

Application of the KING IV™ principles


For the year ended 31 December 2019

Old Mutual Limited's Board endorses the King IV™ Report on Corporate Governance and this code is a key input into our Group Governance Framework.

The Johannesburg Stock Exchange (JSE) Listings Requirements applicable for integrated reporting purposes stipulate that a listed company's annual report must, as a minimum, include a narrative statement on its application of the King IV™ code principles.

The Board applies all seventeen of the King IV™ principles and the application status of each of these principles are outlined in the table below.


Leadership, Ethics and Corporate Citizenship

	Applied	Our response
<p>Principle 1: The Board should lead ethically and effectively.</p> <p>Principle 2: The Board should govern the ethics of the company in a way that supports the establishment of an ethical culture.</p>	Yes	<p>The Board of directors holds that ethics and integrity are fundamental to an effective governance framework and the foundation for developing a culture that supports employee, customer and investor confidence. Accordingly, it strives to set the highest ethical standards both for itself as well as for the subsidiary Boards throughout the Group.</p> <p>The Board fully acknowledges and accepts the significant responsibility for ensuring our customers' interests are represented and safeguarded and that the Group continues to operate responsibly, sustainably and in an ethical fashion, for the benefit of all our stakeholders for generations to come.</p> <p>Board members are individually and collectively accountable for their ethical and effective leadership of the Group. During 2019, Board members were individually assessed by their peers, and collectively assessed by the executive committee.</p> <p>All deliberations, decisions and actions of the Board are based on fairness, accountability, responsibility and transparency.</p> <p>The Board has implemented and embedded a robust and effective governance environment, including strong protected disclosure and whistle blowing mechanisms, where instances of compromised ethical and integrity standards within the organisation are identified, reported and managed transparently.</p> <p>The Group's code of ethics, the Maadili charter, has been updated and refreshed during the course of the year. It was reviewed and recommended to the Board for approval by the Responsible Business committee. The charter is supported and extended by a number of policies, which include our anti-bribery and corruption policy and our conflicts of interest policy. (The Maadili charter and related policies are published on the Group's intranet as appropriate.)</p> <p>The Board has delegated to management the responsibility for the implementation and execution of the Maadili charter and supporting policies, as well as effective monitoring, control and assurance on same, with oversight provided by the Responsible Business committee.</p> <p>Aside from the approval by the Board in 2019, all employees are required to attest that they have read and understood the Maadili charter on an annual basis. The last attestation was completed in November 2019.</p> <p> <i>Read more about our ethics in our Governance report on www.oldmutual.com/investor-relations/reporting-centre/reports</i> <i>Read our Responsible Business committee (incl social and ethics) report in our Governance report on www.oldmutual.com/investor-relations/reporting-centre/reports</i></p>

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Leadership, Ethics and Corporate Citizenship

	Applied	Our response
<p>Principle 3: The Board should ensure that the company is and is seen to be a responsible corporate citizen.</p>	Yes	<p>The Board assumes and accepts the responsibility for corporate citizenship and has set the direction for how it should be approached and addressed by the Group within a policy framework, which includes responsible business, market conduct, compliance, conflicts of interest and privacy policies.</p> <p>The Board is responsible for ensuring that the Group's strategic objectives are achieved in a sustainable way. The Board's Responsible Business (incorporating social and ethics) committee has played a significant role in this matter during the year under review, with several focused discussions taking place, including a special workshop in August 2019.</p> <p>It was agreed that the Group will support initiatives around financial education and inclusion, responsible investment, education, skills development and entrepreneurship as well as diversity and inclusion. Investment into these areas will ensure the sustainability of our business for many years to come.</p> <p>The executive committee has submitted metrics to enable the Board to measure management's success in the achievement of these goals. Engagements around finalizing these metrics and their related measurements, will continue on an iterative basis throughout 2020.</p> <p> <i>Read our Responsible Business committee (incl social and ethics) report in our Governance report on www.oldmutual.com/investor-relations/reporting-centre/reports</i> <i>Read our Responsible Business Impact report on www.oldmutual.com/investor-relations/reporting-centre/reports</i></p>

