



RMI

SUMMARY FINAL RESULTS ANNOUNCEMENT,  
CIRCULAR TO SHAREHOLDERS  
AND NOTICE OF AGM

FOR THE YEAR ENDED 30 JUNE

22

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# BASIS OF PREPARATION

This announcement covers the summary financial results of Rand Merchant Investment Holdings Limited (RMI or the group), based on International Financial Reporting Standards (IFRS) for the year ended 30 June 2022.

The primary results and accompanying commentary are presented on a normalised basis as we believe this most accurately reflects the group's underlying economic performance. The normalised earnings have been derived from the audited IFRS financial results.



A reconciliation of the adjustments made to headline earnings to derive normalised earnings is presented on **page 24**.

Schalk Human MCom (Acc) CA(SA) prepared these financial results under the supervision of Herman Bosman LLM CFA.

This summarised report is extracted from audited information but is not itself audited. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office.

The directors take full responsibility for the preparation of this report and that the financial information has been correctly extracted from the underlying annual financial statements.

The forward-looking information has not been commented on or reported on by the group's external auditor.

## Navigation within this announcement



Indicates further information available on our website, **www.rmih.co.za**



Directs readers to another **page** in this announcement with supplementary information.



# ABOUT RMI

RMI is a JSE-listed holding company with significant investments in insurance, asset management and fintech businesses. Historically, RMI has been a significant investor in some of South Africa's most iconic financial services brands.

## VALUE CREATED for the year ended 30 June 2022

RMI measures the execution of its strategy through the creation of discernible value.

The unbundling of RMI's investments in Discovery Limited (Discovery) and Momentum Metropolitan Holdings Limited (Momentum Metropolitan) and the sale of the group's 30% interest in Hastings Group (Consolidated) Limited (Hastings) have resulted in the creation of significant shareholder value.

### Total shareholders' return (TSR)

**+453.5%**

since listing in 2011

### Normalised earnings from continuing operations

**-4%**  
**R1 773 million**

2021: R1 841 million

### Ordinary dividend

**+46%**  
**65.5 cents**

2021: 45.0 cents

### Special dividends

**142.0** cents in cash  
**2 261.6** cents *in specie*

2021: no special dividend

# PERFORMANCE AND OUTLOOK

## A momentous year

The 2022 financial year was truly momentous in the eventful history of RMI.

Both strategically and structurally, landmark decisions were made to unbundle its shareholdings in two established South African life insurance brands, Discovery and Momentum Metropolitan, sell its investment in the UK property & casualty market, Hastings, and not to continue with an active investment strategy and further geographic expansion but to embark on an orderly and managed transition to a structure that represents an effective listing of OUTsurance.

RMI has unlocked significant value for shareholders as a direct result of these strategic decisions:

- As at 30 June 2021, RMI's market capitalisation was R48 billion. One year later, as at 30 June 2022, RMI's market capitalisation was R42.6 billion after the unbundling of its interests in Discovery and Momentum Metropolitan with a combined market value of R34.6 billion as at the time of the unbundling. In addition to this, RMI paid a special dividend of R2.2 billion and a normal dividend of R1 billion, this represents a 68% return (an increase of R35 billion) to shareholders for RMI's 2022 financial year.
- RMI's total shareholders' return since listing in 2011 amounts to 453.5%.

## Sale of Hastings

On 8 December 2021, RMI announced the sale of the group's 30% shareholding in Hastings. The shares were jointly held by RMI (51%) and OUTsurance (49%) via Main Street 1353 Proprietary Limited (Main Street).

The sale price represented a premium of 37% to the price at which Hastings was privatised in November 2020 and an internal rate of return for RMI's investment in Hastings of 18.4% in Rand terms (R8.5 billion, including dividends) and 12.5% in Pound terms – well in excess of RMI's return requirements. The sale therefore represented an opportunity to monetise the investment in Hastings at an attractive valuation.

The proceeds of the sale were:

R billion	2022
<b>Sale consideration</b>	<b>14.6</b>
Less: Settlement of funding and related debt in Main Street	<b>(3.1)</b>
<b>Net consideration</b>	<b>11.5</b>
Less: OUTsurance's portion (49%) of net consideration	<b>(5.7)</b>
<b>RMI's portion (51%) of net consideration</b>	<b>5.8</b>
RMI's portion of OUTsurance's special dividend	<b>2.8</b>
<b>RMI net proceeds from the sale, utilised to redeem the remainder of preference share debt</b>	<b>8.6</b>
<b>Cash retained in OUTsurance for future expansion</b>	<b>2.5</b>

As a consequence of the sale of Hastings, RMI:

- Repaid all its debt;
- No longer required a rights issue to give effect to the unbundling of Discovery and Momentum Metropolitan;
- Enabled OUTsurance to retain R2.5 billion of the sales proceeds in cash, *inter alia* to fund its future international expansion; and
- Was able to release R2.2 billion of surplus cash as a special dividend in April 2022.

## Unbundling of Discovery and Momentum Metropolitan unlocks value

On 25 April 2022, RMI finalised the unbundling of its shareholdings in Discovery and Momentum Metropolitan.

When announcing the unbundling on 20 September 2021, it was envisaged that a rights issue of approximately R6.5 billion would be required before the unbundling could be finalised to reduce debt to a level that would be appropriate for the reduced size of the balance sheet post-unbundling. The sales proceeds from Hastings were utilised to repay all the preference share debt and therefore negated the need for a rights issue.

As at 30 June 2022, RMI traded at a 2% discount to its intrinsic net asset value, having traded at a 28% discount as at the end of the previous financial year.

## Transition to OUTsurance

Following the sale of Hastings and the unbundling of Discovery and Momentum Metropolitan, RMI predominantly reflects the value of OUTsurance alongside its investments in RMI Investment Managers and the AlphaCode portfolio of fintech companies.

Over the last two years, RMI has been evaluating the creation of a portfolio of unlisted, non-competing and collaborative businesses in the short-term insurance industry. This portfolio could benefit greatly from shared best practice across markets, distribution channels and underwriting experience and represent a blend of diversified and cash-generative 'local champions'. RMI conducted a detailed country and company analysis to identify potential target investments and found no actionable investment opportunities which meet RMI's expectations around asset quality, price and availability.

An expanded portfolio also needs to be compared to the status quo – an efficient and capitalised corporate structure almost solely representing OUTsurance which, in its own right, is a growing short-term insurance group operating across multiple geographies. OUTsurance could, in time, drive international expansion independently, should attractive opportunities arise.

The RMI board of directors concluded that it is in the best interests of shareholders not to continue with the active investment strategy and decided to embark on an orderly and managed transition to a structure that represents an effective listing of OUTsurance.

The managed transition will be achieved by renaming Rand Merchant Investment Holdings Limited to OUTsurance Group Limited. RMI's investments in RMI Investments Managers and the AlphaCode fintech portfolio will be housed under RMI Treasury Company Limited (a 100%-owned subsidiary of RMI), and its investment in OUTsurance will remain under OUTsurance Holdings Limited.

The managed transition is expected to result in the following key benefits for RMI shareholders:

- Simpler operational structure offering a single access point to OUTsurance;
- A cost-effective way to effectively complete a listing of OUTsurance and retain the group's empowerment credentials;
- More focused OUTsurance management team with direct accountability to shareholders;
- Higher dividend payout ratio;
- A phased reduction of the holding company and personnel costs at RMI until March 2023, whereafter the remaining costs will relate primarily to the costs associated with being a listed entity; and
- It enabled RMI to release R2.2 billion to shareholders as a special dividend.

## Offer for RMI Investment Managers to build out its strategy

RMI is currently in advanced-stage discussions with its co-shareholders, Momentum Metropolitan and Royal Bafokeng Investment Holding Company Proprietary Limited (RBIH), about Momentum Metropolitan's interest to acquire RMI's interest in RMI Investment Managers (excluding the group's investment in PolarStar Management).

This proposed transaction would solidify the existing empowerment, distribution and financial ambitions of RMI Investment Managers while retaining the independence and unique boutique characteristics of the affiliate model. RBIH has given its in-principle support to the proposed transaction and remains a committed and aligned partner. This proposed transaction is subject to the requisite governance and regulatory approvals, agreement of the final terms, confirmation of the structure, and other conditions typical of a transaction of this nature.

## Intrinsic value of investments

During the year under review, the value of RMI's investments in OUTsurance and the combined value of its investments in RMI Investment Managers and AlphaCode investments increased by 14% and 18% respectively. The significant change in the net assets of the holding company is the result of the repayment of all the preference share debt from the proceeds of the sale of Hastings.

The intrinsic value of RMI's portfolio is made up as follows:

R million	2022	2021	% change
<b>Continuing operations</b>	<b>43 650</b>	28 552	53
<b>Internal valuation of unlisted investments</b>	<b>42 418</b>	37 037	15
OUTsurance (excluding Hastings) <sup>1</sup>	<b>40 517</b>	35 429	14
RMI Investment Managers and AlphaCode <sup>2</sup>	<b>1 901</b>	1 608	18
Net assets/(liabilities) of holding company <sup>3</sup>	<b>1 232</b>	(8 485)	>100
<b>Discontinued operations</b>	<b>-</b>	37 889	(100)
Hastings <sup>4</sup>	-	9 258	(100)
Discovery <sup>5</sup>	-	20 811	(100)
Momentum Metropolitan <sup>5</sup>	-	7 820	(100)
<b>Net value of portfolio<sup>6</sup></b>	<b>43 650</b>	66 441	(34)
<b>Net value of portfolio per share (cents)</b>	<b>2 850</b>	4 337	(34)

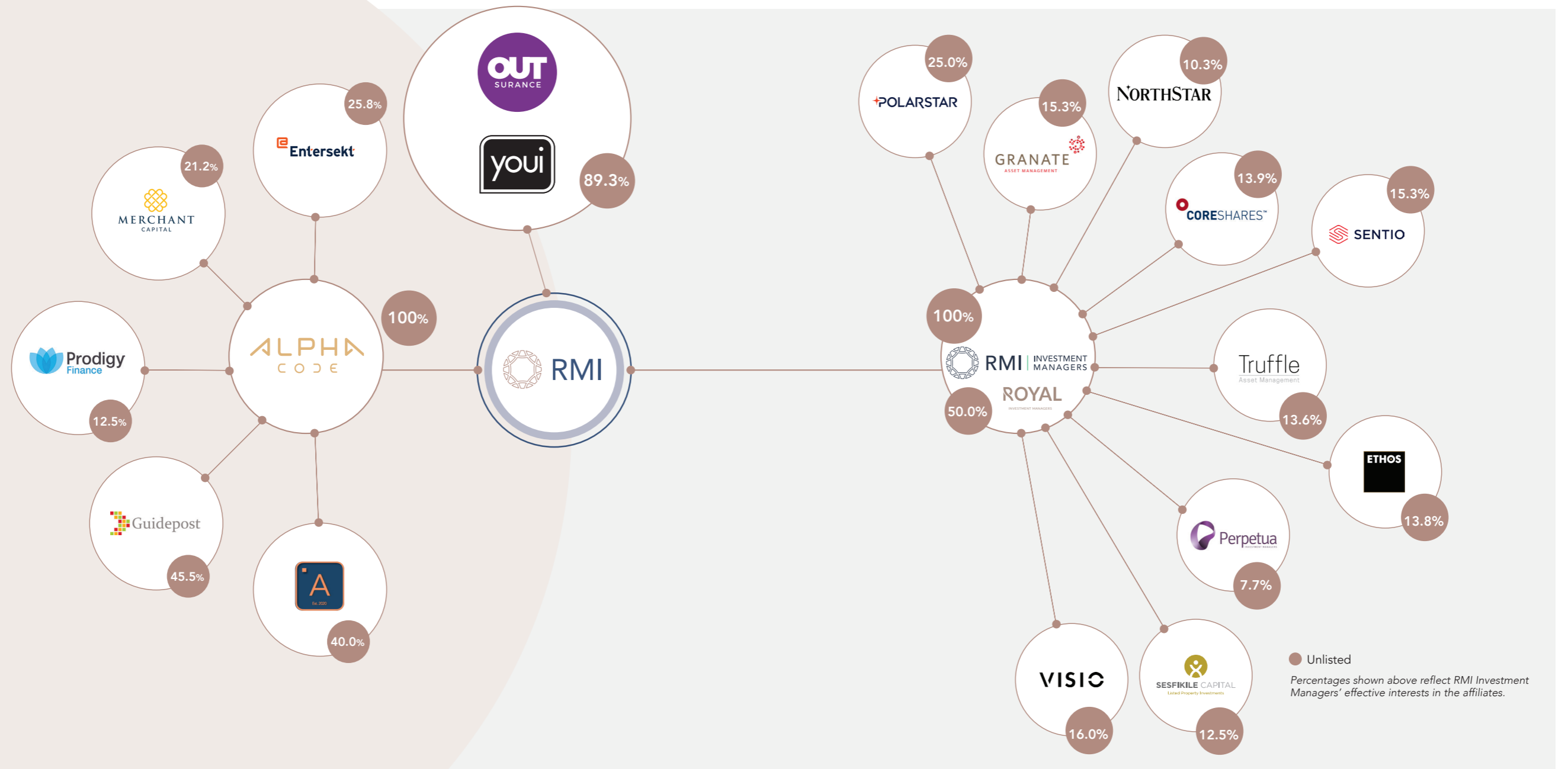
The valuations are based on:

- 1 An internal discounted cash flow management model that has been independently verified.
- 2 Internal management valuations.
- 3 All the assets and liabilities at holding company level other than the investments shown separately in the table above.
- 4 A discounted cash flow valuation performed as at 30 June 2021 (Hastings was delisted on 16 November 2020). The ZAR:GBP exchange rate as at year-end was used to translate the GBP valuation into ZAR.
- 5 Market value as at 30 June 2021.
- 6 No provision for capital gains tax. The size of RMI's stakes in its underlying investee companies qualifies for certain tax exemptions when certain corporate actions are performed.

The share price of R27.84 per share on 30 June 2022 represents a discount of only 2% (2021: 28%) compared to the intrinsic value of the underlying investments.

# RMI'S GROUP STRUCTURE

RMI's investments as at 30 June 2022 are depicted in the diagram below:





# CONTINUING OPERATIONS

**OUTsurance** provides short-term and life insurance products in South Africa and short-term insurance products in Australia and Namibia. It has a client-centric approach, providing value for money insurance solutions backed by world-class service. Premiums are calculated according to a client's unique risk profile.

Clients who remain claim-free receive a cash OUTbonus, the first such reward system in South Africa.

At the core of the group's strategy is the incremental improvement of its operational performance to deliver pricing discipline and its relentless focus on brand trust and service outcomes. OUTsurance's systems transformation journey will ensure its agility to grow its competitive positioning and respond actively to changing market dynamics.



Refer to **page 18** for further information on OUTsurance's performance in the past year.

**RMI Investment Managers** is now in its sixth year of partnering with a select group of independent South African boutique asset management firms.

RMI Investment Managers and its shareholders recognise the importance of empowerment and playing a meaningful and active role in transforming the asset management industry in South Africa, through partnering and growing the next generation of significant investment management businesses. The strategic intent is therefore to solve for both distribution and empowerment through the strategic partnerships with Momentum Metropolitan and RBIH. In addition, the affiliates continue to enhance their empowerment credentials and building out their own distribution capabilities in an effort to become leading players in the South African asset management industry.

RMI Investment Managers has continued with its focus to expand its asset class reach by supporting the expansion into new products by its affiliates, which enables the overall breadth of the affiliate stable to mature in a healthy, organic manner.

**Royal Investment Managers** is a joint venture between RMI Investment Managers and RBIH.



**RMI** | INVESTMENT MANAGERS

**AlphaCode Grow** is one of the largest venture capital investors in South Africa with a portfolio of approximately R1 billion. The businesses are all led by South African entrepreneurs but are globally relevant and recognised internationally. The portfolio is fast-growing with significant social impact across the continent. Its current investments include:

- **Entersekt**, a leader in authentication app security and payments enablement technology, offering a highly scalable solution set with a track record of success across multiple continents. Entersekt is protecting 160 million transactions per month across 20 million bank accounts. Their unique, patented technology has been recognised globally, having recently attracted the attention of one of the world's leading growth capital investors, Accel-KKR, who completed an investment into the business earlier this year.
- **Guidepost**, a high-touch health insurtech innovator that enables highly personalised, data-driven diabetes management at scale. Guidepost makes it easy for everyone with diabetes to be healthy by providing its proprietary data-centric technology platform to service healthcare, pharma, life insurance and health insurance customers. In South Africa, Guidepost has served over 28 000 patients for leading insurer and healthcare brands like Novo Nordisk, Sanofi, Sanlam Insurance, Discovery Health and Discovery Life and has reduced hospitalisation costs by 19%.
- **Merchant Capital** is a provider of alternative sources of working capital for small and medium-sized enterprises in South Africa. AlphaCode Grow invested in Merchant Capital in 2015. Standard Bank has since joined AlphaCode Grow as a large strategic investor. Through this partnership, substantial distribution synergies are being unlocked and new products are being developed. Merchant Capital has provided more than R1.5 billion of working capital loans to some 12 000 SMEs in the country, while maintaining a healthy credit portfolio. In the last financial year, Merchant Capital was able to attract an additional R1 billion of loan funding from RMB.
- **Prodigy Finance**, an international fintech platform offering loans to postgraduate students attending top universities. Prodigy Finance has issued more than \$1.2 billion of loans, serving more than 30 000 students globally. The business has recovered well from COVID-19 and is now growing by more than 50% year-on-year. Prodigy recently launched a highly successful social bond and has attracted funding from leading funders such as Canadian Pension Fund, Goldman Sachs and Deutsche Bank.

**ALPHA**  
CODE

# DISCONTINUED OPERATIONS

**Discovery** is a global, integrated financial services organisation that uses a pioneering shared value insurance model across businesses to achieve its core purpose of making people healthier and enhancing and protecting their lives.

It is a South African-founded diversified financial services organisation that operates in health insurance, life insurance, long-term savings and investments, short-term and commercial insurance, banking and behaviour change programmes.

Since its inception over two decades ago, it has been guided by its core purpose, which has manifested in a globally recognised shared value insurance model underpinned by its leading behaviour change platform, Vitality. The Vitality platform has been exported to 22 countries, reaching more than 40 million lives.



**Hastings** is a technology-led challenger to traditional insurers in the United Kingdom (UK) car, van, bike and home insurance market. It is an expert in digital and price comparison distribution and relies on high digitisation of the customer experience in order to drive client retention.

Hastings provides a simple financial model with low-cost, stable and diversified underwriting and retail income and is a highly cash-generative business. It has more than three million live client policies and is a multi-award-winning business.



**Momentum Metropolitan** is an insurance-based financial services group listed on the JSE.

It operates primarily in South Africa, with insurance interests in select African countries, the UK (asset management) and India (health). The core businesses of Momentum Metropolitan offer life and short-term insurance, asset management, savings, investment, healthcare administration and employee benefits. Their product and service solutions are provided to all market segments through the Momentum and Metropolitan operating brands.



# OPERATING ENVIRONMENT

Our investment decisions and the results of our portfolio companies are impacted by factors in our external environment and the outlook in the countries in which we operate.

## External factors impacting our current environment

## External factors we expect to impact the environment in the years ahead



### Geopolitical tension

- Geopolitical tension, most prominent in Ukraine, has resulted in extreme **commodity price swings** that will have a profound impact on the global economy over the short to medium term.
- Price increases in **oil and gas** as well as **food** has affected worldwide inflation statistics, especially in the developed world.

- The additional upward pressure on inflation will **reduce household purchasing power** across the globe.
- Economic sanctions can have a **lasting and dramatic** effect on the world economy in the medium to long term.
- The **supply chain** bottlenecks and shortcomings exposed by COVID-19 are expected to endure in the medium term.



### South African economy

- The economy is plagued by **poor service delivery** and an **energy crisis**, manifested by increased load shedding and Eskom plant breakdowns.
- High **fuel and food inflation** have dampened consumer confidence and spending.
- Record **unemployment** continues to limit economic recovery and has the potential to spark social unrest.

- The Organisation for Economic Co-operation and Development (OECD) projects **GDP** to grow by 1.8% in 2022 and 1.3% in 2023.
- The commodity prices boom will support **exports**.
- **Inflation** is expected to increase further due to higher energy prices before starting to decline.



### Australia

- The Australian economy has experienced a solid **post-pandemic recovery**.

- The OECD projects **GDP growth** of 4.2% in 2022 and 2.5% in 2023.
- **Wage and price pressures** will rise, given the already tight labour market and the strains on global supply chains, before moderating in 2023.



### Climate change

- Climate-related **weather events** continue to be the top risks.
- In April, KwaZulu-Natal was hit by severe **flooding and landslides** caused by heavy rainfall.
- Australia recently endured **severe flooding** in the states of Queensland and New South Wales.

- Severe weather events are expected to become **more frequent and severe** in the coming decade.
- Momentum on climate change action and ESG **disclosures** are growing.


# OVERVIEW OF RESULTS

Hastings represented a major geographical area of operation and both Discovery and Momentum Metropolitan represented major lines of business. The results of all these investee companies are therefore being treated as discontinued operations in the RMI group results. The results of Hastings were equity accounted until 8 December 2021, the effective date of the sale. The results of Discovery and Momentum Metropolitan were also equity accounted until 8 December 2021, the date on which the unbundling of these assets met the accounting definition of being highly probable.

RMI regards normalised earnings as the appropriate basis to evaluate business performance as it eliminates the impact of non-recurring items and accounting anomalies. In respect of the results for the year ended 30 June 2022, the emphasis is on normalised earnings from continuing operations and this will form the base from which the results for the 2023 financial year onwards will be evaluated.

Normalised results from continuing operations decreased by 4%. Total normalised earnings were negatively impacted by the inclusion of the results from discontinued operations only up to 8 December 2021, i.e. just over five months, resulting in a decline of 17% in normalised earnings from continuing and discontinued operations. RMI's consolidated normalised earnings for the year ended 30 June 2022 are set out in the table below.

R million	For the year ended 30 June		% change
	2022	2021	
<b>Continuing operations</b>	<b>1 773</b>	1 841	(4)
OUTsurance (excluding Hastings)	<b>2 039</b>	2 296	(11)
– OUTsurance (including Hastings)	<b>2 099</b>	2 513	(16)
– Hastings included in OUTsurance	<b>(60)</b>	(217)	72
RMI Investment Managers and AlphaCode investments	<b>27</b>	142	(81)
Funding and holding company costs	<b>(293)</b>	(597)	51
<b>Discontinued operations</b>	<b>1 181</b>	1 704	(31)
Discovery (up to 8 December 2021)	<b>620</b>	850	(27)
Hastings (up to 8 December 2021)	<b>191</b>	585	(67)
Momentum Metropolitan (up to 8 December 2021)	<b>370</b>	269	38
<b>Normalised earnings</b>	<b>2 954</b>	3 545	(17)
<b>Normalised earnings per share (cents)</b>	<b>192.8</b>	231.4	(17)

 A reconciliation of the adjustments made to headline earnings to derive normalised earnings is presented on **page 24**.

# CONTINUING OPERATIONS



RMI's portion of normalised earnings from **OUTsurance**, excluding its stake in Hastings, decreased by 11% for the year ended 30 June 2022 to R2.0 billion.

Normalised earnings from OUTsurance's South African operations were negatively impacted by an increased claims ratio as a result of wetter weather conditions, increased non-motor claims costs, the normalisation of motor claims frequencies and claims related to the extensive damage caused by the flooding in KwaZulu-Natal.

At **Youi**, the claims ratio increased significantly due to the extent of natural catastrophe events experienced which included the Melbourne earthquake and various hail and flood events. Although the claims related to the flooding experienced during the second half of this financial year were mostly covered by the reinsurers, each separate event resulted in a retained loss of AUS\$2 million.

The operating loss of new ventures (products and channels) increased from R485 million in 2021 to R631 million in 2022. This increase is associated with a higher new business strain from a stronger growth rate in the BZI channel, the impact of more severe weather losses and the launch of the OUTsurance Life face-to-face strategy. The operational loss relating to new ventures represented 19% (2021: 13%) of the operating profit generated by profitable segments. The group's target over time for this measure is set at 10%.

Annualised new premiums written increased by 23% to R7.1 billion and gross written premiums increased by 14% to R23.5 billion. The new premiums written growth was enabled by the group's channel and product growth strategy. The South African operations delivered 16% growth, while Youi achieved 30% growth measured in Australian Dollars, mainly due to the step-up in the BZI channel sales.



