THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred all of your shares in Old Mutual plc (the Company), please pass this document, together with any accompanying documents, to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass them to the person who now holds the shares.

OLDMUTUAL

INVESTMENT | SAVINGS | INSURANCE | BANKING

OLD MUTUAL PLC

(incorporated and registered in England and Wales under number 3591559)

ANNUAL GENERAL MEETING 2016 and GENERAL MEETING to consider amendments to remuneration arrangements

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Notice of the Annual General Meeting (AGM) of the Company to be held in the Presentation Suite, 2nd Floor, Millennium Bridge House, 2 Lambeth Hill, London EC4V 4GG on Tuesday, 28 June 2016 at 11.00 a.m. is set out in Part III, with related notes in Part V and related explanatory notes in Part VI of this document.

Notice of the General Meeting (the General Meeting) of the Company to be held in the Presentation Suite, 2nd Floor, Millennium Bridge House, 2 Lambeth Hill, London EC4V 4GG on Tuesday, 28 June 2016 at 11.30 a.m. (or as soon thereafter as the AGM shall have finished) is set out in Part IV, with related notes in Part V and related explanatory notes and materials in Parts VII and VIII of this document.

Whether or not you propose to attend the AGM and/or the General Meeting, please complete and submit a proxy form or voting instruction form in accordance with the instructions printed on it. The proxy form or voting instruction form must be received at the applicable return address (see page 18 of this document) no later than 48 hours before the scheduled starting time of the General Meeting.

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PART I

LETTER FROM THE CHAIRMAN OF THE BOARD

11 May 2016

Dear Shareholder,
I am pleased to provide you with details of our Annual General Meeting, which we are holding in the Presentation Suite, 2nd Floor, Millennium Bridge House, 2 Lambeth Hill, London EC4V 4GG on Tuesday, 28 June 2016. This will be followed by a General Meeting to deal with various remuneration-related matters arising from the Company's new Managed Separation strategy, which we announced on 11 March 2016.

The formal notice of the AGM is set out in Part III of this document and that for the General Meeting is set out in Part IV of this document.

We are arranging for the AGM and the General Meeting to be webcast so that shareholders who cannot readily attend the meetings in London may, if they have access to a computer, observe the proceedings online. The webcast will be accessible via our website by visiting www.oldmutual.com/agm. Also, if you wish to notify us of any questions that you would like to be dealt with at the AGM or the General Meeting, please submit them via the Group Company Secretary, either by post to him at the Company's registered office in London or by email to colin.campbell@omg.co.uk.

AGM – Election and re-election of directors
Bruce Hemphill has joined the Board as Group Chief Executive and Trevor Manuel has joined the Board as a non-executive director since last year's AGM and, in accordance with the Company's Articles of Association, they will each stand for election at this year's AGM.

The UK Corporate Governance Code 2014 recommends that all continuing directors of FTSE 350 companies should be subject to annual re-election by shareholders. Accordingly, all the other directors of the Company will also again be submitting themselves for re-election at this year's AGM.

Further details about each of the directors submitting themselves for election or re-election are provided in the explanatory notes relating to Resolutions 2(i) to 2(xiii) in the Notice of AGM in Part III of this document.

AGM – Approval of the Directors' Remuneration Report (other than the Directors' Remuneration Policy) for 2015
Again this year, and in line with applicable UK legislation, our Directors' Remuneration Report is split into three sections, the Annual Statement from the Chairman of the Remuneration Committee, the Directors' Remuneration Policy, and the Annual Report on Remuneration. We are proposing to replace the Directors' Remuneration Policy that was approved at the 2014 AGM with a new Directors' Remuneration Policy that is designed to reflect the Company's new Managed Separation strategy and this is one

of the items on the agenda for the General Meeting (as described in the letter from the Chairman of the Remuneration Committee below). The remainder of the Directors' Remuneration Report will be subject to the usual annual advisory vote at the AGM (Resolution 5).

Other information about the AGM and General Meeting
To vote on the AGM and General Meeting resolutions, please fill in a proxy form or voting instruction form (as applicable to your holding) and return it as soon as possible. Details of the return address for proxy forms, and for voting instruction forms addressed to Old Mutual Nominees or Old Mutual Custodial Services Limited, are set out on page 18 of this document. In order to be valid, forms must be received at the applicable return address by no later than 11.30 a.m. (UK time) on 26 June 2016.

Voting on each of the resolutions contained in the notices of the AGM and General Meeting will be conducted by a poll and the results will be announced to the markets and reported on the Company's website as soon as practicable after the end of those meetings.

Recommendation
The Board considers that all of the resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole. Members of your Board will be voting their own shares in the Company in favour of them and we unanimously recommend that you do so as well.

Yours sincerely,

Patrick O'Sullivan
Chairman

PART II

LETTER FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

11 May 2016

Dear Shareholder,
On 11 March 2016, the Company announced a major change in strategy. As a result, we are proposing to replace the Directors' Remuneration Policy that was approved at the 2014 AGM with a new Directors' Remuneration Policy, which will allow for the introduction of a new long-term incentive and provide more flexibility in the short-term incentive plan (STI). These changes are required to align the incentives of senior management at the plc to the new strategy and to the interests of shareholders. The new long-term incentive will be delivered as a one-time award that covers the period of execution of the new strategy, replacing the current annual cycle.

The Company's new strategy is:

- The Managed Separation of the Group into four separate businesses: Old Mutual Emerging Markets (OMEM), Nedbank, Old Mutual Wealth (OMW) and OM Asset Management (OMAM).
- The unlocking and creation of significant long-term value for shareholders.
- The phased reduction of central plc costs.
- The delivery of competitive performance by each separate business relative to their peers.

Once the Managed Separation is complete:

- The Group in its current form will no longer exist and central plc costs will be eliminated.
- Each business will:
  - Deliver competitive performance and allow the market to value it appropriately.
  - Account directly to its shareholders for its level of returns and cash generation from the capital employed.
  - Have capital structures and dividend policies appropriate for its strategies, allowing it to access its natural shareholder base.
- The Group will:
  - Complete the Managed Separation in a manner consistent with creating long-term value for shareholders.

This change in strategy has prompted the Remuneration Committee (the Committee) to review the current executive remuneration arrangements and consider how our remuneration structures should evolve to support the Managed Separation. Since the majority of executives at plc will not have continuing roles once the Managed Separation has been completed, there is a need for a single, focused arrangement, covering the period required to carry out the Managed Separation, to incentivise executives toward completion and to protect and create shareholder value during this time.

The Committee believes that the current remuneration structure, particularly in relation to the long-term incentive plan (LTIP), is not appropriate in this context. Notably:

- The current LTIP performance conditions are not aligned to the new strategy.
- The awarding of annual LTIP awards going forward could have the unintended consequence of penalising executives for executing the strategy quickly. The granting of annual LTIP awards could also prove difficult, for example, due to transaction-related prohibited periods.
- Rolling awards with three-year performance periods do not align with a time-bound strategy with a specific end point.

Similarly, the financial performance conditions contained in the current STI are not aligned to the new strategy.

The Committee believes that a one-time long-term incentive arrangement, covering multiple years, is required to align executives to the new strategy: however, the current Directors' Remuneration Policy does not allow this approach. Hence, the Committee proposes to:

- Introduce a new Directors' Remuneration Policy, which includes the new long-term incentive (the Managed Separation Incentive Plan (MSIP)).
- Introduce new share incentive plan rules (the Old Mutual plc Managed Separation Incentive Plan), specifically designed to provide long-term incentive awards consistent with the objectives described above.
- Modify the strategic element of the performance conditions attached to the LTIP awards granted in 2015 and the Group Chief Executive's 2015 LTIP buyout award to be consistent with the Managed Separation strategy.
- From performance year 2017 onwards, provide the Committee with authority under the revised Directors' Remuneration Policy, to determine the metrics for STI awards on an annual basis during the Managed Separation process.

We have consulted with our largest shareholders on the design of the revised Directors' Remuneration Policy and the proposed resolutions reflect the feedback received. We are grateful to those whom we consulted for their constructive engagement on these matters.

The Board considers that the resolutions to be put to the General Meeting are in the best interests of the Company and its shareholders as a whole. Members of your Board will be voting their own shares in the Company in favour of them and we unanimously recommend that you do so as well.

Yours sincerely,

Danuta Gray
Chairman of the Remuneration Committee

PART III

OLD MUTUAL PLC
NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Old Mutual plc will be held in the Presentation Suite, 2nd Floor, Millennium Bridge House, 2 Lambeth Hill, London EC4V 4GG on Tuesday, 28 June 2016 at 11.00 a.m. for the following purposes:

To consider and, if thought fit, pass the following resolutions, of which those numbered 1 to 6 will be proposed as ordinary resolutions and those numbered 7 to 9 will be proposed as special resolutions:

Ordinary Resolutions

1. To receive and adopt the directors' report and audited financial statements of the Group for the year ended 31 December 2015.
2. (i) To elect Mr B Hemphill as a director of the Company
   (ii) To elect Mr T Manuel as a director of the Company
   (iii) To re-elect Mr M Arnold as a director of the Company
   (iv) To re-elect Ms Z Cruz as a director of the Company
   (v) To re-elect Mr A Gillespie as a director of the Company
   (vi) To re-elect Ms D Gray as a director of the Company
   (vii) To re-elect Ms A Ighodaro as a director of the Company
   (viii) To re-elect Ms I Johnson as a director of the Company
   (ix) To re-elect Mr R Marshall as a director of the Company
   (x) To re-elect Mr N Moyo as a director of the Company
   (xi) To re-elect Mr V Naidoo as a director of the Company
   (xii) To re-elect Ms N Nyembezi-Heita as a director of the Company
   (xiii) To re-elect Mr P O'Sullivan as a director of the Company.
3. To re-appoint KPMG LLP as auditors to the Company.
4. To authorise the Group Audit Committee to settle the remuneration of the auditors.
5. To approve the Directors' Remuneration Report, other than the part containing the Directors' Remuneration Policy, for the year ended 31 December 2015.

