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**APPLICABLE PRICING SUPPLEMENT**

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**MMI GROUP LIMITED**

*(Incorporated in the Republic of South Africa with limited liability under registration number 1904/002186/06)*

**Issue of ZAR270,000,000 Unsecured Subordinated Mixed Rate Notes due 12 August 2030****Under its ZAR5,000,000,000 Unsecured Subordinated Callable Note Programme**

This Applicable Pricing Supplement must be read in conjunction with the amended and restated Programme Memorandum, dated 05 March 2014, prepared by MMI Group Limited in connection with the MMI Group Limited ZAR5,000,000,000 Unsecured Subordinated Callable Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*".

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

**PARTIES**

1.	Issuer	MMI Group Limited
2.	Dealer(s)	Rand Merchant Bank, a division of FirstRand Bank Limited
3.	Manager	Rand Merchant Bank, a division of FirstRand Bank Limited
4.	Debt Sponsor	Rand Merchant Bank, a division of FirstRand Bank Limited
5.	Paying Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
	Specified Address	1 Merchant Place Cnr Fredman Drive and Rivonia Road Sandton, 2196
6.	Calculation Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
	Specified Address	1 Merchant Place Cnr Fredman Drive and Rivonia Road Sandton, 2196
7.	Transfer Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
	Specified Address	1 Merchant Place Cnr Fredman Drive and Rivonia Road Sandton, 2196

## PROVISIONS RELATING TO THE NOTES

8.	Status of Notes	Unsecured Subordinated
9.	Series Number	6
10.	Tranche Number	1
11.	Aggregate Nominal Amount:	
	(a) Series	ZAR270,000,000
	(b) Tranche	ZAR270,000,000
12.	Interest	Interest-bearing
13.	Interest Payment Basis	Mixed Rate Notes
14.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
15.	Form of Notes	The Notes in this Tranche are issued in uncertificated form and held by the CSD
16.	Issue Date	12 August 2015
17.	Nominal Amount per Note	ZAR1,000,000
18.	Specified Denomination	ZAR1,000,000
19.	Specified Currency	ZAR
20.	Issue Price	100%
21.	Interest Commencement Date	12 August 2015
22.	Maturity Date	12 August 2030
23.	Applicable Business Day Convention	Following Business Day
24.	Final Redemption Amount	100% of Nominal Amount
25.	Last Day to Register	By 17h00 on 1 February and 1 August of each year for the period 12 August 2015 to 12 August 2025 and then 1 February, 1 May, 1 August and 1 November for the period 13 August 2025 until the Maturity Date
26.	Books Closed Period(s)	The Register will be closed from 2 February to 11 February and from 2 August to 11 August (all dates inclusive) in each year for the period 12 August 2015 to 12 August 2025 and then from 2 August to 11 August, 2 November to 11 November, 2 February to 11 February and 2 May to 11 May (all dates inclusive) in each year for the period 13 August 2025 until the Maturity Date.
27.	Default Rate	Fixed Rate Interest will continue to apply until the Optional Redemption Date, thereafter Floating Rate Interest will continue to apply.

## FIXED RATE NOTES

28.	(a) Fixed Rate of Interest	11.30% per annum payable semi-annually in arrear
	(b) Fixed Interest Payment	12 February and 12 August in each year up to

	Date(s)	and including 12 August 2025
(c)	Fixed Coupon Amount(s)	N/A
(d)	Initial Broken Amount	N/A
(e)	Final Broken Amount	N/A
(f)	Interest Rate Determination Date(s)	N/A
(g)	Day Count Fraction	Actual/365
(h)	Any other terms relating to the particular method of calculating interest	N/A

