

**MMI HOLDINGS LIMITED (“MMI” or “COMPANY”)
POLICY ON DISCLOSURE OF DEALINGS IN MMI SECURITIES**

Purpose of document

This document serves as the MMI Board policy for directors regarding dealings in MMI securities. It is intended to provide guidance to MMI directors on the JSE Listing Requirements (“JSE LR”) in respect of their dealings in MMI securities and the procedure to follow with regards to disclosure thereof to MMI.

DISCLOSURE OF DEALINGS IN MMI SECURITIES ON SENS

Whose dealings must be disclosed?

Dealings by or on behalf of;

- a director and company secretary of MMI (for MMI securities held beneficially, whether directly or indirectly);
- a director and company secretary of a major subsidiary of MMI i.e. MMI Group Limited (for MMI securities held beneficially whether directly or indirectly); and
- any associate of a MMI director or company secretary.

MMI directors are encouraged to take time and understand the definition of an associate (at the end of this document), and make an assessment as to who are their associates. The list of associates must be provided to MMI Group Company Secretariat for record keeping.

What dealings does the disclosure relate to?

- Dealings in **MMI** securities by the parties defined in the above paragraph

When must MMI be advised of the (proposed) dealings?

- Before any dealing in MMI securities takes place, when seeking clearance; and
- As soon as the dealing in MMI securities has taken place, provide the required information regarding the dealing without delay and, in any event, within 72 hours after dealing.

When is clearance to deal required?

- All directors must receive clearance prior to dealing in MMI securities, at all times.
- (i) A director must, through the Group Company Secretary, seek clearance to deal from the Chairman (or any other appropriate director(s) designated for this purpose). The MMI Group Company Secretary must be notified and (s)he will, in turn, liaise with the MMI Chairman (or any other Designated director(s) nominated by the Board to grant approval in the absence of the Chairman), before reverting to the director concerned with the decision.
 - (ii) A director cannot be given clearance to deal during a prohibited period, which includes a closed period and any other period where non-public, price sensitive information exists. The director may or may not be aware of such price sensitive information.
 - (iii) A written record is maintained by the MMI Group Secretariat of any request for clearance, or clearance granted (or declined) vis-à-vis dealings by directors.

When is dealing in securities by a director prohibited?

- A director is may not deal during a prohibited period, which means:
 - a closed period:
- from the end of a reporting period (interim or financial year-end) up to the publication of results in respect of that reporting period;

- when MMI is trading under a cautionary announcement; or
 - any period when there exists any matter that constitutes unpublished price sensitive information, whether or not the director in question has knowledge of such matter or not; or
 - when the director is in possession of unpublished, price sensitive information or otherwise when clearance to deal has not been granted by the Chairman (or any other appropriate director(s) designated for this purpose).
- The JSE (on consultation and application) may waive compliance with this requirement (i.e. the prohibition to deal) when the director has no discretion regarding a transaction.

Required information to be included in the dealings announcement:

The dealings announcement shall contain the following information:

- (i) the name of the director concerned;
- (ii) the name of the company of which he/she is a director;
- (iii) the date on which the transaction was effected;
- (iv) the price, number, total value and class of securities concerned. Where there are various prices, the high, the low and the volume weighted average price;
- (v) in the case of options or any other similar right or obligation, the option strike price, strike dates and periods of exercise and/or vesting;
- (vi) the nature of the transaction;
- (vii) the nature and the extent of the director's beneficial interest in the transaction (i.e. direct or indirect interest). In the case of dealings by associates, the name of the associate and the relationship with the director must be disclosed;
- (viii) confirmation as to whether the trades were done on-market or off-market; and
- (ix) whether clearance has been granted (This requirement does not apply, in the case of dealings by associates).

In respect of directors' dealings, MMI is obligated to:

- advise each of its directors of their obligations to disclose all information required to comply with the JSE LR regarding directors' dealings;
- inform directors of the procedure for obtaining clearance and circumstances under which it will not be granted;
- inform directors of their obligations regarding disclosure and timing of such disclosure.
- publish the required SENS announcement within 24 hours of receipt of such information from the director concerned.

In respect of directors' dealings, directors are obligated to:

- obtain clearance to deal from the company;
- once they have dealt, provide the required information (i.e. broker's notes) to MMI regarding their dealings without delay and, in any event, within 72 hours after dealing; and
- once an associate of a director has dealt in MMI shares, the affected director must disclose the required information regarding the dealing without delay and, in any event, within 72 hours after dealing.