6. That, pursuant to section 551 of the Companies Act 2006, and in substitution for the authority granted at the Annual General Meeting of the Company held on 14 May 2015, the directors be and they are hereby authorised generally and unconditionally to allot shares in the Company up to an aggregate nominal amount of £28,164,000, provided that:

   (i) this authority shall expire at the end of the next Annual General Meeting of the Company; and

   (ii) the Company may, before such expiry, make one or more offers or agreements that would or might require shares to be allotted after such expiry and the directors may allot shares in pursuance of such offers or agreements as if the authority hereby conferred had not expired.

Special Resolutions

7. That, subject to the passing of Resolution 6, the directors be and they are hereby authorised to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell any shares held by the Company as treasury shares from time to time for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited to the allotment of equity securities or sale of treasury shares up to a maximum aggregate nominal amount of £28,164,000. This authority shall expire at the end of the next Annual General Meeting of the Company, save that the Company may, before such expiry, make one or more offers or agreements that would or might require equity securities to be allotted (and treasury shares to be sold) after such expiry and the directors may allot equity securities (and sell treasury shares) in pursuance of such offers or agreements as if the power hereby conferred had not expired.

8. That the Company be and is hereby authorised for the purposes of section 701 of the Companies Act 2006 to purchase Ordinary Shares by way of one or more market purchases (as defined in section 693(4) of the Companies Act 2006) upon and subject to the following conditions:

   (i) the maximum number of Ordinary Shares that may be purchased pursuant to this authority (when aggregated with any purchases made pursuant to any of the contingent purchase contracts referred to in Resolution 9 below) shall be 492,870,000;

   (ii) the minimum price that may be paid for any Ordinary Share is 11$^{3}/_{7}$p and the maximum price (exclusive of expenses) that may be paid for such Ordinary Share is the higher of:

      (a) an amount equal to 5% above the average market value of an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days before the date on which such Ordinary Share is contracted to be purchased; and

(b) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out, in each case exclusive of expenses;

(iii) such authority shall continue for a period of 12 months from the date hereof (or until the conclusion of the next Annual General Meeting, whichever is the earlier), provided that any contract for the purchase of any such Ordinary Shares that is concluded before the expiry of the said authority may be executed wholly or partly after the said authority expires; and

(iv) any Ordinary Shares purchased pursuant to the said authority shall either:

(a) be cancelled immediately upon completion of the purchase; or

(b) be held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Companies Act 2006.

9. That the following contingent purchase contracts, in the respective forms produced to the meeting (or with any non-material amendments thereto that the directors may consider to be necessary or desirable), each be and is hereby approved in accordance with sections 693 and 694 of the Companies Act 2006 and that the Company be and is hereby authorised to make off-market purchases of Ordinary Shares pursuant to each such contract for a period of 12 months from the date hereof (or until the conclusion of the next Annual General Meeting, whichever is the earlier):

(i) contract between the Company and Merrill Lynch South Africa (Pty) Limited relating to Ordinary Shares traded on the JSE Limited, pursuant to which the Company may make off-market purchases from Merrill Lynch South Africa (Pty) Limited of up to a maximum of 492,870,000 Ordinary Shares in aggregate (such maximum number to be reduced by any purchases made pursuant to the authority in Resolution 8 above or any of the other contingent purchase contracts referred to in this Resolution 9);

(ii) contract between the Company and Stockbrokers Malawi Limited relating to Ordinary Shares traded on the Malawi Stock Exchange, pursuant to which the Company may make off-market purchases from Stockbrokers Malawi Limited of up to a maximum of 492,870,000 Ordinary Shares in aggregate (such maximum number to be reduced by any purchases made pursuant to the authority in Resolution 8 above or any of the other contingent purchase contracts referred to in this Resolution 9);

(iii) contract between the Company and PSG Wealth Management (Namibia) (Pty) Limited relating to Ordinary Shares traded on the Namibian Stock Exchange, pursuant to which the Company may make off-market purchases from PSG Wealth Management (Namibia) (Pty) Limited of up to a maximum of 492,870,000 Ordinary Shares in aggregate (such maximum number to be reduced by any purchases made pursuant to the authority in Resolution 8 above or any of the other contingent purchase contracts referred to in this Resolution 9); and

(iv) contract between the Company and Imara Edwards Securities (Private) Limited relating to Ordinary Shares traded on the Zimbabwe Stock Exchange, pursuant to which the Company may make off-market purchases from Imara Edwards Securities (Private) Limited of up to a maximum of 492,870,000 Ordinary Shares in aggregate (such maximum number to be reduced by any purchases made pursuant to the authority in Resolution 8 above or any of the other contingent purchase contracts referred to in this Resolution 9).

By order of the Board

Martin Murray
Group Company Secretary

11 May 2016

Registered Office

5th Floor
Millennium Bridge House
2 Lambeth Hill
London
EC4V 4GG

Old Mutual plc is registered in England and Wales with registered no. 3591559.

PART IV

OLD MUTUAL PLC
NOTICE OF GENERAL MEETING

A General Meeting of Old Mutual plc will be held in the Presentation Suite, 2nd Floor, Millennium Bridge House, 2 Lambeth Hill, London EC4V 4GG on Tuesday, 28 June 2016 at 11.30 a.m. (or as soon thereafter as the AGM shall have finished) to consider and, if thought fit, pass the following resolutions, which will be proposed as ordinary resolutions:

Ordinary Resolutions

1. To approve the revised Directors' Remuneration Policy as set out in Part VIII of this document.

2. That:

   (a) The Rules of the Old Mutual plc Managed Separation Incentive Plan (the Plan) referred to in the Letter from the Chairman of the Old Mutual plc Remuneration Committee contained in Part II of this document, summarised in Part VII of this document, and produced in draft to this Meeting and for the purposes of identification initialled by the Chairman be approved, and the directors be authorised to make such modifications to the Plan as they may consider necessary for the implementation of the Plan and to adopt the Plan as so modified and do all acts and things necessary to operate the Plan; and

   (b) The directors be authorised to establish any schedules to the Plan for the benefit of employees outside the UK containing such modifications as may be necessary or desirable to take account of securities laws, exchange control and tax legislation, provided that any Ordinary Shares of the Company made available under such schedules are treated as counting against any limits on individual participation, or overall participation in the Plan.

By order of the Board

Martin Murray
Group Company Secretary

11 May 2016

Registered Office

5th Floor
Millennium Bridge House
2 Lambeth Hill
London
EC4V 4GG

Old Mutual plc is registered in England and Wales with registered no. 3591559.

Part V

NOTES TO THE NOTICES OF AGM AND GENERAL MEETING (EACH OF WHICH IS REFERRED TO IN THESE NOTES AS THE MEETING)

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. If a share is held by joint shareholders and more than one of the joint shareholders votes (including by way of proxy), the only vote that will count is the vote of the person whose name is listed before the other voter(s) on the register for the share. **A proxy form (or, if you hold your shares in dematerialised or immobilised form in the context of Strate or on the Zimbabwe branch register, a voting instruction form) which may be used to appoint a proxy and give proxy instructions (or give voting instructions) either accompanies this document if sent to you by post or can be downloaded and printed out from our website at www.oldmutual.com/agm. Alternatively, you may obtain such a form by contacting our registrars, whose details are set out on pages 18 and 19 of this document.**

2. To be effective, the form of proxy or, as the case may be, the voting instruction form and any power of attorney or other authority under which it is signed, or a notarially certified copy of such power or authority, must be received by post or (during normal business hours only) by hand at the applicable return address or via the CREST website by not later than 11.30 a.m. (UK time) on 26 June 2016. If your shareholding has been dematerialised or immobilised in the context of Strate through a CSDP or broker other than Link Market Services, you should contact your CSDP or broker to ascertain the return address for it to process your voting instructions. Similarly, if your shareholding has been dematerialised on the Zimbabwe branch register through a custodian other than Old Mutual Custodial Services Limited, you should contact that custodian to ascertain the return address for it to process your voting instructions. It is recommended that, because of the requirement for votes in relation to shares dematerialised or immobilised in the context of Strate or on the Zimbabwe branch register to be collated through CSDPs, brokers or custodians and then reconciled through PLC Nominees (Pty) Limited or its Zimbabwean equivalent, voting instructions by beneficial owners of such shares should be submitted so as to arrive at least 72 hours before the time of the meeting. Further details of return addresses for proxy forms and for voting instruction forms for shareholders who hold their shares through Old Mutual Nominees or Old Mutual Custodial Services Limited (see paragraph 6 below) are set out on page 18 of this document.

3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 8 below) will not prevent a shareholder from attending the meeting and voting in person if he or she wishes to do so.

4. Beneficial shareholders who hold their shares through the Swedish nominee, Euroclear Sweden AB, may provide Euroclear Sweden AB with voting instructions or may apply for a letter of representation from the registered shareholder to enable them to attend the AGM in person. If you are such a beneficial shareholder and wish to submit voting instructions, it is recommended that you submit these to Old Mutual plc, c/o Computershare AB, Box 610, 182 11 Danderyd, Sweden so as to arrive by the close of business on 23 June 2016 in order to assist with the matching of records with data relating to underlying beneficial shareholders.

5. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by shareholders of the Company.