Normalised earnings generated in the comparative year by **RMI Investment Managers** included a significant amount for performance fees earned which was not repeated in the year under review. However, the financial results for the year were ahead of expectations and the business continues to benefit from a diversified affiliate revenue capability.

The challenging market conditions experienced in the global markets since January 2022 have impacted Affiliate fund performance. RMI Investment Managers has done well to keep its assets under management largely flat during this period. Local and offshore markets were largely negative over the first half of the 2022 calendar year. The FTSE/JSE All Share Index and the FTSE/JSE All Property Index lost 8.3% and 13.5% respectively. Global markets also sold off heavily, with ZAR returns on the Nasdaq and S&P500 falling by 27.4% and 17.8% respectively. The MSCI ACWI lost 17.9% while the MSCI Emerging Market index declined by 15.3% over the six months ended 30 June 2022.

The combined affiliate assets under management amounted to R204.4 billion as at 30 June 2022. The positive net inflow of assets under management largely mitigated the negative market conditions across the portfolio.



The **AlphaCode** portfolio continues to perform in line with expectations. All the entities in the AlphaCode Grow stable, being Entersekt, Guidepost, Merchant Capital and Prodigy Finance, made significant progress in growing their business, increasing revenue and establishing business relationships that bode well for the future.



All the preference share debt funding was repaid by mid-December with the proceeds from the sale of Hastings. This was the main contributor to the reduction of 51% in **funding and holding company costs** during the year under review.

# DISCONTINUED OPERATIONS

## (commentary based on six months' results)

The total reported normalised earnings of RMI's discontinued operations for the six months to 31 December 2021 are provided in the table below:

R million	Six months ended 31 December		% change
	2021	2020	
Discovery	<b>2 876</b>	2 284	26
Hastings	<b>801</b>	652	23
Momentum Metropolitan	<b>1 525</b>	1 012	51



**Discovery's** normalised earnings increased by 26% to R2.9 billion during the six months ended 31 December 2021. Normalised earnings were positively impacted by mark-to-market foreign currency gains arising from a weakening of the Rand during the six months to 31 December 2021 compared to losses due to the strengthening of the Rand in the comparative period. Discovery has navigated the COVID-19 pandemic across its global operations, with mortality risk in South Africa having the largest financial impact. Although the COVID-19 claims paid of R3.4 billion during the six months to 31 December 2021 were the highest throughout the pandemic, the earnings impact was limited given strong reinsurance arrangements and previously raised provisions. High levels of vaccination among its clients and high levels of immunity in South Africa contributed to the significant reduction in fatalities.



**Hastings** achieved 23% growth in normalised earnings during the six months ended 31 December 2021. Its calendar year loss ratio for 2021 of 62.2% was significantly ahead of the target of 76%. Motor claims frequencies, although higher than 2020, remained below 2019 levels throughout 2021, largely reflecting reduced motor vehicle usage as a result of COVID-19 restrictions. The average cost of claims continued to rise, reflecting increases in repair costs, largely due to extended repair periods as a result of COVID-19 and general inflation in labour, parts and paint. Customer retention rates continue to be high and above market averages. Home insurance customer policies grew by 16% year-on-year to just over 310 000 policies.



**Momentum Metropolitan's** normalised earnings increased by 51% to R1.5 billion in the six months to 31 December 2021, mainly due to a significant increase in investment returns from R122 million to R740 million resulting from the general recovery of investment markets, fair value gains from the group's investment in venture capital funds and foreign exchange gains on the foreign currency-based assets. A decline of 12% in operating profit was largely attributable to net mortality losses of R378 million. New business volumes increased by 23% to R37 billion and the value of new business increased by 20% to R400 million.

# OUTLOOK AND FUTURE VALUE CREATION



**OUTsurance** expects the global and local economic backdrop to remain volatile for the foreseeable future. The major strategic focus for the 2023 financial year is to drive the growth initiatives to profitability and target margins.

The inflationary environment and hardening reinsurance market require ongoing pricing action and discipline. With OUTsurance's focus on underwriting margins, this may imply slower policy growth in the 2023 financial year.

The system transformation journey enjoys significant focus and the next year will see further adoption of the newly developed Stratos platform and bedding down the finance and risk systems which were recently deployed.

The international expansion initiative is gaining momentum and a licensing application will be submitted in 2023, together with launch preparations.

The listing transition of RMI to OUTsurance is a significant undertaking and is expected to be substantially completed by December 2022.

Agreement has been reached to acquire the Youi minority interest (2.6% in the 2023 financial year and a further 2.6% in the 2024 financial year).

Improving customer service outcomes will continue to be a core focus for incremental improvement in the 2023 financial year.

OUTsurance will pro-actively navigate the rapidly changing reinsurance market to ensure outcomes within its risk and capital appetite.



RMI Investment Managers' view is that the portfolio is largely complete, however, they remain opportunistic and continue to explore the addition of affiliates to either solve for additional exposure or under-exposure in certain asset classes or to further add value to the portfolio.

The RMI Investment Managers team continues to actively engage in strategic dialogue with its affiliates with a focus on implementing its shareholder value map, which offers affiliates access to comprehensive strategic support including operational, governance and financial support, succession planning, talent management and board representation. In addition, the team continues to play a strategic advisory role in helping its affiliates raise retail assets and foster meaningful and trusted client relationships. Many of the affiliates have also benefited from marketing support provided by the team. This has enabled the affiliates to expand their branding, marketing and public relations efforts to enhance their brand presence and credibility in the market.

RMI Investment Managers will ensure that its reputation as a trusted, value-adding but non-interfering shareholder of choice for the independent asset management industry remains a core philosophy. The team and its partners in Momentum Metropolitan and RBH remain excited and committed to working with its affiliates to support their growth to scale.



**AlphaCode Incubate** is an important element of RMI's enterprise supplier development programme which is biased towards black-owned businesses. In the 2022 financial year, AlphaCode Incubate selected eight businesses across healthtech, fintech, legaltech and datatech. The eight startups received an entrepreneurial package worth R500 000 including a curated online learning experience, mentorship and expert interventions, exclusive office space at AlphaCode, marketing, legal and other business support services as well as access to RMI's networks. Women are severely underrepresented in the startup ecosystem globally. Representation matters and by having a diverse AlphaCode team and selection panel, there was representation of seven female founders across the eight startups, several of whom have run successful businesses prior to these startups which we know makes for more successful entrepreneurs. All of the startups were founded during the pandemic, forcing the founders to work harder getting to know their customers, to become incredibly resourceful, resilient and creative in how they validated their products with customers. Between January and April 2022, the cohort generated R1.6 million in revenue and serviced an average of more than 10 000 customers. In June 2022, a virtual demo day was hosted. Each startup received an entrepreneurial package worth R1 million including R500 000 grant funding, six months of sprint-based tailored expert support and continued access to the co-working space.

**AlphaCode Explore** is an initiative aimed at upskilling those interested in entrepreneurship through thought leadership events, workshops, masterclasses and peer learning sessions. A women-in-tech initiative was the key focus for the 2022 financial year. A female-founder-only dinner and pitch event was hosted where four female-founded tech startups collectively received R350 000 in grant funding. All six startups that pitched received tailored mentorship support, enabling their startups to refine their business models, gain access to investors, gain market traction and showcase their capability to corporates.

AlphaCode Seed invested R2 million via a convertible note into **CARscan**, an insurtech that uses a mobile phone for vehicle service assessments, pre-inspections or claim assessments in the event of an accident using a priority AI-AR based platform. The fund co-invested alongside Kalon Venture Partners, Launch Africa and IDF (all are following-on from their original investment) as well as Allan Gray E2 Ventures. In total, \$1 million was invested in the business in this round. The business has received \$1.7 million in funding across two funding rounds.

RMI remains excited about the growth prospects of the **AlphaCode Grow** portfolio. The drive to scale and grow Entersekt, Guidepost, Merchant Capital and Prodigy Finance remains unchanged and RMI remains a supportive shareholder.



## Events after the reporting period

The directors are not aware of any material adjusting or non-adjusting events relating to the year ended 30 June 2022 that occurred between the date of the statement of financial position and the date of this report.

## Changes to the board of directors

At the annual general meeting held on 24 November 2021, Messrs Harris, Mupita and Phetwe and Ms De Bruyn stepped down as RMI board members. On the same date, Mr Morobe took over from Ms De Bruyn as member of the remuneration committee and Mr Lucht took over from Ms De Bruyn as member of the social, ethics and transformation committee.

On 14 March 2022, Mr Dippenaar retired from the RMI board.

## Final dividend for the 2022 financial year

The board of RMI has decided to declare a final dividend of 42.0 cents per share on 21 September 2022. The board believes RMI is adequately capitalised and that the group will be able to meet its obligations in the foreseeable future after payment of the final dividend.

The total ordinary dividend per share for the year of 65.5 cents (2021: 45.0 cents) is covered 2.9 times (2021: 5.1 times) by the normalised earnings of 192.8 cents (2021: 231.4 cents) per share.

 Shareholders are referred to the dividend declaration on **page 17** regarding the applicability of Dividend Withholding Tax to the ordinary dividend.

## Appreciation

We express our appreciation for the ongoing commitment of all our stakeholders as RMI transitions to OUTsurance.

We are confident that the group will continue to deliver value in the short, medium and long term.



**Jannie Durand**  
Chairman

Rosebank

21 September 2022



**Herman Bosman**  
Chief executive officer

# CASH DIVIDEND DECLARATION

Notice is hereby given that a gross final cash dividend of 42.0 cents per ordinary share, payable out of income reserves, was declared on 21 September 2022 in respect of the year ended 30 June 2022.

The dividend will be subject to Dividend Withholding Tax at a rate of 20%, which will result in a net dividend of 33.6 cents per ordinary share for those shareholders who are not exempt.

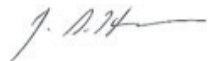
The company's tax reference number is 9469/826/16/9. Its issued share capital at the declaration date comprises 1 531 807 770 ordinary shares.

Shareholders' attention is drawn to the following important dates:

- Last day to trade in order to participate in this dividend will be Tuesday, 18 October 2022.
- Shares commence trading ex-dividend on Wednesday, 19 October 2022.
- The record date for the dividend payment will be Friday, 21 October 2022.
- Dividend payment date will be on Monday, 24 October 2022.

No dematerialisation or rematerialisation of share certificates may be done between Wednesday, 19 October 2022 and Friday, 21 October 2022 (both days inclusive).

By order of the RMI board.



**Schalk Human**  
Company secretary

Rosebank

21 September 2022

# OUTSURANCE'S PERFORMANCE FOR THE YEAR



## VALUE CREATED for the year ended 30 June 2022

Valuation  
**+5%**

**R44.6**  
billion

2021: R42.5 billion

Normalised earnings  
**(17%)**

**R2 316**  
million

2021: R2 779 million

Normal dividends paid  
**(17%)**

**48.7** cents  
per share

2021: 59.0 cents per share

### WHY OUTSURANCE IS A GOOD INVESTMENT

- Dynamic management team
- Market leader in direct insurance
- Well-loved and easily recognised brand
- World-class technology and claims-handling processes
- High level of cash generation and dividend-paying capabilities
- Preferred employer, thereby attracting talented people

## 2022 Performance

- OUTsurance's operating profit decreased by 13% to R2.9 billion, mainly driven by the increase in the group's claims ratio from 52.6% to 56.1%, reflecting the impact of the KwaZulu-Natal floods, increase in catastrophe events in Australia and the normalisation of motor claims frequencies;
- Normalised earnings including its stake in Hastings decreased by 17% to R2.3 billion. Excluding Hastings, normalised earnings decreased by 11% to R2.2 billion;
- Gross written premiums increased by 14% to R23.5 billion;
- Annualised new business premium written increased by 23% to R7.1 billion;
- The cost-to-income ratio increased marginally from 30.3% to 30.4%; and
- The total dividend for the year decreased by 17% to 48.7 cents per share.

**OUTsurance's SA short-term insurance operations (Personal and Business)** delivered an acceptable operational and financial performance considering the effect of motor claims frequency normalisation, higher repair cost inflation exacerbated by supply shortages, wetter weather and the impact of the KwaZulu-Natal flood event. The 9% increase in gross premiums to R10.3 billion is a combination of an increase in policy count and significantly higher premium inflation. Vehicle claims frequencies returned to pre-pandemic levels and the effect of retained weather losses contributed to an increase in the claims ratio from 49.9% to 53%. The cost-to-income ratio increased from 24.6% to 25.2%, mostly due to the expanding tied agency channel at OUTsurance Business and an increase in remuneration of employees following a resumption of salary increases in 2022 and the effect of the rising demand for specialist talent.


**Youi** delivered a strong operational performance for the year under review despite the challenging financial results owing to a large increase in retained natural perils losses. Australia endured various large weather events, the most notable being the major flood events in Queensland and New South Wales in February and March 2022. Youi's reinsurance programme for 2022 has an AUS\$30 million catastrophe retention attachment point compared to AUS\$10 million the previous year. This resulted in higher natural event retention in 2022, amplified by the larger number of events and severity thereof. Youi delivered 19% and 23% growth in gross written premiums in Rand and Australian Dollar terms respectively. This was enabled by a healthy new business performance in the direct channel, supported by higher inflation and accelerated growth from the BZI partnership established in March 2020. The CTP business was established in December 2020 and has delivered encouraging market penetration in the New South Wales compulsory insurance market.

During the year under review, **OUTsurance Life** made large investments to support the diversified product and distribution channel expansion. These include the expansion of the Funeral product and the launch of OUTsurance Financial Advisors, a dedicated tied agency distribution capability for life and investment products. Gross written premiums increased by 23% in 2022, with encouraging new business margins across all products. The Funeral product, inclusive of both the direct and Shoprite channel, delivered 91% gross premium growth to R206 million during the 2022 financial year. During the first half of the financial year, OUTsurance Life incurred significant mortality claims linked to the Delta COVID-19 wave. Mortality linked to COVID-19 was significantly more muted in the second half of the year which has resulted in a partial release of the COVID-19-specific reserves which were maintained since the inception of the pandemic. The operating profit of R91 million generated by OUTsurance Life was aided by the net positive effect of yields during 2022. This is a positive outcome considering the investment in new initiatives. The embedded value increased by 17% to R1.5 billion.

OUTsurance has entered into a binding offer to dispose of its 49% interest in **OUTsurance Namibia** to the FirstRand group. Completion of this transaction is subject to the approval from the Competition authority.

OUTsurance's capital position has remained resilient throughout the pandemic, with a solvency coverage ratio of 2.2 times at year-end.

RMI included R2 099 million of OUTsurance's earnings in its normalised earnings (2021: R2 513 million).

 For an in-depth review of OUTsurance's performance, RMI's shareholders are referred to [www.outsurance.co.za](http://www.outsurance.co.za)

# FINANCIAL REVIEW

## Basis of presentation of results

The summary consolidated financial statements contained in this booklet are prepared in accordance with the JSE Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

This report is prepared in accordance with:

- The framework concepts and the recognition and measurement requirements of International Financial Reporting Standards (IFRS), including interpretations issued by the IFRS Interpretations Committee;
- Financial Reporting Pronouncements as issued by Financial Reporting Standards Council;
- SAICA Financial Reporting Guide as issued by the Accounting Practices Committee; and
- As a minimum, the information required by IAS 34: Interim Financial Reporting.

The directors take full responsibility and confirm that this information has been correctly extracted from the audited consolidated annual financial statements from which the summary consolidated financial statements were derived.

## Accounting policies

These summary results incorporate accounting policies that are consistent with those used in preparing the financial results for the previous financial year.

The audited consolidated annual financial statements, from which these summary consolidated financial statements are extracted, are prepared in accordance with the going concern principle under the historical cost basis, as modified by the fair value accounting of certain assets and liabilities, where required or permitted by IFRS.

No new or amended IFRS became effective for the year ended 30 June 2022 that impacted the group's reported earnings, financial position, reserves or accounting policies.

## Auditor's report

The auditor expressed an unmodified opinion on the consolidated annual financial statements from which the summary consolidated financial statements were derived.

A copy of the auditor's report on the consolidated annual financial statements is available for inspection at RMI's registered office, 12th Floor, The Bank, corner of Tyrwhitt and Cradock Avenues, Rosebank, together with the financial statements identified in the auditor's report.

The auditor's report does not necessarily report on all of the information contained in these summary consolidated financial statements. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should review the auditor's report together with the accompanying financial information from the issuer's registered office.

The forward-looking information has not been commented or reported on by the group's external auditor. RMI's board of directors takes full responsibility for the preparation of this booklet.

## Normalised results

RMI believes that normalised earnings more accurately reflect operational performance.

Headline earnings in terms of Circular 4/2018: Headline Earnings are adjusted to exclude non-operational items and accounting anomalies.

 A reconciliation between headline earnings and normalised earnings is provided on **page 24**.

## Effective interest

RMI's effective interest in the group entities is different from the actual holdings as a result of the following consolidation adjustments:

- Treasury shares held by group entities;
- Shares held by consolidated share incentive trusts;
- 'Deemed' treasury shares arising from broad-based black economic empowerment (B-BBEE) transactions entered into; and
- 'Deemed' treasury shares held by policyholders and mutual funds managed by them.

The effective interest held by RMI can be compared to the actual interest in the statutory issued share capital of the companies as follows:

	As at 30 June 2022		As at 30 June 2021	
	Effective	Actual	Effective	Actual
OUTsurance	<b>90.8%</b>	<b>89.3%</b>	90.6%	89.1%
RMI Investment Managers	<b>100.0%</b>	<b>100.0%</b>	100.0%	100.0%
Merchant Capital	<b>21.2%</b>	<b>21.2%</b>	24.8%	24.8%
Entersekt	<b>25.8%</b>	<b>25.8%</b>	28.2%	28.2%
Guidepost	<b>45.5%</b>	<b>45.5%</b>	39.5%	39.5%
Discovery	-	-	25.1%	24.8%
Hastings Group Consolidated	-	-	30.0%	30.0%
Momentum Metropolitan	-	-	28.2%	26.8%

The group's interest in Prodigy Finance is treated as a financial asset at fair value through other comprehensive income, as the size of this shareholding (12.5%) does not enable the group to exercise significant influence, which is the criterion for classifying an investment as an investment in associate.

# SUMMARY CONSOLIDATED INCOME STATEMENT

for the year ended 30 June

R million	2022	2021	% change
Gross insurance premiums	<b>23 532</b>	20 570	14
Less: Reinsurance premiums	<b>(2 314)</b>	(1 658)	
<b>Net insurance premiums</b>	<b>21 218</b>	18 912	12
Gross change in provision for unearned premiums	<b>(1 264)</b>	(1 043)	
Reinsurance relating to provision for unearned premiums	<b>243</b>	182	
<b>Net insurance premiums earned</b>	<b>20 197</b>	18 051	12
Fee and other income	<b>471</b>	85	
Investment income	<b>320</b>	152	
Interest income on financial assets using the effective interest rate method	<b>341</b>	333	
Realised losses	<b>-</b>	(6)	
Net fair value gains on financial assets	<b>118</b>	406	
Fair value gain on loss of control of subsidiary	<b>37</b>	-	
Expected credit losses on financial assets	<b>(5)</b>	(2)	
<b>Net income</b>	<b>21 479</b>	19 019	13
Gross claims paid	<b>(13 352)</b>	(10 019)	
Reinsurance recoveries received	<b>2 577</b>	1 276	
Provision for non-claims bonuses	<b>(550)</b>	(509)	
Transfer to policyholder liabilities under insurance contracts	<b>(3)</b>	(249)	
Fair value adjustment to financial liabilities	<b>(147)</b>	(140)	
Marketing and administration expenses	<b>(6 868)</b>	(5 598)	
<b>Profit before finance costs, results of associates and taxation</b>	<b>3 136</b>	3 780	(17)
Finance costs	<b>(432)</b>	(626)	
Share of after-taxation results of associates	<b>27</b>	64	
<b>Profit before taxation</b>	<b>2 731</b>	3 218	(15)
Taxation	<b>(1 027)</b>	(1 139)	
<b>Profit for the year from continuing operations</b>	<b>1 704</b>	2 079	(18)
Profit for the year from discontinued operations	<b>21 187</b>	1 143	
<b>Profit for the year</b>	<b>22 891</b>	3 222	>100
<b>Attributable to:</b>			
Equity holders of the company	<b>22 396</b>	2 893	>100
Non-controlling interests	<b>495</b>	329	50
<b>Profit for the year</b>	<b>22 891</b>	3 222	>100
Earnings per share (continuing and discontinued operations)	<b>1 463.2</b>	189.2	>100
Diluted earnings per share (continuing and discontinued operations)	<b>1 460.4</b>	188.5	>100

# SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June

R million	2022	2021	% change
<b>Profit for the year</b>	<b>22 891</b>	3 222	>100
<b>Other comprehensive income/(losses) for the year</b>			
Exchange differences on translation of foreign operations <sup>1</sup>	<b>202</b>	(502)	
Fair value gains/(losses) on other comprehensive income financial instruments <sup>2</sup>	<b>38</b>	(67)	
Deferred tax on fair value losses on other comprehensive income financial instruments	<b>3</b>	-	
Share of comprehensive loss of associates	<b>(739)</b>	(761)	
Items that may subsequently be reclassified to profit or loss, after taxation	<b>809</b>	(901)	
Reclassification of accumulated comprehensive income of discontinued operation	<b>(1 430)</b>	-	
Movement in liabilities accounted for as net investment hedge	<b>(77)</b>	215	
Items that will not be reclassified to profit or loss, after taxation	<b>(41)</b>	(75)	
<b>Other comprehensive loss for the year</b>	<b>(496)</b>	(1 330)	
<b>Total comprehensive income for the year</b>	<b>22 395</b>	1 892	>100
<b>Attributable to:</b>			
Equity holders of the company	<b>21 864</b>	1 682	>100
Non-controlling interests	<b>531</b>	210	>100
<b>Total comprehensive income for the year</b>	<b>22 395</b>	1 892	>100
<b>Total comprehensive income from continuing operations</b>	<b>1 923</b>	<b>1 510</b>	<b>27</b>
<b>Total comprehensive income from discontinued operations</b>	<b>20 472</b>	<b>382</b>	<b>&gt;100</b>

<sup>1</sup> This amount may subsequently be classified to profit or loss.

<sup>2</sup> R10 million (2021: (R75 million)) of this amount may subsequently be reclassified to profit or loss and R28 million (2021: R8 million) will not be reclassified to profit or loss.