In respect of their associates and investment managers, directors are obligated to:

- advise their associates and investment manager(s) dealing on their behalf, whether on a discretionary basis or not, that they are directors of MMI;
- advise their investment manager that they may only deal in MMI securities where the director has expressly given consent (in writing) and must be notified immediately when a trade has taken place, no later than 72 hours after dealing; and
- advise their associates that they must be notified immediately when a trade in MMI securities has taken place, no later than 72 hours after dealing, in order to comply with the JSE LR.

PROVISIONS OF THE FMA

Financial Markets Act

Directors are reminded that the JSE LR do not override the provisions of the Financial Markets Act (FMA) and should not be construed as additional defences or exclusions from having to comply with the FMA.

Market Abuse

Directors must, at all times, be aware of the insider trading provisions contained in the FMA.

What is insider information?

Specific or precise information on MMI, that has not been made public and which;

- is obtained as an insider; and
- if it were made public would have a material effect on the price of MMI securities.

Who is an insider of MMI?

A person who has inside information on MMI through being a director or employee of MMI, or has access to such information by virtue of his/her position.

What constitutes an insider trading offence in terms of the FMA?

- When a director of MMI has knowledge of MMI inside information (an insider), and **deals**, directly or indirectly, in MMI securities, (s)he commits an offence.
- When a director of MMI has knowledge of MMI inside information and discloses such inside information to another person, s(he) commits an offence
Defence: The director concerned is not guilty of an offence if (s)he proves that the inside information was disclosed for the purpose of proper performance of his duties
- When a director of MMI has knowledge of MMI inside information and encourages (or discourages) another person to deal (from dealing) in MMI securities, to which the inside information relates or which are likely to be affected by, s(he) commits an offence.

Market Manipulation

Public confidence in the fairness of markets enhances their liquidity and efficiency. Market manipulation harms the integrity of, and thereby undermines public confidence in, securities markets by distorting prices and creating an artificial appearance of market activity

Prohibited trading practices

- No person may participate in any practice which may create;
 - a false or deceptive trading activity in connection with; or
 - an artificial market price for, MMI securities;

Role of the JSE and prosecution of Market Abuse

The primary objective of the JSE's market surveillance activities regarding market abuse is prevention. Prompt disclosure by listed companies of price-sensitive information is one of the ways to limit the possibility of insider trading. In terms of detection, the JSE Market Regulation Division has in place a number of systems designed to detect unusual trading volumes and price movements, which could be indicative of insider trading or market manipulation.

If suspicious trading activity is detected, the matter receives prompt attention and is discussed with the FSB. The investigation team of the FSB undertakes full forensic investigations into alerts on the JSE radar screen that merit further attention. Alleged offenders and potential witnesses are summonsed to appear before the FSB. A formal investigative process is followed and if, after considering all the evidence and investigation, offenders are found guilty, the FSB can institute a civil prosecution.

The FSB may institute a civil claim against a person who traded in MMI securities while in possession of inside information. If it is proven that a person profited or avoided a loss through unlawful dealing, the profit or loss avoided (whether realised or not) may be recovered. In addition, a penalty of up to R1 million and four times such profit made or loss avoided may be imposed.

This document only highlights key aspects of the provisions under the FMA in respect of trading in MMI securities and directors are encouraged to familiarise themselves with the full provisions of the FMA.

DISCLOSURE OF INTEREST IN MMI BY DIRECTORS FOR THE INTEGRATED REPORT

Every director of MMI must disclose their interest in MMI shares in the Integrated Report. To ensure accurate record keeping annual disclosure (at year end) must be made with the Group Company Secretariat.

The Group Company Secretariat will advise each director of their holding and movements in MMI securities during the period and each director must confirm or advise should there be any differences. The reconciliation exercise is also an excellent tool to detect any SENS disclosure omissions and rectify accordingly, although omissions should be avoided at all costs.

Once the reconciliation has been performed, the necessary disclosure table will be prepared for inclusion in the Integrated Report.

What should the disclosure include?

Directors' interest in MMI securities (including those who resigned during the reporting period)

- Including interest held by associates of MMI directors
- Interests held directly or indirectly

Where a director holds securities in another company which has an interest in MMI (e.g. a major shareholder such as RMI,- therefore deriving an indirect benefit in MMI) this interest must be disclosed in the Integrated Report.

Should there be any change in the interest between the end of the financial year and the approval date of the Integrated Report, such change should be disclosed by way of a note. Comparative figures for the previous year must be presented.

