

Momentum Sales Deferred Bonus Scheme - Scheme Policy and Rules

The purpose of the Scheme is to attract, motivate, reward and retain Participants who are able to influence the performance of Momentum Sales.

Allocations are also an acknowledgement of the role we expect Participants to play in making Momentum Sales a successful business and, in turn, becoming a significant contributor to the success of the MMI Group.

Momentum Sales issued share option rights up until 2012 and made the decision to issue phantom shares as from November 2013. The previous grants of share options will run out the relevant term pertaining to the specific grants and will not be converted to phantom shares at this stage.

Units are normally issued annually to the end of a calendar year to qualifying Participants.

The grant price of the phantom shares will be communicated once allocations have been finalised. The grant price is not guaranteed since this is based on the actual trades of the instruments.

It is Momentum Sales' policy that the units will vest in three equal tranches, in Years 3, 4 and 5 respectively, after the granting date.

In future, Momentum Sales may allocate units to Participants under the scheme annually and in determining the value of allocation, it will consider individual performance with regard to business including (but not limited to) levels of production and persistency. This remains a discretionary allocation and Momentum Sales management retains the right to change the qualifying rules or determine allocations as they determine from time to time.

Please direct any queries with regards to the contents of this policy to sharequeries@momentum.co.za



Governance of the Scheme

1. Introduction

- 1.1. The Deferred Bonus Scheme is a phantom incentive plan and the Participants shall not at any time acquire or be entitled to acquire shares or any rights thereto. A Participant shall only on vesting acquire an entitlement to receive a cash sum from Momentum calculated with reference to the number of Deferred Bonus Scheme Units which vest in him.
- 1.2. Subject to the provisions of the Scheme, any Applicable Laws and to the approval of the Momentum Sales Exco, the Exco shall be entitled to make and establish such rules and regulations, and to amend the same from time to time, as they may deem necessary or expedient for the proper implementation and administration of the Scheme.
- 1.3. The costs of establishing and administering this Scheme shall be borne by Momentum Sales.

2. Issuing of grants

- 2.1. A Grant is the conditional grant to an eligible Participant of Deferred Bonus Scheme.
- 2.2. A Grant is personal to a Participant and shall not be capable of being ceded, assigned, transferred or otherwise disposed of or encumbered by a participant.
- 2.3. There shall be no consideration payable for a Grant.
- 2.4. A Grant letter will be issued to a Participant as soon as practical possible after a grant, that will specify the following:
 - 2.4.1. the number of Deferred Bonus Scheme Units granted and offered to the eligible Participant;
 - 2.4.2. the Grant Date;
 - 2.4.3. the Vesting Dates;
 - 2.4.4. any conditions attached to the Grant;
 - 2.4.5. a stipulation that the Grant is subject to the provisions of these Rules; and
 - 2.4.6. where a copy of the Rules might be obtained from for perusal;
- 2.5. The Grant will be recorded on the <http://salesscheme.momentum.co.za> website shortly after the Grants are issued and can be accessed and viewed by the Participant.
- 2.6. The Momentum Sales Exco or any person the Exco has delegated the authority to, may make Grants to eligible Participants on such dates and to such eligible Participants as it may in its sole and absolute discretion determine.
- 2.7. These Units will not attract dividends as and when issued by MMI Holdings Limited.
- 2.8. Momentum Sales shall ensure that it maintains a summary of the number of Deferred Bonus Scheme Units granted to Participants.



3. Vesting and Settling of Grants

- 3.1. A Grant will vest in equal tranches in Years 3, 4 and 5 respectively, after the granting date.
- 3.2. On the vesting date in respect of a Grant, the number of Deferred Bonus Scheme Units granted to a Participant shall vest in a participant, and be settled to him as soon as practically possible after the vesting date.
- 3.3. The vesting amount will be taxed according to the specific tax directive received from SARS. Momentum will apply to SARS and obtain this tax directive on behalf of the participant.
- 3.4. A Grant may be cancelled at any time after the date of acceptance thereof if the Momentum Sales Exco and the Participant so agree in writing, or unilaterally by the company in the case of a Fault Termination which includes:
 - 3.4.1. Misconduct,
 - 3.4.2. Poor performance; or
 - 3.4.3. Resignation by the participant.
- 3.5. Units which have not vested on the effective date of the occurrences listed below, shall not be forfeited and cancelled automatically in the case of:
 - 3.5.1. Retirement
 - 3.5.2. Permanent disability
 - 3.5.3. Death
 - 3.5.4. No fault termination
- 3.6. In terms of section 3.5, the vesting amount will be calculated and settled as follow with the following formula (rounded to the nearest whole unit), unless the Momentum Sales Exco in its sole discretion determines otherwise;

$$A \times \frac{B}{C} \times P$$

Where;

- A = the targeted number of Deferred Bonus Scheme Units, as the case may, be originally conditionally awarded or granted;
- B = the number of completed calendar months which have elapsed from the Grant Date, as the case may be, to the date of termination of contract with Momentum; and
- C = the number of calendar months in the period from the Award Date, as the case may be to the vesting date.
- P = A performance factor which the Momentum Sales Exco may in its sole discretion apply based on its view of the Participant's performance to the date of termination of the Participants agreement



- 3.7. A Participant who ceases to be employed or contracted by Momentum on the basis that he is -
- 3.7.1. immediately thereafter employed by another Momentum Sales affiliated subsidiary or division; or
 - 3.7.2. thereafter re-employed by such Momentum Sales affiliated subsidiary or division pursuant to it being determined that his contract was terminated on a basis which was not lawful in terms of the LRA;
 - 3.7.3. shall be deemed not to have terminated his contract for the purposes of the Scheme and his rights (whether conditional or otherwise) in and to the Deferred Bonus Scheme Units shall be unaffected.
- 3.8. The vesting or settlement of any grant shall be suspended pending the final determination of any disciplinary or poor performance procedures which may be instituted against any participant.
- 3.9. For the sake of clarity and the avoidance of any doubt, it is recorded that until the vesting date, the participant shall have no rights whatsoever in and to a Grant.
- 3.10. Should any dispute of whatever nature arise from or in connection with these Rules (including an urgent dispute), then the dispute shall, in the first instance be referred to the Divisional CEO for resolution.
- 3.11. If the period for exercising rights expires during a closed period, then such exercise period will be extended by the same number of days after the end of that closed period as the number of days of the exercise period which falls within the closed period (or such longer period as the scheme committee may determine).