6. A member who holds shares through Old Mutual Nominees or Old Mutual Custodial Services Limited may instruct the nominee company to vote at the meeting on his or her behalf or request such nominee company to appoint or, in the case of shares dematerialised or immobilised in the context of Strate or on the Zimbabwe branch register, to arrange with the registered shareholder to appoint him or her as proxy to enable him or her to attend the AGM in person (Old Mutual Nominees is Old Mutual (South Africa) Nominees (Pty) Limited, Old Mutual (Namibia) Nominees (Pty) Limited, Old Mutual Zimbabwe Nominees (Private) Limited or Old Mutual (Blantyre) Nominees Limited, depending on whether shares are held through the Group's nominee on the South African, Namibian, Zimbabwe or Malawian branch register respectively). Beneficial holders of shares on the South African branch register or the Namibian section of the principal register who have dematerialised or immobilised their shareholdings in the context of Strate other than through Old Mutual Nominees or who have dematerialised their shares on the Zimbabwe branch register through a custodian other than Old Mutual Custodial Services Limited may provide their CSDP, broker or custodian with voting instructions in accordance with the applicable custody agreement or may apply to that CSDP, broker or custodian for a letter of representation from the registered shareholder to enable them to attend the meeting in person.

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti ID RA19 not later than 11.30 a.m. UK time on 26 June 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

11. Any corporation which is a member of the Company may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

12. To be entitled to attend and vote at the meeting (and for the purpose of determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6.00 p.m. (UK time) on 26 June 2016 (or, in the event of any adjournment, on the date which is two business days before the time of the adjourned meeting). Changes to the register

of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

13. The total number of voting rights in the Company's issued share capital at 10 May 2016 (being the last business day prior to publication of this notice) was 4,928,711,776.

14. The form of proxy and voting instruction form include a Vote Withheld option against each resolution, which enables a member to abstain on that resolution. However, it should be noted that a Vote Withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes For and Against that resolution.

15. This provision is applicable to the AGM only. Under section 527 of the Companies Act 2006, members who meet the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

    (i) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM; or

    (ii) any circumstance connected with the auditors of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006.

    The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

16. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting, but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

17. A copy of this notice, and other information required by section 311A of the Companies Act 2006, is available on the Company's website at www.oldmutual.com/agm.

18. Shareholders may not use any electronic address provided in either this notice of AGM/General Meeting or any related documents (including the proxy form and the voting instruction form) to communicate with the Company for any purposes other than those stated.

Return addresses for forms of proxy, and for voting instruction forms addressed to Old Mutual Nominees or Old Mutual Custodial Services Limited (in Zimbabwe)

UK
Freepost RTHJ-CLLL-KBKU
Equiniti Limited
Aspect House
Spencer Road
Lancing
BN99 8LU

Website for shareholder information and queries: www.shareview.co.uk

South Africa
Link Market Services South Africa (Pty) Ltd
13th Floor Rennie House, 19 Ameshoff Street
Braamfontein, Johannesburg 2001

(PO Box 10462, Johannesburg, 2000)

Email: oldmutualenquiries@linkmarketservices.co.za

Malawi
National Bank of Malawi
Legal Department
Cnr Victoria Avenue & Henderson Street
Blantyre

(PO Box 1438, Blantyre, Malawi)

Namibia
Transfer Secretaries (Pty) Limited
4 Robert Mugabe Avenue
Windhoek

(PO Box 2401, Windhoek)

Zimbabwe
Corpserve Registrars (Pvt) Ltd
2nd Floor, ZB Centre
Cnr 1st Street and K. Nkrumah Avenue
Harare

(PO Box 2208, Harare, Zimbabwe)

Registrars' telephone contact details

- United Kingdom – Equiniti on telephone number: 0871 384 2878 (if calling from the UK) or +44 121 415 0833 (from overseas)
- South Africa – Link Market Services on telephone number: +27 (0)86 140 0110
- Malawi – National Bank of Malawi on telephone number: +265 182 3483/820900
- Namibia – Transfer Secretaries (Pty) Ltd on telephone number: +264 61227647
- Zimbabwe – Corpserve Registrars (Pvt) Limited on telephone number: +263 475 1559/61

Lines are open Mondays to Fridays from 8.00 a.m. to 4.30 p.m. (local time) for the registrar in South Africa and from 8.30 a.m. to 5.30 p.m. (local time) for all other registrars, except on public holidays.

Online voting instructions (for shareholders on the UK register)
If you would like to submit your proxy instructions via the internet, you may do so through Equiniti's website at www.shareview.co.uk, where full instructions on the procedure are given. The applicable Voting ID, Task ID and Shareholder Reference Number printed on the Form of Proxy will be required in order to use this electronic proxy appointment system. Alternatively, shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk and then clicking on the link to vote. The on-screen instructions give details on how to complete the appointment process. A proxy appointment made electronically will not be valid if sent to any address other than that provided or if received after 11.30 a.m. on 26 June 2016.

Part VI

EXPLANATORY NOTES RELATING TO THE BUSINESS TO BE CONDUCTED AT THE AGM

The notes in this Part of the circular explain the proposed resolutions to be proposed at the AGM.

Resolutions 1 to 6 will be proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 7 to 9 will be proposed as special resolutions. This means that, for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolutions 2(i) to (xiii) – Election and re-election of Directors

Resolution 2(i): Election of Bruce Hemphill
Bruce Hemphill, B.A., C.P.E., (52) joined Old Mutual as Group Chief Executive in November 2015, succeeding Julian Roberts. He was previously Chief Executive of Wealth, Insurance and Non-Bank Financial Services at Standard Bank Group, the largest African banking group by assets and earnings. From June 2006 to February 2014, he was Chief Executive of Liberty Group, an African financial services group listed on the JSE. He originally trained as a lawyer in the UK, practising law in both the UK and Hong Kong. After completing a management training programme at Anglo American in South Africa, he joined the corporate finance team at Standard Merchant Bank, where he eventually headed up the corporate finance, investment, banking, commercial banking and cash equities businesses.

His election is recommended to shareholders.

Resolution 2(ii): Election of Trevor Manuel
Trevor Manuel (60) has been a non-executive director of the Company since January 2016. He is also a member of the Board Risk Committee. He was a minister in the South African government for more than 20 years, serving under Presidents Mandela, Mbeki, Motlanthe and Zuma. He served as Finance Minister from 1996 to 2009. Before his retirement from public office in 2014, he was Minister in the Presidency responsible for South Africa's National Planning Commission. Throughout his career, he assumed a number of ex officio positions on international bodies, including the United Nations Commission for Trade and Development (UNCTAD), the World Bank, the International Monetary Fund, the G20, the African Development Bank and the Southern African Development Community. He has also served on a number of voluntary public interest commissions including Africa Commission, Global Commission on Growth and Development, Global Ocean Commission, and the New Climate Economy. He holds a National Diploma in Civil and Structural Engineering from the Peninsula Technikon, South Africa and completed an Executive Management Programme at the Stanford University, USA.

His election is recommended to shareholders.

Resolution 2(iii): Re-election of Mike Arnold
Mike Arnold, B.Sc., F.I.A., (68) has been an independent non-executive director of the Company since September 2009 and chairs the Board Risk Committee. He is also a member of the Group Audit Committee. He is a qualified actuary and was formerly Principal Consulting Actuary and Head of Life practice at the consulting actuarial firm Milliman from 2002 to 2009. Prior to that, he had been the senior partner at the practice from 1995, having joined one of its predecessor organisations as a recently qualified actuary in 1971. He is a past Member of Council and Vice Chairman of the Institute of Actuaries, past Chairman of the International Association of Consulting Actuaries and past member of the Board of Actuarial Standards. He is also a non-executive director of Financial Information Technology Limited.

Mike Arnold brings to the Board a detailed understanding of actuarial matters, which enables the Group Audit Committee (of which he is a member) and the Board Risk Committee (which he chairs) to provide technical challenge to the Group's reported results, especially those of its life businesses.

The Board's collective and individual effectiveness was assessed as part of the Board effectiveness review for 2015. Mike Arnold's individual performance was also reviewed by the Chairman. His contribution to the Board during 2015, including his Chairmanship of the Board Risk Committee, was seen as very valuable. His re-election is therefore recommended to shareholders.

Resolution 2(iv): Re-election of Zoe Cruz
Zoe Cruz, B.A., M.B.A., (61) has been an independent non-executive director of the Company since January 2014. She is also a member of the Board Risk and Remuneration Committees.

She was Co-President for Institutional Securities and Wealth Management at Morgan Stanley from 2005 to 2007, where she was responsible for running major revenue-generating businesses, including overseeing their securities risk management and information technology. From 2009 to 2012, she was involved in founding and running her own investment management firm, Voras Capital Management. Prior to becoming Co-President of Morgan Stanley, she had been its Global Head of Fixed Income, Commodities and Foreign Exchange from 2001 until 2005. She joined the company in 1982 and was the third founding member of the foreign exchange group. She has recently joined Promontory Financial Group as a senior adviser to the CEO.

Her extensive experience of international financial markets and asset management have provided the Board with additional insight into these important areas of the Group's business during 2015. Her re-election is therefore recommended to shareholders.

Resolution 2(v): Re-election of Alan Gillespie
Alan Gillespie CBE, B.A., M.A., Ph.D., (65) has been an independent non-executive director of the Company since November 2010 and the Senior Independent Director since May 2011. He is also a member of the Remuneration and Nomination and

Governance Committees. His banking career began at Citibank, where he spent 10 years from 1976 to 1986. He joined Goldman Sachs in New York in 1986 and was made a partner of the firm in 1990, with responsibility for corporate finance and mergers and acquisitions in the UK and Ireland. He jointly led the firm's financial services practice in Europe and in 1996 established Goldman Sachs' presence in South Africa. After retiring from Goldman Sachs in 1999, he became Chief Executive of the Commonwealth Development Corporation in the UK. From 2001-2008 he was Chairman of Ulster Bank, a subsidiary of Royal Bank of Scotland plc. He is currently Senior Independent Director of United Business Media plc and Chairman of the Economic & Social Research Council.

Alan Gillespie's background in investment banking and financial services has enabled him to make a valuable contribution to the Board's deliberations during the past year. He has also fulfilled the role of Senior Independent Director effectively, participating when required in discussions with significant shareholders and ensuring that their views are made known to the Board. His re-election is therefore recommended to shareholders.