#### FLOATING RATE NOTES

29.	(a)	Floating Interest Payment Date(s)	12 August, 12 November, 12 February and 12 May of each year until the Maturity Date with the first Floating Interest Payment Date being 12 November 2025
	(b)	Interest Period(s)	From and including the applicable Interest Payment Date and ending on but excluding the following Interest Payment Date, the first Interest Period commencing on 12 August 2025 and ending the day before the next Interest Payment Date
	(c)	Definition of Business Day (if different from that set out in Condition 1) ( <i>Interpretation</i> )	N/A
	(d)	Minimum Rate of Interest	N/A
	(e)	Maximum Rate of Interest	N/A
	(f)	Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	N/A
30.		Manner in which the Rate of Interest is to be determined	Screen Rate Determination
31.		Margin	457.5 basis points to be added to the Reference Rate
32.		If ISDA Determination	N/A
	(a)	Floating Rate	N/A
	(b)	Floating Rate Option	N/A
	(c)	Designated Maturity	N/A
	(d)	Reset Date(s)	N/A
	(e)	ISDA Definitions to apply	N/A
33.		If Screen Rate Determination:	
	(a)	Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	3 Month ZAR-JIBAR
	(b)	Interest Rate Determination Date(s)	12 August, 12 November, 12 February and 12 May of each year until the Maturity Date with the

		first Floating Interest Rate Determination Date being 12 August 2025
	(c) Relevant Screen Page and Reference Code	Reuters page 0#SFXmm: or successor page
34.	If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Rate Determination, insert basis for determining Rate of Interest/Margin/ Fallback provisions	N/A
	Calculation Agent responsible for calculating amount of principal and interest	Rand Merchant Bank, a division of FirstRand Bank Limited
	<b>ZERO COUPON NOTES</b>	N/A
	<b>PARTLY PAID NOTES</b>	N/A
	<b>INSTALMENT NOTES</b>	N/A
	<b>MIXED RATE NOTES</b>	N/A
35.	Period(s) during which the Interest Rate for the Mixed Rate Notes will be (as applicable) that for:	
	(a) Fixed Rate Notes	Commencing on the Issue Date and ending on but excluding 12 August 2025
	(b) Floating Rate Notes	Commencing on 12 August 2025 and ending on but excluding 12 August 2030
36.	The Interest rate and other pertinent details are set out under the headings relating to the applicable forms of Notes	
	<b>INDEX-LINKED NOTES</b>	N/A
	<b>DUAL CURRENCY NOTES</b>	N/A
	<b>EXCHANGEABLE NOTES</b>	N/A
	<b>OTHER NOTES</b>	N/A
	<b>PROVISIONS REGARDING REDEMPTION/MATURITY</b>	
37.	Prior consent of Registrar required for any redemption prior to, or on Maturity Date	Yes
38.	Redemption at the option of the Issuer:	Yes
	If yes:	
	(a) Optional Redemption Date(s)	12 August 2025 and each subsequent Floating Interest Payment Date
	(b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	100% of Nominal Amount plus any accrued interest
	(c) Minimum period of notice (if different from Condition 9.3 ( <i>Redemption at the Option of</i>	N/A

	<i>the Issuer</i> )	
	(d) If redeemable in part:	N/A
	Minimum Redemption Amount(s)	N/A
	Higher Redemption Amount(s)	N/A
	(e) Other terms applicable on Redemption	
39.	Redemption at the option of the Issuer on the occurrence of a Regulatory Event:	Yes
40.	Early Redemption Amount(s) payable on redemption for taxation reasons in terms of Condition 9.2 ( <i>Redemption for Tax Reasons</i> ), at the option of the Issuer on the occurrence of a Regulatory Event in terms of Condition 9.4 ( <i>Early Redemption following the occurrence of a Regulatory Event</i> ) or on Event of Default (as defined in Condition 15 ( <i>Events of Default</i> )) (if required).	Yes
	If yes:	
	(a) Amount payable; or	In terms of Condition 9.5
	(b) Method of calculation of amount payable	In terms of Condition 9.5
<b>DEFERRAL OF INTEREST</b>		
41.	Optional Deferral of Interest pursuant to Condition 8.3.2.1	No
42.	Mandatory Deferral of Interest pursuant to Condition 8.3.2.2	Yes
43.	Deferral of Interest at the Request of the Registrar pursuant to Condition 8.3.2.3	Yes
<b>GENERAL</b>		
44.	Prior written approval of the Registrar required for the issue of the Notes	(a) Registrar, in terms of section 24(a)(i) of the Long Term Insurance Act, provided in principle approval of the issue of Notes on 14 July 2015, which is subject to the Registrar's final approval.  (b) Registrar, in terms of paragraph 7(2) of Schedule 3 to the Long-Term Insurance Act provided in principle approval of the manner in which and the amount for which and the value of the Notes to be determined on 14 July 2015, which is subject to the Registrar's final approval.
45.	Financial Exchange	Interest Rate Market of the JSE
46.	Additional selling restrictions	N/A

