEO on a fixed term contract commencing on 15 February 2018 and ending on 31 October 2021, that includes standard notice period provisions.
[2] Stepped down as executive director and Group CEO on 15 February 2018. The contractual payment relates to an exit payment made in February 2018, as well as his monthly salary which he will receive until December 2018, in terms of a mutual separation agreement. In addition he will receive any LTIP vesting entitlements until 31 December 2018. LTIP benefits vesting beyond this date will be forfeited.
[3] Appointed on 1 March 2018 as executive director and deputy CEO. The contractual payment relates to a sign-on award subject to a claw back should she resign from the employ of the group within the next two years.
[4] Resigned on 31 March 2018 as executive director and deputy CEO, and consequently forfeited all long-term incentives. The clawback of the retention payment made in September 2017 (R4m), in terms of the retention agreement, has been enforced and has been offset against the retention payment made.
[5] Appointed as executive director and Group Finance Director on 16 January 2018.
[6] No STI payments were made to executive directors related to 2017. A retention payment was made in 2018 subject to clawback upon resignation up to 25 September 2018. The 2018 short-term incentives were approved by the Remuneration Committee in August 2018, and are subject to deferral into the LTIP as set out in Part 2 (Overview of MMI's remuneration policy) on page 106.
[7] The LTIP and OPP calculation basis is:
2017:
- *For LTIP performance units - the value is based on the value of the number of October 2014 performance units vesting in October 2017, on the basis of performance conditions measured on 30 June 2017. In terms of these LTIP performance conditions the vesting percentage is 88%.*
- *For OPP performance units - as there are no performance units vesting in the coming financial year, the value placed on these is Nil.*
- *For LTIP retention units - the value is based on the number of retention units awarded during the 2017 year at the share price on award date being R22.92 per share.*
- *The year-end closing share price used for the determination of the value of performance units was R20.24 per share.*

2018:
- *For LTIP performance units - the value is based on 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 will vest.*
- *For OPP performance units - the value is based on 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 will vest.*
- *For LTIP retention units - the value is based on the number of retention units awarded during the 2018 year at the share price on award date being R18.42 per share.*

- *The year-end closing share price used for the determination of the value of performance units was R17.67 per share.*

[8] The total guaranteed package in the table on the previous page represents cash payments made during the financial years ending 30 June, whereas the remuneration set out in the TGP table below represent amounts granted as part of the annual remuneration review on 1 September annually. As a result these amounts will not agree.

COMPANIES ACT DISCLOSURE: EXECUTIVE DIRECTORS

	Salary		Company contributions		Subtotal : total guaranteed package		Short-term incentives		Retention payments		Long-term incentive payments		Contractual payments		Total remuneration	
	R'000		R'000		R'000		R'000		R'000		R'000		R'000		R'000	
	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17
Hillie Meyer	2 865	-	-	-	2 865	-	-	-	-	-	-	-	-	-	2 865	-
Nicolaas Kruger	3 981	5 723	562	832	4 543	6 555	-	3 148	3 500	-	10 616	12 192	9 292	-	27 951	21 895
Jeanette Cilliers (Marais)	1 235	-	99	-	1 334	-	-	-	-	-	-	-	7 500	-	8 834	-
Mary Vilakazi	2 963	3 174	578	691	3 541	3 865	-	1 990	-	-	4 391	4 343	-	-	7 932	10 198
Risto Ketola	1 627	-	202	-	1 829	-	-	-	-	-	-	-	-	-	1 829	-
Preston Speckmann	-	-	-	-	-	-	-	-	-	-	-	-	-	10 914	-	10 914
Executive Directors	**12 671**	**8 897**	**1 441**	**1 523**	**14 112**	**10 420**	**-**	**5 138**	**3 500**	**-**	**15 007**	**16 535**	**16 792**	**10 914**	**49 411**	**43 007**

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

Termination of employment payments

As set out in the single figure remuneration table above, Nicolaas Kruger stepped down as executive director and CEO on 15 February 2018. The terms of the mutual separation resulted in the following payments being made:

- He will continue to receive his monthly salary during a garden leave period ending on 31 December 2018. During this period he may not consult and/or sit on the Board of any entity that competes directly or indirectly with MMI, without the consent of the Chairman of the Board of MMI.
- He will continue to receive any vested amounts in terms of the rules of the LTIP and OPP schemes until 31 December 2018, whereafter any unvested units shall be forfeited. Given that the LTIP performance units will not vest in October 2018, he will only receive vested retention units with a value at 30 June 2018 of R2.1m.
- An exit payment of R7m was paid in lieu of all forfeited future LTIP retention units.