Resolution 2(vi): Re-election of Danuta Gray

Danuta Gray, B.Sc., (57) has been an independent non-executive director of the Company since March 2013. She is Chairman of the Remuneration Committee and also a member of the Nomination and Governance Committee.

She was Chairman of Telefónica O2 in Ireland until December 2012, having previously been its Chief Executive from 2001 to 2010. Prior to that, she was a Senior Vice President for BT Europe in Germany, where she gained experience in sales, marketing, customer service and technology and in leading and changing large businesses.

Danuta Gray is a non-executive director of Aldermore Group plc, Michael Page International Plc and Paddy Power PLC and a non-executive Defence Board Member and Chair of the People Committee at the UK Ministry of Defence. She previously served for seven years on the board of Irish Life and Permanent plc and was also a director of Business in the Community.

Her background in mobile telecommunications and IT widens the Board's skill base as the Group increases its distribution capabilities using new technologies, and she also has great insight into life assurance and related financial services through her past experience. Her re-election is therefore recommended to shareholders.

Resolution 2(vii): Re-election of Adiba Ighodaro

Adiba Ighodaro, LL.B., ACCA, (52) has been an independent non-executive director of the Company since January 2014. She is also a member of the Group Audit Committee. She obtained a law degree in London before moving to Nigeria, where she qualified at the Nigerian Bar and worked initially in private practice. She then joined the Commonwealth Development Corporation (CDC) in 1991, first in London, and later in Lagos, with a remit to establish CDC's Nigerian business. In 1995, her focus

moved to the Caribbean as a Senior Investment Executive and Investment Manager, helping to obtain investment for and dispose of some of CDC's interests in Africa and the Caribbean. Later she became CDC's Country Manager for Nigeria. She also became Head of West Africa, with responsibility for building the investment business of CDC/Actis across the region. Actis was spun out of CDC in 2004, following which she became a founding principal of Actis' fundraising group. Today, as a partner of the firm, she both heads fundraising across the Americas and manages a number of Actis' global strategic relationships.

Her knowledge and experience of investing and operating in sub-Saharan Africa have been of great benefit to the Group. Her re-election is therefore recommended to shareholders.

Resolution 2(viii): Re-election of Ingrid Johnson

Ingrid Johnson C.A.(SA), A.M.P. (Harvard), (49) has been Group Finance Director since July 2014. She is also a non-executive director of Old Mutual Wealth Management Limited. Prior to taking on the role of Group Finance Director, she had 20 years' broad-based financial services experience with Nedbank Group in both line and financial roles. She was appointed to the Nedbank Group Executive Committee in 2008. Her most recent responsibility there, in addition to being a Prescribed Officer, was as Group Managing Executive: Retail and Business Banking. She assumed this role in August 2009, taking responsibility for the turnaround of the Retail Banking cluster and managing the integration of Imperial Bank, in addition to retaining her role of leading the commercial cluster, Business Banking, which she had held since 2005.

She has continued to demonstrate her considerable analytical and management skills in her role during 2015 and her re-election is therefore recommended to shareholders.

Resolution 2(ix): Re-election of Roger Marshall

Roger Marshall, B.Sc. (Econ.), F.C.A., (67) has been an independent non-executive director of the Company and Chairman of the Group Audit Committee since August 2010. He is also a member of the Board Risk and Remuneration Committees. He was formerly an audit partner in PricewaterhouseCoopers, where he led the audit of a number of major groups, including Zurich Financial Services and Lloyds TSB. Previous outside appointments included six years as a member of the Accounting Standards Board. He is Chairman of the Accounting Council, a Director of the Financial Reporting Council and and a non-executive director and Chairman of the Audit Committee of Pension Insurance Corporation.

Roger Marshall's long experience of auditing major life companies gives him the ideal background to chair the Group Audit Committee and also enables him to make a valuable contribution to the Board's discussions, particularly in addressing the financial implications of alternative courses of action. His Chairmanship of the Group Audit Committee during 2015 was considered as part of the Board effectiveness review and rated as very effective. His re-election is therefore recommended to shareholders.

Resolution 2(x): Re-election of Nkosana Moyo

Nkosana Moyo, Ph.D., M.B.A., (64) has been an independent non-executive director of the Company since September 2013. He is also a member of the Remuneration and Group Audit Committees. He is the Founder and Executive Chairman of the Mandela Institute for Development Studies ('MINDS'), which is an institute that seeks to address developmental challenges in Africa. Prior to founding MINDS, he was Vice President and Chief Operating Officer of the African Development Bank from 2009-2011. From 2004-2009 he was the Managing Partner for the Africa Business of Actis Capital LLP and also served as Senior Adviser and Chairman of the Actis Africa Advisory Board. In 2001, he joined the International Finance Corporation of the World Bank as an Associate Director, based in Washington, with responsibility for all SME operations in Africa.

During 2000, he served as Minister of Industry and International Trade in the Cabinet of the Zimbabwean Government. Prior to his Cabinet appointment, he had held Managing Director positions at both Batanai Capital Finance (a venture capital company in Zimbabwe founded by himself) from 1997 to 2000, and at Standard Chartered Bank from 1990 to 1995, where he was later appointed as the African Regional Head for Corporate Banking, based in London, with responsibility for operations in 14 African countries. During his career, he has also had numerous board appointments, including serving on the Advisory Board of Unilever. He currently sits on the boards of the Investment Climate Facility and of the Africa Leadership Institute.

Nkosana Moyo's extensive experience in financial services and knowledge of African markets and governments have widened the Board's skill base. His re-election is therefore recommended to shareholders.

Resolution 2(xi): Re-election of Vassi Naidoo

Vassi Naidoo, C.A.(SA), (61) has been a non-executive director of the Company since 2015 and he is also a member of the Group Audit and Nomination and Governance Committees. He is also Chairman of Nedbank Group Limited and of Nedbank Limited. Qualified as a South African and UK Chartered Accountant, he retired from Deloitte's London office at the end of November 2014.

Vassi Naidoo's excellent knowledge of banking and deep experience and skills in relation to financial services, as well as his clear commitment to Africa and extensive experience on the continent, have proved very valuable since he joined the Board and his re-election is therefore recommended to shareholders.

Resolution 2(xii): Re-election of Nonkululeko Nyembezi-Heita

Nonkululeko Nyembezi-Heita, B.Sc., MSc., M.B.A. (56) has been an independent non-executive director of the Company since March 2012. She is also a member of the Board Risk and Nomination and Governance Committees. She was Chief Executive Officer of ArcelorMittal South Africa, the largest steel producer on the African continent, from 2008 until February 2014. She is now CEO of Ichor Coal N.V. and independent non-executive Chairman of the JSE Limited. Prior to joining ArcelorMittal, she served as the Chief Officer of Mergers and Acquisitions for the Vodacom Group

and before that, she was Chief Executive Officer of Alliance Capital (which was at that time the local South African subsidiary of the New York-based global investment management company) for seven years.

Having served as a non-executive director on the board of Old Mutual Life Assurance Company (South Africa) Limited between May 2010 and March 2012 (a position she relinquished upon taking on her role at plc level), Nonkululeko Nyembezi-Heita brings to the Board significant knowledge of one of the Group's major businesses, as well as more general insight into the South African business environment as a result of her current and previous senior executive roles in that country.

Her individual performance was also reviewed as part of the Board effectiveness review. She was seen as having contributed effectively to the Board during the year, with detailed financial accounting knowledge, a broad commercial focus, and knowledge and experience of South Africa. Her re-election is therefore recommended to shareholders.

Resolution 2(xiii): Re-election of Patrick O'Sullivan

Patrick O'Sullivan, B.B.S., F.C.A. (Ireland), M.Sc., (67) joined the Board as Chairman in January 2010. He also chairs the Nomination and Governance Committee. From 2007 until 2009, he was Vice Chairman of Zurich Financial Services, where he had specific responsibility for its international businesses including those in South Africa. He had previously held roles at Zurich as Group Finance Director and CEO, General Insurance and Banking, of its UKISA division. Qualified as a chartered accountant, his prior experience includes positions at Bank of America, Goldman Sachs, Financial Guaranty Insurance Company (a subsidiary of GE Capital), Barclays/BZW and Eagle Star Insurance Company. He was also formerly Chairman of the UK's Shareholder Executive and Deputy Governor of the Bank of Ireland.

Patrick O'Sullivan has a strong track record of leading financial services businesses through periods of challenge and of tackling strategic issues successfully. His wide-ranging international experience and knowledge of the financial services industry, allied with excellent leadership ability, make him a highly effective Chairman of the Board, as shown by feedback from this year's Board effectiveness review. He was seen as having effectively led the Board during the past twelve months and created an appropriate atmosphere of challenge, contribution and inclusion across the Board. His re-election is therefore recommended to shareholders.

The Chairman's and other non-executive directors' engagement letters and the executive directors' service agreements are available on the Company's website.

Resolutions 3 and 4 – Auditors

Resolution 3 proposes the re-appointment of KPMG LLP as the Company's auditors until the end of the next AGM. Resolution 4 proposes that the Group Audit Committee should be authorised to determine the auditors' remuneration for 2016.

Resolution 5 – Approval of the Directors' Remuneration Report

Resolution 5 proposes the approval of the Directors' Remuneration Report (other than the section containing the Directors' Remuneration Policy, which was approved by shareholders at the 2014 AGM and is proposed to be replaced by a revised policy to be considered at the General Meeting that follows the AGM). This part of the report includes details of how directors' remuneration was implemented during 2015 and is intended to be implemented (subject, in certain respects, to the approval of the new Directors' Remuneration Policy) during 2016. Resolution 5 is of an advisory nature only, and failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements or to the Directors' Remuneration Policy (which is, in any event, proposed to be revised in accordance with the related resolution to be considered at the General Meeting following the AGM).