# COMPUTATION OF HEADLINE EARNINGS

for the year ended 30 June

R million	2022	2021	% change
<b>Earnings attributable to equity holders</b>	<b>22 396</b>	2 893	>100
Adjustment for:			
Gain on distribution of associates	(15 227)	-	
Profit on disposal of equity accounted investments	(4 780)	-	
Impairment of intangible assets by associates	206	138	
Gain on dilution and disposal of equity-accounted investments	(38)	(84)	
Loss of control of subsidiary	19	-	
Impairment of owner-occupied building to below cost	17	3	
Adjustments within equity-accounted earnings	4	9	
Loss on disposal of property and equipment	1	4	
Profit on sale of subsidiary	-	(41)	
Derecognition of intangible assets and property and equipment	-	10	
FCTR reversal on sale of foreign subsidiary	-	(4)	
Loss on dilution of joint venture	-	1	
<b>Headline earnings attributable to equity holders</b>	<b>2 598</b>	2 929	(11)

# COMPUTATION OF NORMALISED EARNINGS

for the year ended 30 June

R million	2022	2021	% change
<b>Headline earnings attributable to equity holders</b>	<b>2 598</b>	2 929	(11)
RMI's share of normalised adjustments made by associates	30	610	
Amortisation of intangible assets relating to business combinations	128	289	
Economic assumption adjustments net of discretionary margin and interest rate derivative	(81)	95	
Remeasurement gain on retained interest in CloudBadger	(53)	-	
Restructuring costs	34	219	
Unrealised (gains)/losses on foreign exchange contracts not designated as a hedge	(15)	54	
Transaction costs related to VitalityLife interest rate derivatives	12	1	
Time value of money movement of swap contract in VitalityLife	(11)	(28)	
Adjustments for iSabelo	8	11	
Finance costs – Convertible preference shares	5	-	
Deferred tax raised on assessed losses	3	(38)	
B-BBEE cost	-	7	
Restructuring costs	318	-	
Group treasury shares	8	6	
<b>Normalised earnings attributable to equity holders</b>	<b>2 954</b>	3 545	(17)

# COMPUTATION OF EARNINGS AND DIVIDEND PER SHARE

for the year ended 30 June

R million	2022	2021	% change
<b>Earnings attributable to equity holders</b>	<b>22 396</b>	2 893	>100
<b>Headline earnings attributable to equity holders</b>	<b>2 598</b>	2 929	(11)
Number of shares in issue (millions)	<b>1 532</b>	1 532	
Weighted average number of shares in issue (millions)	<b>1 531</b>	1 529	
<b>Continuing and discontinued operations</b>			
Earnings per share (cents)	<b>1 463.2</b>	189.2	>100
Diluted earnings per share (cents)	<b>1 460.4</b>	188.5	>100
Headline earnings per share (cents)	<b>169.7</b>	191.6	(11)
Diluted headline earnings per share (cents)	<b>167.6</b>	190.9	(12)
<b>Continuing operations</b>			
Earnings per share (cents)	<b>94.1</b>	115.2	(18)
Diluted earnings per share (cents)	<b>92.0</b>	115.2	(20)
Headline earnings per share (cents)	<b>95.0</b>	119.6	(21)
Diluted headline earnings per share (cents)	<b>93.9</b>	119.6	(22)
<b>Dividend per share</b>			
Normal dividend (cents)	<b>65.5</b>	45.0	
Special dividend (cents)	<b>142.0</b>	-	
<b>Total dividend (cents)</b>	<b>207.5</b>	45.0	>100

# COMPUTATION OF NORMALISED EARNINGS PER SHARE

for the year ended 30 June

R million	2022	2021	% change
<b>Normalised earnings attributable to equity holders</b>	<b>2 954</b>	3 545	(17)
Number of shares in issue (millions)	<b>1 532</b>	1 532	
Weighted average number of shares in issue (millions)	<b>1 532</b>	1 532	
<b>Continuing and discontinued operations</b>			
Normalised earnings per share (cents)	<b>192.8</b>	231.4	(17)
Diluted normalised earnings per share (cents)	<b>191.1</b>	231.1	(17)
<b>Continuing operations</b>			
Normalised earnings per share (cents)	<b>115.8</b>	120.2	(4)
Diluted normalised earnings per share (cents)	<b>114.7</b>	120.2	(5)

# SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June

R million	2022	2021
<b>ASSETS</b>		
Property and equipment	1 065	1 056
Intangible assets	236	213
Right-of-use assets	70	104
Investments in associates	692	29 301
Financial assets		
– Equity securities		
– fair value through profit or loss	1 536	1 741
– fair value through other comprehensive income	383	365
– Debt securities		
– fair value through profit or loss	2 037	3 090
– fair value through other comprehensive income	5 317	3 338
– amortised cost	7 233	6 122
– Derivative asset	68	133
Insurance and other receivables	4 858	3 803
Deferred acquisition cost	681	513
Reinsurance contracts	2 765	1 140
Deferred taxation	425	502
Taxation	3	25
Assets held for sale	503	–
Cash and cash equivalents	2 508	2 618
<b>Total assets</b>	<b>30 380</b>	<b>54 064</b>
<b>EQUITY</b>		
Share capital and premium	15 431	15 353
Reserves	(3 944)	11 885
Total shareholders' equity	11 487	27 238
Non-controlling interests	1 465	1 776
<b>Total equity</b>	<b>12 952</b>	<b>29 014</b>
<b>LIABILITIES</b>		
Financial liabilities		
– Preference shares	–	11 514
– Financial liabilities at fair value through profit or loss	72	125
– Derivative liability	6	130
– Investment contracts at fair value through profit or loss	64	37
Lease liabilities	82	118
Share-based payment liability	297	258
Employee benefit liabilities	251	237
Deferred taxation	29	270
Insurance and other payables	2 777	1 909
Insurance contracts	13 638	10 311
Taxation	163	141
Liabilities directly associated with assets held for sale	49	–
<b>Total liabilities</b>	<b>17 428</b>	<b>25 050</b>
<b>Total equity and liabilities</b>	<b>30 380</b>	<b>54 064</b>

# SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June

R million	Share capital	Equity-accounted reserves	Transactions with non-controlling interests	Other reserves	Retained earnings	Non-controlling interests	Total equity
<b>Balance as at 30 June 2020</b>	15 342	7 463	(3 856)	727	6 172	1 697	27 545
Profit for the year	-	-	-	-	2 893	329	3 222
Other comprehensive income	-	(755)	-	(456)	-	(119)	(1 330)
Dividends paid	-	-	-	-	(345)	(226)	(571)
Income of associate companies retained	-	651	-	-	(651)	-	-
Movement in treasury shares	11	(1)	-	-	-	(10)	-
Transactions with non-controlling interest	-	3	(76)	-	(2)	54	(21)
Issue of share capital to non-controlling interests by subsidiaries	-	-	-	-	-	50	50
Share-based payment reserve	-	83	-	2	7	1	93
Share of equity financial instrument	-	-	-	5	-	-	5
Conversion of equity financial instrument	-	-	-	(6)	-	-	(6)
Sale of financial assets through other comprehensive income	-	-	-	(47)	47	-	-
Reserve adjustment of associates	-	59	-	-	(32)	-	27
<b>Balance as at 30 June 2021</b>	<b>15 353</b>	<b>7 503</b>	<b>(3 932)</b>	<b>225</b>	<b>8 089</b>	<b>1 776</b>	<b>29 014</b>
Profit for the year	-	-	-	-	22 396	495	22 891
Other comprehensive income	-	(726)	-	194	-	36	(496)
Dividends paid	-	-	-	-	(2 880)	(594)	(3 474)
Dividend in specie – unbundling of associates	-	-	-	-	(34 644)	-	(34 644)
Income of associate companies retained	-	(7 154)	-	-	7 154	-	-
Movement in treasury shares	78	3	-	-	(68)	1	14
Transactions with non-controlling interest	-	5	(248)	-	(1)	(271)	(515)
Issue of share capital to non-controlling interests by subsidiaries	-	-	-	-	-	63	63
Share-based payment reserve	-	36	-	1	(3)	-	34
Derecognition of retained earnings on loss of control of subsidiary	-	-	-	-	82	(41)	41
Reserve adjustment of associates	-	24	-	-	-	-	24
<b>Balance as at 30 June 2022</b>	<b>15 431</b>	<b>(309)</b>	<b>(4 180)</b>	<b>420</b>	<b>125</b>	<b>1 465</b>	<b>12 952</b>

# SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June

R million	Group 2022	Group 2021
<b>Cash flows from operating activities</b>		
Cash generated from operations	3 893	4 424
Interest income	366	308
Dividends received	233	256
Cash flows on assets backing policyholder liabilities	(156)	(244)
Purchase of financial assets	(12 005)	(7 986)
Proceeds on disposal of financial assets	9 108	7 558
Income tax paid	(1 185)	(1 116)
Dividends received from discontinued operations	326	397
<b>Net cash (utilised in)/generated from operating activities</b>	<b>580</b>	<b>3 597</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(95)	(81)
Disposal of property and equipment	6	1
Purchase of financial assets	(431)	(3 112)
Proceeds on disposal of financial assets	1 965	1 395
Acquisition of associates	(161)	(226)
Proceeds on disposal of associate	14 576	11
Acquisition of shares in discontinued operation	(402)	-
<b>Net cash inflow/(outflow) from investing activities</b>	<b>15 458</b>	<b>(2 012)</b>
<b>Cash flows from financing activities</b>		
Redemption of preference share debt	(11 514)	-
Purchase of shares from non-controlling interest	(728)	-
Proceeds from the issue of preference share debt	-	2 000
Borrowings raised	245	-
Borrowings repaid	(245)	(2 108)
Repayment of lease liability	(43)	(41)
Cost of funding	(14)	(68)
Dividends paid on preference shares in issue	(511)	(560)
Dividends paid by subsidiaries to non-controlling interests	(594)	(226)
Cash dividends paid to shareholders	(2 880)	(345)
Proceeds on issue of shares to non-controlling interest	63	40
<b>Net cash outflow from financing activities</b>	<b>(16 221)</b>	<b>(1 308)</b>
Net (decrease)/increase in cash and cash equivalents for the year	(183)	277
Decrease in cash due to disposal of subsidiary	(5)	-
Unrealised foreign currency translation adjustment on cash and cash equivalents	78	(73)
Cash and cash equivalents at the beginning of the year	2 618	2 414
<b>Cash and cash equivalents at the end of the year</b>	<b>2 508</b>	<b>2 618</b>

# SEGMENTAL REPORT

The segmental analysis is based on the management accounts prepared for the group.

R million	Discovery	Momentum Metropolitan	Hastings	OUTsurance	Other <sup>1</sup>	RMI
<b>Year ended 30 June 2022</b>						
Net income	-	-	-	20 682	145	21 007
Interest received	-	-	-	355	117	472
Policyholder benefits and transfer to policyholder liabilities	-	-	-	(11 328)	-	(11 328)
Depreciation	-	-	-	(136)	(19)	(155)
Amortisation	-	-	-	(29)	-	(29)
Other expenses	-	-	-	(6 275)	(409)	(6 684)
Finance costs	-	-	-	(10)	(422)	(432)
Fair value adjustment to financial liabilities	-	-	-	(147)	-	(147)
Share of after-tax results of associates	-	-	-	2 187	(2 160)	27
<b>Profit/(loss) before taxation</b>	-	-	-	5 479	(2 748)	2 731
Taxation	-	-	-	(958)	(69)	(1 027)
<b>Profit/(loss) for the year from continuing operations</b>	-	-	-	4 521	(2 817)	1 704
Profit/(loss) for the year from discontinued operations	15 438	750	5 098	-	(99)	21 187
Hastings included in OUTsurance	-	-	-	(2 449)	2 449	-
<b>Profit/(loss) for the year</b>	15 438	750	5 098	2 072	(467)	22 891
Normalised earnings	620	370	124	2 316	(476)	2 954
Hastings included in OUTsurance	-	-	67	(67)	-	-
<b>Normalised earnings</b>	620	370	191	2 249	(476)	2 954
<b>As at 30 June 2022</b>						
<b>Assets</b>						
Investments in associates	-	-	-	27 055	2 397	29 452
Intangible assets	-	-	-	290	402	692
	-	-	-	236	-	236
<b>Total assets</b>	-	-	-	27 581	2 799	30 380
<b>Total liabilities</b>	-	-	-	17 186	242	17 428

<sup>1</sup> Other includes RMI, RMI Investment Managers, Merchant Capital, Entersekt, Prodigy, Guidepost and consolidation entries.

R million	Discovery	Momentum Metropolitan	Hastings	OUTsurance	Other <sup>1</sup>	RMI
<b>Year ended 30 June 2021</b>						
Net income	-	-	-	18 568	75	18 643
Interest received	-	-	-	284	92	376
Policyholder benefits and transfer to policyholder liabilities	-	-	-	(9 501)	-	(9 501)
Depreciation	-	-	-	(129)	(7)	(136)
Amortisation	-	-	-	(20)	-	(20)
Other expenses	-	-	-	(5 302)	(140)	(5 442)
Finance costs	-	-	-	(9)	(617)	(626)
Fair value adjustment to financial liabilities	-	-	-	(140)	-	(140)
Share of after-tax results of associates	790	108	184	68	57	1 207
<b>Profit/(loss) before taxation</b>	<b>790</b>	<b>108</b>	<b>184</b>	<b>3 819</b>	<b>(540)</b>	<b>4 361</b>
Taxation	-	-	-	(1 115)	(24)	(1 139)
<b>Profit/(loss) for the year</b>	<b>790</b>	<b>108</b>	<b>184</b>	<b>2 704</b>	<b>(564)</b>	<b>3 222</b>
Hastings included in OUTsurance	-	-	61	(61)	-	-
<b>Profit/(loss) for the year</b>	<b>790</b>	<b>108</b>	<b>245</b>	<b>2 643</b>	<b>(564)</b>	<b>3 222</b>
<b>Normalised earnings</b>	<b>850</b>	<b>269</b>	<b>341</b>	<b>2 779</b>	<b>(694)</b>	<b>3 545</b>
Hastings included in OUTsurance	-	-	244	(244)	-	-
<b>Normalised earnings</b>	<b>850</b>	<b>269</b>	<b>585</b>	<b>2 535</b>	<b>(694)</b>	<b>3 545</b>
<b>As at 30 June 2021</b>						
<b>Assets</b>						
Investments in associates	12 482	6 149	6 184	3 716	770	29 301
Intangible assets	-	-	-	213	-	213
Total assets	12 482	6 149	6 184	24 782	4 467	54 064
Hastings included in OUTsurance	-	-	3 627	(3 627)	-	-
<b>Total assets</b>	<b>12 482</b>	<b>6 149</b>	<b>9 811</b>	<b>21 155</b>	<b>4 467</b>	<b>54 064</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 186</b>	<b>11 864</b>	<b>25 050</b>

<sup>1</sup> Other includes RMI, RMI Investment Managers, Merchant Capital, Entersekt, Prodigy, Guidepost and consolidation entries.

# GEOGRAPHICAL SEGMENTS

R million	South Africa	Australia	United Kingdom	RMI
<b>Year ended 30 June 2022</b>				
Net income	11 874	9 605	-	21 479
Policyholder benefits and transfer to policyholder liabilities	(5 550)	(5 778)	-	(11 328)
Other expenses	(4 241)	(3 206)	-	(7 447)
Share of after-tax results of associates	27	-	-	27
<b>Profit before taxation</b>	<b>2 110</b>	<b>621</b>	<b>-</b>	<b>2 731</b>
Taxation	(846)	(181)	-	(1 027)
<b>Profit for the year from continuing operations</b>	<b>1 264</b>	<b>440</b>	<b>-</b>	<b>1 704</b>
Profit for the year from discontinued operations	15 896	-	5 291	21 187
<b>Profit for the year</b>	<b>17 160</b>	<b>440</b>	<b>5 291</b>	<b>22 891</b>
<b>As at 30 June 2022</b>				
<b>Assets</b>				
Property and equipment	357	708	-	1 065
Investments in associates	692	-	-	692
Financial assets	9 306	7 268	-	16 574
Other assets	2 208	9 841	-	12 049
<b>Total assets</b>	<b>12 563</b>	<b>17 817</b>	<b>-</b>	<b>30 380</b>
<b>Liabilities</b>				
Insurance contract liabilities	2 854	10 784	-	13 638
Other liabilities	968	2 822	-	3 790
<b>Total liabilities</b>	<b>3 822</b>	<b>13 606</b>	<b>-</b>	<b>17 428</b>
<b>Year ended 30 June 2021</b>				
Net income	10 751	8 268	-	19 019
Policyholder benefits and transfer to policyholder liabilities	(5 074)	(4 427)	-	(9 501)
Other expenses	(3 585)	(2 779)	-	(6 364)
Share of after-tax results of associates	64	-	-	64
<b>Profit before taxation</b>	<b>2 156</b>	<b>1 062</b>	<b>-</b>	<b>3 218</b>
Taxation	(796)	(343)	-	(1 139)
<b>Profit for the year from continuing operations</b>	<b>1 360</b>	<b>719</b>	<b>-</b>	<b>3 218</b>
Profit for the year from discontinued operations	569	-	574	1 143
<b>Profit for the year</b>	<b>1 929</b>	<b>719</b>	<b>574</b>	<b>3 222</b>
<b>As at 30 June 2021</b>				
<b>Assets</b>				
Property and equipment	364	692	-	1 056
Investments in associates	19 490	-	9 811	29 301
Financial assets	6 788	6 104	-	12 892
Other assets	3 977	6 838	-	10 815
<b>Total assets</b>	<b>30 619</b>	<b>13 634</b>	<b>9 811</b>	<b>54 064</b>
<b>Liabilities</b>				
Insurance contract liabilities	2 785	7 526	-	10 311
Other liabilities	12 825	1 914	-	14 739
<b>Total liabilities</b>	<b>15 610</b>	<b>9 440</b>	<b>-</b>	<b>25 050</b>



# NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June

## Financial instruments measured at fair value

The table below analyses financial instruments carried at fair value by level in the fair value hierarchy. The different levels are based on the extent that observable prices and/or data are used in the calculation of the fair value of the financial instruments. These levels are defined as follows:

**Level 1** – fair value is based on quoted market prices (unadjusted) in active markets for identical instruments as measured on the reporting date.

**Level 2** – fair value is determined from inputs other than quoted prices that are observable for the asset or liability, either directly (for example prices) or indirectly (for example derived from prices).

**Level 3** – fair value is determined from inputs for the asset or liability that are not based on observable market data.

The following table presents the group's financial assets and liabilities that are measured at fair value:

R million	Level 1	Level 2	Level 3	Total carrying amount
<b>30 June 2022</b>				
<b>Financial assets</b>				
Equity securities				
– Exchange-traded funds	817	-	-	817
– Listed preference shares	341	-	-	341
– Collective investment schemes	-	368	-	368
– Listed equity securities	-	-	-	-
– Unlisted equity securities	-	-	393	393
Debt securities				
– Unsecured investment in development fund	-	-	58	58
– Zero-coupon deposits	-	849	-	849
– Convertible loan	-	-	4	4
– Government, municipal and public utility securities	-	281	-	281
– Money market securities	-	4 576	-	4 576
– Collective investment schemes	-	1 225	-	1 225
– Unlisted debt securities at fair value through profit or loss	-	-	360	360
Derivative assets	-	68	-	68
<b>Total financial assets recognised at fair value</b>	<b>1 158</b>	<b>7 367</b>	<b>815</b>	<b>9 340</b>
<b>Financial liabilities</b>				
Financial liabilities at fair value through profit or loss				
Investment contract liability	-	-	72	72
Derivative liability	-	64	-	64
	-	6	-	6
<b>Total financial liabilities recognised at fair value</b>	<b>-</b>	<b>70</b>	<b>72</b>	<b>142</b>

R million	2022	2021
<b>Reconciliation of movement in level 3 assets</b>		
Balance at the beginning of the year	807	912
Reclassification on investment becoming an associate	(13)	-
Additions in the current year	219	90
Disposals (sales and redemptions)	(186)	(118)
Fair value movement	(12)	(77)
<b>Balance at the end of the year</b>	<b>815</b>	<b>807</b>
The level 3 financial assets at fair value through profit or loss represent loans and preference share investments, the value of which is not significantly sensitive to an increase or decrease in the counterparty credit rating due to the collateralised nature of the transaction.		
<b>Reconciliation of movement in level 3 liabilities</b>		
Balance at the beginning of the year	125	104
Preference dividends charged to profit or loss	147	140
Preference dividends paid	(161)	(119)
Transfer to liabilities associated with assets held for sale	(39)	-
<b>Balance at the end of the year</b>	<b>72</b>	<b>125</b>

The level 3 financial liabilities at fair value through profit or loss represent profits arising out of profit-sharing arrangements on ring-fenced insurance business that accrue on a monthly basis.

## Financial instruments measured at fair value continued

R million	Level 1	Level 2	Level 3	Total carrying amount
<b>30 June 2021</b>				
<b>Financial assets</b>				
Equity securities				
– Exchange-traded funds	952	–	–	952
– Listed preference shares	310	–	–	310
– Collective investment schemes <sup>1</sup>	–	388	–	388
– Listed equity securities	81	–	–	81
– Unlisted equity securities	–	–	375	375
Debt securities				
– Unsecured loans	–	18	47	65
– Zero-coupon deposits	–	708	–	708
– Convertible loan	–	–	13	13
– Government, municipal and public utility securities	–	260	–	260
– Money market securities	–	4 995	–	4 995
– Unlisted debt securities at fair value through profit or loss	–	37	372	409
Derivative assets	–	133	–	133
<b>Total financial assets recognised at fair value</b>	<b>1 343</b>	<b>6 539</b>	<b>807</b>	<b>8 689</b>
<b>Financial liabilities</b>				
Financial liabilities at fair value through profit or loss	–	–	125	125
Investment contract liability	–	37	–	37
Derivative liability	–	130	–	130
<b>Total financial liabilities recognised at fair value</b>	<b>–</b>	<b>167</b>	<b>125</b>	<b>292</b>

<sup>1</sup> A prior year collective investment scheme to the value of R253 million was reclassified from exchange-traded funds to collective investment schemes in line with the current year presentation.

The fair values of the above instruments were determined as follows:

### Level 1

The fair value of financial instruments traded in an active market is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The listed preference share investments comprise instruments which are listed on a securities exchange. The fair values of these investments are calculated based on the quoted closing prices of the individual investments on the reporting date. These instruments are included in Level 1 and comprise mainly equity and debt instruments classified as trading securities. The investment in the exchange-traded funds tracks the performance of the top fifty companies listed on the JSE.

### Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are market observable, the instrument is included in Level 2.

Level 2 instruments comprise the following, with a description of their valuation techniques provided:

- **Collective investment schemes:** These instruments are fair valued monthly by multiplying the number of units held by the closing market price which is based on the most recently available observable inputs.
- **Zero-coupon deposits:** These instruments are not traded actively during a financial reporting period. The group uses zero-coupon deposits to offset the interest rate risk inherent in some of the life insurance products underwritten by OUTsurance Life. The counterparties to these deposits are the large South African banks. The zero-coupon deposits have been structured to allow for the payment of the notional initial deposit to be spread over the specified term to enable cash flow matching. The maturity dates of the accreting zero-coupon deposits are long-term, with maturity dates at the various trading dates not exceeding 15 years. The fair values of the accreting zero-coupon deposits are determined monthly based on observable market inputs. To determine the fair values of the accreting zero-coupon deposits, a risk-free Swap Yield Curve produced every business day by the Johannesburg Securities Exchange is referenced. The instruments are designated at fair value through profit or loss, with both the interest accrual and fair value accounted for in profit or loss. The entire balance of the zero-coupon deposits is exposed to credit risk. The zero-coupon deposit has specifically remained classified as fair value through profit or loss under the 'accounting mismatch' rule as these financial assets have specifically been acquired to match the non-claims bonus portion of the policyholder liability.

## Financial instruments measured at fair value continued

- Government, municipal and public utility securities and money market securities:** The fair value of money market instruments and government, municipal and public utility securities is determined based on observable market inputs. These instruments consist of fixed and floating rate notes held in segregated portfolios and are typically listed on the JSE Interest Rate Market. These listed instruments are not as actively traded as Level 1 instruments. The fair values of these instruments are determined by using market observable inputs. The fair value yield, term-to-maturity, coupon payments and maturity value are used to discount the expected cash flows of these instruments to their present value in determining the fair value at the financial year-end.
- Zero-coupon deposits backing endowment policies and the investment contract liability backing the asset:** These instruments relate to a linked endowment policy. The fair value is based on the quoted interest rates provided in each contract. The group is not the ultimate counterparty to these endowment policies but rather acts as an agent to the arrangement between the client and third party. As such the asset and liability are designed to set off against each other.
- Interest rate swaps:** These swap arrangements consists of fixed for floating instruments. The fixed leg is priced at a fixed percentage plus a contractually agreed basis point adjustment and the floating leg is priced at three-month JIBAR.
- Collateralised swaps:** The fair value of collateralised swap arrangement, whereby the R2048 government bond serves as collateral and is underlying, is determined in the same manner as other money market instruments described above.
- Bond forward contract:** The fair value of the bond forward contract is derived from the fair value of the underlying bonds which are linked to the CPI index. The fair values of these bonds are calculated in the same manner as the other government and money market securities described above.
- Forward exchange contracts:** The group makes use of forward exchange contracts to reduce the impact of the currency risk contained in its open foreign currency exposure. The fair value of forward exchange contracts is determined using the difference between the spot closing exchange rate and the forward exchange rate at the statement of financial position date multiplied by the number of currency units purchased.

The group makes use of an interest rate, a collateralised swap and a bond forward arrangement to manage the interest rate risk contained in the non-bonus policyholder liability.

While the above instruments are not traded on an active market, the variable inputs relating to their valuation are readily available in the marketplace. The remaining inputs have been contractually agreed and are reflective of market-related terms and conditions.

