



Insurance Evolved.

Succession Planning

12 December 2019

Dear business partners

It's been a tremendous privilege to have spent the last 25 years as the Managing Director of NNAC. In that time, I've taken great pride in having been involved in a wonderful journey as we've transformed this company from a niche insurer servicing primarily the Natal market into the largest black-owned short-term insurer in South Africa. We've transitioned into a diversified insurer with a national footprint, while maintaining a stable balance sheet and reserves, benefitting from strong relationships with partners and having sound relations with our regulators.

However, after a quarter of a century, I think it's appropriate for the next generation of leadership to take over. **Kalim Rajab** has been a director for a decade and as Strategic Director has been *de facto* head since we began our succession planning transition. He has intimate understanding of all aspects of the business, has been responsible for strategy and business planning, and leads all discussions with our major partners. He also has the confidence of our major stakeholders and I am confident that he will continue with the progress we've made in securing NNAC's future.

Kalim will officially take over as Managing Director from 1 January 2020 following my retirement on that date.

At the same time, with the planning we've been busy with at Board level, we are delighted to announce the appointment of **MS Paruk** as Chairman. MS takes over from David Reeves who will step down as Chairman after 7 years in this position. During David's time, we've benefited from his wise counsel and the extensive stewardship role he's played. David and I take comfort in the fact that we step down from our respective positions as NNAC has just had its 'A' rating re-affirmed for the 2019/20 year by Global Credit Ratings. MS has been a non-executive director since 2018 and has served on the Audit and Risk Committees. Given his financial service experience and skills, he is an obvious choice for leading us and I welcome him to his new role. In addition, **Suresh Naidoo** will continue to be Chairman of the Audit and Risk Committees.

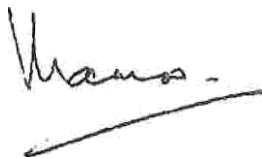
In terms of my role, while I will be stepping down as MD, in order to provide a seamless transition and to assist with continuity, I will remain as an Executive Director and member of the Executive Committee (Exco) in order to provide support to the leadership team of Kalim, **Gony Pillay** and **Vedanth Ori**.

Kalim may in the medium-term decide to bolster the executive team with additional talent but that will be his decision. In terms of location, he will continue to be based in Johannesburg, but will be travelling extensively to Durban. The Head Office will continue to be in Durban and other Exco members will likewise continue to travel extensively between both locations in order to service you and your operations.

I'd like to thank the Board for their continued support over the years, especially the recent past as we have fundamentally overhauled so many parts of our business for greater efficiency and have been able to do so in the midst of challenging trading conditions. Without their assistance the job of ensuring NNAC's sustainability would have been that much more difficult.

We will remain a company based on sound underwriting principles, strong partnerships and business discipline. These will remain the hallmark of our approach to business today as they did when I first joined.

Thank you for all the support you've given me over the years.

A handwritten signature in black ink, appearing to read 'Mahmoud', with a long horizontal line underneath it.

Mahmoud Rajab
December 12 2019