The Directors' Remuneration Report is available on the Company's website.

Resolutions 6 and 7 – Authorities to allot shares

In accordance with section 551 of the Companies Act 2006, it is proposed to renew the authority for the directors to allot up to 246,435,000 Ordinary Shares in the Company (with an aggregate nominal value of £28,164,000, representing 5% (rounded down to the nearest £1,000 nominal) of the issued ordinary share capital at 10 May 2016, without having to obtain prior approval from shareholders.

In accordance with the Companies Act 2006, it is proposed to renew the authority of the directors to allot equity securities, and to give directors the authority to sell any Ordinary Shares which the Company may from time to time hold in treasury, for cash without first being required to offer such securities pro rata to existing shareholders in accordance with the provisions of the Companies Act 2006. The disapplication authority contained in Resolution 7 is limited to 246,435,000 Ordinary Shares (with an aggregate nominal value of £28,164,000), being 5% (rounded down to the nearest £1,000 nominal) of the issued ordinary share capital of the Company at 10 May 2016. In accordance with the Pre-emption Group's 2008 Statement of Principles, the Company confirms that it does not plan to issue, without prior consultation with shareholders, more than 7.5% of the Company's issued share capital (excluding treasury shares) for cash other than to existing shareholders in any rolling three-year period.

The directors have no present intention to allot additional Ordinary Shares in the Company under these authorities except pursuant to existing employee share plans. However, these authorities provide the Company with flexibility to be able to respond to opportunities and requirements as they arise during the year.

The authorities sought under Resolutions 6 and 7 will expire at the end of the next AGM of the Company.

Resolutions 8 and 9 – Purchase of own shares

We are proposing that the existing authorities for the Company to buy back its shares should be renewed for a further year. These authorities provide the Company with desirable flexibility in its capital management. Approval is sought in Resolution 9 for four contingent purchase contracts with the respective named counterparties relating to potential purchases of the Company's shares on the four overseas stock exchanges where the Company has a secondary listing. These contracts are intended to enable the Company to buy back its shares on those exchanges in similar fashion and subject to the same overall limit on quantum as on-market purchases on the London Stock Exchange.

The authorities sought are subject to a limit of 492,870,000 shares, representing 10% (rounded down to the nearest £1,000 nominal) of the Company's issued ordinary share capital at 10 May 2016.

The purchase price for any shares is: (i) for on-market purchases, the higher of: (a) an amount equal to 5% above the average market value of an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days before the date on which such Ordinary Share is contracted to be purchased; and (b) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out, in each case, exclusive of expenses; or (ii) for purchases under any of the contingent purchase contracts, no more than 5% above the average of the closing quotations in local currency terms as reported by the local stock exchange concerned for the five business days preceding such purchase. Any shares purchased under the authority to be granted by Resolution 8 or pursuant to any of the contingent purchase contracts to be approved under Resolution 9 will either be cancelled or may be held as treasury shares (see below).

In accordance with the Companies Act 2006, companies may retain their own shares that they have repurchased as treasury stock with a view to possible re-issue at a future date, rather than cancelling them. If the Company were to purchase any of its own shares pursuant to the authorities sought in Resolutions 8 and 9, it would consider whether or not to hold them as treasury stock. If they were so held, this would give the Company the ability to re-issue treasury shares quickly and cost-effectively, and would provide the Company with additional flexibility in the management of its capital base.

The directors have no present intention of exercising the authority to buy back any of the Company's shares and the authorities under Resolutions 8 and 9, if approved, would only be exercised if it could be expected to result in an increase in earnings per share and if the Board considered it to be in the best interests of shareholders generally.

At 10 May 2016, the Company had outstanding option awards under employee share schemes that involve potential rights to acquire newly-issued shares equivalent to 15,755,744 additional Ordinary Shares, representing 0.32% of the Company's issued ordinary share capital at that date. If the existing authorities to allot shares given at the 2015 AGM and the authorities to be given by Resolutions 8 and 9 were to be fully used, these option awards would represent 0.34% of the Company's issued ordinary share capital at that date.

28 **Documents available for inspection**

Copies of the executive directors' service contracts, the engagement letters of the Chairman and other non-executive directors and the contingent purchase contracts referred to in Resolution 9 are available for inspection at the registered office of the Company in London during normal business hours on each business day from the date of this notice until the end of the AGM and in the Presentation Suite, 2nd Floor, Millennium Bridge House, 2 Lambeth Hill, London EC4V 4GG from at least 15 minutes prior to the AGM until the end of that meeting. These documents will also be available in the AGM section of the Company's website until the end of that meeting.

PART VII

EXPLANATORY NOTES RELATING TO THE BUSINESS TO BE CONDUCTED AT THE GENERAL MEETING

The notes in this Part of the circular explain the proposed resolutions to be proposed at the General Meeting.

Resolutions 1 and 2 will be proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolution 1 – Approval of the revised Directors' Remuneration Policy
The Company's Remuneration Committee (the Committee) has reviewed the existing Directors' Remuneration Policy in light of the Company's strategy announced on 11 March 2016. It is the Committee's view that the Directors' Remuneration Policy in its current form is not appropriate in the context of the Company's new strategy and has therefore recommended that the Directors' Remuneration Policy should be changed to support the new strategy. The revised Directors' Remuneration Policy is set out in full in Part VIII of this document and includes a summary of the changes from the existing policy.

As referred to in the Chairman of the Committee's letter in Part II of this document, the Committee believes that a one-time long-term incentive arrangement, covering multiple years, is required to align executives to the new strategy. In developing the revised Directors' Remuneration Policy and the new long-term incentive (the MSIP), we consulted with our largest shareholders and also shared a substantial amount of information about the proposals with our major shareholder representative bodies such as ISS and the Investment Association. The feedback received during the consultation period has been reflected in the proposed policy and MSIP design. The key design elements of the MSIP are summarised below:

Overview of the proposed MSIP

- Delivered as a nil cost share option, with dividend equivalents up to the earliest possible exercise date being paid on or shortly after the exercise of the option.
- This one-time MSIP award will replace annual LTIP awards that would have been granted in 2016, 2017 and 2018.
- The Group Chief Executive will receive an award equivalent to four times his current LTIP award level (i.e. 10 times base pay).
- Other participants will receive awards of up to three times their current annual LTIP award level (up to four times the current LTIP award level for new joiners).
- The total value of awards currently proposed under the MSIP will have a face value of £32.5m (this compares to a total value of £27.9m had annual awards continued for three years to the normal LTIP participant group).

- The total number of shares to be placed under award has been determined using the 30-day average Old Mutual plc share price up to and including the date of release of the Company's preliminary results for 2015 and the announcement of the Managed Separation strategy, namely £1.757.
- In order to align executives to the new strategy immediately, an initial nil cost share option was granted on 14 March 2016 under the Old Mutual plc Performance Share Plan, in accordance with the terms of the current Directors' Remuneration Policy. Subject to shareholder approval of both the Directors' Remuneration Policy and the Old Mutual plc Managed Separation Incentive Plan, the nil cost share options granted on 14 March 2016 will be exchanged for nil cost share options under the Old Mutual plc Managed Separation Incentive Plan, and the remaining number of shares to be placed under option will be granted later in 2016.

The proposed MSIP is designed to reward:

- Execution of the Managed Separation (40%)
- The delivery of performance in the underlying businesses (25%)
- Long-term alignment with shareholder value by reference to relative total shareholder return (TSR) (35%)
- Operating within a robust risk framework (by means of a potential downward adjustment of up to 5% on a quantitative basis, with additional uncapped discretion to adjust on a qualitative basis).

The MSIP will be delivered as a nil cost share option that will mirror as closely as possible shareholder experience as the Managed Separation is executed. Vesting would be triggered by completion of the Managed Separation, at the Committee's determination, no later than four years after the announcement of the Managed Separation strategy (i.e. by 11 March 2020). If the Managed Separation is not executed by then, the long-stop will bring an end to the MSIP. At this time, performance would be tested and awards would vest as appropriate.

Performance Condition: Execution of the Managed Separation (40%)
This performance condition is directly aligned with the execution of the Managed Separation strategy. It is assigned the highest weighting at 40% because it is the core of the strategy. It consists of the Managed Separation of the Group into four standalone businesses through a series of transactions. The assessment of performance against this condition will be made in the judgement of the Committee against the key criteria set by the Board:

- Material completion of the business separation
- Appropriate capitalisation of the businesses
- Quality of transaction execution

Material completion of the business separation: All four businesses operating independently of the Group at the completion of the Managed Separation. There may be some cross-ownership, but such stakes would be purely as an investment (e.g. 20%

or less) or as part of a clear process to separation. In addition, the material completion of the Managed Separation includes the elimination of the plc costs.

Appropriate Capitalisation: The Managed Separation shall set the businesses up for success, including being appropriately capitalised in relation to both regulatory requirements and local market competitiveness.

Quality of transaction execution: Quality assessment will reflect the balance of the key components of time, cost, risk and value.

The **time** criteria will be considered with respect to certain transactions being critical to the future Managed Separation of other businesses. Also, the current Group structure contains inherent risks which will be mitigated once separation is achieved and therefore it is important to prioritise speed of execution.

The **cost** criteria will be assessed against both the expected reduction of continuing plc costs at the completion of the Managed Separation and the management of transaction costs (advisers, etc.) during separation. Lastly, these cost criteria also include the reduction in plc debt costs through the cost effective management of plc debt.

The **risk** criteria include consideration of regulatory, reputational, investor and other non-financial impacts.

In addition, **value** will be considered in terms of whether the transaction was completed in a manner consistent with creating shareholder value over time. Value enhancement will be captured through the Alignment with Shareholder Value measure.