Strategy, Performance and Reporting

	Applied	Our response
<p>Principle 4: The Board should appreciate that the company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</p>	Yes	<p>Old Mutual Limited has a top down strategy development process followed by a bottom up validation and business planning approach across our various businesses. The overarching process delivers a consistent documented strategic baseline across the Group, with agreed upon deliverables, key performance indicators and financials.</p> <p>The Board's framework for governance of strategy comprises three principal themes:</p> <ul style="list-style-type: none"> • Iterative strategy setting/refresh • Annual strategy approval, within the context of business process • Monitoring strategic execution against the strategy and business plans <p>Strategy setting and approval</p> <p>The Board takes an integrated view with regards to strategy setting and delegates execution of the strategy to the chief executive officer (CEO) and the executive committee.</p> <p>It ensures that the strategy is sustainable and aligned across the Group and works with management to develop the strategy and retains the responsibility for approval thereof.</p>


Strategy, Performance and Reporting

Applied	Our response
	<p>Short and medium term strategy</p> <p>Strategy development is predominantly addressed in the annual business plans, which focuses on the short to medium term. Each business unit presents its plans to the executive committee and these are consolidated for approval by the Old Mutual Limited Board on an annual basis. The business plan covers progress on the previous plan, highlights the environmental opportunities and threats identified and lists the Group's strategic responses in terms of defensive and offensive actions, deliveries and targets.</p> <p>Long term strategy</p> <p>The high level vision of where the Group aims to be in the medium to long term is articulated and refreshed on a regular basis. The long term strategy is reflected in the annual business plans, which include both business sustaining strategic initiatives and strategic initiatives that contribute to achieving the long term strategy.</p> <p>The long term strategy is supported by a clearly defined set of strategic focus areas, with deliverable objectives, which are informed by the Group's risk appetite. The vision, strategy statement and strategic objectives of each business in the Group must be aligned with the Group's overarching vision and strategy.</p> <p>All businesses are required to confirm that their strategy and business plans are aligned to the Group strategy, take into account the changes in the environment in which they operate and are approved by the Board before proceeding with implementation.</p> <p>Monitoring strategic execution against the strategy and business plans</p> <p>The Board, through a comprehensive set of frameworks, structures and policies exercises ongoing oversight of the implementation of the strategy and business plans by management.</p> <p>Quarterly</p> <p>Our formal Quarterly Business Reporting provides a comprehensive, robust view of the performance of the business against the approved Business Plan. It enables the Board and executive management, on a quarterly basis, to monitor and measure operational and financial performance and progress against agreed key performance indicators and strategic deliverables, linked to the short term strategies.</p> <p>Annually</p> <p>The Board reviews the medium and long term strategies and provides guidance on key strategy questions and options raised by the executive committee through a series of engagements. These engagements also explore the operating environment and specific strategic questions that arise, thus providing context to the Group's strategic execution approach.</p> <p>The annual business plan process culminates in strategic documents being presented to the Board for challenge and approval.</p> <p> <i>Read more about our Strategy, business model and risks and opportunities in our Integrated Report on www.oldmutual.com/investor-relations/reporting-centre/reports</i></p>

Application of the KING IV™ principles



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Strategy, Performance and Reporting

	Applied	Our response
<p>Principle 5: The Board should ensure that reports issued by the company enable stakeholders to make informed assessments of the company's performance, and its short, medium and long term prospects.</p>	Yes	<p>The Board oversees and ensures, through an effective control environment, appropriate management structures and a robust assurance framework, that all external communication and reports are issued in compliance with legal requirements and meet the legitimate and reasonable information needs of material stakeholders.</p> <p>The Board, through the Group Audit committee, with input from the actuarial and risk control functions and the Group Risk committee, assumes and accepts the responsibility for the Group's financial reporting and sets the direction for how it should be approached and conducted.</p> <p>In our Board approved extended reporting suite, which includes our integrated report, interim results and various ancillary reports, we detail both our historical performance and outlook. These reports enable stakeholders to make informed assessments of Old Mutual's performance and prospects.</p> <p> Please see our full reporting suite on www.oldmutual.com/investor-relations/reporting-centre/reports</p>



