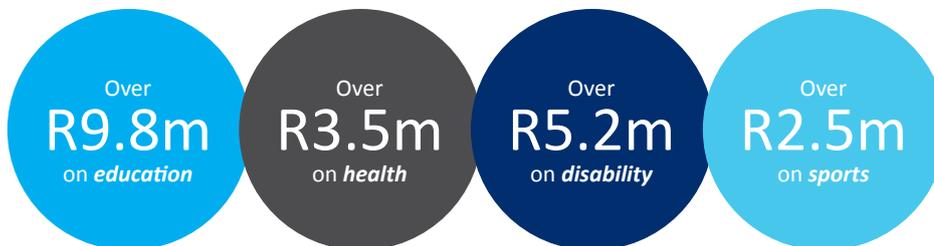


THE ROLE OF CORPORATE SOCIAL INVESTMENT (CSI)

MMI has established the MMI Foundation to provide strategic oversight and governance, as well as play an advisory role for all CSI initiatives. Metropolitan, Momentum and Guardrisk ensure the implementation of their respective CSI strategies and distribute funds allocated to each towards addressing the various social challenges of our country. The Foundation's mission is to create a society where strong leadership and collaboration help bring about sustained behavioural changes and development in the fields of health, disability, education and sports development.

MMI's CSI programmes are aimed at creating meaningful and lasting benefits for the communities in which we operate by empowering and assisting them to build better lives for themselves and their families.

MMI's targeted spend on socio-economic development, through the Foundation, is 0.6% of net profit after tax (NPAT). A total of R21.5 million was spent on qualifying initiatives. The weighted contributions equated to 0.78% of the NPAT for the calendar year 2014. In the last calendar year, the Foundation invested in the following four focus areas:



In addition to the four focus areas the Foundation also supports consumer education that focuses on financial literacy that aims to assist families in budgeting and managing their money better. MMI spent over R7.7 million on consumer education in the last calendar year.

MMI FOUNDATION PROJECT OVERVIEW

The following projects are being overseen by the Foundation:

- 1 Live the Future**
This project is aimed at mobilising communities to develop partnerships to tackle the HIV/AIDS pandemic.
- 2 Actuaries on the move**
Launched in 2002 in Soweto, this is a joint venture with the Actuarial Society of South Africa (ASSA). The initiative helps to equip talented learners from communities with poor educational resources with the skills and knowledge they need to succeed at university.
- 3 South African Medical Research Council Partnership**
This partnership with the SAMRC's HIV Prevention Unit takes a holistic approach to HIV/AIDS prevention in particularly in peri-urban populations.
- 4 Eastern Cape HIV Rural Prevention Project**
Launched in 2010, its goal was to develop a holistic model for HIV/AIDS prevention that could subsequently be rolled out in rural South Africa, which is home to close to 50% of the population. Over the past five years, the initiative has seen a number of key stakeholders collaborate to make the rollout a reality.
- 5 UJ Metropolitan Academy**
Based in Johannesburg and in partnership with the University of Johannesburg (UJ), the academy focuses on maths and science, offering learners from disadvantaged backgrounds an opportunity to prosper and excel in these subjects.

Because all MMI Holdings' product and service offerings are provided through our client-facing brands, some of their CSI initiatives – such as those of *Metropolitan*, *Momentum* and *Guardrisk* fall within the scope of the MMI Foundation. Other client-facing brands such as Eris Properties also conduct their own CSI initiatives.

For more detail on these initiatives, please see the MMI Foundation website www.mmifoundation.org.za.

CONSUMER EDUCATION

MMI has a range of promotional activities aimed at enhancing the financial literacy of our customers, thereby supporting them in making more informed and effective decisions that concern their financial welfare. In addition to the Foundation's four CSI focus areas, we also support consumer education by assisting consumers in various communities to make better-informed transactional decisions. Our approach includes

face-to-face workshops with NGO partners and media-based awareness programmes. *Making Cents with the Sitholes*, a financial edutainment series, was aired on eTV with an average viewership of 760 000 across a target market of LSMs 1-8. We have also made a series of radio shows, *Motheo Financial Dialogues* in partnership with community radio stations and developed a board game *Making Money Matter* to teach high school learners the basics of financial literacy.