### Level 3

If one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3. The financial instruments at fair value through profit or loss represent the following:

- Unlisted equity:** The fair value of the equity investment in Blue Zebra Insurance relating to a convertible preference share held is determined based on standard valuation techniques where the net asset value is a key input. The 12.5% (2021: 13.3%) shareholding held in Prodigy is carried at fair value of R351 million (2021: R321 million). Prodigy is a US based fintech platform that enables financing for international postgraduate students. The fair value is based on a present value calculation taking into account unobservable inputs of similar companies. These unobservable inputs in the calculation of the fair value of Prodigy includes a discount rate used of 14.1% (2021: 16.0%), and other inputs of significance being the loan book growth, the fee earned on loan book and disbursements. The higher the discount rate the lower the fair value of the shares held. The fair value is very sensitive to loan growth and fee earned on loan book assumptions, for instance, an increase or decrease by 1% per annum would increase or decrease the fair value by 10% and should the disbursement growth increase or decrease by 10 basis points, the fair value would increase or decrease by 7.5%. The investment is also exposed to currency risk.
- Unsecured Investment in Development Fund:** The group invested in the ASISA Enterprise Development Fund of which the objective is to make investments in underlying B-BBEE development entities. The nature of the underlying debt and equity investments are high-risk, small- and medium-sized businesses which are exposed to start-up, scale and macro-economic risk. As such gains and losses which could arise from the underlying investments are material, relative to the size of the group's investment in the fund. The group previously referred to the investment as an unsecured loan, however, the nature of the investment is similar to that of an investment in a unit trust.

The investments are fair valued by multiplying the number of units held by the closing price per unit as valued by the fund. A 20% positive or negative change in the value of the underlying investments is deemed to be a reasonable expected range of potential fluctuation of the group's investment and will result in the following fair value of the fund. Prior year sensitivities have been updated accordingly.

R million	Current	1% increase in interest rate	1% decrease in interest rate
<b>30 June 2022</b>			
Fair value	<b>58</b>	<b>70</b>	<b>47</b>
<b>30 June 2021</b>			
Fair value	44	43	45

- Convertible loan:** The loan with AutoGuru Australia Proprietary Limited (AutoGuru). The only significant unobservable inputs in the calculation are the market value of the AutoGuru shares, as this is an unlisted private company, and the underlying interest rate. Due to the fact that the loan is convertible into shares of AutoGuru, it exposes the group to equity price risk. As a result of the absence of quoted prices for the shares when the convertible bond was issued it fails the SPPI criteria, therefore the loan is designated as fair value through profit or loss.

## Financial instruments measured at fair value continued

### Level 3 continued

The fair value is determined based on a present value calculation taking into account the term to maturity, underlying interest rate and the share price of AutoGuru. The fair value of R4 million (2021: R13 million) as at 30 June 2022 is derived from an interest rate of 7.4% (2020: 6.6%). This interest rate has been contractually agreed and is adjusted for the prevailing BBSR applicable at valuation date. A 1% movement in the interest rate would result in the following fair value being recognised as at 30 June 2022:

R million	Current	1% increase in interest rate	1% decrease in interest rate
<b>30 June 2022</b>			
Fair value	4	4	3
<b>30 June 2021</b>			
Fair value	13	14	13

- **Financial liabilities at fair value through profit or loss:** A specific valuation technique is used to value this financial instrument which represents the accrued profit related to the FirstRand Bank Limited homeowners profit-sharing arrangement, as well as the accrued profit related to the Shoprite funeral profit-sharing arrangement.

Profits arising out of the homeowners profit-sharing arrangement accrue on a monthly basis and are distributed as preference dividends bi-annually to FirstRand Bank Limited. Profits arising out of the funeral profit-sharing arrangement accrue on a monthly basis and are distributed as preference dividends annually to Shoprite Investment Limited. The only significant unobservable input in the calculation of the preference dividends is the historic profit of the profit-sharing arrangements and there are no other inputs that determine the value of these instruments. Should the profit of the profit-sharing arrangement increase or decrease by 10%, for instance, the preference dividend will also increase or decrease by 10%.

No assumptions or adjustments or any other inputs are made to the profits before or after distribution. Distribution of the profits arising is made in the form of preference dividends.

The profit or loss of these profit-sharing arrangements is sensitive to:

- Claims ratio of the pool of business;
- Expense ratio of the pool of business; and
- Investment income on this pool of business.

## Assets held for sale/liabilities directly associated with assets held for sale

On 1 May 2022, management committed to a plan to sell certain of its associates indirectly held by RMI Investment Managers Group as well as assets and liabilities directly associated with these associates. Accordingly, the RMI Investment Managers associates have been classified as held for sale with an effective date of 1 May 2022. These assets are valued as at 30 June 2022 at their carrying value which is the lower of carrying value and fair value less costs to sell. The carrying value of the investment in associates may be reduced with any dividend payments between 1 May 2022 and the completion of the transaction.

The associates included as held for sale comprises CoreShares Holdings Proprietary Limited, Ethos Private Equity Proprietary Limited, Granate Asset Management Proprietary Limited, Northstar Asset Management Proprietary Limited, Perpetua Investment Managers Proprietary Limited, Royal Investment Managers Proprietary Limited, Sentio Capital Management Proprietary Limited and Truffle Capital Proprietary Limited.

In December 2021, management committed to a plan to sell its 49% associate shareholding in OUTsurance Namibia to FirstRand Namibia as it no longer fits into the strategic direction of the group. Accordingly, the investment in OUTsurance Namibia has been classified as held for sale with an effective date of 31 December 2021 and no significant changes to the sales plan are expected. The sale is expected to be finalised once final regulatory approval has been obtained. The investment in associate is valued as at 30 June 2022 at its carrying value which is the lower of carrying value and fair value less costs to sell.

The disposal proceeds relating to OUTsurance Namibia will be 49% of the aggregate of the value of the in-force book plus the net asset value (NAV) of OUTsurance Namibia as at 31 December 2021. The investment in associate may be reduced with any dividend payments after 31 December 2021 and before the completion of the transaction.

R million	2022	2021
<b>Assets held for sale</b>	<b>503</b>	-
<b>Liabilities directly associated with assets held for sale</b>	<b>49</b>	-

## Reclassification of comparative information

RMI classified Hastings, Discovery and Momentum Metropolitan as discontinued operations. The comparative information in the income statement and statement of cash flows were reclassified as required by IFRS 5.

The reclassifications to the summary consolidated income statement are set out below:

### Summary consolidated income statement for the year ended 30 June 2021

R million	Original	Restated	Reclassification
Share of after-tax results of associates	1 207	64	(1 143)
Profit for the year from discontinued operations	-	1 143	1 143

The reclassifications to the summary consolidated statement of cash flows are set out below:

### Summary consolidated statement of cash flows for the year ended 30 June 2021

R million	Original	Restated	Reclassification
Dividends received	653	256	(397)
Cash flows from discontinued operations	-	397	397

## Discontinued operations

On 20 September 2021 RMI announced its intention to unbundle its shareholdings in Discovery and Momentum Metropolitan. At the time it was envisaged that a rights issue of approximately R6.5 billion would be required before the unbundling could be finalised to reduce debt to a level that would be appropriate for the reduced size of the balance sheet post-unbundling. On 8 December 2021 RMI announced the sale of the group's shareholding in Hastings. The sales proceeds were utilised to repay all the preference share debt and therefore negated the need for a rights issue prior to the unbundling of Discovery and Momentum Metropolitan.

Hastings represented a major geographical area of operation and both Discovery and Momentum Metropolitan represented major lines of business. The results of all these investee companies are therefore being treated as discontinued operations in the RMI group results. The results of Hastings were equity accounted until 8 December 2021, the effective date of the sale. The results of Discovery and Momentum Metropolitan are also being equity accounted until 8 December 2021, the date on which the unbundling of these assets met the accounting definition of being highly probable. At this date, Discovery and Momentum Metropolitan were classified as held for distribution.

On 25 April 2022, RMI finalised the unbundling of its shareholdings in Discovery and Momentum Metropolitan.

Consequently, these investments were classified as discontinued operations in the results for the year ended 30 June 2022. The effective date for these reclassifications was 8 December 2021. Comparative information presented has been restated in terms of IFRS 5 Non-current Assets Held for sale and Discontinued Operations.

Financial information relating to the discontinued operations is as follows:

R million		At date of unbundling/sale	30 June 2021
<b>Name of entity</b>	<b>Discovery Limited</b>		
Country of incorporation	Republic of South Africa		
% of ownership		25.1	25.1
% of voting rights		25.0	24.8
<b>Name of entity</b>	<b>Momentum Metropolitan Holdings Ltd</b>		
Country of incorporation	Republic of South Africa		
% of ownership		28.2	28.2
% of voting rights		27.6	27.4
<b>Name of entity</b>	<b>Hastings Group (Consolidated) Limited</b>		
Country of incorporation	United Kingdom		
% of ownership		30.0	30.0
% of voting rights		30.0	30.0

R million	Discovery	Momentum Metropolitan	Hastings	Year ended 30 June 2022
RMI's effective portion in at-acquisition net asset	4 083	6 142	3 365	13 590
Dividend forming part of acquisition price	-	-	(216)	(216)
Notional goodwill	1 031	153	5 613	6 797
Cost price of investment	5 114	6 295	8 762	20 171
RMI's effective interest in post-acquisition movement in asset value	8 622	84	1 301	10 007
Treasury shares	-	(98)	-	(98)
Group carrying value prior to unbundling/sale	13 736	6 281	10 063	30 080
Additional acquisition of shares	402	-	-	402
Dividend received after reclassification to assets from discontinued operations	-	(140)	-	(140)
Group carrying value for unbundling/sale	14 138	6 141	10 063	30 342
Market value at distribution of investment	27 934	6 710	-	34 644
Proceeds from sale	-	-	14 576	14 576
Gain on distribution of investment	13 796	569	-	14 365
Gain on sale of Hastings	-	-	4 513	4 513
Equity-accounted earnings for the period	716	146	137	999
Gain on distribution of investment	13 796	569	-	14 365
Gain on disposal of investment	-	-	4 513	4 513
Reclassification of accumulated comprehensive income of discontinued operations	926	35	468	1 429
Transaction costs	(77)	(22)	(20)	(119)
<b>Profit from discontinued operations</b>	<b>15 361</b>	<b>728</b>	<b>5 098</b>	<b>21 187</b>
Attributable to:				
Equity holders of the company	15 361	728	4 865	20 954
Non-controlling interests	-	-	233	233
<b>Profit from discontinued operations</b>	<b>15 361</b>	<b>728</b>	<b>5 098</b>	<b>21 187</b>
Profit from discontinued operations	15 361	728	4 865	20 954
Headline earnings adjustment of discontinued operations	(14 673)	(403)	(4 734)	(19 810)
Headline earnings from discontinued operations	688	325	131	1 144
Normalised earnings adjustment of discontinued operations	(68)	45	60	37
<b>Normalised earnings from discontinued operations</b>	<b>620</b>	<b>370</b>	<b>191</b>	<b>1 181</b>
Dividend received from associate	-	200	126	326

R million	Discovery	Momentum Metropolitan	Hastings	Year ended 30 June 2021
RMI's effective portion in at acquisition net asset	4 083	6 142	3 365	13 590
Dividend forming part of acquisition price	-	-	(216)	(216)
Notional goodwill	1 031	153	5 613	6 797
Cost price of investment	5 114	6 295	8 762	20 171
RMI's effective interest in post-acquisition movement in asset value	7 368	(59)	1 049	8 358
Treasury shares	-	(87)	-	(87)
<b>Group carrying value</b>	<b>12 482</b>	<b>6 149</b>	<b>9 811</b>	<b>28 442</b>
Equity-accounted earnings for the year	790	108	245	1 143
<b>Profit from discontinued operations</b>	<b>790</b>	<b>108</b>	<b>245</b>	<b>1 143</b>
Attributable to:				
Equity holders of the company	790	108	234	1 132
Non-controlling interests	-	-	11	11
<b>Profit from discontinued operations</b>	<b>790</b>	<b>108</b>	<b>245</b>	<b>1 143</b>
Profit from discontinued operations	790	108	234	1 132
Headline earnings adjustment of discontinued operations	(41)	9	-	(32)
Headline earnings from discontinued operations	749	117	234	1 100
Normalised earnings adjustment of discontinued operations	101	152	351	604
<b>Normalised earnings from discontinued operations</b>	<b>850</b>	<b>269</b>	<b>585</b>	<b>1 704</b>
Dividend received from associate	-	100	297	397

## Contingencies and commitments

RMI guarantees a liability of one of its associates, limited to a maximum amount of R28 million (2021: R28 million).

## LEASE COMMITMENTS

The group had the following lease commitments as at 30 June 2022:

R million	2022	2021
Within 1 year	47	32
1 to 5 years	33	43
More than 5 years	2	43
Lease liabilities	82	118
Within 1 year	1	4
Short-term leases	1	4

## Subsequent events

### DIVIDEND

RMI declared a dividend of 42.0 cents per share on 21 September 2022, payable on 24 October 2022. This is a non-adjusting event.

# PERFORMANCE ON THE JSE LIMITED

R million	For the year ended	
	30 June 2022	30 June 2021
Number of shares in issue at the end of the year (000's)	1 531 808	1 531 808
Market price (cents)		
– Closing	2 784	3 134
– High for the year	5 321	3 404
– Low for the year	2 434	2 819
– Weighted average for the year	3 645	3 111
Closing price/net asset value per share	3.7	1.8
Closing price/headline earnings per share	16.4	16.4
Volumes of shares traded (million)	793	517
Value of shares traded (R million)	28 887	16 082
Market capitalisation (R million)	42 646	48 007

## SHAREHOLDERS' DIARY

### Reporting

#### Interim results for the 2023 financial year

Announcement for the six months ending 31 December 2022

**March 2023**

#### Final results for the 2023 financial year

Announcement for the year ending 30 June 2023

Posting of financial results and AGM notice

Annual general meeting

**September 2023**

**October 2023**

**November 2023**

### Dividends

#### Interim dividend for the 2023 financial year

Declare

Payable

**March 2023**

**April 2023**

#### Final dividend for the 2023 financial year

Declare

Payable

**September 2023**

**October 2023**



# SHAREHOLDER INFORMATION

## SHAREHOLDING

	As at 30 June 2022			As at 30 June 2021		
	Number of shareholders	Shares held (000's)	%	Number of shareholders	Shares held (000's)	%
<b>Analysis of shareholding</b>						
Remgro	1	469 449	30.6	1	469 449	30.6
Royal Bafokeng Investment Holding Company Proprietary Limited	2	216 935	14.2	2	216 935	14.2
Public Investment Corporation	5	129 492	8.5	6	109 591	7.2
Coronation Fund Managers (on behalf of clients)	1	121 209	7.9	6	109 591	7.2
Allan Gray (on behalf of clients)			*	1	91 068	5.9
Total of shareholders holding more than 5%	9	937 805	61.2	10	887 043	57.9
Other	23 217	594 003	38.8	25 059	644 765	42.1
<b>Total</b>	<b>23 226</b>	<b>1 531 808</b>	<b>100.0</b>	25 069	1 531 808	100.0
<b>Shareholder type</b>						
Corporates		686 384	44.8		686 384	44.8
Unit trusts		302 763	19.8		262 529	17.1
Pension funds		188 169	12.3		168 090	11.0
Private investors		39 141	2.5		41 040	2.7
Insurance companies and banks		45 900	3.0		53 489	3.5
Other		269 451	17.6		320 276	20.9
<b>Total</b>		<b>1 531 808</b>	<b>100.0</b>		1 531 808	100.0
<b>Public and non-public shareholders</b>						
Public	23 219	839 488	54.8	25 059	753 769	49.2
Non-public	7	692 320	45.2	10	778 039	50.8
– Corporates	3	686 384	44.8	3	686 384	44.8
– Directors and associates	4	5 936	0.4	7	91 655	6.0
<b>Total</b>	<b>23 226</b>	<b>1 531 808</b>	<b>100.0</b>	25 069	1 531 808	100.0
<b>Geographic ownership</b>						
South Africa		1 391 856	90.9		1 348 900	88.1
International		139 952	9.1		182 908	11.9
<b>Total</b>		<b>1 531 808</b>	<b>100.0</b>		1 531 808	100.0

\* Less than 5%.

The information above is extracted from the shareholder analysis provided by Orient Capital Limited.



## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 50 apply throughout this Circular, including to this cover page.

### ACTION REQUIRED BY SHAREHOLDERS

1. This entire Circular is important and should be read with particular attention to the section entitled "Action required by Shareholders", commencing on page 46.
2. If you are in any doubt as to what action to take in relation to this Circular, please consult your Broker, CSDP, banker, accountant, attorney or other professional adviser immediately.
3. If you have disposed of all your Shares on or before Friday, 30 September 2022, then this Circular should be forwarded to the purchaser of such Shares, or the Broker, agent, CSDP or banker through whom the disposal was effected.

**RMI does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker, including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Shares to notify such beneficial owner of the matters set out in this Circular.**



## RAND MERCHANT INVESTMENT HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration number: 2010/005770/06

Share code: RMI

ISIN: ZAE000210688

("RMI" or "Company")

## CIRCULAR TO SHAREHOLDERS

### Relating to:

the proposed change of name by the Company from "Rand Merchant Investment Holdings Limited" to "OUTsurance Group Limited",

### accompanying:

the Notice of Annual General Meeting in relation to Special Resolution Number 7 and Special Resolution Number 8 set out therein,

### and incorporating:

a Form of Surrender (pink) for use by Certificated Shareholders only.

Sponsor



(A division of FirstRand Bank Limited)

Legal Adviser

**WEBBER WENTZEL**

in alliance with > **Linklaters**

*Date of issue: Tuesday, 11 October 2022*

*This Circular is available in English only. Copies may be obtained during normal business hours from the registered office of RMI whose address is set out in the "Corporate Information and Advisers" section of this Circular from Tuesday, 11 October 2022 until Tuesday, 8 November 2022 (both days inclusive). A copy of this Circular will also be available on RMI's website ([www.rmih.co.za](http://www.rmih.co.za)) and can be made available through a secure electronic manner at the election of the person requesting inspection.*

# Contents

The definitions and interpretations commencing on page 50 of this Circular apply to this table of contents

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# CORPORATE INFORMATION AND ADVISERS

## Directors

Durand, JJ\* (Non-executive Chairperson)  
Bosman, HL (CEO and Financial Director)  
Burger, JP\*\*  
Cooper, P\*  
Frankel, DA\*\*\*  
Kekana, A\*  
Knoetze, F\*\*\*  
Lagerström, P\*\*  
Lucht, UH\*\*\*  
Mahlare, MM\*\*  
Morobe, MM\*\* (Lead independent director)  
Teeger, JA\*\*

\* *Non-executive Directors*

\*\* *Independent non-executive Directors*

\*\*\* *Alternate Directors*

## Date and place of incorporation of RMI

4 March 2010, South Africa

## Company secretary and registered address of the Company

Schalk Human  
12th Floor, The Bank  
Corner of Cradock and Tyrwhitt Avenues  
Rosebank, Johannesburg, 2196  
(Private Bag X1000, Saxonwold, 2132)

## Legal Adviser

Webber Wentzel  
90 Rivonia Road  
Sandhurst, Sandton  
Johannesburg, 2196  
(PO Box 61771, Marshalltown, 2107)

## Sponsor

Rand Merchant Bank  
(A division of FirstRand Bank Limited)  
(Registration number 1929/001225/06)  
1 Merchant Place  
Corner Fredman Drive and Rivonia Road  
Sandton, 2196  
(PO 786273, Sandton, 2146)

## Transfer secretaries

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Rosebank Towers, 15 Biermann Avenue  
Rosebank, Johannesburg, 2196  
(Private Bag X9000, Saxonwold, 2132)

# IMPORTANT LEGAL NOTICES

The definitions and interpretations commencing on page 50 apply, *mutatis mutandis*, to this "Important Legal Notices" section.

## GENERAL

Shareholders are advised to carefully read this Circular in its entirety, which contains the mechanism and terms of the OUTsurance Listing. Any decision to approve the OUTsurance Listing should be made with reference to the information in this Circular. If you are in any doubt as to what action to take in relation to this Circular, you should consult your Broker, CSDP, banker, accountant, attorney or other professional adviser immediately.

## ANNUAL GENERAL MEETING

Shareholders are hereby advised that the Notice of Annual General Meeting commencing on page 63 should be read carefully with this Circular for full details of the actions required by Shareholders in respect of the approval of the OUTsurance Listing Resolutions.

## FORWARD-LOOKING STATEMENT DISCLAIMER

This Circular contains statements about the RMI Group that are or may be forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally, but not always, may be identified by the use of forward-looking words or phrases such as, but not limited to, "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "will", "outlook", "project" "estimated", "potential" or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, expected profit or growth margins, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels, and other economic, fiscal and political factors.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. RMI cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which the RMI Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

Each of these forward-looking statements are based on estimates and assumptions, all of which, although RMI may believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to RMI, or not currently considered material) could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere, is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of the RMI Group, or other matters to which such forward-looking statements relate, not to develop as expected may emerge from time to time and it is not possible to predict all of them.

Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. RMI has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

Any forward-looking statements have not been reviewed nor reported on by the external auditors.

## DATE OF INFORMATION APPROVED

Unless the context clearly indicates otherwise, all information provided in this Circular is provided as at the Last Practicable Date.

# ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 50, apply *mutatis mutandis*, to this section.

This Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the action required by Shareholders. If you are in any doubt as to what action to take, please consult your Broker, CSDP, banker, attorney, accountant, or other professional adviser immediately.

If you have disposed of all your shares in RMI, please forward this Circular to the person to whom you disposed of such Shares or the Broker, CSDP, banker or other agent through whom you disposed of such Shares.

## ANNUAL GENERAL MEETING

Shareholders are hereby notified of the Annual General Meeting convened in terms of the Notice of Annual General Meeting posted to Shareholders with this Circular. The Annual General Meeting will only be accessible through electronic participation on Tuesday, 8 November 2022 at 11:00, as permitted by the JSE Listings Requirements, the provisions of the Companies Act and RMI's MOI or any other adjourned or postponed date and time determined in accordance with the provisions of the Companies Act and the JSE Listings Requirements.

At the Annual General Meeting, Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the resolutions set out in the Notice of Annual General Meeting which resolutions include, for the avoidance of doubt, the OUTsurance Listing Resolutions.

## ATTENDANCE AND VOTING AT THE ANNUAL GENERAL MEETING

### Electronic attendance and participation

The Annual General Meeting will be held at 11:00 on Tuesday, 8 November 2022. RMI has retained the services of the Transfer Secretaries to host the Annual General Meeting on an interactive electronic platform, in order to facilitate electronic participation and voting by Shareholders.

Shareholders are encouraged to register and connect to the Annual General Meeting through <https://meetnow.global/za>.

Shareholders are referred to the "Electronic Participation General Meeting Guide" attached to the Notice of Annual General Meeting for further instructions regarding electronic participation.

The Transfer Secretaries will, by no later than Monday, 7 November 2022, notify eligible Shareholders of the details and invitation code through which eligible Shareholders can participate electronically.

In person registration of Annual General Meeting participants will not be carried out at the registered office of RMI.

Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the Annual General Meeting. Any such charges will not be for the account of the JSE, RMI and/or the Transfer Secretaries. None of the JSE, RMI or the Transfer Secretaries can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Shareholder from participating in and/or voting at the Annual General Meeting.

### Voting at the Annual General Meeting

Shareholders connecting to the Annual General Meeting will be able to participate in the Annual General Meeting. Voting will be conducted by poll and Shareholders will be able to cast their vote electronically at the Annual General Meeting.

All eligible Shareholders of RMI will be entitled to participate in the Annual General Meeting and to vote (or abstain from voting) on the OUTsurance Listing Resolutions.

Shareholders should take note that:

- At the Annual General Meeting, Shareholders who are participating via the electronic platform or by proxy shall have one vote for every Share held or represented;
- Shareholders may make use of proxies for purposes of voting at the Annual General Meeting, which they are encouraged to do;
- Dematerialised Shareholders who are not own-name Dematerialised Shareholders must read paragraph 1 in this "Action required by Shareholders" section of this Circular for further information regarding voting, attendance and representation at the Annual General Meeting;
- Certificated Shareholders and Own-Name Dematerialised Shareholders must read paragraph 2 in this "Action required by Shareholders" section of this Circular for further information regarding voting, attendance and representation at the Annual General Meeting; and
- Shareholders are also encouraged to submit any questions to RMI's Company Secretary, Schalk Human, at [company.secretary@rmih.co.za](mailto:company.secretary@rmih.co.za). These questions will be addressed at the Annual General Meeting and will also be responded to through email.

## 1. DEMATERIALIZED SHAREHOLDERS WHO ARE NOT OWN-NAME DEMATERIALIZED SHAREHOLDERS

### 1.1 General

It is the responsibility of each Shareholder to ensure that it has provided the necessary voting instructions to its CSDP or Broker in relation to the OUTsurance Listing Resolutions set out in the Notice of Annual General Meeting. RMI does not accept responsibility, and will not be held liable, under applicable law or regulation, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Shares to notify such beneficial owner of the Annual General Meeting or the details set out in this Circular.