Governing structures and delegation

Primary role and responsibilities of the Board

	Applied	Our response
<p>Principle 6: The Board should serve as the focal point and custodian of corporate governance in the company.</p>	Yes	<p>Old Mutual has an iconic brand and the Group is not only the custodian of our customers' savings and financial wellbeing, we also play a material role in broader society.</p> <p>Under the direction and oversight of the Corporate Governance and Nominations committee, the Group has approved and implemented a Group Governance Framework (GGF) with attendant policies and a delegation of authority framework. The King IV™ Report on Corporate Governance was a key input into our GGF.</p> <p>The application of the GGF is monitored on a quarterly basis by the Corporate Governance and Nominations committee, which ultimately gives effect to the application of KingIV™ throughout the Group.</p> <p> Read our Board charter on oldmutual.com/about/governance</p> <p> Read about our Group Governance Framework from page 14 in our Governance report on www.oldmutual.com/investor-relations/reporting-centre/reports</p> <p>The Board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.</p>


Composition of the Board		
<p>Principle 7: The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p>	<p>Yes</p>	<p>The Old Mutual Board has fifteen members and is specifically constituted in terms of expertise and collective skills required for managing and steering a large and complex business into the future.</p> <p>The majority of the Board members, including the Chairman, are considered independent directors.</p> <p>The Board takes responsibility for its composition and the process for attaining the appropriate diversity as per the targets of its charter. Board composition is assessed on a quarterly basis by the Corporate Governance and Nominations committee.</p> <p>The Board has an agreed succession pipeline, which identifies immediate and planned successors for all directors on the Board, including the specific roles fulfilled by these directors, such as the committee chairpersons.</p> <p> Read more about our Board composition from page 4 in our Governance report on www.oldmutual.com/investor-relations/reporting-centre/reports</p> <p> See our directors' CVs on www.oldmutual.com/about/leadership/board-of-directors</p> <p> Read more about our Board succession plans from page 8 in our Governance report on www.oldmutual.com/investor-relations/reporting-centre/reports</p>

Governing structures and delegation

Effective Board structures and delegation of authority		
	Applied	Our response
<p>Principle 8: The Board should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.</p>	<p>Yes</p>	<p>The Board has a coherent and comprehensive committee structure with clear and specific terms of reference for each committee. The committee structure and the relevant terms of reference are annually reviewed. The Board believes this structure ensures effective decision making, discharge of duties, independent judgement and takes into consideration the complex and changing environment within which the Group and the Board are operating.</p> <p>The composition of membership of the committees and the allocation of roles across committees are considered and reviewed on a quarterly basis to ensure effective collaboration, efficient use of Board resources and a balanced distribution of power across the committees.</p> <p>Current Board committees are:</p> <ul style="list-style-type: none"> • Audit • Corporate Governance and Nominations • Related Party Transaction • Remuneration • Responsible Business (incorporating social & ethics) • Risk • Technology and Platforms <p> Read our Board committee feedback reports from page 17 in our Governance report on www.oldmutual.com/investor-relations/reporting-centre/reports</p> <p> See our Board committee's Terms of Reference on www.oldmutual.com/about/governance</p>