The Committee recognises that due to the complex, multi-faceted and interrelated nature of the Managed Separation objectives and criteria, to assess them it will need to track and report progress as the Managed Separation is executed, but ultimately reserve a final judgement regarding assessment of achievement of this objective until it is determined that the Managed Separation has been completed. The Committee has a strong track record of making these judgements and believes that it will provide comfort to shareholders in the following ways:

Track record of using judgement in LTIP plans: The 2010 OMSIP plan was similar in basic design to the MSIP and the Committee used its judgement to assess performance. The Committee's disclosure at the point the OMSIP performance was assessed can be found in the 2012 Directors' Remuneration Report at http://www.oldmutual.com/media/reports.jsp?type=ar. In addition, the LTI plans from 2013-2015 each contained a strategic component which required the exercise of judgement.

The voting results at AGMs on resolutions relating to our Directors' Remuneration Reports since 2010 were as follows:

2010	2011	2012	2013	2014
90.50%	90.01%	97.94%	97.04%	94.21%

These were the years in which the Committee used its judgement in assessing the outcome of the LTI awards or introduced plans which would require judgement to determine the outcome, and the Committee believes that the level of shareholder support received demonstrates approval of its prior use of judgement.

2015 use of discretion in STI outcome: In 2015, the Committee used its discretion to reduce both the Company performance outcome for all executive directors by 12% and the individual performance outcomes by varying percentages for each executive director, to reflect higher costs and risks incurred in the delivery of the Old Mutual Wealth IT project.

Annual updates during the MSIP: Similar to the updates provided for the 2010 OMSIP, the Committee will report annually on progress and its general assessment of achievement of the MSIP. This will ensure transparency and will provide shareholders with an opportunity to provide feedback during the plan and prior to any final decisions on outcome being made.

Performance Condition: Performance of the underlying businesses (25%)
This performance condition is directly aligned with the strategic objective to deliver competitive financial performance in each of the businesses whilst they are part of the Old Mutual Group, in order to maximise the value creation opportunity on separation.

- Each business's performance will be measured against stretching profit growth and Return on Equity (ROE) measures for the period up to its separation from the Group (OM Asset Management plc will be measured against profit growth only), with ROE measured in accordance with the methodology disclosed for each business in the Company's 2015 Annual Report.
- The businesses are weighted in accordance with their relative value to the Group at the commencement of the Managed Separation objective (see note below on business weighting).
- Profit growth thresholds have been based on the principal 3-year macro-economic growth assumptions for each market (Nominal GDP for South Africa and Equity Markets for the UK and US) to ensure that management only realise value from this part of the plan if the businesses outperform these benchmarks.
- For the South African businesses, the profit metric is established as a relative outperformance target to actual Nominal GDP over the performance period to account for the economic uncertainty and align to market practice in the region.
- The Committee believes that these targets are stretching, taking consideration of the economic outlook and the relatively short period of time the businesses have had to realise returns on recent investments (such as UAP and Quilter Cheviot). They have been carefully constructed to ensure that value will only be realised from this element of the plan if business performance warrants it by generating real value over the period.
- If the Committee considers it necessary to review the financial targets under the discretion afforded in the Directors' Remuneration Policy, for reasons linked to the macro-economic environment, the phasing of 3-year growth plans relative to the

timeframe taken to complete the separation of a business, or the reallocation of the Group's assets, it will do so with complete transparency and in a way that ensures that the targets are as equally relevant and stretching as originally intended.

Performance Condition: Alignment with shareholder value (35%)
This performance condition is directly aligned with the strategic objective to unlock and create significant long-term value for shareholders through the Managed Separation and will be measured through relative total shareholder return (TSR).

- TSR for Old Mutual plc shareholders will be measured against a bespoke index derived from a peer group constructed from relevant peers of each of the businesses in their local markets.
- Each individual business peer group will be weighted in accordance with the relative value of each business to the Group at the commencement of the Managed Separation (see note below on business weighting).
- TSR will be measured from the date of the strategy announcement (using the 30-day average up to and including 11 March 2016) until the Managed Separation is completed.
- When a transaction is completed for a business, its peer group will be down-weighted or removed from the index and the other peer groups will be re-weighted proportionately. In the event of a demerger of a business, its TSR will be tracked relative to its peer group for a period of 180 days to align any short-term volatility in the demerged business's share price to the outcome of the TSR metric.
- Threshold has been set in line with the TSR of the bespoke peer group, ensuring that vesting can only be achieved for matching or exceeding the performance of the peers. For achieving the threshold level of performance 25% vesting will be realised, recognising the performance required to meet or exceed the TSR of the peer groups. Maximum vesting on this component will occur when TSR has outperformed the bespoke peer group by 7% per annum.
- There will be maximum transparency through annual updates of performance and adjustments made to the index in the annual Directors' Remuneration Report.

Business Weighting: The basis for calculating the weighting of the businesses was to use their relative estimated value on 11 March 2016 to the Group, using the market value of the listed businesses (Nedbank and OMAM) and an average of comparable one-year forward price/earnings multiples for the unlisted businesses (OMEM and Old Mutual Wealth). The weighting ignored debt, plc costs and other plc assets.

Downward Adjustments: Risk Management

The outcome of the MSIP will be subject to a potential downward adjustment for an assessment of risk management during the performance period. The risk adjustment will be based on two measures:

- **Quantitative Adjustment:** a potential downward adjustment of up to 5% will be applied based on the outcome of two risk-based metrics – Group Solvency Ratio and Liquidity at Risk. Achievement of the target (or better) will result in no adjustment to the outcome; achievement at or below the threshold will result in a 5% downward adjustment to the outcome, with straight-line interpolation between threshold and target.
- **Qualitative Assessment:** undertaken by the Group's Chief Risk Officer and verified by the Board Risk Committee, this assessment will cover management of risk in relation to risk management policy and risk appetite limits, audit/governance reports and regulatory breaches. In addition, any financial performance not adequately reflected in the financial performance measures (such as the Old Mutual Wealth IT project) will be considered in this qualitative assessment. The Committee has discretion to make an uncapped downward adjustment to the outcome of the plan in the event of any material risk management or financial underperformance issues.

Full disclosure of the process, findings and adjustments (if applicable) will be disclosed retrospectively in the relevant Directors' Remuneration Report.

Performance measures for MSIP awards

Managed Separation Incentive Plan Scorecard – Metrics and Targets

		Weight	Threshold	Target	Maximum
	Vesting %		0%	50%	100%
Strategic	**1. Execution of the Managed Separation**				
	Assessment of the success of the separation of the business units into four separate businesses	40.0%	0.0%	50.0%	100.0%
Business Unit Financial Performance*	**1. OMEM**				
	Profit (AOP) Growth (CAGR) (Post-Tax and Non-Controlling Interests)	5.40%	Nom GDP + 0%	Nom GDP + 2.5%	Nom GDP + 5.0%
	ROE (excluding goodwill) – averaged over 3 years	5.40%	20.0%	22.5%	25.0%
	2. Nedbank				
	Diluted Headline EPS Growth (CAGR) (Post-Tax and Pre-Minority Interests)	2.50%	Nom GDP + 0%	Nom GDP + 2.5%	Nom GDP + 5.0%
	ROE (excluding goodwill) – averaged over 3 years	2.50%	15.0%	16.7%	18.4%
	3. Old Mutual Wealth				
	Profit (AOP) Growth (CAGR) (Post-Tax and Non-Controlling Interests)	3.75%	Not disclosed on the grounds of commerical sensitivity		
	ROE (excluding goodwill) – averaged over 3 years	3.75%			
	4. OM Asset Management				
	ENI Growth (CAGR) (Post-Tax and Pre-Minority Interests)	1.70%	5.0%	7.5%	10.0%

		Weight	Threshold	Target	Maximum
	Vesting %		25%	62.5%	100%
TSR	**1. Relative TSR to a Composite Index of Business Unit Peer Group Indices**				
	Relative TSR (annualised over the period)	35%	Index + 0% p.a.	Index + 3.5% p.a.	Index + 7% p.a.

Totals	**100.0%**	

Downward Adjuster					
Risk	Quantitative Risk Metrics	n/a	-5%	0%	n/a
	Qualitative Risk Assessment	n/a	Remuneration Committee Discretion (uncapped)		

* Given the range of potential exit routes for Old Mutual Wealth, the Board considers advance disclosure of the targets to be commercially sensitive. However, targets and ranges will be disclosed retrospectively at the point of vesting of the plan in the relevant Directors' Remuneration Report.

Peer Groups for TSR

	SA LIFE	SA BANKING	UK WEALTH AND ASSET MANAGEMENT	US ASSET MANAGEMENT
Weight	43%	20%	30%	7%
Peers	■ Sanlam Limited ■ Discovery Limited ■ Liberty Holdings Limited ■ MMI Holdings Limited/South Africa ■ Santam Limited ■ Coronation Fund Managers Limited	■ FirstRand ■ Standard Bank Group ■ Barclays Africa Group ■ RMB ■ Capitec Bank	■ Standard Life ■ Hargreaves Lansdown ■ Schroders ■ St. James's Place ■ Investec ■ Henderson Group ■ Phoenix Group HDG ■ Jupiter Fund Management ■ Close Brothers Group ■ Rathbone Brothers ■ Brewin Dolphin	■ Affiliated Managers Group, Inc. ■ Eaton Vance Corporation ■ Legg Mason, Inc. ■ Federated Investors, Inc. ■ Janus Capital Group, Inc. ■ AllianceBernstein Holding L.P. ■ Artisan Partners Asset Management Inc. ■ Cohen & Steers Inc. ■ Virtus Investment Partners, Inc.