### 1.2 Voting at the Annual General Meeting

- 1.2.1 Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the Annual General Meeting and should thereafter cast your vote in accordance with your instructions.
- 1.2.2 If your Broker or CSDP has not contacted you, it is advisable for you to contact your Broker or CSDP and furnish it with your voting instructions.
- 1.2.3 If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the Custody Agreement concluded between you and your Broker or CSDP.
- 1.2.4 **You must not complete the Form of Proxy (blue).**

### 1.3 Attendance and representation at the Annual General Meeting

- 1.3.1 In accordance with the Custody Agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:
  - 1.3.1.1 attend, speak and vote at the Annual General Meeting; or
  - 1.3.1.2 send a proxy to represent you at the Annual General Meeting.
- 1.3.2 Your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the Annual General Meeting.

## 2. CERTIFICATED SHAREHOLDERS AND OWN NAME DEMATERIALIZED SHAREHOLDERS

### 2.1 Voting, attendance and representation at the Annual General Meeting

You may attend, speak and vote at the Annual General Meeting.

Alternatively, you may appoint a proxy to represent you at the Annual General Meeting by completing the Form of Proxy (blue) attached to the Notice of Annual General Meeting in accordance with the instructions therein, which form must be lodged with or posted to the Transfer Secretaries to be received, for administrative purposes only, by no later than 11:00 on Friday, 4 November 2022.

## 3. FORMS OF SURRENDER AND DOCUMENTS OF TITLE

Certificated Shareholders must complete the Form of Surrender (pink) attached to this Circular and lodge it with the Transfer Secretaries. Dematerialised Shareholders do not need to do anything with regard to the OUTsurance Listing as this will be automatically updated by their CSDP or Broker.

If any existing Documents of Title have been lost or destroyed and the Certificated Shareholder provides evidence to this effect to the satisfaction of the Directors, then RMI may dispense with the surrender of such Documents of Title against provision of an acceptable indemnity.

Receipts will not be issued for the surrender of existing Documents of Title. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping together with the Documents of Title lodged.

Certificated Shareholders are reminded that shares in companies listed on the JSE can no longer be bought or sold on the JSE unless they have been dematerialised onto the Strate system. It is therefore suggested that Certificated Shareholders should consider dematerialising their Shares and replacing them with electronic records of ownership.

In terms of the FMA, new share certificates can no longer be issued and Certificated Shareholders are placed in a nominee account with Computershare Nominees (Pty) Limited (Computershare Nominees) under a non-tradeable class, equivalent to the current share certificates. All rights and entitlements to the new OUTsurance Group Limited shares remain the same.

Therefore, Certificated Shareholders who have not yet appointed a CSDP or Broker will have their new Shares reflecting the new name of the Company, to which they are entitled pursuant to the OUTsurance Listing ("OUTsurance Listing Shares"), credited to Computershare Nominees pending receipt of such information by the Transfer Secretaries, together with their Documents of Title.



Certificated Shareholders will receive the OUTsurance Listing Shares in Dematerialised form.

Those Certificated Shareholders who surrender their Documents of Title to the Transfer Secretaries and communicate valid details of their CSDP or Broker account, will have the OUTsurance Listing Shares credited to such account held at their CSDP or Broker.

Certificated Shareholders who have not yet appointed a CSDP or Broker, will have their OUTsurance Listing Shares credited to Computershare Nominees pending the receipt of such information by the Transfer Secretaries, together with their Documents of Title.

Forms of Surrender (pink) must be submitted to the Transfer Secretaries at the following addresses:

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
Johannesburg, 2196  
(Private Bag X3000, Saxonwold, 2132)

## IDENTIFICATION

In terms of section 63(1) of the Companies Act, all Annual General Meeting participants will be required to provide reasonably satisfactory identification, and the person presiding in the Annual General Meeting must be reasonably satisfied that the right of that person to attend, participate in and vote at the Annual General Meeting as a Shareholder or a proxy or representative of a Shareholder, has been reasonably verified. Acceptable forms of identification include valid and original South African drivers' licences, green barcoded identity documents or barcoded identification smart cards issued by the South African Department of Home Affairs and passports.

# IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 50 apply to these important dates and times.

	2022
Record date for Shareholders to be recorded in the Register in order to receive this Circular	Friday, 30 September
Notice of Annual General Meeting and declaration of OUTsurance Listing announcement released on SENS on	Tuesday, 11 October
Circular and Notice of Annual General Meeting distributed to Shareholders on	Tuesday, 11 October
Notice of Annual General Meeting and declaration of OUTsurance Listing announcement published in the press on	Wednesday, 12 October
Last day to trade to be entitled to attend and vote at the Annual General Meeting	Tuesday, 25 October
Record date to determine which Shareholders are entitled to attend and vote at the Annual General Meeting	Friday, 28 October
Last day to lodge Forms of Proxy (blue) with the Transfer Secretaries to vote at the Annual General Meeting by 11:00 on	Friday, 4 November
Annual General Meeting to be held at 11:00 on	Tuesday, 8 November
Results of Annual General Meeting released on SENS on	Tuesday, 8 November
Results of Annual General Meeting published in the press on	Wednesday, 9 November
OUTsurance Listing Resolutions lodged with the CIPC for registration on	Wednesday, 9 November
CIPC registration of the OUTsurance Listing Resolutions expected by no later than	Friday, 25 November
Expected release of the finalisation announcement in respect of the OUTsurance Listing on SENS on	Monday, 28 November
Expected publication of the announcement confirming the OUTsurance Listing Effective Date published in the press on	Tuesday, 29 November
Expected last day to trade under the old name "Rand Merchant Investment Holdings Limited"	Tuesday, 6 December
Expected termination of trading under the name of "Rand Merchant Investment Holdings Limited" and commencement of trading under the new JSE share code "OUT", abbreviated name "OUTsure" and new ISIN "ZAE000314084" from commencement of trade on	Wednesday, 7 December
Expected record date for the OUTsurance Listing on	Friday, 9 December
Expected date for Forms of Surrender (pink) to be submitted to the Transfer Secretaries by 12:00 on	Friday, 9 December
Expected date that Dematerialised Shareholders' accounts will be updated to reflect the OUTsurance Listing by their CSDP/Broker	Monday, 12 December
Expected date that previously Certificated Shareholders will have their entitlements credited to their account with Computershare Nominees	Monday, 12 December

## NOTES

- The above dates and times are subject to amendment at the discretion of RMI, as they are subject to the filing of the OUTsurance Listing Resolutions with the CIPC for registration. Any such amendment, subject to the approval of the JSE, if required, will be published on SENS.
- Shareholders should note that as transactions in Shares are settled in the electronic system used by Strate, settlement of shares take place three South African Business Days after such trade. Therefore, Shareholders who acquire Shares after close of trade on Tuesday, 25 October 2022 will not be eligible to attend, participate in and vote at the Annual General Meeting.
- Shareholders will not be able to dematerialise or rematerialise securities in the name of RMI after Tuesday, 6 December 2022, as RMI's Register will be closed for this period.
- If the Annual General Meeting is adjourned or postponed, the above dates and times will change, but Forms of Proxy (blue) submitted for the initial Annual General Meeting will remain valid in respect of any such adjournment or postponement of the Annual General Meeting.
- Although the important dates and times are stated to be subject to change, such statement may not be regarded as consent or dispensation for any change to time periods which may be required in terms of the JSE Listings Requirements, where applicable, and any such consents or dispensations must be specifically applied for and granted.
- All dates and times indicated above are South African Standard Time.

# DEFINITIONS AND INTERPRETATIONS

In this Circular, unless otherwise stated or the context so requires, the words in the first column shall have the meanings stated opposite to them in the second column, reference to the singular shall include the plural and vice versa, words denoting one gender include the others and words and expressions denoting natural persons include juristic persons and associations of persons:

“Act” or “Companies Act”	the Companies Act, No. 71 of 2008, as amended from time to time;
“Annual General Meeting”	the annual general meeting of Shareholders to be held entirely through electronic communication at 11:00 on Tuesday, 8 November 2022, and convened in terms of the Notice of Annual General Meeting distributed to Shareholders together with this Circular;
“AlphaCode”	RMI Investment Holdings Proprietary Limited (registration number 2015/100520/07), a private company incorporated and registered under the laws of South Africa, and each of its Subsidiaries;
“AutoGuru”	AutoGuru Proprietary Limited (Australian company number 603 218 515), a private company incorporated and registered under the laws of Australia;
“Board” or “Directors”	the board of directors of RMI from time to time, comprising, as at the Last Practicable Date, of those persons whose names appear in the “Corporate Information and Advisers” section of this Circular;
“Broker”	any person registered as a “broking member (equities)” in accordance with the provisions of the FMA;
“Certificated Shareholders”	Shareholders who hold Certificated Shares;
“Certificated Shares”	Shares which have not yet been Dematerialised, title to which is represented by a share certificate or other Document of Title;
“Circular”	this bound document to Shareholders dated Tuesday, 11 October 2022 incorporating the Form of Surrender (pink) and accompanying the Notice of Annual General Meeting in relation to Special Resolution Number 7 and Special Resolution Number 8 set out therein;
“CloudBadger”	CloudBadger Technologies Proprietary Limited (registration number 2018/212204/07), a private company incorporated under the laws of South Africa;
“CIPC” or “Commission”	the Companies and Intellectual Property Commission established in terms of section 185 of the Act;
“Common Monetary Area”	South Africa, the Kingdom of eSwatini, Lesotho and the Republic of Namibia;
“CSDP”	a central securities depository participant registered in terms of the Financial Markets Act, as amended, with whom a beneficial holder of shares holds a Dematerialised share account;
“Custody Agreement”	a custody mandate agreement between a Dematerialised Shareholder and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on RMI’s uncertificated securities register administered by a CSDP or Broker on behalf of such Shareholder;
“Dematerialised” or “Dematerialisation”	the process by which Certificated Shares are converted to or held in electronic form as uncertificated securities and recorded in a sub-register of security holders maintained by a CSDP, and “Dematerialised” shall bear the corresponding meaning;
“Dematerialised Shareholders”	those Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	Shares that have been through the Dematerialisation process and incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other physical documents of title to shares which have not been Dematerialised through Strate, which are acceptable to RMI;
“Effective Date”	the date on which the OUTsurance Listing will be implemented, which date set out in the amended registration certificate issued by the Commission as contemplated in section 16(9) of the Companies Act and for purposes of the JSE is expected to be from the commencement of trade on Wednesday, 7 December 2022;
“Firness”	Firness International Proprietary Limited (registration number 1983/002100/07), a private company incorporated and registered under the laws of South Africa;
“Form of Proxy”	for purposes of the Annual General Meeting, the form of proxy (blue) for use only by Certificated Shareholders and Own-Name Dematerialised Shareholders, attached to the Notice of Annual General Meeting;

“Form of Surrender”	the form of surrender (pink) attached to this Circular for use by Certificated Shareholders only;
“FMA”	the Financial Markets Act, 19 of 2013, as amended from time to time;
“Income Tax Act”	the South African Income Tax, Act 58 of 1962, as amended;
“JSE”	the securities exchange operated by the JSE Limited;
“JSE Limited”	JSE Limited, (registration number 2005/022939/06), a public company duly registered and incorporated under the company laws of South Africa, licensed to operate as an exchange under the FMA;
“JSE Listings Requirements”	the JSE Limited Listings Requirements, as amended from time to time;
“Last Practicable Date”	the last practicable date prior to the finalisation of this Circular, being Friday, 30 September 2022;
“OUTsure Listing”	the proposed change of name of Rand Merchant Investment Holdings Limited to “OUTsure Group Limited”, under the abbreviated name “OUTsure”, new JSE share code “OUT” and new ISIN ZAE000314084 in the “Diversified Financials” sector of the JSE;
“OUTsure Listing Resolutions”	collectively the ordinary and special resolutions set out in the Notice of Annual General Meeting which resolutions shall be proposed to approve the OUTsure Listing, comprising for the avoidance of doubt the Special Resolutions;
“Memorandum” or “MOI”	the memorandum of incorporation;
“MMH Executive Scheme”	amounts owed to RMI by prior senior executives of Momentum Metropolitan Holdings Limited under a share incentive scheme which constitutes a financial asset on the balance sheet of RMI TreasuryCo, totalling a gross amount of R251 million;
“Momentum Metropolitan” or “MMH”	Momentum Metropolitan Holdings Limited (registration number 2000/031756/06), a public company incorporated and registered under the company laws of South Africa and the ordinary shares of which are listed on the Main Board of the exchange operated by the JSE;
“Notice of Annual General Meeting”	the notice of Annual General Meeting posted to Shareholders with this Circular;
“OUTsure Group Limited”	the proposed new name of RMI following implementation of the OUTsure Listing;
“OUTsure Holdings”	OUTsure Holdings Limited (registration number 1997/022260/06), a public company duly registered and incorporated under the company laws of South Africa;
“OUTsure Group” or “OUTsure”	OUTsure Holdings and its Subsidiaries as at the Last Practicable Date;
“OUTsure Insurance”	OUTsure Insurance Company Limited (registration number 1994/010719/06), a public company duly registered and incorporated under the company laws of South Africa;
“OUTsure International”	OUTsure International Holdings Proprietary Limited (registration number 2007/004026/07), a private company incorporated under the laws of South Africa which holds 100% of the shares of Youi;
“OUTsure Life”	OUTsure Life Insurance Company Limited (registration number 2007/035347/06), a public company duly registered and incorporated under the company laws of South Africa;
“OUTvest”	OUTvest Proprietary Limited (registration number 2016/022595/07), a private company incorporated under the laws of South Africa;
“Own-Name Dematerialised Shareholders”	Shareholders who elected “own-name” registration in the sub-register of the Company maintained by a CSDP and consequentially hold Dematerialised Shares;
“Register”	the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs;
“RMI” or the “Company”	Rand Merchant Investment Holdings Limited (registration number 2010/005770/06), a public company incorporated and registered under the company laws of South Africa and the ordinary shares of which are listed on the Main Board of the exchange operated by the JSE;
“RMI Investment Holdings”	RMI Investment Holdings Proprietary Limited (registration number 2015/100520/07), a private company incorporated and registered under the laws of South Africa;
“RMI Investment Managers”	RMI Investment Managers Group Proprietary Limited (registration number 2015/089899/07), a private company incorporated and registered under the laws of South Africa, and each of its Subsidiaries;

“RMI TreasuryCo”	RMI Treasury Company Limited (registration number 2015/380017/06), a public company incorporated and registered under the laws of South Africa;
“RMI TreasuryCo Balance Sheet Items”	the assets and liabilities remaining on the balance sheet of RMI TreasuryCo following implementation of the OUTsurance Listing will include, inter alia, the investments in the RMI Unlisted Assets, a cash provision for operating expenses of c. R690 million and the MMH Executive Scheme;
“RMI Group”	RMI and its Subsidiaries as at the Last Practicable Date;
“RMI Unlisted Assets”	comprises AlphaCode, RMI Investment Managers and Firness;
“SENS”	the Stock Exchange News Service of the JSE;
“Shareholders” or “RMI Shareholders”	registered holders of Shares, from time to time;
“Shares” or “RMI Shares”	ordinary shares with a par value of R0.0001 each in the issued share capital of RMI;
“South Africa”	the Republic of South Africa;
“South African Exchange Control Regulations”	the Exchange Control Regulations in terms of Section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended;
“Special Resolutions”	“Special Resolution Number 7” and “Special Resolution 8” as set out in the Notice of Annual General Meeting and to be proposed at the Annual General Meeting in order to approve the OUTsurance Listing;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated under the laws of South Africa, being a licensed central securities depository in terms of section 1 of the FMA and the entity that manages the electronic custody, clearing and settlement environment for on-market and off-market share transactions concluded on, inter alia, the JSE and in terms of which transactions in securities are settled and transfers of ownership in securities are recorded electronically;
“Subsidiary”	a “subsidiary” as defined in the Companies Act, but also includes an entity incorporated outside South Africa which would, if incorporated in South Africa, be a “subsidiary” as defined in the Companies Act;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly registered and incorporated with limited liability under the company laws of South Africa; and
“Youi”	Youi Holdings Proprietary Limited (Australian company number 124 972 424), a private company incorporated and registered under the laws of Australia and its Subsidiaries.



## RAND MERCHANT INVESTMENT HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration number: 2010/005770/06

Share code: RMI

ISIN: ZAE000210688

("RMI" or "Company")

### Directors

Durand, JJ\* (Non-executive Chairperson)  
Bosman, HL (CEO and Financial Director)  
Burger, JP\*\*  
Cooper, P\*  
Frankel, DA\*\*\*  
Kekana, A\*  
Knoetze, F\*\*\*  
Lagerström, P\*\*  
Lucht, UH\*\*\*  
Mahlare, MM\*\*  
Morobe, MM\*\* (Lead independent non-executive Director)  
Teeger, JA\*\*

\* Non-executive Directors

\*\* Independent non-executive Directors

\*\*\* Alternate Directors

# CIRCULAR TO SHAREHOLDERS

## 1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1 Shareholders are referred to the announcement released on SENS on Wednesday, 16 March 2022 wherein RMI advised Shareholders that the Board has resolved to cease with the active investment strategy (as outlined to Shareholders in the SENS announcement issued on Monday, 20 September 2021) and reduce its management and cost base. The Board has therefore decided to embark on an orderly and managed transition to rebrand and transition RMI such that the existing strategy of the OUTsurance Group would be the strategy of the RMI Group and OUTsurance Group Limited will become the listed group.
- 1.2 The purpose of this Circular is to provide Shareholders with relevant information relating to the Company's transition and consequent proposed OUTsurance Listing from "Rand Merchant Investment Holdings Limited" to "OUTsurance Group Limited" so as to enable Shareholders to make an informed decision in respect of the OUTsurance Listing Resolutions as set out in the Notice of Annual General Meeting posted with this Circular.
- 1.3 Shareholders are advised to familiarise themselves with the contents of this Circular together with the announcements released on SENS by RMI on Thursday, 22 September 2022; Wednesday, 8 December 2021; Wednesday, 16 March 2022 and Friday, 25 March 2022 in relation to various corporate actions as well as strategic updates.

## 2. RATIONALE FOR THE OUTSURANCE LISTING

- 2.1 The Board took the decision in 2014 to re-activate the portfolio management and investment focus of the business. Most recently, RMI has unlocked significant value for Shareholders in the form of:
  - i the distribution in specie of its listed shares in each of Discovery Limited and Momentum Metropolitan to RMI Shareholders (the "Unbundling");
  - ii the sale of RMI's indirectly held interest of 30% of the issued shares in Hastings Group (Consolidated) Limited to its co-shareholder in the business, Sampo plc (the "Hastings Sale"). The Hastings Sale resulted in a profit of R8.6 billion (including dividends) over the four years of the investment; and
  - iii the payment of a special dividend, as declared on Wednesday, 16 March 2022 (the "Special Dividend").
- 2.2 Collectively, the Unbundling, Hastings Sale and the Special Dividend represent c.R36.0 billion of value distribution to Shareholders.
- 2.3 The period from 1 April 2014 to the Last Practicable Date, has resulted in total returns to Shareholders (in the form of capital appreciation and dividends and adjusted for the Unbundling) of R47.9 billion or 118.7% (assuming reinvestment of dividends), in comparison to the return of the JSE Financial 15 Index of 5.6% over the same period.
- 2.4 The Hastings Sale and the Unbundling necessitated that the Board re-evaluate the strategic objectives of RMI. In March 2022, RMI announced its intention to cease investment activity, reduce its management and cost base and transition and rebrand to "OUTsurance Group Limited".

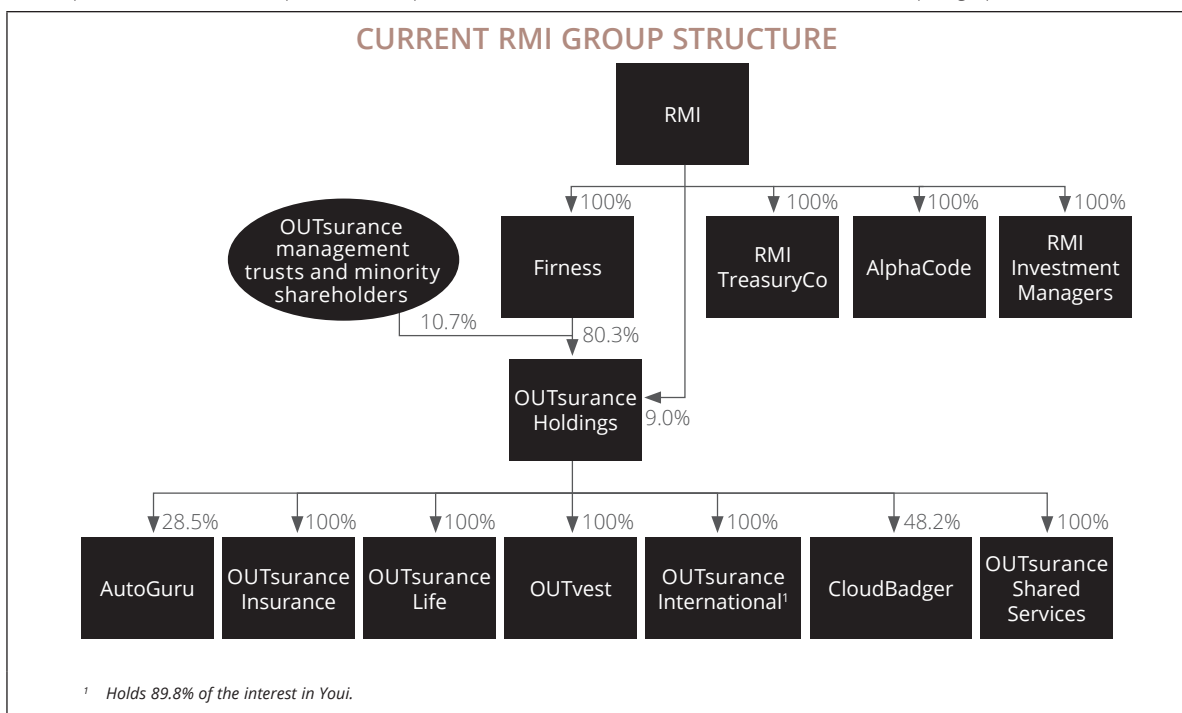
- 2.5 Following the Sale and implementation of the Unbundling, OUTsurance Holdings represents approximately 95.4% of the assets of RMI as at 30 June 2022. The remainder of the assets of RMI will be transferred through a sale of business from RMI to RMI TreasuryCo and will constitute the RMI Unlisted Assets, being the unlisted fintech (AlphaCode) and investment management businesses (RMI Investment Managers) owned by RMI, as well as the RMI TreasuryCo Balance Sheet Items.
- 2.6 The OUTsurance Listing gives Shareholders access to an efficient and appropriately capitalised corporate structure almost solely representing OUTsurance Holdings, which in its own right, is a growing, short-term insurance group operating across multiple geographies. Specifically, the OUTsurance Listing is intended to result in the following key benefits for Shareholders: (i) a simpler operational structure offering a single access point to OUTsurance Holdings; (ii) a more focused OUTsurance Holdings management team with direct accountability to Shareholders; (iii) a higher dividend pay-out ratio; and (iv) a phased reduction of the holding company and personnel costs at RMI.

### 3. MECHANISM FOR THE OUTSURANCE LISTING

- 3.1 The structure and mechanism of the OUTsurance Listing represents an expedient, cost-efficient, non-disruptive mechanism to achieve a structural alignment of RMI whilst retaining and leveraging the operational, empowerment, governance and regulatory compliance capabilities embedded within the current RMI group. Accordingly, the RMI Board proposes that the Company's name be changed and rebranded from "Rand Merchant Investment Holdings Limited" to "OUTsurance Group Limited".
- 3.2 The name "OUTsurance Group Limited" has been reserved with the Commission and the JSE has, subject to the requisite Shareholder approval being obtained, approved the OUTsurance Listing under the abbreviated name "OUTsure", with a new JSE share code "OUT" and a new ISIN "ZAE000314084". The Company will retain its shareholder register, including its trading history and will remain listed in the Diversified Financial Services sector of the JSE.
- 3.3 If approved by Shareholders, it is anticipated that the OUTsurance Listing will be implemented on the Effective Date.
- 3.4 In accordance with the terms of paragraph 16.30 of the JSE Listings Requirements, the former name of Rand Merchant Investment Holdings Limited will be reflected in brackets under the new name of the Company on all Documents of Title, announcements and circulars issued by the Company for a period of one year from the Effective Date.
- 3.5 Should the OUTsurance Listing be approved and implemented, the accounts of Dematerialised Shareholders at their CSDPs or Brokers will be updated to reflect the new name of the Company; and Certificated Shareholders will have their entitlements credited to their account with Computershare Nominees.