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Evaluations of the performance of the Board		
<p>Principle 9: The Board should ensure that the evaluation of its own performance and that of its committees, its Chairman and its individual members, support continued improvement in its performance and effectiveness.</p>	<p>Yes</p>	<p>We hold our Board members accountable through annual board evaluations.</p> <p>Each year, the Board conducts an assessment of its own performance and of the appropriateness and effectiveness of its procedures and processes. The actions from these reviews are agreed, and implementation thereof is tracked.</p> <p>An external independent assessment of the Board was carried out during the year under review. Given the events of 2019, specific targeted questions were set, and both the Board and the executive committee were engaged in the process.</p> <p>The report indicated, similar to last year, that the Board and its processes were operating effectively. It was noted that areas highlighted for improvement in the 2018 assessment were being addressed, in particular more structured engagements took place on specific items requiring Board input and committee feedback was more detailed.</p> <p>Plans to address the areas for improvement identified in 2019 are being developed and the Company secretary will assist the Board in this regard.</p> <p>During the 2019 assessment the Board members were also assessed by their peers and the assessments were submitted to the Chairman for review. None of the assessments warranted attention.</p> <p>In addition, the performance of the Chairman was evaluated. The assessment indicated an effective and experienced Chairman with good stature.</p> <p>The Board furthermore sets self-assessment review expectations for all subsidiary boards (including individual directors). The frequency and nature of assessments is influenced by subsidiaries' classification in terms of the GGF, taking into account the principle of applying governance proportionally in the Group and regulatory requirements.</p> <p> <i>Read about the 2019 Board evaluation outcomes on page 9 in our Governance report on www.oldmutual.com/investor-relations/reporting-centre/reports</i></p>
		<p>The Board is satisfied that the evaluation process is improving its performance and effectiveness.</p>

Governing structures and delegation

Appointment and delegation to management

	Applied	Our response
<p>Principle 10: The Board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.</p>	<p>Yes</p>	<p>Chief Executive Officer</p> <p>In terms of the Board charter, the Board appoints the CEO who is responsible for the implementation and execution of approved strategy, policy and operational planning, and serves as the primary link between management and the Board.</p> <p>Through the Corporate Governance and Nominations committee the Board ensures that there is succession planning in place for the CEO position and that it is regularly reviewed.</p> <p>The interim Group CEO, Iain Williamson, is accountable to and reports to the Board, and in line with best practice, is not a member of the Audit, Corporate Governance and Nominations and Remuneration committees.</p> <p>The CEO's performance scorecard, with agreed performance measures and targets, is tabled with the Corporate Governance and Nominations committee and the Board.</p> <p>The Board charter is very clear on the powers, which are reserved for the Board, and those that are to be delegated to management via the CEO. The Board also defines the level of materiality and approves a delegation of authority framework.</p> <p>The CEO has an employment contract that can, subject to fair labour practices, be terminated upon six month's notice.</p> <p> See our interim chief executive officer's CV on www.oldmutual.com/about/leadership/executive</p> <p>The Board is satisfied that the delegation of authority framework contributes to role clarity and effective exercise of authority and responsibilities.</p>

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Governing structures and delegation

Appointment and delegation to management

	Applied	Our response
		<p>Group company secretary</p> <p>The Board approves the appointment, including the employment contract and remuneration, of the Group company secretary.</p> <p>The Group company secretary, Elsabé Kirsten (BA, LLB and BCompt), and the group secretariat provide professional and independent guidance to the Board on corporate governance and the Board's legal duties. The company secretary further supports and coordinates the functioning of the Board and its committees.</p> <p>The company secretary has unfettered access to the Board, is not a Board member and maintains an arms-length relationship with the Board and its members.</p> <p>The company secretary reports to the Board via the chairperson on all statutory duties and functions performed in connection with the Board.</p> <p>The performance of the company secretary forms part of the Board's evaluation process.</p> <p>The Board can confirm that it is satisfied that the company secretary:</p> <ul style="list-style-type: none"> • Is competent, suitably qualified and experienced • Has the requisite skills, knowledge and experience to advise the Board on good governance • Maintains an arm's length relationship with the Board of directors • Has discharged her responsibilities for the year under review