Other Terms of the MSIP

In order to ensure that the MSIP operates in alignment with the time-bound nature of the Managed Separation, a number of changes are proposed to the terms and conditions of the awards from the terms and conditions applied to LTIP awards granted by the Company in recent years:

- **Pro-rating** – there will be no time pro-rating of awards in the event that the Managed Separation is completed within the long-stop date of four years from the announcement of the strategy (11 March 2020). This reflects the unique circumstances and time-bound nature of the Managed Separation and ensures that management are incentivised to execute the strategy neither too quickly nor too slowly, but rather to complete the Managed Separation in a way that balances time, cost, risk, and value. The Committee will retain the discretion to apply time-based pro-rating where appropriate.
- **Vesting and Holding Periods** – the awards will vest on the Committee's determination that the Managed Separation has been completed rather than on a pre-determined vesting date (unless the long-stop date of four years is reached), to ensure that there is no penalisation for quick execution of the strategy. To maintain management alignment to shareholders and ensure they are incentivised to execute in a way that creates long-term sustainable value, a one-year holding period will be applied to 50% of the award (on a net of tax basis if applicable), in a form that will track shareholder experience as closely as possible over the period, which might include a restriction on the ability of the executive to exercise 50% of the option during that one-year period.

- **Impact of prohibited periods** – in the event that the Company is unable to grant the remaining balance of shares to the executives after the General Meeting as a result of the Company being in a prolonged prohibited period under the Model Code or the Market Abuse Regulation, it is proposed that a fixed-value cash-based award, equivalent in value to the ungranted shares (valued at £1.757 per share, being the 30-day average Old Mutual plc share price up to and including the date on which the Company announced the Managed Separation strategy) be made to the impacted executives. This award would have substantially the same terms as a share award granted under the Old Mutual plc Managed Separation Incentive Plan and would ensure that executives are fully aligned and incentivised to deliver the strategy. However, the fixed-value award would include terms giving the Committee discretion to convert the award into a nil cost share option under the Old Mutual plc Managed Separation Incentive Plan, as originally intended.
- **Dividend Equivalents** – Participants will receive shares or a cash payment on or following the exercise of their awards representing the dividends or any other distributions they would have received if they had been owners of their vested shares between 14 March 2016 and the earliest possible exercise date of their awards. 14 March 2016 represents the date when the awards would have been granted if the prevailing Directors' Remuneration Policy would have allowed grants of this size to be made and on these terms. The Committee will decide the basis of calculation of any such dividend equivalent payment which may assume reinvestment. The Committee will have discretion to pay participants in the form of any dividend or distribution in specie made to shareholders over this period and whether to include or exclude any special dividend.
- **Good and Bad Leavers** – good leavers will be determined in accordance with the Directors' Remuneration Policy. In the event that there is a good leaver before the completion of the Managed Separation, the award will normally continue to vest with a pro-rata reduction to the number of shares held under award, to reflect the period served between the date of grant (or 14 March 2016 in the case of the initial awards) and the Managed Separation completion date. Bad leavers will forfeit their nil cost share options. The Committee will retain discretion to disapply time-based pro-rating for good leavers where appropriate in line with the over-riding purpose of the plan to incentivise the execution of the Managed Separation strategy.
- **Malus and Claw back** – malus will apply in accordance with the Company's current policy up to the date of vesting. Claw back will apply for a period of one year following vesting.

Other awards:

- **2014/2015 LTIP awards** – it is proposed to amend the strategic targets for the 2015 LTIP awards (including the buyout LTIP award granted to the Group Chief Executive in November 2015) to align to the Managed Separation objectives and ensure that those awards retain the appropriate incentive to deliver the Managed Separation. Given the limited period remaining until vesting of the 2014 LTIP awards, no changes to these are proposed.
- **2016 and future STI awards** – it is proposed that the 2016 STI will be operated in accordance with the current policy, namely 75% based on Group financial metrics (50% EPS in constant currency and 50% ROE) and 25% based on personal scorecard metrics for the Group Chief Executive, and 60% based on those Group financial metrics and 40% based on personal scorecard metrics for the Group Finance Director.

  However, for the 2017 performance year onwards, it is proposed that the Directors' Remuneration Policy be amended to enable the Committee to determine the metrics on an annual basis. In all circumstances, the metrics will be a combination of financial, operational, strategic and personal scorecard measures, with financial metrics representing at least 50%. This approach is required in order to ensure that the STI metrics reflect the changing nature of the Group and objectives of the executives over the period.

Resolution 2 – Approval of the Old Mutual plc Managed Separation Incentive Plan

The principal terms of the Old Mutual plc Managed Separation Incentive Plan (the Plan) are as follows:

- **Operation** – The Committee will supervise the operation of the Plan.
- **Eligibility** – Employees (including executive directors) of the Company and its subsidiaries are eligible to participate in the Plan.
- **Grant of awards** – The Committee will decide who will be granted awards and over how many ordinary shares of the Company (Shares). It is intended that participation will be limited to those senior employees who will play a key role in implementing the Managed Separation of the Old Mutual Group into four independent businesses as announced by the Company on 11 March 2016. It is intended that most awards will be granted to participants on a single occasion occurring within six weeks of shareholder approval of the Plan. For all participants, those awards will represent a replacement of their award granted under the Old Mutual plc Performance Share Plan – Restricted Shares on 14 March 2016 and for some participants, a further award taking the overall size of their awards up to the levels described earlier in this document. Further awards may be made only to new joiners whose role is to implement the Managed Separation and those awards will normally only be granted within six weeks of the announcement of the Company's results for any period. Awards will be in the form of nil cost share options with

a normal exercise period of up to 10 years from grant. No payment is required for an award. No awards can be granted more than four years after the Plan's approval by shareholders.

- **Individual limits** – The Committee has discretion to decide on the size of awards, but it is intended that no award will exceed the maximum award which may be granted to an executive director as set out in the revised Directors' Remuneration Policy.
- **Performance conditions** – The Committee will set performance conditions which are specifically designed to promote and reward the success of the Managed Separation, as described above. An award will only vest to the extent that these performance conditions are satisfied.
- **Plan limits** – Awards may be satisfied with new issue Shares, Treasury shares or Shares purchased in the market. In any 10 calendar year period, not more than 10% of the issued ordinary share capital of the Company may be issued or be issuable under the Plan and all other employees' share plans adopted by the Company. In addition, in any 10 calendar year period, not more than 5% of the issued ordinary share capital of the Company may be issued or be issuable under all executive share plans adopted by the Company. These limits do not include awards which have lapsed. Treasury shares transferred to satisfy an award will be counted as if new shares had been issued unless institutional investors decide that they need not count.
- **Vesting of awards** – Awards will normally vest on the earlier of (i) a date shortly following the Committee's determination that the performance conditions have been met and (ii) 11 March 2020, provided the participant remains an employee or officer of the Old Mutual Group. A vested award will be exercisable until the tenth anniversary of its grant provided the participant remains an employee or officer of the Old Mutual Group, but this period will be curtailed if a participant becomes a good leaver or awards vest early as a result of a corporate event (see below). Shares will be issued or transferred to a participant after exercise of the award, unless the Company decides to satisfy the award in cash or shares or other securities in another company if the Committee decides that it is appropriate in the circumstances.
- **Dividend Equivalents** – Participants will receive shares or a cash payment on or following the exercise of their awards representing the dividends or any other distributions they would have received if they had been owners of their vested shares between 14 March 2016 and the earliest possible exercise date. 14 March 2016 represents the date when the awards would have been granted if the prevailing Directors' Remuneration Policy would have allowed grants of this size to be made and on these terms. The Committee will decide the basis of calculation of any such dividend equivalent payment which may assume reinvestment. The Committee will have discretion to pay participants in the form of any dividend or distribution in specie made to shareholders over this period and whether to include or exclude any special dividend.

- **Leaving employment** – An award will normally lapse if a participant leaves employment or office. But if the participant (a good leaver) leaves because of redundancy, disability, injury, death, sale of his/her employer or business out of the Old Mutual Group or in other circumstances at the discretion of the Committee, his/her award will normally continue in effect and vest when his/her award would have normally vested if he/she had not left employment or office. In exceptional circumstances, the Committee may decide that a good leavers' award will vest when he/she leaves. A good leaver's award will vest subject to the achievement of the performance conditions and it will be pro-rated to reflect the fact that he/she left early, but the Committee may waive such time pro-rating if it regards it as appropriate to do so. A good leaver's award will only be exercisable for up to 12 months following its vesting.
- **Change in control and other corporate events** – On any change in control of the Company, the Committee will decide whether awards will vest or be exchanged for equivalent awards over shares in the acquiring company. Where an award vests in these circumstances, the extent of vesting will depend upon the achievement of the performance conditions and time pro-rating to reflect the reduced period of time between the grant date (or 14 March 2016 in the case of the initial awards) and vesting (rounded up to the next whole year), although the Committee may waive such time pro-rating if it regards it as appropriate to do so. Any vested award will only be exercisable for a short period following vesting. If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may decide that awards would vest on the same basis as would apply on a change of control as described above. If there is a winding-up of the Company, then awards would vest on the same basis as described above for a change of control.
- **Malus** – The Committee may reduce the number of Shares under an award prior to the date of vesting of an award, if any of the following circumstances apply: (i) in relation to any business in which the participant works or worked, the financial results or the performance are materially incorrect or misrepresented, or a loss has occurred due to a failure to observe risk management policies; (ii) the participant has committed an act of gross misconduct; or (iii) the participant has damaged the reputation of the Company. The Committee may also reduce the size of an award as part of the operation of claw back under any other incentive plan of the Group.
- **Claw back** – The Committee may decide during the period of one year from the vesting of an award (on a net of tax basis if applicable), to claw back value delivered under an award if a participant has unfairly benefited from his/her award because, in relation to any business in which the participant works or worked, the financial results or the performance were materially incorrect or misrepresented, or a loss has occurred due to a failure to observe risk management policies. The Committee may also apply claw back if the participant has committed an act of gross misconduct.