### 4. CORPORATE STRUCTURE OF RMI (PRIOR TO THE RMI INTERNAL RESTRUCTURE)

The corporate structure of RMI prior to the implementation of the RMI Internal Restructure (detailed in paragraph 5) is set out below:

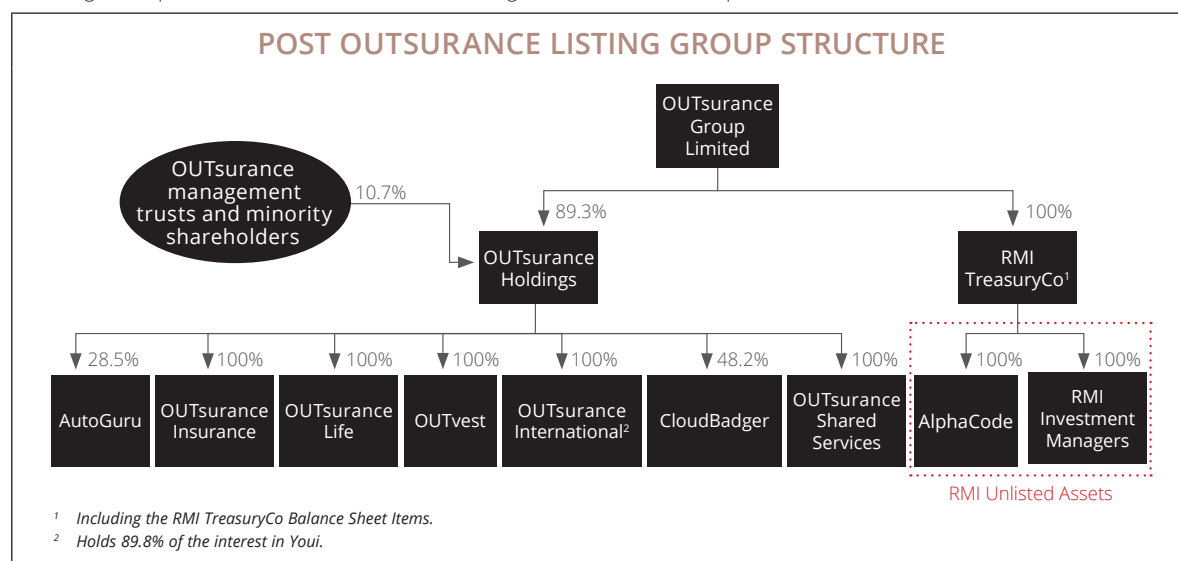


## 5. RMI INTERNAL RESTRUCTURE (PRIOR TO THE OUTSURANCE LISTING)

- 5.1 Shareholders are advised that in order to further simplify its group structure, RMI has implemented an internal restructure comprising primarily the following:
- 5.1.1 As RMI's interest in OUTsurance Holdings was held by Firness (a wholly owned subsidiary of RMI), Firness has distributed 100% of the shares that it held in OUTsurance Holdings to RMI in terms of an "unbundling transaction" pursuant to section 46 of the Income Tax Act, such that RMI holds its interest in OUTsurance Holdings directly; and
- 5.1.2 RMI has transferred its shares in Firness, RMI Investment Holdings (comprising the "AlphaCode" business) and RMI Investment Managers to RMI TreasuryCo, in exchange for which RMI TreasuryCo issued additional ordinary shares to RMI pursuant to section 42 of the Income Tax Act, where applicable, (collectively, the "RMI Internal Restructure").
- 5.2 The RMI Internal Restructure was approved by the Board and subsequently implemented by 7 September 2022.
- 5.3 Pursuant to the RMI Internal Restructure and OUTsurance Listing, OUTsurance Group Limited will hold the following two Subsidiaries:
- 5.3.1 OUTsurance Holdings, held 89.3% by OUTsurance Group Limited and 10.7% by OUTsurance management trusts and management minority shareholders. It is intended that the minority interest held in OUTsurance Holdings will be exchanged for shares in OUTsurance Group Limited once the monetisation of assets held in RMI TreasuryCo is substantially completed. OUTsurance Group Limited will hold the various existing underlying operational businesses of OUTsurance Group; and
- 5.3.2 RMI TreasuryCo, including the RMI TreasuryCo Balance Sheet Items and RMI TreasuryCo's holdings in its Subsidiaries (collectively the "RMI Unlisted Assets").

## 6. CORPORATE STRUCTURE OF OUTSURANCE GROUP LIMITED (post the OUTsurance Listing)

Following the implementation of the OUTsurance Listing, the OUTsurance Group structure will be as follows:



## 7. REGULATORY APPROVALS

- 7.1 The Prudential Authority has provided a letter of no objection to OUTsurance Holdings remaining the licensed controlling company of the OUTsurance Group and has not raised any concerns regarding the scoping of the insurance group at an OUTsurance Holdings level thereby confirming that RMI TreasuryCo and the RMI Unlisted Assets will not be scoped into the OUTsurance Group, subject to ongoing supervision of the OUTsurance Holdings risk profile in the ordinary course.
- 7.2 Implementation of the OUTsurance Listing is subject to obtaining the necessary regulatory approvals (including from the Prudential Authority and the Commission) and the OUTsurance Listing Resolutions required to be adopted by Shareholders in connection with the OUTsurance Listing (as set out in the Notice of Annual General Meeting) being adopted by the requisite majority of Shareholders at the Annual General Meeting.



## 8. INFORMATION ON OUTSURANCE GROUP

- 8.1 The OUTsurance Group underwrites short-term insurance products in South Africa and Australia. OUTsurance Group offers car, home, business and pet insurance products to the South African market. OUTsurance Life and OUTvest offer life, funeral and investment products to the South African market, respectively. Youi offers car, home, business and compulsory third-party insurance (CTP) products to the Australian market.
- 8.2 The OUTsurance Group's investment in new business initiatives comprise OUTsurance Brokers (tied agency channel), Youi's underwriting partnership with BlueZebra Insurance (Youi BZI), OUTsurance Life Funeral (Direct and Shoprite partnership), OUTsurance Life and OUTvest's collective financial advisor expansion (tied agency channel) and Youi's CTP product.
- 8.3 In its results for the year ended 30 June 2022, OUTsurance Group achieved gross written premiums of c. R23.5 billion, operating profit and normalised earnings of R2.9 billion and R2.3 billion respectively. The reduction in profitability relative to the prior year is driven by significantly larger natural weather losses incurred in Australia and South Africa, coupled with the large investments made in growth initiatives. The OUTsurance Group has a combined ratio of 86.7% and an insurance cost-to-income ratio of 30.4%.
- 8.4 The OUTsurance Group's core purpose is to offer its customers value-for-money products backed by leading and trusted customer service. This purpose is enabled by a focus on operational excellence, technology and a unique entrepreneurial business culture.

## 9. OUTSURANCE GROUP BUSINESS SEGMENT OVERVIEW

### 9.1 OUTsurance Insurance

- 9.1.1 OUTsurance Insurance is the OUTsurance Group's South African short-term insurance operation and consists of two main operating segments, OUTsurance Personal and OUTsurance Business. OUTsurance Personal is the largest contributor to group profitability and has a low earnings volatility profile.
- 9.1.2 For the financial year ended 30 June 2022, OUTsurance grew gross written premiums by 9.0% to R10.3 billion with headline earnings of R1.7 billion. OUTsurance's claims ratio increased from 49.9% to 53.0% on account of the recovery in vehicle claims frequencies to pre-Covid-19 levels and the effect of increased retained weather losses. Also contributing to increased claims is the more extensive loadshedding in 2022.

### 9.2 Youi

- 9.2.1 Youi comprises the OUTsurance Group's Australian operations. For the financial year ended 30 June 2022, Youi delivered a strong operating performance with gross written premiums of R12.5 billion and headline earnings of R410 million. Youi's cost-to-income ratio improved from 33.7% to 32.8%.
- 9.2.2 Youi delivered 18.7% and 22.5% growth in gross written premiums in Rand and Australian Dollar terms respectively, relative to the previous financial year largely attributable to healthy new business performance in its direct distribution channel as well as its partnership broker platform, BZI and the new CTP business line. The CTP business was established in December 2020 and has delivered encouraging market penetration in the New South Wales compulsory insurance market.

### 9.3 OUTsurance Life

- 9.3.1 The OUTsurance Group's life insurance business segment comprises OUTsurance Life. For the financial year ended 30 June 2022, OUTsurance Life generated an operating profit of R107 million. This result was aided by the net positive effect of yields during the financial year and is considered a positive outcome considering the investment in new initiatives. OUTsurance Life's funeral product, inclusive of both a direct and Shoprite channel, delivered 91% growth with overall gross written premiums of R206 million (2021: R108 million).
- 9.3.2 The embedded value and value-of-new-business measures grew by 16.8% and 65.5% respectively during the 2022 financial year, illustrating the value creation from the various growth initiatives. The overall value of new business margin delivered by OUTsurance Life was 15.1%, up from 8.6% for the year ended 30 June 2021. This margin excludes the new business strain from the newly launched face-to-face distribution initiative.
- 9.3.3 Further details on each of OUTsurance Group's business segments are available in the 2022 integrated report of OUTsurance, available via the OUTsurance website (<https://www.OUTsurance.co.za/about-OUTsurance/financialresults/>).

## 10. OUTSURANCE CAPITAL POSITION

- 10.1 The OUTsurance Group and each of its licensed entities trade off well capitalised balance sheets with solvency capital rates in excess of targets which are set within the risk appetites of the OUTsurance Group and each of its Subsidiaries. Shareholders are referred to the 2022 OUTsurance integrated report for more detail regarding the OUTsurance approach to capital and balance sheet management.

## 11. STRATEGY AND OUTLOOK OF OUTSURANCE

- 11.1 The OUTsurance Listing will see the existing strategy of OUTsurance Holdings becoming the strategy of “OUTsurance Group Limited”. The core strategic objective of OUTsurance Holdings is to unlock additional runway for growth and improve diversification via the activation of a wider set of insurance products sold across a wider set of distribution channels. This strategic objective is underpinned by the fact that OUTsurance Holdings is under-represented in products such as commercial insurance, life insurance and higher end personal lines insurance which are still dominated by face-to-face distribution in all its markets. This strategic objective can be evaluated across three focus areas, namely by:
- i activating face-to-face distribution channels, it is possible to unlock large growth opportunities in these markets;
  - ii distributing via a broader array of channels; digital, call centre and face-to-face, OUTsurance management is of the view that not only will OUTsurance Holdings give customers choice of channel but also hedge the businesses against changing consumer behaviour; and
  - iii by using all three distribution channels, it caters for the distribution of a wider set of products – which helps to mitigate risks such as climate change, technological changes such as self-driving cars and behavioural changes such as ride sharing and a potential reduction in private car ownership.
- 11.2 OUTsurance continues to make significant progress in attaining its strategic objectives, including through the growth of OUTsurance Brokers in South Africa and Youi’s partnership with BZI which provides a wider distribution footprint for both Personal and Commercial insurance in Australia. Youi also entered the New South Wales CTP insurance market in December 2020 and the South Australia CTP market from 1 July 2022. The CTP market is historically profitable and allows Youi to offer a wider product set, enhanced customer lifetime value and improve risk diversification.
- 11.3 Another key focus area for OUTsurance is the face-to-face distribution for OUTsurance Life and OUTvest, which capability is in the process of being expanded. OUTsurance has also adopted a climate strategy which will be subject to ongoing refinement to reflect templates of best practice.
- 11.4 Lastly, to continue to support the strategic objective of organic growth in its core area of Personal lines insurance, OUTsurance has identified a suitable country for international expansion which will be disclosed to the market in due course.
- 11.5 The OUTsurance Listing will further enhance OUTsurance’s profile which will be positive for the growth of the business, particularly its growing presence in the Commercial insurance market. OUTsurance Holdings management are well placed to assume the responsibilities accompanying a listed entity.

## 12. RECONFIGURED BOARD OF DIRECTORS OF OUTSURANCE GROUP LIMITED

- 12.1 As part of effecting the OUTsurance Listing, the intention is for the current RMI and OUTsurance Holdings boards to be reconfigured and combined to ensure that the combined board of directors of “OUTsurance Group Limited” will post-implementation of the OUTsurance Listing (i) retain the expertise it has as the board of a listed entity; and (ii) be augmented by the additional expertise the OUTsurance Holdings board has as a specialist insurer board.
- 12.2 The proposed members to be elected to the reconfigured board of directors of OUTsurance Group Limited with effect from the Annual General Meeting, subject to shareholder approval, are as follows:

OUTsurance Group Limited and OUTsurance Holdings board members post implementation of the OUTsurance Listing	Member of current board
1 Herman Bosman	OUTsurance Holdings and RMI
2 Buhle Hanise	OUTsurance Holdings
3 Alan Hedding	OUTsurance Holdings
4 Jan Hofmeyr	OUTsurance Holdings
5 George Marx	OUTsurance Holdings
6 Tlaleng Moabi	OUTsurance Holdings
7 Venessa Naidoo	OUTsurance Holdings
8 Raymond Ndlovu	OUTsurance Holdings
9 Kuben Pillay	OUTsurance Holdings
10 Willem Roos	OUTsurance Holdings
11 Hantie van Heerden	OUTsurance Holdings
12 Marthinus Visser	OUTsurance Holdings
13 Johan Burger	RMI
14 Jannie Durand	RMI
15 Albertinah Kekana	RMI
16 Faffa Knoetze (alternate)	RMI
17 Udo Lucht (alternate)	RMI
18 Mamongae Mahlare	RMI
19 Murphy Morobe	RMI
20 James Teeger	RMI

- 12.3 Further details on the proposed board of directors of “OUTsurance Group Limited”, including the background and expertise of the proposed directors, and each of their curriculum vitae, are contained in the Notice of Annual General Meeting which accompanies this Circular.

## 13. INFORMATION ON THE RMI UNLISTED ASSETS

- 13.1 RMI has a portfolio with a net asset value of R1.9 billion (representing 4.6% of the assets of RMI as at 30 June 2022) comprising the RMI Unlisted Assets.
- 13.2 The RMI Unlisted Assets have been transferred to RMI TreasuryCo to allow these businesses to continue their current growth trajectories and strategies.
- 13.3 AlphaCode (fintech portfolio):
- 13.3.1 The investments underlying the AlphaCode portfolio companies will be retained within RMI TreasuryCo. RMI TreasuryCo remains committed to these businesses and its co-shareholders and management partners and will continue to support, drive scale, profitability, and liquidity of these businesses.
- 13.3.2 RMI TreasuryCo will enter into an arm’s length services agreement with certain current employees (excluding the CEO) of RMI in relation to the future management of the AlphaCode portfolio companies.
- 13.4 RMI Investment Managers (affiliate investment management business)
- 13.4.1 RMI is currently in advanced stage confidential discussions with its co-shareholders, Momentum Metropolitan and Royal Bafokeng Investment Holding Company Proprietary Limited (“RBIH”), about Momentum Metropolitan’s interest to acquire RMI’s interest in RMI Investment Managers (excluding RMI Investment Managers Affiliates 1 (Pty) Limited, being Polar Star Management Proprietary Limited and Polar Star Management SEZC Limited, which will be retained within RMI TreasuryCo).
- 13.4.2 This proposed transaction would solidify the existing empowerment, distribution and financial ambitions of RMI Investment Managers whilst retaining the independence and unique boutique characteristics of the affiliate model. RBIH has given its in-principle support to the proposed transaction and remains a committed and aligned partner. This proposed transaction is subject to requisite governance and regulatory approvals, agreement of the final terms, confirmation of the structure, and other conditions typical of a transaction of this nature.

## 14. ANNUAL GENERAL MEETING

- 14.1 Shareholders are advised that the Notice of Annual General Meeting commencing on page 63 should be read carefully with this Circular. At the Annual General Meeting, Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, *inter alia*, the OUTsurance Listing Resolutions.
- 14.2 A Form of Proxy (blue), for use by Certificated Shareholders and Own-Name Dematerialised Shareholders who are unable to attend the Annual General Meeting, but wish to be represented thereat, is attached to the Notice of Annual General Meeting. Duly completed Forms of Proxy (blue) must be received by the Transfer Secretaries (see contact details below) by no later than 11:00 on Friday, 4 November 2022 or be provided to the chairperson of the Annual General Meeting before the appointed proxy exercises any of the relevant Shareholder’s rights at the Annual General Meeting.

### Transfer Secretaries

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
Johannesburg, 2196  
(Private Bag X9000, Saxonwold, 2132)  
Or emailed to [proxy@computershare.co.za](mailto:proxy@computershare.co.za)

- 14.3 Dematerialised Shareholders without own-name registration must timeously advise their CSDP or Broker if they wish to attend and vote at the Annual General Meeting, in order for the CSDP or Broker to provide them with the necessary letter of representation to do so. Such Shareholders must also timeously provide their CSDP or Broker with their voting instructions in order for the CSDP or Broker to vote in accordance with their instructions at the Annual General Meeting.

## 15. PROCEDURE FOR THE SURRENDER OF DOCUMENTS OF TITLE IN RESPECT OF THE OUTSurance LISTING

- 15.1 Certificated Shareholders must complete the attached Form of Surrender (pink) and lodge it with the Transfer Secretaries.
- 15.2 RMI will trade under the new name "OUTsure Group Limited" under the new JSE share code "OUT", abbreviated name "OUTsure" and new ISIN "ZAE000314084" from commencement of trading on Wednesday, 7 December 2022.
- 15.3 Subject to the issue by the Commission of an amended registration certificate in terms of section 16(9) of the Companies Act relating to the OUTsure Listing, no share certificates will be issued as these will be in Dematerialised form. Shareholding statements reflecting the new name of the Company will be posted on or about Monday, 12 December 2022 to resident Certificated Shareholders and, in the case of non-resident and emigrant Certificated Shareholders, to the authorised foreign exchange dealer in South Africa nominated by such Shareholders, at their own risk, who have surrendered their Documents of Title by 12:00 on the record date, being Friday, 9 December 2022, or within five business days of receipt of the existing Documents of Title where Shareholders have surrendered their Documents of Title, whichever is the later.
- 15.4 In the event that the OUTsure Listing Resolutions are not passed by the requisite majority of Shareholders at the Annual General Meeting, or the Commission does not issue an amended registration certificate as contemplated in section 16(9) of the Companies Act relating to the OUTsure Listing, existing Documents of Title will be returned, by registered mail, on or about Monday, 12 December 2022 to resident Certificated Shareholders and, in the case of non-resident and emigrant Certificated Shareholders, to the authorised foreign exchange dealer in South Africa nominated by such Shareholders, at their own risk.
- 15.5 If any existing Documents of Title have been lost or destroyed and the Certificated Shareholder provides evidence to this effect to the satisfaction of the Directors, then RMI may dispense with the surrender of such Documents of Title against provision of an acceptable indemnity.
- 15.6 Receipts will not be issued for the surrender of existing Documents of Title. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping together with the Documents of Title lodged.

## 16. EXCHANGE CONTROL REGULATIONS

- 16.1 In the case of Certificated Shareholders whose registered addresses are outside the Common Monetary Area or where the share statements are restrictively endorsed in terms of the South African Exchange Control Regulations, the following will apply:
- 16.1.1 **Non-residents who are emigrants from the Common Monetary Area**
- Share statements bearing the new name will be restrictively endorsed "non-resident" in terms of the South African Exchange Control Regulations and will be sent to the Shareholder's authorised foreign exchange dealer in South Africa that controls his blocked assets in accordance with the procedure set out in paragraph 15 of this Circular.
- 16.1.2 **All other non-residents**
- Share statements bearing the new name will be restrictively endorsed "non-resident" in terms of the South African Exchange Control Regulations and will be sent to the Shareholder's authorised foreign exchange dealer in South Africa nominated by the non-resident or to the postal address nominated by the non-resident in accordance with the procedure set out in paragraph 15 of this Circular.
- With regard to emigrant and non-resident Dematerialised Shareholders, their share accounts will be automatically updated with the OUTsure Listing by their CSDP/Broker on Monday, 12 December 2022.

## 17. OPINION OF THE BOARD

The Board is of the opinion that, for the reasons stipulated in paragraph 2 of this Circular, the OUTsure Listing is in the best interests of the Company and should be supported by Shareholders and unanimously recommends that the Shareholders vote in favour of the OUTsure Listing Resolutions. Each of the Directors who hold Shares and are permitted to vote intends to vote his/her Shares in favour of the OUTsure Listing Resolutions.

## 18. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of RMI, appointed as at the Last Practicable Date, whose names appear on page 44 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that this Circular contains all information required by the JSE Listings Requirements.

## 19. ADVISERS' CONSENTS

Each of the advisers, whose name appears in the "Corporate Information and Advisers" section of this Circular have consented, in writing, to act in the capacities stated and to their names being used in this Circular and have not withdrawn their consents prior to the publication of this Circular.

## 20. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by Shareholders during normal business hours at the registered office of RMI and can also be accessed via RMI's website ([www.rmih.co.za](http://www.rmih.co.za)) or can be made available through a secure electronic manner at the election of the person requesting inspection from Tuesday, 11 October 2022, until Tuesday, 8 November 2022 (both days inclusive):

- the Company's and its major Subsidiaries MOIs;
- the integrated annual report of RMI for the financial year ended 30 June 2022;
- the annual report of OUTsurance Holdings for the financial year ended 30 June 2022;
- the letters of consent received from the sponsor, legal adviser and the Transfer Secretaries; and
- a signed copy of this Circular.

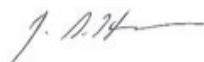
## 21. INCORPORATION OF INFORMATION BY REFERENCE

The following information is incorporated by reference in terms of paragraph 11.61 of the JSE Listings Requirements:

Item number	Document	Document reference
(1)	The integrated annual report of RMI for the financial year ended 30 June 2022	<a href="https://www.rmih.co.za/investor-relations">https://www.rmih.co.za/investor-relations</a>
(2)	The annual report of OUTsurance Holdings for the financial year ended 30 June 2022	<a href="https://www.OUTsurance.co.za/about-OUTsurance/financialresults/">https://www.OUTsurance.co.za/about-OUTsurance/financialresults/</a>

The information above is available for inspection at the registered office of RMI during normal business hours and on business days or can be made available through a secure electronic manner at the election of the person requesting inspection, from the date of issue of this Circular up to and including the date of the Annual General Meeting.

Signed at Rosebank on Tuesday, 11 October 2022 by Schalk Human on behalf of the Board, he being duly authorised in terms of resolutions signed by each Director and in terms of a resolution of the Board.



Johannesburg

11 October 2022



## RAND MERCHANT INVESTMENT HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration number: 2010/005770/06

Share code: RMI

ISIN: ZAE000210688

("RMI" or "Company")

# FORM OF SURRENDER

## (PINK) (FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)

Please read the instructions overleaf. Non-compliance with these instructions may result in the rejection of this form. If you are in any doubt as to how to complete this form, please consult your broker, banker, attorney, accountant or other professional adviser. All terms defined in the Circular, to which this Form of Surrender is attached, shall bear the same meanings when used in this Form of Surrender (pink).

To: Rand Merchant Investment Holdings Limited  
c/o Computershare Investor Services (Pty) Limited  
Ground Floor, 15 Bierman Avenue, Rosebank Johannesburg, 2196  
(Private Bag X3000, Saxonwold, 2132)

### PART A – TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS WHO ARE RESIDENTS OF THE COMMON MONETARY AREA

I/We irrevocably and *in rem suam* authorise you to produce the signature of such documents that may be necessary to complete the replacement of the RMI Shares (pink) with shares in the new name of OUTsurance Group Limited.

My/our signature(s) on the Form of Surrender constitutes my/our execution of this instruction.