Governance Functional Areas

Risk Governance		
	Applied	Our response
<p>Principle 11: The Board should govern risk in a way that supports the company in setting and achieving its strategic objectives.</p>	<p>Yes</p>	<p>The Board's responsibility for risk governance is expressed in the Board charter, the terms of reference of the Board Risk and Audit committees and the risk policies and plans of the Group.</p> <p>The Board is aware of the importance of risk management as it is linked to the strategy, performance and sustainability of the Group. It sets the Group's risk appetite and tolerance levels annually as part of its review of the Group's risk strategy.</p> <p>Audit and Risk committees</p> <p>The Audit and Risk committees assist the Board with the governance of risk.</p> <p>These committees have implemented a process whereby risks to the sustainability of the company's business are identified and managed within acceptable parameters and an approved and defined risk appetite.</p> <p>The duty to identify, assess, mitigate and manage risks within the existing and ever changing risk profile of our operating environment is delegated to management. Mitigating controls are formulated to address the risks and the Board is kept up to date on progress on the risk management plan.</p> <p>The Board and the Audit and Risk committees also continuously monitor and challenge risk management exposures and responses through the regular submission and review of the chief risk officer's report.</p> <p> <i>Read the Audit and Risk committees' reports in our Governance report on www.oldmutual.com/investor-relations/reporting-centre/reports</i></p> <p>Enterprise risk management</p> <p>Old Mutual's well defined Enterprise Risk Management policy is a systematic approach to decision making based on the principles of cooperation, participation, mitigation and sustainability, adopted to achieve more effective risk management and support good governance practices.</p> <p>Our risk management system includes:</p> <ul style="list-style-type: none"> • A clearly defined and documented risk strategy • A risk governance model based on the three lines of assurance • Defined accountabilities, roles and responsibilities for boards, management and employees • Defined risk policies that set the requirements for managing material risks • Standard processes, procedures and methodologies for identifying, assessing, monitoring, managing and reporting on material risks, including processes for risk- based decision-making • A common risk categorisation model and metrics • Stress testing, and contingency and crisis planning • A system of internal controls including risk, compliance, actuarial oversight and internal audit control functions <p>The Group internal audit function performs periodic assessments of the effectiveness of the Group's risk management function and highlights any deficiencies in formal audit reports.</p> <p> <i>See our Risk report from page 23 of our Integrated report 2019 on report on www.oldmutual.com/investor-relations/reporting-centre/reports</i></p>

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Governance Functional Areas

Technology and Information Governance		
	Applied	Our response
<p>Principle 12: The Board should govern technology and information in a way that supports the company setting and achieving its strategic objectives.</p>	Yes	<p>Information and technology (IT) is key to our business and there is an increased regulatory focus on this area.</p> <p>The Board is responsible for the oversight of the Group's IT strategy and policy and ensuring that supporting governance structures and processes are robust. This includes setting the direction of the policy, challenging IT risk assessments and evaluating the effectiveness of the IT function. The Technology and Platforms committee was established to provide oversight and governance of the Group's strategic investment in information and technology management.</p> <p>IT governance is integrated into the Group Risk Management Framework and the Group Risk committee, together with the Technology and Platforms committee, to ensure that IT governance is appropriately addressed by management within the context of the strategy of the Group.</p> <p>IT governance is an agenda item at committee level, with regular reporting to the Board.</p> <p>The two components of IT governance are defined within the GGF:</p> <p>Technology and Platform Governance – focuses on IT systems, hardware, software, telecommunications, networking, services, data hosting and facilities.</p> <p>Information Security Governance – focuses on the security of all information generated, managed and stored in the organisation.</p> <p>The Board keeps a watching brief in respect of deliverables agreed in terms of the IT strategy and was encouraged by management's progress on a number of key matters which could provide a competitive edge to the business in the near future.</p> <p> Read the Technology and Platforms committee report in our Governance report on www.oldmutual.com/investor-relations/reporting-centre/reports</p>

Compliance Governance

Principle 13: The Board should govern compliance with applicable laws and adopt non binding rules, codes and standards in a way that supports the company being ethical and a good corporate citizen.

Yes

The Board is accountable for compliance and continually provides guidance on and oversight of the management of compliance risk. The Group compliance function establishes and maintains mechanisms and systems of internal control to assist the Board and management in meeting legal, regulatory and supervisory obligations and to promote and sustain a sound compliance culture. This includes ensuring that legal and regulatory compliance is embedded in our strategic, financial and operational decisions.

It operates within an extensive compliance framework created by our GGF, the Group compliance policy, the Group compliance mandate and the Group compliance methodology.