Total guaranteed package – executive directors

The total guaranteed packages (TGP) of the executive directors are set out in the table below, and are effective on 1 September annually.

	TGP			
	1 Sept 2018	31 Aug 2018	Actual % increase	Annualised % increase
Hillie Meyer	7 075	6 875	2.9%	5.0%
Jeanette Cilliers (Marais)	4 100	4 000	2.5%	5.0%
Risto Ketola	3 900	3 700	5.4%	5.4%

Due to the fact that the CEO and Deputy CEO were appointed during the year, their TGP increase percentages have been annualised based on the period from appointment to the 1 September 2018 increase date. The overall average percentage increase for executive directors, based on the annualised percentage, is 5.1%, whilst the average increase for all MMI staff was 5.5%.

Performance outcomes for 2018

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. Set out on the next page 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 MMI'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 2018. The overall rating is a 1.9 score (on a 5-point scale, with a 3-rating being on target).

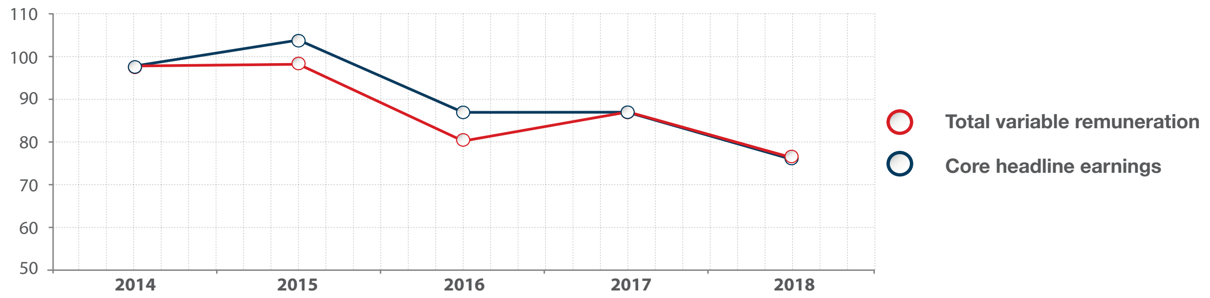
Key performance indicator	Weighting	2018 target	Actual	Rating achieved
Core headline earnings	25%	R3 050m	R2 809m	2.3
Value of new business	20%	R675m	R301m	0.5
Return on embedded value (excluding investment variances)	20%	13.25%	(1)%	0
Strategic objectives				
Distribution • Momentum footprint growth. • Metropolitan average productivity per agent. • Metropolitan African Bank insurance JV targets.	10%	Board assessment	Partially achieved	2.6
Client engagement • Momentum – Multiply membership and engagement levels. • Momentum – Digital solutions for clients and engagement. • Corporate – Multiply membership and engagement.	5%	Board assessment	Partially achieved	2.6
Product, services and optimisation • Metropolitan – client value proposition (delivery plans). • Optimisation, including exits from loss-making entities (Africa, UK and elsewhere).	10%	Board assessment	Partially achieved	2.6
Transformation	10%	B-BBEE scorecard	Level 3 contributor	3.3

The total variable remuneration pool is determined with reference to the group's scorecard. Due to the group not meeting the threshold performance level for the year, the Remco agreed to approve a discretionary pool that is 12% lower than the prior year variable pool. In approving the discretionary variable pool the Remco took the following into account:

- The need to retain key resources in the business to support the turnaround in the group's performance over the next few years. This is especially important in the light of the significant changes in executive management during this year.
- The need to reward businesses and individuals that have met or exceeded their performance targets.
- The fact that the LTIP performance units vesting in October 2018 will be forfeited, and the strong likelihood that the LTIP performance units vesting in October 2019 and 2020 will also be forfeited.