In terms of the provisions set out in paragraph 15 of the Circular, I/we surrender and enclose the undermentioned certificates, conditional upon the OUTsurance Listing being implemented:

#### Documents of title surrendered

Certificate number(s)	Number of RMI Shares covered by each certificate
Total	
Title	Stamp and address of agent lodging this form (if any)
Surname	
First name(s)	
Postal address to which new statements should be sent (if different from the address recorded in the register)	
Signature of Shareholder	
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone (Home)	
Telephone (Work)	
Cellphone number	

## **PART B – TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS WHO ARE EMIGRANTS FROM OR NON-RESIDENTS OF THE COMMON MONETARY AREA**

Nominated authorised dealer in the case of a Shareholder who is an emigrant from or a non-resident of the Common Monetary Area (see note 3 below)

Name of authorised dealer

Account number

Address

Postal code

### **Notes**

1. A separate form is required for each Shareholder.
2. No receipts will be issued for certificates lodged, unless specifically requested. In compliance with the JSE Listings Requirements, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this form.
3. Persons whose registered addresses in the Register are outside the Common Monetary Area, or whose Shares are restrictively endorsed, should nominate an authorised dealer in Part B of this form as referred to in paragraph 15 of the Circular.
4. Any alteration to this Form of Surrender must be signed in full and not initialled.
5. If this Form of Surrender is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this form for noting (unless it has already been noted by the Company or its transfer secretaries).
6. Where the Shareholder is a company or a close corporation, unless it has already been registered with the Company or its Transfer Secretaries, a certified copy of the directors' or shareholders' resolution authorising the signing of this Form of Surrender must be submitted if so requested by the Company.
7. Note 6 above does not apply in the event of this form bearing a recognised JSE broker's stamp.
8. Where there are joint holders of any Shares in the Company, only that holder whose name stands first in the Register in respect of such shares need sign this Form of Surrender.



## RAND MERCHANT INVESTMENT HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration number: 2010/005770/06

Share code: RMI

ISIN: ZAE000210688

("RMI" or "Company")

# NOTICE OF THE ANNUAL GENERAL MEETING

This document (which is available in English only) is important and requires your immediate attention.

The action you need to take is set out in this Notice of Annual General Meeting. If you are in any doubt as to what action to take, please consult your Broker, attorney or other professional adviser immediately.

Terms not otherwise defined herein shall bear the meaning ascribed thereto in the circular to RMI Shareholders (Circular) accompanying this Notice of Annual General Meeting.

Notice is hereby given to the RMI Shareholders, in terms of section 62(3) of the Companies Act, that the twelfth Annual General Meeting of RMI Shareholders will be held on Tuesday, 8 November 2022 at 11:00 entirely through electronic communication, as permitted by the JSE Listings Requirements, the provisions of the Companies Act and the Company's MOI, to consider and, if approved, pass the resolutions set out below, with or without modification, as well as deal with such other matters as may be required to be dealt with at the Annual General Meeting in terms of the Companies Act.

### Salient dates

Record date to be eligible to receive this Notice of Annual General Meeting	Friday, 30 September 2022
Posting date of the Circular and this Notice of Annual General Meeting	Tuesday, 11 October 2022
Last day to trade to be eligible to attend and vote at the Annual General Meeting	Tuesday, 25 October 2022
Record date to be eligible to attend and vote at the Annual General Meeting	Friday, 28 October 2022
Proxies due by 11:00 (for administrative purposes)*	Friday, 4 November 2022
Annual General Meeting to be held at 11:00	Tuesday, 8 November 2022

\* *Alternatively, to be provided to the Chairperson of the Annual General Meeting at any time prior to the person appointed as proxy exercising any rights of the Shareholder at the Annual General Meeting.*

### Notes

1. The above dates and times are subject to amendment, provided that, in the event of an amendment, an announcement will be released on SENS. All dates and times indicated above are references to South African Standard Time.
2. Shareholders should note that as transactions in shares are settled in the electronic system used by Strate, settlement of shares take place three South African business days after such trade. Therefore, Shareholders who acquire Shares after close of trade on Tuesday, 25 October 2022 will not be eligible to attend, participate in and vote at the Annual General Meeting.
3. If the Annual General Meeting is adjourned or postponed, the above dates and times will change, but the Forms of Proxy (blue) submitted for the initial Annual General Meeting will remain valid in respect of any adjournment or postponement of the Annual General Meeting.
4. Although the above dates and times are stated to be subject to amendment, such statement may not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Companies Act and JSE Listings Requirements, where applicable, and any such consents or dispensations must be specifically applied for and granted.



# AGENDA

## THE PURPOSE OF THE ANNUAL GENERAL MEETING IS TO:

- Present the audited annual financial statements of the Company for the financial year ended 30 June 2022, the reports of the external auditor, the Directors and audit and risk committee, and the integrated report, including the report of the social, ethics and transformation committee.
- Consider and, if deemed fit, to pass with or without modification, the resolutions set out below.
- Consider any matters raised by Shareholders of the Company, with or without advance notice to the Company.

## 1. PRESENTATION OF THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

The audited consolidated and separate annual financial statements for the financial year ended 30 June 2022 (as approved by the Board), including the reports of the external auditor, the Directors and audit and risk committee, and the integrated report, including the report of the social, ethics and transformation committee, which are available on the Company's website, [www.rmih.co.za](http://www.rmih.co.za), in accordance with section 30(3)(d) of the Companies Act are presented to the meeting.



*Shareholders are referred to the integrated report available on [www.rmih.co.za](http://www.rmih.co.za) for the report from the social, ethics and transformation committee of RMI as required in terms of regulation 43(5)(c) of the Companies Regulations, 2011.*

## 2. ADVISORY ENDORSEMENTS OF THE REMUNERATION POLICY AND IMPLEMENTATION REPORTS

### 2.1 Advisory endorsement of remuneration policy

To endorse, through a non-binding advisory vote, the Company's remuneration policy (excluding the remuneration of the non-executive directors and the members of board committees for their services as Directors and members of committees), as set out in the remuneration report included in the integrated report of RMI. Shareholders are advised that the Company will, pursuant to the OUTsurance Listing, adopt the OUTsurance Holdings Limited remuneration policy.

### 2.2 Advisory endorsement of remuneration implementation report – RMI

To endorse, through a non-binding advisory vote, the Company's remuneration implementation report, as set out in the remuneration report included in the integrated report of RMI.

### 2.3 Advisory endorsement of remuneration implementation report – OUTsurance Holdings Limited

To endorse, through a non-binding advisory vote, the remuneration implementation report of OUTsurance Holdings Limited, as set out in the remuneration report included in the integrated report of RMI.



*Shareholders are referred to the integrated report of RMI available on [www.rmih.co.za](http://www.rmih.co.za) for the remuneration reports of RMI and OUTsurance Holdings Limited.*

#### ADDITIONAL INFORMATION IN RESPECT OF ADVISORY ENDORSEMENTS OF REMUNERATION POLICY AND IMPLEMENTATION REPORTS

The endorsements of the remuneration policy and implementation reports are tabled as non-binding advisory votes, however, the outcome of each vote will be acknowledged when considering the remuneration policy and the implementation thereof. In the event that either the remuneration policy or the implementation reports, or all of these, are voted against by 25% (twenty-five percent) or more of the voting rights exercised in respect of each respective non-binding advisory vote, the Board will initiate engagement with the relevant Shareholders and the details of such engagement process will be set out in the announcement to be released by the Company regarding the results of the Annual General Meeting, expected to be on Tuesday, 8 November 2022. The outcome of any such engagements with dissenting Shareholders will be disclosed in the 2023 integrated report.

## 3. ORDINARY RESOLUTION NUMBERS 1.1 TO 1.4

### Re-election of directors

Shareholders are advised that Mr Peter Cooper, Mr Per Lagerström and Mr David Frankel have stepped down from the Board with effect from Tuesday, 8 November 2022 and will accordingly not be nominated for re-election at the Annual General Meeting. We thank them for their valuable insights and contributions.

Resolved, by way of separate ordinary resolutions, that the following Directors, who retire in terms of article 25.7 of the Company's MOI and who, being eligible, offer themselves for re-election in accordance with the Companies Act and the Company's MOI, be and are hereby re-elected:

**ORDINARY RESOLUTION NUMBER 1.1 – ALBERTINAH KEKANA (49)**

Non-executive director

**Date of appointment:** 6 February 2013

**Educational qualifications:** BCom (Hons) CA(SA) PGDA AMP (Harvard)

**Other listed directorships:** Transaction Capital Limited

**ORDINARY RESOLUTION NUMBER 1.2 – JAMES TEEGER (55)**

Independent non-executive director

**Date of appointment:** 31 March 2018

**Educational qualifications:** BCom BAcc CA(SA) HDip Tax

**Other listed directorships:** RMB Holdings Limited

**ORDINARY RESOLUTION NUMBER 1.3 – JOHAN BURGER (63)**

Independent non-executive director

**Date of appointment:** 30 June 2014

**Educational qualifications:** BCom (Hons) CA(SA)

**Other listed directorships:** FirstRand Limited

**ORDINARY RESOLUTION NUMBER 1.4 – MAMONGAE MAHLARE (47)**

Independent non-executive director

**Date of appointment:** 31 March 2018

**Educational qualifications:** BSc (Chemical Engineering) MBA (Harvard)

**Other listed directorships:** RMB Holdings Limited

**ADDITIONAL INFORMATION IN RESPECT OF ORDINARY RESOLUTIONS NUMBERS 1.1 TO 1.4**

*A brief CV of each of the persons nominated above appears in the governance section of the RMI integrated report.*

## 4. ORDINARY RESOLUTION NUMBERS 2.1 TO 2.11

### ELECTION OF DIRECTORS

As a consequence of the OUTsurance Listing, and taking into consideration factors including expertise, knowledge, independence and empowerment, it is resolved by way of separate ordinary resolutions, in accordance with article 25.2 of the Company's MOI and the Companies Act, that the following persons, be and are hereby recommended for election as directors of the Board, with effect from the end of the Annual General Meeting:

**ORDINARY RESOLUTION NUMBER 2.1 – ALAN HEDDING (71)\***

Independent non-executive director

**Educational qualifications:** BCom BCompt (Hons) CA(SA)

**Other listed directorships:** Toyota Financial Services (South Africa) Limited

*\* Alan Hedding serves on the OUTsurance Holdings Limited board of directors and is a member of its audit and risk committee.*

**ORDINARY RESOLUTION NUMBER 2.2 – BUHLE HANISE (39)\***

Independent non-executive director

**Educational qualifications:** BCom (Accounting) CA(SA)

**Other listed directorships:** Transaction Capital Limited

*\* Buhle Hanise serves on the OUTsurance Holdings Limited board of directors and is a member of its audit and risk committee.*

**ORDINARY RESOLUTION NUMBER 2.3 – GEORGE MARX (68)\***

Independent non-executive director

**Educational qualifications:** BSc (Econ) Cum Laude FASSA Chartered Enterprise Risk Actuary (CERA)

**Other listed directorships:** None

*\* George Marx serves on the OUTsurance Holdings Limited board of directors and is the chair of its audit and risk committee.*

**ORDINARY RESOLUTION NUMBER 2.4 – HANTIE VAN HEERDEN (51)\***

Independent non-executive director

**Educational qualifications:** BCom (Hons) Actuarial Science FIA FASSA

**Other listed directorships:** None

*\* Hantie van Heerden serves on the OUTsurance Holdings Limited board of directors and is a member of the audit and risk committee.*

**ORDINARY RESOLUTION NUMBER 2.5 – JAN HOFMEYR (41)**

Executive director

**Educational qualifications:** BAcc (Accounting) GDA CA(SA)

**Other listed directorships:** None

**ORDINARY RESOLUTION NUMBER 2.6 – KUBANDIRAN PILLAY (61)\***

Independent non-executive director

**Educational qualifications:** BA LLB MCJ (USA)

**Other listed directorships:** Transaction Capital Limited, Lesaka Technologies Inc., and Sabvest Capital Limited

\* *Kubandiran Pillay serves on the OUTsurance Holdings Limited board of directors and is the lead independent director.*

**ORDINARY RESOLUTION NUMBER 2.7 – MARTHINUS VISSER (48)**

Executive director

**Educational qualifications:** BCom (Hons) Actuarial Science FASSA FIA

**Other listed directorships:** None

**ORDINARY RESOLUTION NUMBER 2.8 – RAYMOND NDLOVU (55)**

Independent non-executive director

**Educational qualifications:** BBusiness Studies (Hons)

**Other listed directorships:** None

**ORDINARY RESOLUTION NUMBER 2.9 – SHARRON VENESSA NAIDOO (58)\***

Independent non-executive director

**Educational qualifications:** BAcc Dip (Acc) CA(SA)

**Other listed directorships:** None

\* *Sharron Vanessa Naidoo serves on the OUTsurance Holdings Limited board of directors and is a member of the audit and risk committee.*

**ORDINARY RESOLUTION NUMBER 2.10 – TLALENG MOABI (45)\***

Independent non-executive director

**Educational qualifications:** MSc Engineering (Transport) BSc Engineering (Electrical) B Engineering (Management of Technology)

**Other listed directorships:** None

\* *Tlaleng Moabi serves on the OUTsurance Holdings Limited board of directors and is a member of the social and ethics and audit and risk committees.*

**ORDINARY RESOLUTION NUMBER 2.11 – WILLEM ROOS (50)**

Non-executive director

**Educational qualifications:** BCom (Hons) Actuarial Science FASSA

**Other listed directorships:** None

**ADDITIONAL INFORMATION IN RESPECT OF ORDINARY RESOLUTIONS NUMBERS 2.1 TO 2.11**



*A brief CV of each of the persons nominated above appears in the governance section of the RMI integrated report.*

## 5. ORDINARY RESOLUTION NUMBER 3

### GENERAL AUTHORITY TO ISSUE ORDINARY SHARES FOR CASH

Resolved that, subject to the Companies Act, the Company's MOI and the JSE Listings Requirements, the Board be and are hereby authorised, by way of a general authority, to issue up to 100 000 000 ordinary shares (including securities convertible into ordinary shares and/or options over ordinary shares) in the share capital of the Company to public shareholders, as such term is defined in the JSE Listings Requirements, and/or related parties for cash as and when, and upon such terms and conditions, as they in their discretion deem fit.

The JSE Listings Requirements currently provide, *inter alia*, that:

- This authority shall be valid until the Company's next annual general meeting or for 15 (fifteen) months from the date of this resolution, whichever period is shorter;
- The ordinary shares may be issued to public shareholders and/or related parties, provided that in the case of related parties the issue for cash is implemented by way of a bookbuild process and in accordance with the prescribed requirements of the JSE Listings Requirements;
- Securities which are the subject of this authority may not exceed 100 000 000 ordinary shares, being 5% (five percent) of the Company's authorised ordinary shares and 6.5% (six point five percent) of the number of listed equity securities of the Company as at the date of this Notice of Annual General Meeting, provided that:
  - any equity securities issued under this authority during the period must be deducted from the number above;
  - in the event of a sub-division or consolidation of issued equity securities during the period contemplated above, the existing authority must be adjusted accordingly to represent the same allocation ratio; and
  - the calculation of the listed equity securities is a factual assessment of the listed equity securities as at the date of the Notice of Annual General Meeting, excluding treasury shares;

- In determining the price at which an issue of shares may be made in terms of the authority above, the shares may not be issued at a discount of more than 10% to the weighted average traded price of the Company's ordinary shares measured over 30 (thirty) business days prior to the date that the price of the issue is determined or agreed between the Directors and the party subscribing for the securities;
- A paid press announcement giving full details will be published at the time of any issue representing, on a cumulative basis within the period of this authority, 5% (five percent) or more of the number of ordinary shares in issue prior to that issue, in terms of the JSE Listings Requirements; and
- Any such general issue is subject to Exchange Control Regulations and approval at that time (if and to the extent applicable).

#### **ADDITIONAL INFORMATION IN RESPECT OF ORDINARY RESOLUTION NUMBER 3**

Approval for this ordinary resolution is obtained by achieving at least 75% (seventy-five percent) of the votes cast in favour of this resolution at the Annual General Meeting by all equity security holders entitled to vote thereon and present or represented by proxy. Further, Shareholders should note that 5% (five percent) or 100 000 000 of the Company's authorised ordinary shares represents approximately 6.5% (six point five percent) of the listed equity securities, calculated as at the date of this Notice of Annual General Meeting.

## **6. ORDINARY RESOLUTION NUMBER 4**

### **APPROVAL OF REAPPOINTMENT OF THE AUDITOR**

Resolved as an ordinary resolution that, as nominated by the audit and risk committee, PricewaterhouseCoopers Inc. be reappointed as auditor of the Company for the financial year ending 30 June 2023 and until the conclusion of the next annual general meeting and that their remuneration for the financial year ending 30 June 2023 be determined by the audit and risk committee.

## **7. ORDINARY RESOLUTION NUMBERS 5.1 TO 5.7**

### **ELECTION OF THE COMPANY'S AUDIT AND RISK COMMITTEE MEMBERS**

Resolved by way of separate ordinary resolutions that, in terms of section 94(2) of the Companies Act, the following persons, who are independent non-executive directors of the Company, be and are hereby elected as members of the audit and risk committee with effect from the end of the Annual General Meeting:

#### **ORDINARY RESOLUTION NUMBER 5.1 – GEORGE MARX (68) (CHAIRPERSON)**

Independent non-executive director

**Educational qualifications:** BSc (Econ) Cum Laude FASSA Chartered Enterprise Risk Actuary (CERA)

**Other listed directorships:** None

#### **ORDINARY RESOLUTION NUMBER 5.2 – ALAN HEDDING (71)**

Independent non-executive director

**Educational qualifications:** BCom BCompt (Hons) CA(SA)

**Other listed directorships:** Toyota Financial Services (South Africa) Limited

#### **ORDINARY RESOLUTION NUMBER 5.3 – BUHLE HANISE (39)**

Independent non-executive director

**Educational qualifications:** BCom (Accounting) CA(SA)

**Other listed directorships:** Transaction Capital Limited

#### **ORDINARY RESOLUTION NUMBER 5.4 – HANTIE VAN HEERDEN (51)**

Independent non-executive director

**Educational qualifications:** BCom (Hons) Actuarial Science FIA FASSA

**Other listed directorships:** None

#### **ORDINARY RESOLUTION NUMBER 5.5 – JOHAN PETRUS BURGER (63)**

Independent non-executive director

**Educational qualifications:** BCom (Hons) CA(SA)

**Other listed directorship:** FirstRand Limited

#### **ORDINARY RESOLUTION NUMBER 5.6 – SHARRON VENESSA NAIDOO (59)**

Independent non-executive director

**Educational qualifications:** BAcc Dip (Acc) CA(SA)

**Other listed directorships:** None

#### **ORDINARY RESOLUTION NUMBER 5.7 – TLALENG MOABI (45)**

Independent non-executive director

**Educational qualifications:** MSc Engineering (Transport) BSc Engineering (Electrical) B Engineering (Management of Technology)

**Other listed directorships:** None

#### **ADDITIONAL INFORMATION IN RESPECT OF ORDINARY RESOLUTION NUMBERS 5.1 TO 5.7**



*A brief CV of each of the persons nominated above appears in the governance section of the RMI integrated report.*

## 8. ORDINARY RESOLUTION NUMBER 6

### SIGNING AUTHORITY

Resolved as an ordinary resolution that each Director and/or the Company Secretary, be and is hereby authorised and empowered to do all such things and sign all such documents and procure the doing of all such things and the signature of all such documents, as may be necessary for, or incidental to the implementation of the resolutions passed at the Annual General Meeting of the Company and set out in this Notice of Annual General Meeting, and that to the extent required, the decisions of the Board, all transactions and documents approved, or purported to be approved, by the Board by way of resolution, and all documents executed by any Director, as may be necessary for, or incidental to, *inter alia*, the implementation of the resolutions passed at the Annual General Meeting, be and are hereby approved and/or ratified (as applicable) in all respects in terms of section 75(7)(b) of the Companies Act.

### ADDITIONAL INFORMATION IN RESPECT OF ORDINARY RESOLUTION NUMBER 6

For the sake of practicality, the Directors and/or the Company Secretary must be empowered to enforce the resolutions passed by the Shareholders at this Annual General Meeting.

## 9. SPECIAL RESOLUTION NUMBER 1

### APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION WITH EFFECT FROM 1 DECEMBER 2022

Resolved as a special resolution that, in terms of section 66(9) of the Companies Act, the following annual remuneration (excluding value-added tax) of the non-executive directors for their services as Directors of the Company from 1 December 2022, as set out below, be and is hereby approved:

Committee	Board	Audit and risk	Remuneration	Nominations	Social and ethics
<b># Meetings</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>2</b>
Chairperson	716 277	407 310	159 244	63 695	79 619
Lead independent Member	575 575				
Member	400 713	228 980	114 750	48 086	52 458

### ADDITIONAL INFORMATION IN RESPECT OF SPECIAL RESOLUTION NUMBER 1

The reason for special resolution number 1 is to approve the annual remuneration of the non-executive directors, effective from 1 December 2022.

## 10. SPECIAL RESOLUTION NUMBER 2

### GENERAL AUTHORITY TO REPURCHASE COMPANY SHARES

Resolved that the acquisition by the Company and/or any subsidiary of the Company from time to time of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the Directors of the Company may from time to time determine, be and is hereby authorised, but subject to the applicable requirements of the Company's MOI, the Companies Act and JSE Listings Requirements.

A general repurchase may not in the aggregate in any one financial year, in respect of this special resolution number 2, exceed 20% (twenty percent) of the number of issued ordinary shares in the Company's issued share capital as at the beginning of the financial year.

The JSE Listings Requirements currently provide, *inter alia*, that:

- this authority shall be valid until the Company's next Annual General Meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing this special resolution;
- any such repurchase must be effected through the order book operated by the JSE Limited trading system and done without any prior understanding or agreement between the Company and the counterparty (reported trades are prohibited);
- a paid press release, giving such details as may be required in terms of the JSE Listings Requirements, be published when the Company or its subsidiaries have cumulatively repurchased 3% (three percent) of the initial number of the Company's ordinary shares in issue as at the date when this resolution is adopted, and for each 3% (three percent) in aggregate of the initial number of the Company's ordinary shares that are acquired thereafter;
- no repurchases will be effected by the Company and/or any subsidiary of the Company during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements, unless there is in place a repurchase programme in compliance with the JSE Listings Requirements;

- at any point in time, the Company may only appoint one agent to effect repurchases on the Company's behalf;
- a resolution has been passed by the board of directors of the Company authorising the repurchase, and the Company and its subsidiaries have passed the solvency and liquidity test as set out in section 4 of the Companies Act and that, since the application of the solvency and liquidity test, there have been no material changes to the financial position of the Company and the group; and
- in determining the price at which shares may be repurchased in terms of this authority, the maximum premium permitted will be 10% (ten percent) above the weighted average of the market value for the ordinary shares as determined over the 5 (five) business days prior to the date on which the repurchase transaction is effected.

#### ADDITIONAL INFORMATION IN RESPECT OF SPECIAL RESOLUTION NUMBER 2

The Board has no immediate intention to use this authority to repurchase Company shares. However, the Board is of the opinion that this authority should be in place should it become appropriate to undertake a share repurchase in the future.


The Company will comply with the applicable provisions of the Companies Act and the JSE Listings Requirements prior to implementing any repurchase in terms of the general repurchase authorisation.

In particular, any decision of the Board to use the general authority to repurchase the ordinary shares of the Company will be subject to compliance with the applicable requirements of section 48 of the Companies Act read with section 4 of the Companies Act and will be subject to the Board, in its approval of any repurchase that is to be implemented under the general repurchase authorisation, determining that:

- the Company and its subsidiaries (the Group) will, in the ordinary course of business, be able to pay its debts for a period of 12 months after the date of any such board approval;
- the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of any such board approval;
- the Company's and the Group's ordinary share capital and reserves will be adequate for ordinary business purposes for a period of 12 months following the date any such board approval; and
- the Company and the Group will, after such repurchase, have sufficient working capital for ordinary business purposes for a period of 12 months following the date any such board approval.

For purposes of considering this special resolution and in compliance with paragraph 11.26 of the JSE Listings Requirements, the information listed below has been included in the places indicated:

 *Major Shareholders – refer to **page 40**.*

 *Share capital of the Company – refer to **page 5** of the annual financial statements available on [www.rmih.co.za](http://www.rmih.co.za).*

## 11. SPECIAL RESOLUTION NUMBER 3

### ISSUE OF SHARES, CONVERTIBLE SECURITIES AND/OR OPTIONS TO PERSONS LISTED IN SECTION 41(1) OF THE COMPANIES ACT FOR THE PURPOSES OF THEIR PARTICIPATION IN A REINVESTMENT OPTION

Resolved that, if and to the extent required in terms of section 41(1) of the Companies Act, but subject to the provisions of the Companies Act, the Company's MOI and the JSE Listings Requirements, the Directors of the Company be and are hereby authorised, as and when they deem appropriate, to allot and issue shares (including securities convertible into shares and/or options over shares) to directors, future directors, prescribed officers, future prescribed officers, persons related or inter-related to the Company, or a director or a prescribed officer of the Company and/or a nominee of any of the aforementioned persons, for the purpose of affording such persons (as Shareholders of the Company) an opportunity to participate alongside the Company's other Shareholders in a reinvestment option or similar corporate action from time to time pursuant to which each of them may elect to reinvest all or part of their dividends in new shares of the Company (including securities convertible into shares and/or options over shares).