The Group compliance function is also responsible for co-ordinating formal and informal engagements with regulators.

A suitably experienced expert in each of our businesses oversees anti bribery and corruption compliance. Any concerns are reported to the executive committee and the Board Risk and Audit committees.

The Risk committee also receives an annual compliance assessment as part of the Group wide financial crime prevention report. Each business has established anonymous whistleblowing arrangements facilitating the reporting of suspicious of unethical or corrupt behaviour, supported by strong investigative capabilities and rigorous disciplinary processes and sanctions. Any concerns are reported to the executive committee and the Risk and Audit committees.

The Responsible Business committee is responsible for monitoring compliance with laws, rules, codes and standards relating to broad based black economic empowerment, employment equity, environmental management, health and safety, HIV/Aids, the United Nations Global Compact Principles and the relevant Organisation for Economic Co-operation and Development (OECD) recommendations, in accordance with its statutory duty as social and ethics committee.

The Board receives assurance on the effectiveness of the Group compliance function by way of Group internal audit reporting.

 See the Audit, Risk and Responsible Business committees' reports in our Governance report on www.oldmutual.com/investor-relations/reporting-centre/reports

There were no material regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations during the year under review.

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Governance Functional Areas

Remuneration Governance		
	Applied	Our response
<p>Principle 14: The Board should ensure that the company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p>	Yes	<p>Responsible remuneration</p> <p>Old Mutual manages remuneration on a total remuneration basis, which incorporates a combination of remuneration elements (both financial and non financial) to allow the Group to attract, motivate and retain appropriately skilled and experienced individuals who will enable the Group to meet its strategic objectives.</p> <p>We have developed organisation wide remuneration guiding principles and the Board, through the Remuneration committee, is committed to ensuring that remuneration of executive management is fair and responsible in the context of overall employee remuneration.</p> <p>The Board established and approved the Group remuneration policy in line with applicable laws and regulations and oversees the implementation thereof.</p> <p>This policy is reviewed annually, which includes benchmarking remuneration levels against industry peers and organisations of similar complexity.</p> <p>The Remuneration and Risk committees set the requirements for policies, relating to remuneration, and oversee the operational implementation of the applicable requirements by the Group Human Capital director, supported by the Group Reward function.</p> <p>The Remuneration committee also reviews executive remuneration outcomes to ensure that these reflect the overall contribution to the performance of Old Mutual for the benefit of all stakeholders. This includes reviewing the individual scorecards of each member of the executive committee, satisfying itself as to the accuracy of recorded performance measures that govern vesting of incentives.</p> <p>Other than as provided for in the relevant legislation and the company's policies related specifically to redundancy or retrenchment, there is no automatic entitlement to termination payments.</p> <p>The Group also has a malus and clawback policy in place.</p>

Governance Functional Areas

Remuneration Governance		
	Applied	Our response
		<p>Shareholder engagement and voting on the remuneration policy and implementation report</p> <p>The Group is committed to maintaining regular, transparent and informative dialogue with our shareholders, aimed at building relationships based on trust and mutual understanding.</p> <p>In line with best practice, the Group tables its remuneration policy, as well as the remuneration implementation report for approval by shareholders by a non-binding resolution at its AGM.</p> <p>Given the large negative vote on the remuneration report and the implementation report at the May 2019 AGM, the Board has spent significant time considering the Group's remuneration report. Robust discussions have been had, led by the members of the Remuneration committee of the Board.</p> <p>Input from shareholders was taken into account, but we should point out that shareholders had divergent perspectives on remuneration policy.</p> <p> See our Remuneration Report on www.oldmutual.com/investor-relations/reporting-centre/reports</p> <p>See the Board and our stakeholders on page 10 in our Governance report on www.oldmutual.com/investor-relations/reporting-centre/reports</p>



