

OM Residual UK Limited (formerly Old Mutual plc) disclosure

The Old Mutual plc managed separation incentive plan (the MSIP)

The MSIP was designed to reflect the different components of value generation in relation to the Managed Separation, and the Old Mutual plc Remuneration Committee made it clear throughout the process of Managed Separation that management would be rewarded for performance, that is, executing the strategy in a way that delivered value to shareholders.

The MSIP had three broad performance measurement components:

- Strategic Execution – the successful completion of Managed Separation on time and on budget (40%).
- The financial performance of the businesses during the period of Managed Separation (25%).
- TSR – Total Shareholder Returns in the period March 2016 (when Managed Separation was first announced), to September 2019 (35%).

As disclosed last year, the Old Mutual plc Remuneration Committee considered the first two of these performance measurement components in 2018.

Activity during 2019

In accordance with the terms of the MSIP, 50% of the net vested shares (in relation to the strategic and financial elements) that vested in October 2018, were subject to a one-year holding period post vesting, with a claw back provision which expired on 30 September 2019.

The Old Mutual Limited Remuneration Committee (the Committee), which had oversight of the operation of the MSIP in 2019, considered whether there were any matters which would warrant claw back being applied to any of the holding period assets, and after careful consideration, the Committee concluded that no such matters existed. As a result, the holding period assets were released, and unexercised nil cost share options became exercisable on 1 October 2019. All former employees that held assets or unexercised options in relation to the one-year holding period took delivery of those assets or exercised their nil cost share options between 1 October 2019 and 31 December 2019.

Total shareholder return

The performance period in respect of the TSR element of the MSIP expired on 30 September 2019. The threshold performance requirement for the TSR element was not met, and as a result, the nil cost share options held in relation to the TSR element of the MSIP lapsed without value.

At the end of 2019, there remained no outstanding obligations in respect of the MSIP.