

STAKEHOLDER ENGAGEMENT

AT MMI WE BELIEVE THAT THE STRENGTH OF OUR RELATIONSHIPS WITH ALL OUR KEY STAKEHOLDERS IS CRITICAL IN THE ACHIEVEMENT OF OUR STRATEGIC OBJECTIVES AND CREATING MUTUAL VALUE FOR BOTH THE ORGANISATION AND OUR STAKEHOLDERS.

At MMI we believe that the strength of our relationships with all our key stakeholders is critical in the achievement of our strategic objectives and creating mutual value for both the organisation and our stakeholders. As such, our stakeholder management approach involves gaining a thorough understanding of our key stakeholder groups, assessing the issues that are material to them and the level of their impact on them and MMI. In addition, annually we conduct a stakeholder survey in order to measure the quality of our relationships with stakeholders, in line with the governance principles outlined by King III.

In this financial year, we have undertaken an issues and stakeholder mapping process internally to enable us to prioritise stakeholder issues that are of importance to the business. We have developed a stakeholder management mechanism to facilitate seamlessly the registration of stakeholders in the business; and capture the channels and frequency of interactions with the stakeholders. Research and market scanning has been conducted to ensure that the priority issues identified were aligned with stakeholder's perceptions of key issues. Lastly, we conducted our second annual stakeholder relationship index to provide an objective assessment across multiple factors of the effectiveness and relevance of our relationships with all our stakeholder groups.

In collaboration with our stakeholders, we regularly seek to develop plans that will enable us to address or progress the identified issues. The analysis of the register of stakeholders and the feedback from the stakeholder survey also enables us to develop and update the engagement plans that will help us create stronger partnerships and improve on the overall health of our relationships. We will review this process regularly so that we remain relevant by responding appropriately and quickly to issues that emerge – whether regulatory, shareholder-based or other. With this in mind, our stakeholder management approach works in close collaboration with other initiatives and plans in areas such as the operating divisions, sustainability, risk management and communication.



STAKEHOLDER ENGAGEMENT *CONTINUED*

Through various channels and activities, we have had multiple engagements with our stakeholder groups as outlined below:

Stakeholder category	Engagement activity	Some key issues raised
<p>Clients</p> 	<ul style="list-style-type: none"> ■ In collaboration with Unisa, we launched the Momentum Unisa Household Financial Wellness Index, which provides insights on the financial wellness of South Africans and our clients. ■ Metropolitan has hosted a number of workshops with clients focused on financial education. ■ MMI is represented on the Asisa Consumer Education Standing Committee. ■ Metropolitan conducted the first TCF Fairness Feedback survey in 2013 which looks at what policyholders and investors in the mass market want in terms of fairness and how the industry is perceived to be delivering on those needs. ■ We continue with various activities such as brand trackers to measure perception of our brands and customer satisfaction surveys. ■ We communicate with our customers through various sponsorship and marketing properties. 	<ul style="list-style-type: none"> ■ Consumers under financial pressure and high levels of debt ■ Good customer service expectations ■ Advice that is transparent, easy to understand and given by suitably qualified and knowledgeable advisers ■ Products that are easy to understand and access ■ Financial literacy training ■ Fraud is a key issue in the retail space
<p>Employees</p> 	<ul style="list-style-type: none"> ■ The CEO hosted breakfasts with senior managers to canvass views on key business issues, the MMI working environment and address questions about the way forward. ■ An annual Leadership Summit with senior leadership is held to discuss organisational direction and obtain input into the business strategy. ■ Several interactions have been undertaken to communicate the new operating model – face to face and via digital channels. ■ The CEO and several members of the MMI Exco embarked on staff roadshows in SA, Namibia and UK to communicate the group's new vision, purpose and client-centric strategy. 	<ul style="list-style-type: none"> ■ MMI's strategy and merger progress ■ Employee value proposition ■ Client-centric operating model ■ Visibility of brands ■ What we are doing to be more innovative ■ Corporate social investment – need to enhance the CSI profile and impact ■ Staff engagement and communication – the importance of open and honest feedback
<p>Investors and analysts</p> 	<ul style="list-style-type: none"> ■ The investor relations team employs a wide range of activities to keep all stakeholders informed about the business. ■ Several formal and informal engagements and presentations are held with the JSE (SENS), shareholders and analysts (including one-on-one meetings), all forms of media (print, television and radio broadcasts), as well as local and international roadshows. ■ The CEO, as well as other members of the management team, addressed a number of investor conferences attended by both local and foreign investors. 	<ul style="list-style-type: none"> ■ Operational performance ■ Group strategy ■ Plans to grow distribution ■ MMI acquisitions (eg Guardrisk) ■ Capital management
<p>Communities</p> 	<ul style="list-style-type: none"> ■ Through the MMI Foundation and the Metropolitan and Momentum brand divisions, we invest in communities in partnership with government departments and in line with the national development plan. ■ In a bid to contribute to the growth of small businesses, we have engaged and partnered with an enterprise development hub – The Business Place – in Phillipi, Cape Town. ■ Our anchor projects in our Corporate Social Investment Programme continue to grow, and we engage with the beneficiary organisations and partners to ensure that sustainable positive outcomes are achieved. 	<ul style="list-style-type: none"> ■ Financial inclusion ■ Social welfare and health projects aligned to national policy objections ■ Enterprise development ■ Access to funds through defined programmes by non-profit-making organisations that we support