Governance Functional Areas

Assurance		
	Applied	Our response
<p>Principle 15: The Board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and of the company's external reports.</p>	Yes	<p>Assurance</p> <p>The Board is accountable for combined assurance and sets the direction for the Group assurance services and functions by means of the combined assurance framework. The Board delegates to the Audit and Risk committees the responsibility for overseeing that our combined assurance activities are effective in achieving its objectives.</p> <p>Our combined assurance framework establishes integrated and coordinated assurance activities between the three lines of assurance across all levels of the organisation. There is continued and ongoing focus on increased collaboration and sharing of information as well as reducing duplication of activities.</p> <p>In accordance with the principle of proportionality of our GGF, the boards of non operating holding companies and holding companies with own operations are required to adopt the combined assurance framework and ensure that the framework is implemented within their entity. Any areas of concern are escalated to the Group Board.</p> <p>We provide granularity on the internal and external audit functions, as well as the key areas of focus for the year under review, in our Audit committee report.</p> <p> Read the Audit committee report in our Governance report on www.oldmutual.com/investor-relations/reporting-centre/reports</p> <p>The Board is satisfied that our assurance activities result in an adequate, effective control environment and the integrity of reports relied upon for decision-making.</p>


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Stakeholder relationships

<p>Principle 16: In the execution of its governance role and responsibilities, the Board should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the company over time.</p>	<p>Yes</p>	<p>The Board is ultimately responsible for the governing and monitoring of the quality of stakeholder relationships and the effectiveness of our stakeholder engagements in the Group.</p> <p>Oversight is provided by the Responsible Business (including social and ethics) committee at Group level and the Committee for Customer Affairs at the Old Mutual Life Assurance Company (South Africa) Limited level, which considers the interests of one of the Group's largest stakeholder groups, our customers.</p> <p>The Board has approved and adopted a formal stakeholder relations policy.</p> <p>Boards of all subsidiaries where Old Mutual Limited as shareholder has effective management control, must adopt this policy and ensure all the applicable requirements are implemented and complied with, unless it is expressly agreed otherwise. Subsidiary boards must ensure local regulatory requirements that apply are included in policies adopted at subsidiary level.</p> <p>The Board has delegated to management the responsibility for implementation and execution of stakeholder relations policy. Management has developed a strategy and formulated policies for the management of relationships within each defined stakeholder grouping.</p> <p>Stakeholder risks are incorporated into the risk management process and are identified, assessed, mitigated and reported on in the same way as all other risks to the Group.</p> <p> <i>Read more about our Stakeholders and how we engage them in our Integrated Report on www.oldmutual.com/investor-relations/reporting-centre/reports</i></p> <p> <i>See The Board and our stakeholders on page 10 in our Governance report on www.oldmutual.com/investor-relations/reporting-centre/reports</i></p>
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Stakeholder relationships

	Applied	Our response
<p>Principle 17: The Board of an institutional investor company should ensure that responsible investment is practiced by the company to promote good governance and the creation of value by the companies in which it invests.</p>	Yes	<p>Old Mutual is a signatory to the United Nations-supported Principles for Responsible Investment (PRI). The Group also endorses the Code for Responsible Investing in South Africa (CRISA) and is a founding member of the CRISA committee.</p> <p>We view responsible investment as a cross-cutting approach that explicitly acknowledges the relevance of environmental, social and governance (ESG) issues to both the investor and the long term stability of the market and society.</p> <p>As a provider of investment, savings, insurance and banking solutions, we believe that considering relevant material ESG factors in our investment and ownership decisions is not only consistent with the pursuit of superior risk adjusted returns for our customers and our shareholders, it is the right thing to do.</p> <p>The Responsible Business committee, on behalf of the Board, annually reviews and approves the responsible investment policy. This committee is also responsible for monitoring the implementation of this policy by management.</p> <p>Old Mutual submits an annual assessment of its responsible investment activities and this is published in a Responsible Investment Transparency report on UNPRI.org</p> <p> <i>Read our Responsible Business Impact report on www.oldmutual.com/investor-relations/reporting-centre/reports</i></p>

Conclusion

Old Mutual Limited's corporate governance philosophy, frameworks, standards, policies and practices support achievement of each of the King IV™ principles and enables the Board and management to conclude that the Group is currently achieving the desired King IV™ governance outcomes in all material respects.