DEFINITIONS

Applicable definitions:

Associate:

- director's immediate family (spouse and minor children under 18); and/or
- the trustees of any trust of which the director or any of the director's immediate family (spouse and minor children) is a beneficiary or discretionary subject or any trust in which the director, or immediate family, has the ability to;
 - control 35% or more of votes;
 - appoint 35% or more of trustees; or
 - appoint or change 35% or more of the beneficiaries; and/or
- any company in whose equity securities the director or their associates (taken together) are directly or indirectly beneficially interested or have a conditional, contingent or future entitlement to become beneficially interested in, and are able:
 - to exercise or control the exercise of 35% or more of the votes;
 - to appoint or remove directors holding 35% or more of voting rights; or
 - exercise or control the exercise of 35% or more votes at the board meeting; and/or
- any close corporation in which the individual director and/or their family members are interested in more than 35% of the members' interest; and/or
- any associate of a company (including a trust) as defined under associate in relation to a company (i.e. an associate of a company is an associate of the director if the company is an associate of that director).

Examples of associates in relation to a company;

- its subsidiary or holding company
- a company with common directors in the majority
- any company where the associate company controls more than 35% of the votes, board meeting votes or appoint 35% of the directors
- any trust where the associate company controls more than 35% of the trustee votes, appoint 35% of the trustees or change 35% of the beneficiaries.

Directors are aggregated at listed company level when considering individual directors i.e. where more than one director of MMI is directly or indirectly beneficially interested in the equity securities of a company, then the interests of those directors and their associates will be aggregated when determining whether a company is an associate of any director of MMI.

Example:

Aggregate all the interest held by MMI directors in RMI (including their associates), the test whether they;

- exercise or control the exercise of 35% or more of the votes; or
- appoint or remove directors holding 35% or more of voting rights; or

- exercise or control the exercise of 35% or more votes at the board meeting;
if any of the above is true, then RMI is an associate of those directors with interest in RMI which means that any dealings by RMI in MMI securities should be announced on SENS.

The definition of an Associate is quite complex. Directors are encouraged to seek clarity from the Group Company Secretariat office should there exists any form of relationship between any company or Trust and the Director of MMI, as far as MMI securities are concerned.

Beneficial:

“beneficial” in relation to:

- any interest in a security, means the de facto right or entitlement to directly receive the income payable in respect of that security and/or to exercise or cause to be exercised any or all of the voting, conversion, redemption or other rights attaching to that security;
- any other interest, means the obtaining of any benefit or advantage, whether in money, in kind or otherwise, as a result of the holding of that interest; and/or
- any interest to dispose or direct the disposition of the company’s securities, or any part of a distribution in respect of the securities.

Beneficial owner:

In relation to a security, the person or entity with any one or more of the following:

- the de facto right or entitlement to directly or indirectly receive any dividend or interest payable in respect of that security;
- the de facto right to exercise or cause to be exercised in the ordinary course of events, any or all of the voting, conversion, redemption or other rights attached to such security; or
- dispose or direct the disposition of the company’s securities, or any part of a distribution in respect of the securities.

Direct beneficial:

An example of direct beneficial is where a director holds securities in MMI therefore deriving a direct benefit from such holding.

Indirect beneficial:

An example of indirect beneficial is where a director holds MMI securities through a trust or through an associate therefore deriving an indirect benefit from such holding.

Non-beneficial:

There is no definition for “non-beneficial” interest. The reason being that the JSE scrapped the requirement to announce “non-beneficial interest”, hence the focus is on “beneficial”. When in doubt about whether a not an interest in a security is “beneficial”, directors should liaise with the MMI Group Secretariat office, who will consult with the JSE through their sponsor and obtain clarity.

Major subsidiary:

A subsidiary that represents 25% or more of total assets or revenue of the consolidated group based on the latest published financial results. In the case of MMI, MMI Group Limited would fall within this definition.

Transaction:

Dealing in MMI securities includes the following;

- any sale, purchase or subscription (including in terms of a rights offer, capitalisation award or scrip dividend) of securities relating to MMI;
- any agreement to sell, purchase or subscribe for securities relating to MMI (irrespective of whether shares or cash flows);
- any donations of securities relating to MMI;
- any dealing in warrants, single stock futures, contracts for difference or any other derivatives issued in respect of MMI’s securities;
- the acceptance, acquisition, disposal, or exercise of any option (including but not limited to options in terms of a share incentive/option scheme) to acquire or dispose of securities;
- any purchase or sale of nil or fully paid letters;
- the acceptance, acquisition or disposal of any right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities; or
- any other transaction that will provide direct or indirect exposure to the share price of MMI;

** Phantom scheme benefits are not required to be disclosed as they are cash settled. They are also not required to be approved in terms of the Schedule 14 for share schemes.*

Any queries relating to the above should be directed to the MMI Group Company Secretary, Maliga Chetty, e-mail: maliga.chetty@mmiholdings.co.za , Tel: +27 12 673 7479 / +27 12 684 4255.