SPONSORSHIPS

Metropolitan and Momentum have various sponsorships to enhance the brand, and support the group's focus on creating prosperity and ensuring financial wellness.

METROPOLITAN DEVELOPMENT SOCCER SPONSORSHIP

Metropolitan has been supporting development soccer for over 25 years aimed at community development and engaging with the people who do business with us. We currently sponsor the Metropolitan U19 Premier Cup (MPC). The MPC tournament, as it is known among its ardent followers, is held in Cape Town and attracts talented youngsters. Scouts also attend the tournament in the hope of finding young talent for various local and international teams.

CRICKET SOUTH AFRICA (CSA)

Momentum is the official single-title sponsor of one-day cricket under CSA jurisdiction. The sponsorship includes an element of ongoing development at provincial and grassroots level through supporting national club championships and bursaries to talented high school cricketers.

CLASH OF THE CHOIRS

This sponsorship presents us with an opportunity to build the Metropolitan brand in a way that resonates with our communities. 'Clash of the Choirs' will ensure a positive association with the Metropolitan brand. At the end of the series, Metropolitan will sponsor an amount, which will be donated to a community centre or charity organisation selected by the winning choir master. This underlines our commitment to supporting and uplifting communities through our sponsorships.

MOMENTUM 94.7 CYCLE CHALLENGE

The race encourages all cyclists to ride for a purpose and to make a difference by attaching a social responsibility goal or component to their cycling experience

MOMENTUM UNISA HOUSEHOLD FINANCIAL WELLNESS INDEX AND THE MOMENTUM HOUSEHOLD NET WEALTH REPORT

Researched and presented in collaboration with Unisa, this information provides financial service professionals and consumers with a meaningful overview to better understand and interpret the current state of financial wellness of South African households. It also provides policymakers with insights needed to improve the financial wellness of households.

MOMENTUM AND PICK N PAY – A UNIQUE PARTNERSHIP

Momentum is now partnering with retailer Pick n Pay on several of its sponsorship initiatives including The Cape Argus Pick n Pay Momentum Cycle Tour, Knysna Oyster Festival, the Pick n Pay Women's Walk series and the Pick n Pay Marathon. The partnership affords Momentum the opportunity to share its brand vision of enhancing the financial wellness of South Africans with more than 430 000 participants across all events.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INVESTING

MMI promotes acceptance and implementation of the United Nations' Principles for Responsible Investment (PRI) and the Code for Responsible Investing in South Africa (CRISA) principles. Momentum Outcome-based Solutions and Momentum Asset Management are signatories to the PRI. The companies collaborate with other industry bodies, interested parties, service providers and others on ESG, through engagement, discussion and various initiatives.

During the year, Momentum Outcome-based Solutions' segregated portfolio called the Atlantic Money Market Impact Fund was approved by the Global Impact Investing Network (GIIN) for the Impact Base platform and is now registered there. It also follows the Impact Reporting and Investment Standards (IRIS), which is a set of metrics that can be used to describe an organisation's social, environmental and financial performance.

ESG considerations form an integral part of Momentum Outcome-based Solutions and Momentum Asset Management's daily business processes in the following manner:

- These companies consider ESG when:
 - Making investment decisions by evaluating the ESG factors of the companies in which direct investments are made.
 - Selecting investment managers by assessing their ESG practices and policies and considering these where relevant in the investment decision-making process.
 - Investing in properties by focusing on energy efficiency, water demand management and by targeting green star ratings for refurbishments.
- Dedicated analysts are primarily responsible for ESG and quality standard policy development and monitoring.
- A record of voting decisions and a register of ESG engagements is maintained.
- Momentum Outcome-based Solutions has integrated ESG further into its investment manager due-diligence process through more engagement, having taken guidance from the PRI.
- Momentum Outcome-based Solutions offers a responsible investment portfolio, which is called the Momentum MoM SuperNation Portfolio. This investment portfolio is holistic, comprehensive, compliant with Regulation 28 of the Pensions Fund Act, 24 of 1956, and is structured to address responsible investment guidelines, while at the same time competing directly, from a risk-adjusted return perspective, with other traditional balanced portfolios. Multiple specialist investment managers are mandated to derive active investment returns from differentiated segments of the market. Various responsible investment themes are covered in the portfolio, including, but not limited to, infrastructure and development, developmental property and responsible investment equity exposure.
- Momentum Outcome-based Solutions believes in the integration of responsible investment within the investment portfolio offerings and this includes various responsible investment building blocks in the company's 'best ideas' Factor Series™ range of portfolios.
- The company's proxy voting policy is available on the Momentum Asset Management's website www.momentuminv.co.za. This proxy voting policy and guidelines are aligned with the Companies Act, PRI, King III, Global Reporting Initiative (GRI) and various global industry association codes.
- Over the years, Momentum Outcome-based Solutions has enhanced the integration of the principles and continues working on initiatives and ways to incorporate these principles in the various investment portfolio offerings, in client interactions and in the industry.

CARBON FOOTPRINT

MMI participates in the carbon disclosure project annually and our submission is publicly available on the CDP website at www.cdproject.net.

In an endeavour to enhance its own understanding of the risks related to climate change, Momentum Short-term Insurance is currently the main sponsor of the University of Pretoria Natural Hazard Centre for Africa. Through this sponsorship MMI Holdings intends to understand climate change better and more appropriately protect itself and its customers against adverse events due to climate change. It intends to achieve this by quantifying weather-related risks accordingly and developing unique offerings for the benefit of client safety and financial wellbeing.

The total of our carbon emissions for the period 1 July 2013 to 30 June 2014 was 79 260 metric tons, which equates to

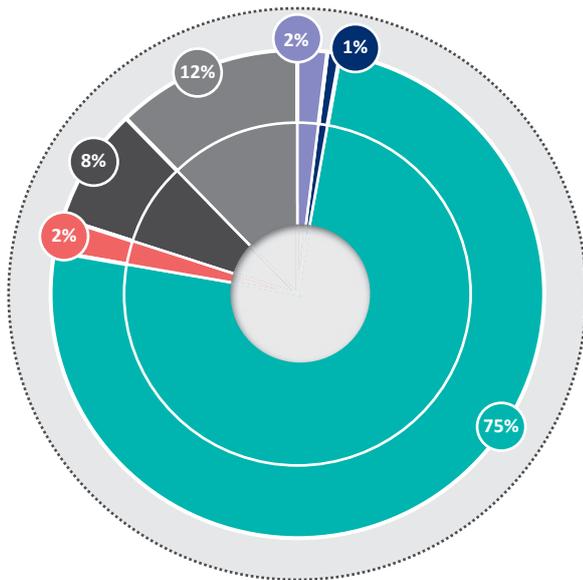
3.58 metric tons per employee. As can be seen from the chart below, the largest contributor to our carbon footprint is electricity, at 75%. In terms of reducing our carbon emissions, and to enable the government to achieve its target of reducing country emissions by 34% by 2020 and 42% by 2025, we will concentrate most of our efforts on reducing our electricity usage.

MMI has established the 2013/2014 financial year as the baseline year on which carbon emission targets have been set. The board has approved a 12% reduction in carbon emissions by 2020. As part of this process, the carbon emissions will be monitored to ensure that appropriate initiatives are implemented in order to meet the set target. The reduction of carbon emissions will be reported annually in the CDP.

For further details, please refer to the MMI website www.mmiholdings.com.



PERCENTAGE CONTRIBUTION TO MMI'S CARBON EMISSIONS



- Generator diesel
- Kyoto refrigerant gases (too small to measure)
- Owned cars
- Electricity
- Paper
- Water (too small to measure)
- Fuel and energy-related activities (not included in scope 1 or scope 2)
- Flights
- Car hire (too small to measure)