#### ADDITIONAL INFORMATION IN RESPECT OF SPECIAL RESOLUTION NUMBER 3

The reason for special resolution number 3 is to enable the Company to extend an offer, pursuant to a reinvestment option or similar corporate action, to the class of persons contemplated in section 41(1) of the Companies Act (which includes directors, prescribed officers, persons related or inter-related to the Company and/or a nominee of any of such persons). In the absence of the authorisation contemplated in terms of the resolution, such persons would not be eligible to participate, as a shareholder of the Company, in a reinvestment option or similar opportunity made available to the Company's Shareholders.

## 12. SPECIAL RESOLUTION NUMBER 4

### ISSUE OF SHARES, CONVERTIBLE SECURITIES AND/OR OPTIONS TO PERSONS LISTED IN SECTION 41(1) OF THE COMPANIES ACT IN CONNECTION WITH THE GROUP'S SHARE OR EMPLOYEE INCENTIVE SCHEMES

Resolved, as a special resolution of the Company in terms of section 41(1) of the Companies Act, that the Directors of the Company may, subject to compliance with the requirements of the Company's MOI, the Companies Act and the JSE Listings Requirements, when applicable, allot and issue, up to a maximum of 5% of the issued ordinary shares of the Company, shares or grant options for the allotment or subscription of shares or any other rights exercisable for securities, to any eligible participants in any of the Group's share or other employee incentive schemes, including (i) any director, future director, prescribed officer or future prescribed officer of the Company, (ii) any person related or inter-related to the Company, or to a director or prescribed officer of the Company, or (iii) any nominee of a person contemplated in (i) or (ii) above, in connection with the settlement of the participant's rights under the Group's applicable share or employee incentive scheme and/or in connection with the acquisition of further shares in OUTsurance Holdings Limited from its minority shareholders.

### ADDITIONAL INFORMATION IN RESPECT OF SPECIAL RESOLUTION NUMBER 4

The reason for special resolution number 4 is to ensure that shares can be issued to the persons set out in this special resolution (being, *inter alia*, directors and/or prescribed officers of the Company or persons related to the Company) to the extent required for the participation of eligible participants under the Group's applicable share or employee incentive schemes and/or in connection with the acquisition of further shares in OUTsurance Holdings Limited from its minority shareholders.

## 13. SPECIAL RESOLUTION NUMBER 5

### FINANCIAL ASSISTANCE TO DIRECTORS, PRESCRIBED OFFICERS AND EMPLOYEE SHARE SCHEME BENEFICIARIES

Resolved, as a special resolution of the Company in terms of section 44 and 45 of the Companies Act, that the Directors of the Company may, subject to compliance with the requirements of the Company's MOI, the Companies Act and the JSE Listings Requirements, when applicable, each as presently constituted and as amended from time to time during the 2 (two) years commencing on the date of this special resolution, authorise the Company to provide direct or indirect financial assistance (as contemplated in section 44 and 45 of the Companies Act) by way of loans, guarantees, the provision of securities or otherwise to, *inter alia*, (i) any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to RMI for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by RMI or a related or inter-related company, or for the purchase of any securities of RMI or a related or inter-related company as contemplated in terms of section 44 of the Companies Act, (ii) any of its present or future directors or prescribed officers (or any person related to any of them or to any company or corporation related or inter-related to any of them), or to any other person who is a participant in any of the Group's share or other employee incentive schemes, for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by RMI or a related or inter-related company, or for the purchase of any securities of RMI or a related or inter-related company, where such financial assistance is provided in terms of any such scheme that does not satisfy the requirements of section 97 of the Companies Act, provided that nothing in this approval will limit the provision by the company of financial assistance that does not require approval by way of special resolution of the Shareholders in terms of sections 44 and 45 of the Companies Act or falls within the exemptions contained in these sections.

### ADDITIONAL INFORMATION IN RESPECT OF SPECIAL RESOLUTION NUMBER 5

The reason for special resolution number 5 is to grant the Directors of the Company the authority required by the Companies Act to provide direct or indirect financial assistance through, *inter alia*, the lending of money, guaranteeing of a loan or other obligation and securing any debt or obligation, to directors, prescribed officers of the company or of a related or inter-related company or to employee share scheme beneficiaries.

## 14. SPECIAL RESOLUTION NUMBER 6

### FINANCIAL ASSISTANCE TO RELATED OR INTER-RELATED ENTITIES

Resolved, as a special resolution of the Company in terms of section 44 and 45 of the Companies Act, that the Directors of the Company may, subject to compliance with the requirements of the Company's MOI, the Companies Act and the JSE Listings Requirements, when applicable, each as presently constituted and as amended from time to time during the 2 (two) years commencing on the date of this special resolution, authorise the Company to provide direct or indirect financial assistance (as contemplated in sections 44 and 45 of the Companies Act) to, *inter alia*, any related or inter-related (as contemplated in section 2 of the Companies Act) Company, trust or other entity in the Company's Group (wheresoever incorporated) on such terms and conditions as the directors of the Company determine, provided that nothing in this approval will limit the provision by the Company of financial assistance that does not require approval by way of special resolution of the Shareholders in terms of sections 44 and 45 of the Companies Act or falls within the exemptions contained in these sections.

## ADDITIONAL INFORMATION IN RESPECT OF SPECIAL RESOLUTION NUMBER 6

The reason for special resolution number 6 is to grant the Directors of the Company the authority required by the Companies Act to provide direct or indirect financial assistance through, *inter alia*, the lending of money, guaranteeing of a loan or other obligation and securing any debt or obligation, to any related or inter-related Company, trust or other entity in the Company's Group in the ordinary course of business.

## 15. SPECIAL RESOLUTION NUMBER 7

### APPROVAL OF THE OUTSURANCE LISTING

Resolved as a special resolution of the Company that the Company's name be and is hereby changed from "Rand Merchant Investment Holdings Limited" to "OUTsurance Group Limited" with effect from the date set out in the amended registration certificate to be issued by the Companies and Intellectual Property Commission.

## 16. SPECIAL RESOLUTION NUMBER 8

### AMENDMENT OF THE COMPANY'S MOI (SUBJECT TO THE PASSING OF SPECIAL RESOLUTION NUMBER 7)

Resolved as a special resolution that, in terms of section 16(1)(c) as read with section 16(5)(b)(i) of the Companies Act, the Company's MOI be and is hereby amended as follows:

- (a) the cover page of the Company's MOI be and is hereby amended by the deletion of the words "Rand Merchant Investment Holdings Limited" appearing thereon and the substitution thereof with the words "OUTsurance Group Limited", and
- (b) all remaining references to "Rand Merchant Investment Holdings Limited" in the Company's MOI be and are hereby amended by the deletion thereof and the substitution thereof with the words "OUTsurance Group Limited".

### ADDITIONAL INFORMATION IN RESPECT OF SPECIAL RESOLUTION NUMBER 7 AND NUMBER 8

The reason for special resolution number 7 and number 8 is that in terms of section 16(5)(b)(i) of the Companies Act, the Company's MOI must be amended in order to give effect to a Company's change of name. The effect of special resolution number 7 and number 8 is to change the name of the Company and to effect the consequential amendments to the Company's MOI as a result thereof.

### ADDITIONAL INFORMATION IN RESPECT OF THE APPROVAL OF THE OUTSURANCE LISTING

Shareholders are referred to the Circular to Shareholders commencing on page 42 in connection with the proposed change of name of the Company from "Rand Merchant Investment Holdings Limited" to "OUTsurance Group Limited".

The Circular sets out the relevant details and disclosures in respect of the proposed OUTsurance Listing as required by the JSE Listings Requirements and can also be accessed on RMI's website on [www.rmih.co.za](http://www.rmih.co.za) or can be made available through a secure electronic manner at the election of the person requesting its inspection.

Shareholders are advised to carefully read both this Notice of Annual General Meeting and the Circular, incorporated herein, for full details of the actions required by Shareholders in respect of the proposed OUTsurance Listing and the approval of the OUTsurance Listing Resolutions (special resolution number 7 and number 8).

## 17. TO TRANSACT ANY OTHER BUSINESS THAT MAY BE TRANSACTED AT AN ANNUAL GENERAL MEETING

### APPROVALS REQUIRED FOR RESOLUTIONS

Ordinary resolution numbers 1.1 to 1.4, 2.1 to 2.11, 4, 5.1 to 5.7 and 6 contained in this Notice of Annual General Meeting require the approval of more than 50% (fifty percent) of the votes exercised on each resolution by Shareholders present, or represented by proxy, at the Annual General Meeting. See page 64 of this Notice of Annual General Meeting in relation to the non-binding advisory endorsement of the Company's remuneration policy and implementation reports.

Ordinary resolution number 3 (general authority to issue shares for cash) and special resolution numbers 1 to 8 contained in this Notice of Annual General Meeting require the approval of at least 75% (seventy-five percent) of the votes exercised on each resolution by Shareholders present, or represented by proxy, at the Annual General Meeting.



## MATERIAL CHANGES

There have been no material changes in the affairs or the financial or trading position of the Company and its subsidiaries that have occurred since the end of the last financial period for which audited annual financial statements have been published.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given on page 44 collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that in relation to special resolution 2 in particular, all information required by the JSE Listings Requirements is contained in this Notice of Annual General Meeting.

## IMPORTANT NOTICE REGARDING ATTENDANCE AT THE ANNUAL GENERAL MEETING

### GENERAL

Shareholders wishing to attend the Annual General Meeting have to ensure beforehand with the Transfer Secretaries of the Company that their Shares are in fact registered in their name.

### CERTIFICATED SHAREHOLDERS

Shareholders who have not Dematerialised their Shares or who have Dematerialised their Shares with 'own-name' registration are entitled to attend and vote at the Annual General Meeting and are entitled to appoint a proxy or proxies to attend, speak and vote in their stead. The person so appointed need not be a Shareholder. It is requested that Forms of Proxy (blue) be forwarded to reach the Company's Transfer Secretaries, Computershare Investor Services Proprietary Limited (Computershare) at Rosebank Towers, 15 Biermann Avenue, Rosebank (Private Bag X9000, Saxonwold, 2132) or at fax number 011 688 5238 and be received by them no later than 11:00 on Friday, 4 November 2022. Any Forms of Proxy (blue) not submitted by this time may nevertheless be submitted to the Transfer Secretaries before the Annual General Meeting or provided to the Chairperson of the Annual General Meeting prior to the proxy exercising any rights of a Shareholder at the Annual General Meeting.

### DEMATERIALIZED SHAREHOLDERS

Shareholders who have Dematerialised their shares, other than those members who have Dematerialised their shares with 'own-name' registration, should contact their Central Securities Depository Participant (CSDP) or Broker in the manner and time stipulated in their agreement:

- To furnish them with their voting instructions and
- In the event that they wish to attend the meeting, to obtain the necessary authority to do so.

Voting will be by way of a poll and every Shareholder of the Company present, whether in person or represented by proxy, shall have one vote for every share held in the Company by such Shareholder.

Shares held by a share trust or scheme, treasury shares and unlisted shares will not have their votes at the Annual General Meeting taken into account for the purposes of any resolution proposed in terms of the JSE Listings Requirements.

### ELECTRONIC PARTICIPATION

The Annual General Meeting will be held at 11:00 on Tuesday, 8 November 2022. RMI has retained the services of Computershare to host the Annual General Meeting on an interactive electronic platform, in order to facilitate electronic participation and voting by Shareholders. Shareholders are encouraged to register and connect to the Annual General Meeting through <https://meetnow.global/za>.

Shareholders are referred to the "Electronic Participation General Meeting Guide" attached for further instructions for electronic participation. The Transfer Secretaries will by no later than Monday, 7 November 2022 notify eligible Shareholders of the details and invitation code through which eligible Shareholders can participate electronically. In person registration of Annual General Meeting participants will not be carried out at the registered office of RMI.

Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the Annual General Meeting. Any such charges will not be for the account of the JSE, RMI and/or Computershare. None of the JSE, RMI or Computershare can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Shareholder from participating in and/or voting at the Annual General Meeting.

## PROOF OF IDENTIFICATION REQUIRED


Kindly note that, in terms of section 63(1) of the Companies Act, participants at the meeting (including Shareholders and proxies) will be required to provide reasonably satisfactory identification, and the person presiding at the Annual General Meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as proxy for a shareholder) has been reasonably verified, before being entitled to attend or participate in a Shareholders' meeting.

Acceptable forms of identification include valid driver's licences, green barcoded identity documents or barcoded identification smart cards issued by the South African Department of Home Affairs and passports.

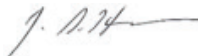
## SUMMARY OF SHAREHOLDER RIGHTS

In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act, is set out below:

- A shareholder entitled to attend and vote at the Annual General Meeting may appoint any individual (or two or more individuals) as a proxy or as proxies to attend, participate in and vote at the Annual General Meeting in the place of the shareholder. A proxy need not be a Shareholder of the Company.
- A proxy appointment must be in writing, dated and signed by the Shareholder appointing the proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the Annual General Meeting.
- A proxy may delegate the proxy's authority to act on behalf of a Shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
- The appointment of a proxy is suspended at any time and to the extent that the Shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.
- The appointment of a proxy is revocable by the Shareholder in question by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.
- If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the MOI to be delivered by the Company to the shareholder, must be delivered by the Company to (a) the Shareholder, or (b) the proxy or proxies, if the Shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.

 *Attention is also drawn to the instructions on signing and lodging the Form of Proxy (blue).*

By order of the Board of Directors.



**Schalk Human**  
Company secretary

Rosebank

11 October 2022



# FORM OF PROXY

Only for use by shareholders who have not dematerialised their shares or who have dematerialised their shares with 'own-name' registration.

## Rand Merchant Investment Holdings Limited

Incorporated in the Republic of South Africa • Registration number: 2010/005770/06 • Share code: RMI • ISIN code: ZAE000210688 (RMI or the company)

For use by Shareholders who have not dematerialised their shares or who have dematerialised their shares but with "own-name" registration, at the Annual General Meeting to be held at 11:00 on Tuesday, 8 November 2022, entirely through electronic communication, as permitted by the JSE Listings Requirements, the provisions of the Companies Act and the MOI of RMI at any adjournment thereof.

Shareholders who have dematerialised their shares, other than with "own-name" registration, must inform their Central Securities Depository Participant (CSDP) or broker of their intention to attend the Annual General Meeting and request their CSDP or broker to issue them with the necessary authorisation to attend or they must provide their CSDP or broker with their voting instructions should they not wish to attend the Annual General Meeting in person.

I/We, the undersigned (name)

of (address)

and (contact number)

the registered holder of

ordinary shares in Rand Merchant Investment Holdings Limited (Registration number 2010/005770/06), hereby appoint:

1. \_\_\_\_\_, of \_\_\_\_\_ or failing him/her
2. \_\_\_\_\_, of \_\_\_\_\_ or failing him/her
3. the chairman of the annual general meeting,

as my/our proxy to be present and act on my/our behalf, speak and on a poll, vote on my/our behalf as indicated below on the ordinary and special resolutions, with or without modification, to be proposed at the Annual General Meeting of Shareholders of the company to be held at 11:00 on Tuesday, 8 November 2022 and at any adjournment thereof as follows: (see note 2)

	In favour of	Against	Abstain
Advisory endorsement of remuneration policy			
Advisory endorsement of remuneration implementation report – RMI			
Advisory endorsement of remuneration implementation report – OUTsurance Holdings Limited			
<b>Ordinary resolutions numbers 1.1 to 1.4:</b> Re-election of directors			
1.1 Albertinah Kekana			
1.2 James Teeger			
1.3 Johan Burger			
1.4 Mamongae Mahlare			
<b>Ordinary resolutions numbers 2.1 to 2.11:</b> Election of directors			
2.1 Alan Hedding			
2.2 Buhle Hanise			
2.3 George Marx			
2.4 Hantie van Heerden			
2.5 Jan Hofmeyr			
2.6 Kubandiran Pillay			
2.7 Marthinus Visser			
2.8 Raymond Ndlovu			
2.9 Sharron Venessa Naidoo			
2.10 Tlaleng Moabi			
2.11 Willem Roos			
<b>Ordinary resolution number 3:</b> General authority to issue ordinary shares for cash			
<b>Ordinary resolution number 4:</b> Approval of reappointment of auditor			
<b>Ordinary resolutions numbers 5.1 to 5.7:</b> Election of the Company's audit and risk committee members:			
5.1 George Marx			
5.2 Alan Hedding			
5.3 Buhle Hanise			
5.4 Hantie van Heerden			
5.5 Johan Petrus Burger			
5.6 Sharron Venessa Naidoo			
5.7 Tlaleng Moabi			

	In favour of	Against	Abstain
<b>Ordinary resolution number 6:</b> Signing authority			
<b>Special resolution number 1:</b> Approval of non-executive directors' remuneration with effect from 1 December 2022			
<b>Special resolution number 2:</b> General authority to repurchase Company shares			
<b>Special resolution number 3:</b> Issue of shares, convertible securities and/or options to persons listed in section 41(1) of the Companies Act for the purposes of their participation in a reinvestment option			
<b>Special resolution number 4:</b> Issue of shares, convertible securities and/or options to persons listed in section 41(1) of the Companies Act in connection with the settlement of eligible participant's rights under the Group's applicable share or employee incentive scheme			
<b>Special resolution number 5:</b> Financial assistance to directors, prescribed officers and employee share scheme beneficiaries			
<b>Special resolution number 6:</b> Financial assistance to related or inter-related entities			
<b>Special resolution number 7:</b> Approval of the OUTsurance Listing			
<b>Special resolution number 8:</b> Amendment of the Company's MOI			

Signature of registered shareholder (assisted by me as applicable)

Date

2022

## Notes

1. A Shareholder, who is entitled to attend and vote at the Annual General Meeting, may appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company.
2. Every Shareholder present in person or by proxy and entitled to vote at the Annual General Meeting of the Company shall, on a show of hands, have one vote only, irrespective of the number of Shares such Shareholder holds, but in the event of a poll, every Share in the Company shall have one vote.
3. Dematerialised Shareholders with "own-name" registration are Shareholders who appointed Computershare Custodial Services as their Central Securities Depository Participant (CSDP) with the express instruction that their uncertificated shares are to be registered in the electronic sub-register of members in their own-names.
4. RMI does not accept responsibility, and will not be held liable, under applicable law or regulation, for any action of, or omission by, any CSDP or broker including, without limitation, any failure on the part of the CSDP or broker of any beneficial owner of Shares to notify such beneficial owner of the Annual General Meeting or the details set out in this Notice of Annual General Meeting.

## INSTRUCTIONS FOR SIGNING AND LODGING THE FORM OF PROXY

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided overleaf, with or without deleting "The Chairperson of the Annual General Meeting", but any such deletion must be initialled by the Shareholder. Should this space be left blank, the Chairperson of the Annual General Meeting will exercise the proxy. The person whose name appears first on the Form of Proxy (*blue*) and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Shareholder's voting instructions to the proxy must be indicated by the insertion of the number of votes exercisable by that Shareholder in the appropriate spaces provided overleaf. Failure to do so shall be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she thinks fit in respect of all the Shareholder's exercisable votes. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the Shareholder or by his/her proxy.
3. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
4. The Company requests that completed Forms of Proxy (*blue*) be forwarded to reach the Company's transfer secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) or at fax number 011 688 5238 to be received by no later than 11:00 on Friday, 4 November 2022 for administrative purposes only. Proxy forms may only be completed by Shareholders who have not Dematerialised their Shares or who have dematerialised their shares with "own-name" registration.
5. Documentary evidence establishing the authority of a person signing this Form of Proxy (*blue*) in a representative capacity must be attached to this Form of Proxy (*blue*) unless previously recorded by the Transfer Secretaries or waived by the Chairperson of the Annual General Meeting.
6. The completion and lodging of this Form of Proxy (*blue*) shall not preclude the relevant Shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
7. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this Form of Proxy (*blue*) must be initialled by the signatory/ies.
8. The Chairperson of the Annual General Meeting may reject or accept any Form of Proxy (*blue*) which is completed other than in accordance with these instructions, provided that he is satisfied as to the manner in which a Shareholder wishes to vote.

# ELECTRONIC PARTICIPATION GENERAL MEETING GUIDE



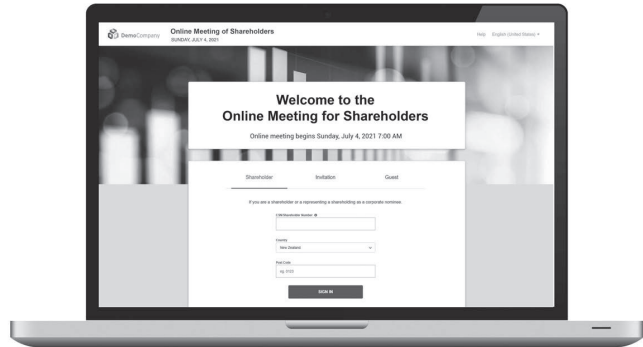
## HOW TO PARTICIPATE IN VIRTUAL MEETINGS

### Attending the meeting online

Our online meetings provide you with the opportunity to participate online using your smartphone, tablet or computer.

You will be able to view a live webcast of the meeting, ask questions and submit your votes in real time.

**You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.**



Visit <https://meetnow.global/za>



#### Access

Access the online meeting at <https://meetnow.global/za>, select the applicable meeting from the drop down option. Click 'JOIN MEETING NOW'.

#### If you are a shareholder:

Select 'Invitation' on the login screen and enter the applicable information as per your invitation. Accept the Terms and Conditions and click Continue.

#### If you are a guest:

Select 'Guest' on the login screen. As a guest, you will be prompted to complete all the relevant fields, including title, first name, last name and email address.

Please note, guests will not be able to ask questions or vote at the meeting.

#### If you are a proxy holder:

You will receive an email invitation the day before the meeting to access the online meeting. Click on the link in the invitation to access the meeting.

#### Contact



If you have any issues accessing the website please email [proxy@computershare.co.za](mailto:proxy@computershare.co.za).



#### Navigation



When successfully authenticated, the home screen will be displayed. You can watch the webcast, vote, ask questions, and view meeting materials in the documents folder. The image highlighted blue indicates the page you have active.

The webcast will appear and begin automatically once the meeting has started.



#### Voting

Resolutions will be put forward once voting is declared open by the Chair. Once the voting has opened, the resolution and voting options will appear.

To vote, simply select your voting direction from the options shown on screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the green tick appears. To change your vote, select 'Change Your Vote'.



#### Q&A

Any eligible shareholder/proxy attending the meeting remotely is eligible to ask a question.

Select the Q&A tab and type your question into the box at the bottom of the screen and press 'Send'.

# ADMINISTRATION

## Rand Merchant Investment Holdings Limited (RMI)

Registration number: 2010/005770/06  
JSE ordinary share code: RMI  
ISIN code: ZAE000210688

## Directors

JJ Durand (chairman), HL Bosman (chief executive officer and financial director), JP Burger, P Cooper, (Ms) A Kekana, P Lagerström, (Ms) MM Mahlare, MM Morobe and JA Teeger.

Messrs PK Harris, RT Mupita and O Phetwe and Ms SEN De Bruyn stepped down as directors at the annual general meeting held on 24 November 2021. Mr LL Dippenaar retired as a director on 14 March 2022.

## Alternates

DA Frankel, F Knoetze and UH Lucht

## Secretary and registered office

### JS Human

Physical address: 12th Floor, The Bank,  
Corner Cradock and Tyrwhitt Avenues, Rosebank, Johannesburg, 2196  
Postal address: Private Bag X1000, Saxonwold, 2132  
Telephone: +27 10 753 2430  
Web address: [www.rmih.co.za](http://www.rmih.co.za)

## Sponsor

(in terms of JSE Listings Requirements)

**Rand Merchant Bank** (a division of FirstRand Bank Limited)

Physical address: 1 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2196

## Transfer secretaries

### Computershare Investor Services Proprietary Limited

Physical address: Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196  
Postal address: Private Bag X9000, Saxonwold, 2132  
Telephone: +27 11 370 5000  
Telefax: +27 11 688 5221









**RMI**

[www.rmih.co.za](http://www.rmih.co.za)