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Regulators and government 	<ul style="list-style-type: none"> ■ Our expertise and experience in the healthcare and health administration space, particularly in respect of the Government Employees Medical Scheme (GEMS), POLMED and TRANSMED, has us well-placed in being able to engage with regulators and government in matters such as the NHI. ■ Met Health Participates in the CEO round table, where the CEOs of medical funders and administrators, the Board of Healthcare Funders and senior government officials interact and collaborate on key strategic issues in the industry. ■ We also continue to have regular interactions with various government departments to partner with them on CSI activities, assessing areas of collaboration to meet the National Development Plan (NDP). ■ We continue to engage on matters of legislation and regulation with the Financial Services Board (FSB) and National Treasury directly and through our industry association, ASISA, where the MMI CEO is a board member and 80 MMI employees participate in various committees. ■ Frequent interaction took place with the FSB in respect of the Solvency Assessment and Management (SAM) implementation in MMI. ■ Closer working relationships between in-country Regulators are forged through initiatives such as Regulatory Colleges in Africa and legislation such as Foreign Account Tax Compliance Act. 	<ul style="list-style-type: none"> ■ Access to and affordability of quality healthcare ■ Partnerships with government to meet the goals of the NDP ■ Twin Peaks regulation ■ Retirement Fund Reform ■ Protection of Personal Information ■ Treating Customers Fairly ■ Solvency assessment and management ■ Financial Services Laws General Amendment Act ■ Financial Account Tax Compliance Act
Media 	<ul style="list-style-type: none"> ■ We have regular interactions with media, particularly on the announcement of financial results, acquisitions and senior management appointments. ■ In February we sponsored the <i>Financial Mail</i> Budget supplement, which profiled all six MMI divisions and provided opinion editorial from the MMI CEO and the group executives. This supplement received positive reviews. ■ On a daily basis, we deal with media queries and proactively provide content to media on activities in the organisation. 	<ul style="list-style-type: none"> ■ MMI merger ■ New MMI client-centric operating model and strategy ■ Sponsorships ■ Expert opinions on financial services topics ■ Result announcements
Trade unions 	<ul style="list-style-type: none"> ■ Regular meetings and consultations are held with trade unions to maintain strong relationships and ensure that we continue to deliver a good service in our health administration and employee benefits offering to them. ■ In addition, MMI is a sponsor in an investment training programme for trustees in Cosatu-affiliated unions. 	<ul style="list-style-type: none"> ■ Customer service ■ Trustee training ■ Financial education ■ Access to financial services ■ Union recognition by MMI
Suppliers 	<ul style="list-style-type: none"> ■ Through our procurement processes, we regularly interact with our suppliers to discuss their services, quality and pricing thereof. ■ Most recently our engagement with suppliers has been focused around ensuring our suppliers are committed to B-BBEE transformation and providing the support to assist them in improving their accreditation. 	<ul style="list-style-type: none"> ■ Prompt payment ■ Assistance with growing their business ■ Assistance with meeting specific certification needs ■ Procurement practices eg black women-owned business