47.	ISIN No.	ZAG000128505
48.	Stock Code	MMIG04
49.	Stabilising manager	N/A
50.	Provisions relating to stabilisation	N/A
51.	Method of distribution	Dutch Auction
52.	Credit Rating assigned to the Notes	A+(zaf) assigned as at March 2014 and to be reviewed from time to time
53.	Applicable Rating Agency	Fitch Southern Africa (Proprietary) Limited
54.	Governing law (if the laws of South Africa are not applicable)	N/A
55.	Other provisions	N/A

**DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS IN RELATION TO THIS ISSUE OF NOTES**

56. Paragraph 3(5)(a)  
The “*ultimate borrower*” (as defined in the Commercial Paper Regulations) is the Issuer.
57. Paragraph 3(5)(b)  
The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.
58. Paragraph 3(5)(c)  
The auditor of the Issuer is PricewaterhouseCoopers Inc.
59. Paragraph 3(5)(d)  
As at the date of this issue:
- (i) the Issuer has issued Commercial Paper (as defined in the Commercial Paper Regulations) in an aggregate amount of ZAR3,250,000,000 (excluding this issue) (which amount includes Notes issued under the Previous Programme Memoranda and excludes Notes issued in terms of this issue); and
  - (ii) the Issuer estimates that it will not issue any further Commercial Paper during the current financial year, ending 30 June 2016.
60. Paragraph 3(5)(e)  
All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.
61. Paragraph 3(5)(f)  
There has been no material adverse change in the Issuer’s financial position since the date of its last audited financial statements.
62. Paragraph 3(5)(g)  
The Notes issued will be listed.
63. Paragraph 3(5)(h)  
The funds to be raised through the issue of the Notes are to be used by the Issuer for its general corporate purposes.
64. Paragraph 3(5)(i)  
The obligations of the Issuer in respect of the Notes are unsecured.

65. Paragraph 3(5)(i)

PricewaterhouseCoopers Inc, the statutory auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme does not comply in all material respects with the relevant provisions of the Commercial Paper Regulations.

**Responsibility:**

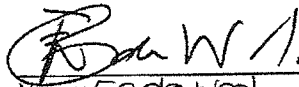
The Applicant Issuer certifies that to the best of its knowledge and belief there are no facts which have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and this Applicable Pricing Supplement and the Programme Memorandum contains all information required by law and the debt listings requirements of the JSE. The Applicant Issuer accepts full responsibility for the accuracy of the information contained in this Applicable Pricing Supplement and the Programme Memorandum, except as otherwise stated therein.


As at the Issue Date, the Issuer confirms that the authorised Programme Amount of ZAR5,000,000,000 has not been exceeded.

Application is hereby made to list this issue of Notes on 12 August 2015.

SIGNED at CENTURION on this 11<sup>th</sup> day of AUGUST 2015.

For and on behalf of  
MMI GROUP LIMITED

  
Name: E. C. de Waal  
Capacity: Director  
Who warrants her/his authority hereto

  
Name: M. van der Nat  
Capacity: Director  
Who warrants her/his authority hereto

## ANNEXURE A

### ADDITIONAL RISK FACTORS

In addition to the risk factors currently set out on pages 73 to 77 of the Programme Memorandum under the section entitled "Investor Considerations/Risk Factors" please note the following additional risk factor that applies to these Notes:

As the Registrar has only granted in principle approval of the Notes issuance (as specified in paragraph 44 above) there is a risk that the Registrar may not proceed to grant final approval of the Notes issuance. Failure to provide final approval may constitute a change to the in principle approval already provided by the Registrar resulting in a Regulatory Event as defined in Condition 1 (*Interpretation*) of the Terms and Conditions of the Notes and triggering the Issuer's option to early redeem the Notes in terms of Condition 9.4 (*Early Redemption following the occurrence of a Regulatory Event*) read with paragraph 39 above.