

Changes in leadership

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The Board of MMI Holdings has announced that Nicolaas Kruger will be stepping down as CEO of MMI Holdings with effect from 15 February 2018. This decision comes after a few months of discussions between Nicolaas and the MMI Holdings Board that enabled the Board to consider the appointment of his successor with due care. This process was managed in a manner that would ensure a smooth transition in the leadership of the group. The Board wishes to thank Nicolaas for his contribution to the group and its people during his 26 years of service, with the last nine years as CEO (including two years as CEO of Momentum).

A highlight of Nicolaas's tenure as CEO was the successful merger between Momentum (of which he was the CEO) and Metropolitan to create MMI Holdings in 2010. The formation of MMI resulted in the third largest insurance company listed on the Johannesburg Stock Exchange at the time of the merger. The merged entity was able to extract significant efficiencies in the post-merger years and exceeded the synergy targets set at the time of the merger. Under Nicolaas's leadership, MMI has made good overall progress in the

implementation of its transformation strategy. MMI has achieved and retained a Level 2 B-BBEE Contributor status based on the Financial Services Code (FSC).

More recently, Nicolaas was instrumental in establishing the health insurance JV between MMI Holdings and Aditya Birla Capital in India. In its first year of operation, the Indian health insurance JV gained more than 500,000 lives and won numerous awards for its differentiated offering. Nicolaas was also actively involved in securing the recent joint venture with African Bank to offer insurance to African Bank's clients and loans to MMI's client base. Before becoming the CEO of Momentum in 2009, Nicolaas served as Momentum's Chief Financial Officer and Chief Actuary.

The Board is pleased that Nicolaas has made himself available to serve on some subsidiary boards of the group. His extensive skill set, including his actuarial background, will also be used to good effect in some of the sub-committees of the MMI Board.

Furthermore, the Board is glad to announce that Hillie Meyer has agreed to join MMI on a three-year contract as CEO of MMI Holdings. Hillie is no stranger to the group, having served as the CEO of Momentum from 1996 to 2005. In the nine years under Hillie's leadership, Momentum recorded nearly 30% p.a. growth in net profit and increased assets under management tenfold from R25bn to R250bn. Under his leadership, Momentum successfully executed a number of significant acquisitions such as Southern Life in 1999 and Sage in 2005. Hillie is currently the managing partner of Nodus Investment Managers, a private equity investment company. He also served on the boards of Alexander Forbes Group

Holdings Limited and General Reinsurance Africa Limited until recently. Hillie will start in the role of group CEO on 15 February 2018.

The Board felt it appropriate to appoint an experienced insurance executive who can contribute immediately to strengthen and further develop the existing executive line-up and who can aid the Board in its succession planning for the longer term.

To further strengthen the management team the Board has announced that Jeanette Marais will join the group as a second Deputy CEO. Her appointment is effective 1 March 2018. Jeanette was previously an executive director at Allan Gray and brings extensive knowledge of intermediary distribution and operational aspects in retail asset management. Jeanette started her career at Momentum in the early 1990s. She will be responsible for the Momentum Investments centre of excellence, as well as certain marketing and distribution activities in the group. We are confident that under Jeanette's leadership, the market profile of Momentum Investments will be significantly enhanced.

Risto Ketola, current CFO of MMI Holdings, has been appointed the group's Financial Director (FD). Risto joined MMI in 2016 after spending 15 years as an equity research analyst at ING Barings, Deutsche Bank, and most recently at Standard Bank. Risto is a qualified actuary and brings a relatively unique blend of actuarial skills, understanding of user needs in financial reporting and industry knowledge into the FD role.

Mary Vilakazi was appointed as Deputy CEO in July 2017. Mary's current focus as Deputy CEO is, and remains, to extract additional value by operationally integrating the group's two retail operations (Momentum and Metropolitan). The two retail operations account for more than 60% of the group's profits, and successful integration of the two businesses is thus of critical importance for MMI Holdings.

Following Risto's appointment as FD and Jeanette's appointment as Deputy CEO, the group will have four executive directors. Mary, Jeanette and Risto will work closely with Hillie. Part of Hillie's responsibilities will be to further develop the executives reporting to him in order to strengthen the executive talent pool at MMI Holdings. This will put the group in a strong position when Hillie's successor is appointed.

The Board is aware of the fact that MMI's performance has not met expectations in the more recent past, notwithstanding the difficult operating environment. The group has already implemented various remedial actions, such as significantly scaling down its geographic footprint in Africa and the UK, to enable an increased focus on building its core businesses in South Africa. The group is now also focusing on a narrower set of new initiatives such as the African Bank JV and the Aditya Birla JV. With Hillie joining the group at this time, MMI Holdings will continue with this more focused strategy rather than revisit the group's strategy in totality. Hillie's deep knowledge of the insurance industry will also aid him to streamline execution of the various initiatives in the group's core businesses. The Board has confidence in the continuation of the

more focused MMI Holdings strategy and is excited about the prospects for the group under Hillie's leadership during this next phase.