The graph on the next page illustrates the decline in the variable remuneration pool since 2014, in line with the decline in core headline earnings over the same period (indexed to 100 in 2014):

Earnings relative to variable remuneration pool



The increase in the variable remuneration pool in 2017 related to an additional allocation of LTIP units, a large portion of which is not expected to vest in 2020 due to the low ROEV in 2018.

Short-term incentives awarded in cash and deferred – executive directors

Set out below are the short-term incentives awarded to executive directors for the 2018 financial year, payable in the 2019 financial year, subject to the short-term incentive deferral rules as referred to in Part 2 of the remuneration report.

	Approved STI	Annualised % of TGP	Settled as follows	
	2018	**2018**	**Cash**	**Deferred into LTIP**
Hillie Meyer	2 000	63%	1 050	950
Jeanette Cilliers (Marais)	1 250	91%	675	575
Risto Ketola	3 750	96%	1 925	1 825

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

Long-term incentive vesting and anticipated vesting of outstanding awards.

LTIP

The performance unit component of the LTIP allocations are subject to an ROEV target that is set at the allocation date. Executive directors have a minimum exposure to performance units for 80% of their total LTIP allocation. The following table summarises the actual performance to date for all outstanding LTIP tranches:

LTIP tranche	Performance target	Actual ROEV[1]
Notional shares issued in 2015 and vesting in 2018 - Annualised performance for the 36 months – 1 July 2015 to 30 June 2018	9.1%	5.8%
Notional shares issued in 2016 and vesting in 2019 - Annualised performance for the 24 months – 1 July 2016 to 30 June 2018	9.3%	2.4%
Notional shares issued in 2017 and vesting in 2020 - Annualised performance for the 12 months – 1 July 2017 to 30 June 2018	9.4%	(1.1)%

[1] *Average annualised percentages, measured since inception of each tranche up to 30 June 2018.*

As a result of the above, the LTIP performance units vesting in October 2018 will be forfeited.

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, however the ex-CEO Nicolaas Kruger did participate in this scheme, as did the ex-Deputy CEO Mary Vilakazi. The following table summarises the actual performance to date for this scheme:

OPP tranche	Performance target	Actual ROEV[1]
Units issued in 2014 and vesting in 2018 (60%) - Annualised performance for the 48 months – 1 July 2014 to 30 June 2018	12.2%	6.8%
Units issued in 2014 and vesting in 2019 (40%) - Annualised performance for the 48 months – 1 July 2014 to 30 June 2018	12.2%	6.8%

As a result of the above, the OPP units vesting in October 2018 will be forfeited.

Long-term incentives – executive directors

The table on the next page provides an overview of the LTI awarded during the year, 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.

Names	Opening number on 1 July 2016	Granted during 2017[1]	Forfeited during 2017	Vested during 2017	Closing number on 30 June 2017	Cash flow on settlements 2017[2]	Estimated closing fair value on 30 June 2017[3]	Granted during 2018[1]	Forfeited during 2018	Vested during 2018	Closing number on 30 June 2018	Cash flow on settlements 2018[2]	Estimated closing fair value on 30 June 2018[3]
	'000	'000	'000	'000	'000	R'000	R'000	'000	'000	'000	'000	R'000	R'000
Nicolaas Kruger													
LTIP - retention units	371	134	-	(158)	347	3 676	7 007	152	-	(166)	333	3 201	5 891
LTIP - performance units	1 179	532	-	(378)	1 333	8 516	14 795	1 047	(40)	(401)	1 939	7 415	17 388
OPP - performance units	1 598	113	-	-	1 711	-	6 500	92	-	-	1 803	-	1 179
Mary Vilakazi													
LTIP - retention units	156	83	-	(38)	201	869	4 067	87	(208)	(81)	-	1 553	-
LTIP - performance units	478	268	-	(152)	595	3 474	6 263	587	(1 029)	(154)	-	2 838	-
OPP - performance units	799	57	-	-	856	-	3 250	46	(902)	-	-	-	-
Hillie Meyer[5]													
LTIP - performance units													
Award date - 9 April 2018	-	-	-	-	-	-	-	1 246			1 246	-	22 017
Jeanette Marais[5]													
LTIP - performance units													
Award date - 1 April 2018	-	-	-	-	-	-	-	271			271	-	4 034
Risto Ketola													
LTIP - retention units													
Grant date - 1 October 2016	-	79			79	-	1 589	4			83		1 460
Grant date - 1 October 2017								56			56		990
LTIP - performance units													
Award date - 1 October 2016	-	236			236	-	1 244	13			249		1 217
Award date - 1 October 2017								224			224		3 444

[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] Represents 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.

[4] The grants of retention awards on 25 September 2014, 2015 and 2016 represent deferred bonus units in terms of the STI policy.
[5] The sign-on awards of LTIP performance units totalled R27.5m for the CEO and R6m for the deputy CEO.

Minimum shareholding requirement measurement

The following table reflects the current shareholding by executive directors in MMI shares, relative to the minimum shareholding requirement (MSR):

Value of shares as at 30 June 2018 (R'000)	Minimum shareholding requirement	Current qualifying shareholding	Date by which the minimum shareholding requirement must be met
Hillie Meyer	N/A[1]	6 000	N/A[1]
Jeanette Cilliers (Marais)	4 100	3 340	1 March 2023
Risto Ketola	3 875	-	1 July 2022

[1] In terms of the group policy on minimum shareholding, executives are required to accumulate the MSR within a 5-year period of joining the executive committee. Due to the fact that Hillie Meyer's contract period ends on 31 October 2021, the MSR does not apply to him.

Non-executive directors' fees

Non-executive directors are paid an all-inclusive retainer, which is benchmarked annually by participation in various market surveys. The non-executive directors' fees are not linked to the performance of the company in any way. Non-executive directors do not participate in any of the group long-term incentive schemes.

The table below reflects the fees paid to non-executive directors during the year.

	Months of service		Fees R'000		Ad hoc fees R'000		**Total fees R'000**	
	Jun-18	**Jun-17**	**Jun-18**	**Jun-17**	**Jun-18**	**Jun-17**	**Jun-18**	**Jun-17**
Ben van der Ross[1]	5	12	630	1 535	-	72	630	1 607
Fatima Daniels (Jakoet)	12	12	968	968	-	36	968	1 004
Frans Truter	12	12	2 154	2 062	-	18	2 154	2 080
Jabu Moleketi	12	12	786	893	-	-	786	893
JJ Njeke	12	12	1 982	1 809	-	54	1 982	1 863
Johan Burger[2]	-	5	-	593	-	-	-	593
Johan van Reenen	12	12	980	980	-	18	980	998
Khehla Shubane	12	12	786	786	-	-	786	786
Louis von Zeuner	12	12	2 152	1 914	-	68	2 152	1 982
Niel Krige	12	12	690	626	-	-	690	626
Syd Muller	12	12	1 697	1 351	45	72	1 742	1 423
Vuyisa Nkonyeni	12	12	658	658	-	-	658	658
Peter Cooper	12	12	1 077	973	-	36	1 077	1 009
Voyt Krzychylkiewicz[3]	3	12	-	-			-	-
Stephen Jurisich	12	9	1 523	1 064	-	36	1 523	1 100
			16 083	**16 212**	**45**	**410**	**16 128**	**16 622**

[1] *Retired November 2017*
[2] *Resigned November 2016*
[3] *Resigned October 2017*

Voting statement (Non-binding advisory vote on the implementation report)

This report is subject to an advisory vote by shareholders at the 26 November 2018 AGM.

Shareholders are requested to cast an advisory vote on the remuneration implementation report as contained in this section of the report. The company will engage with dissenting shareholders should the vote against the implementation report exceed 25%.

Approval of remuneration report by the Board of Directors.

This remuneration report was approved by the Board of Directors of MMI Holdings on 4 September 2018.