- **Holding period** – A post-vesting holding period of one year will be applied to 50% of the vested award (on a net of tax basis if applicable), in a form that will track shareholder experience as closely as possible over the period, which might include a restriction on the ability of the executive to exercise 50% of the option during that one-year period.
- **Adjustment of awards** – The number of Shares subject to an award may be adjusted to reflect any variation in the share capital of the Company or any demerger, special dividend or similar event which has a material effect on the Company's share price.
- **General** – Awards are not transferable (except to personal representatives on death) and are not pensionable. Any shares issued following the exercise of awards will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.
- **Fixed cash awards** – If the Company is unable to grant the share awards it proposes to make after the General Meeting as a result of the Company being in a prolonged prohibited period under the Model Code or the Market Abuse Regulation, the Committee may grant, under a schedule to the Old Mutual plc Managed Separation Incentive Plan, a fixed-value cash-based award, equivalent in value to the ungranted shares (valued at £1.757 per share, being the 30-day average Old Mutual plc share price up to and including the date on which the Company announced the Managed Separation strategy) to the impacted executives. These fixed-value awards would have the same terms as share awards except that the value under award would not be linked to the share price. The awards would include a provision giving the Committee discretion to convert the awards into nil cost share options as originally intended.
- **Amendments** – The Committee can amend the Plan in any way. However, shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to eligibility, individual and Plan limits, the basis for determining a participant's entitlement to, and terms of, the Shares or cash to be acquired and the adjustment of awards. However, the Committee can, without shareholder approval, make minor amendments to benefit the administration of the plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment. They can also amend any performance conditions without shareholder approval provided the amendment does not make the conditions materially less difficult to satisfy. The Board may, without shareholder approval, establish schedules to the Plan based on the Plan rules but modified to take account of overseas securities laws, exchange controls or tax legislation. Shares made available under such schedules will be treated as counting against any limits on individual or overall participation in the Plan.

Documents available for inspection

Copies of the Rules of the Old Mutual plc Managed Separation Incentive Plan referred to in Resolution 2 are available for inspection at the registered office of the Company in London during normal business hours on each business day from the date of this notice until the end of the General Meeting and in the Presentation Suite, 2nd Floor, Millennium Bridge House, 2 Lambeth Hill, London EC4V 4GG from at least 15 minutes prior to the General Meeting until the end of that meeting. These documents will also be available in the AGM/General Meeting section of the Company's website until the end of that meeting.

PART VIII

REVISED DIRECTORS' REMUNERATION POLICY

Introduction

The new Directors' Remuneration Policy (the New Policy) will be subject to a binding shareholder vote at the General Meeting to be held on 28 June 2016. The New Policy will take effect for a period of up to three years from the date of shareholder approval and will be displayed on the Company's website from that date.

Managed Separation

On 11 March 2016, the Company announced a new strategy to commence a Managed Separation of the Group into four independent businesses with principal objectives to unlock significant value for shareholders, complete a phased reduction of central plc costs, and deliver strong competitive performance in each business relative to its peers.

The Company's senior management team will work with the four constituent businesses in delivering performance and will be rewarded for executing the Managed Separation, balancing time, cost, risk, and value as well as managing Group debt obligations, cost reductions, and distributions to shareholders, whilst fulfilling ongoing regulatory obligations.

Once the Managed Separation is complete, the existence of four independent businesses will mean the Group in its current form will no longer exist.

To align the Company's senior management team to the completion of the Managed Separation within a finite period, whilst unlocking and creating shareholder value, we are proposing the New Policy, which will include a single, focused long-term incentive plan (the Managed Separation Incentive Plan (MSIP)) covering the period to completion of the Managed Separation. Executives will only receive a single award, up to the maximum value, under this New Policy.

Balancing short- and longer-term remuneration

The New Policy reflects our view of current market practice and our remuneration principles. Fixed annual elements, including base pay and benefits, recognise the level of responsibility of our executives and ensure current and future market competitiveness. Variable pay arrangements are designed to motivate and reward them for making the Company successful during the Managed Separation and maximising shareholder returns.

Under the New Policy, variable pay arrangements will include a short-term incentive to reward the achievement of annually agreed business objectives, and the MSIP. No further grants of long-term incentives will be made to the current executive directors under this policy once those intended to be granted in 2016 have been granted.

Executive directors will also continue to be expected to retain a sufficient number of the vested shares from legacy LTI, MSIP and deferred STI share awards, over a five-year

period from the time of their appointment, to meet their respective shareholding requirements, reinforcing the alignment between the executive directors' personal returns and shareholder returns.

Market benchmarks

In arriving at the award quantums included in the New Policy, we have benchmarked total compensation against remuneration packages paid by peer group companies. The peer group used for this purpose consists of large insurers.

Going forward, under the New Policy, it is intended that the only element of remuneration that will be benchmarked on an annual basis will be base pay. The peer group will be kept under review to take into account different companies that enter the market, those that change their size or the main characteristics of their business, and any changes to the nature or size of the Company during the lifetime of the New Policy.

Directors' Remuneration Policy table (executive directors)

How the element supports our strategic objectives	Operation of the element	Maximum potential payout and payment at threshold	Performance measures used, weighting and time period applicable
Base pay			
Recognises the role and the responsibility for delivery of strategy and results	■ Paid in 12 monthly instalments ■ Reviewed annually with any changes becoming effective from 1 January.	■ Base pay is set in the range of peer benchmark groups. The maximum is the top of the range of large insurers. ■ Maximum annual increases will not normally exceed the average increase for the home country workforce. Larger increases may be awarded in certain circumstances, such as an increase in scope or responsibility of the role, or salary progression for a newly appointed director.	■ None

How the element supports our strategic objectives	Operation of the element	Maximum potential payout and payment at threshold	Performance measures used, weighting and time period applicable
Benefits allowance for retirement provision and other elective benefits			
Designed to provide appropriate, market-aligned benefits consistent with the role	■ The Company provides a benefit allowance to fund contributions to retirement funding arrangements and other elective benefits ■ Otherwise paid monthly in cash.	■ A fixed allowance of 35% of base pay.	■ None
	Other benefits		
	■ Benefits common to employees of the home employer, health assessments and the opportunity to participate in Sharesave. ■ Travel from home to work, and travel for partners to certain Board meetings or corporate events of the Company and its major subsidiaries (including the tax for which settled on the individual's behalf). ■ For overseas appointments, flexibility to provide benefits in line with those of the executive's home country and relocation costs for internal or external appointments of executive directors.	■ The cost of core insured benefits is determined by the insurance provider based on experience factors in the pool of employees covered and so may vary from year to year. ■ The Company offers the opportunity to participate in an HMRC-approved Sharesave scheme. ■ All other benefits are direct costs borne by the Company based on policy agreed by the Remuneration Committee (the committee). ■ A summary of key items normally paid for on relocation is set out under 'Approach to remuneration in connection with recruitment' below.	■ None

How the element supports our strategic objectives	Operation of the element	Maximum potential payout and payment at threshold	Performance measures used, weighting and time period applicable
Short-term incentives (STI)			
Incentivises achievement of annually agreed business objectives and strategic priorities	■ Determined annually following the finalisation of annual results. ■ 50% of the award vests immediately. ■ 50% is deferred for a period of three years into a share award, conditional on continued employment. Dividends are paid during the restricted period. ■ The committee has the discretion to amend deferred STI awards under the rules of the plan, to adjust deferred STI awards in the event of any variation of the share capital of the Company, and to adjust or vest deferred STI awards on a demerger, special dividend or other similar event which affects the market price of the shares to a material extent.	■ The maximum opportunity is 150% of base pay. ■ Vesting against targets is 0% at threshold performance and 100% for meeting stretching targets, with interpolation between these points. ■ The committee has discretion: – to amend, and/or set different performance measures for material changes (such as a change in strategy, acquisition, demerger or market conditions), if it considers such amendments necessary to achieve the original purpose and any new measures are not materially less difficult to satisfy; and – to adjust the outcome, if it is not aligned to the overall performance of the Company. ■ Any exercise of discretion would, where relevant, be explained in the Annual Report on Remuneration and may, as appropriate, be the subject of consultation with the Company's major shareholders.	■ Annual measures include: – Financial (minimum 50%); – Operational; – Strategic; – Measures of individual performance (set out in the director's personal scorecard); and – Risk management (up to 5% formulaic downward adjustment) ■ The committee has discretion to reduce STI outcomes to nil if required, via a risk management assessment based on a report of risk exposures or to reflect financial underperformance not adequately reflected in the financial measures. ■ The committee has discretion to vary the weighting of the performance measures over the life of the Directors' Remuneration Policy.

How the element supports our strategic objectives	Operation of the element	Maximum potential payout and payment at threshold	Performance measures used, weighting and time period applicable
Managed Separation Incentive Plan (MSIP)			
Incentivises executive directors to: (i) execute the Managed Separation; (ii) deliver performance in the underlying Group businesses; (iii) unlock and create long-term shareholder value, and; (iv) operate within a robust risk framework.	■ Grant of nil cost share options over Old Mutual plc shares*. ■ Vesting depends on the achievement of performance targets measured at the earlier of the completion of the Managed Separation or a four-year period ending on 11 March 2020. ■ The Board of Old Mutual plc (or its successor) will make a judgement on the completion of the Managed Separation based on the strategic objectives announced on 11 March 2016. ■ The committee (or its successor) will determine when it is appropriate for vesting to occur upon completion of the Managed Separation. ■ Participants are entitled to receive dividend equivalents representing the dividends or any other distributions they would have received if they had been owners of their vested shares between the date of grant (or 14 March 2016 in the case of the initial awards) and the earliest possible exercise date of their awards.	■ The maximum grant will not exceed a face value of 1000% of 2016 base pay (equal to 5,122,367 shares) for the current Group Chief Executive and 750% of 2016 base pay (2,689,243 shares) for the current Group Finance Director. The maximum awards are based on the average Old Mutual plc share price over a 30-day period up to and including the date on which the Company announced the Managed Separation of the Group (£1.757 per share). ■ The maximum grant is inclusive of the nil cost share options granted under the Old Mutual plc Performance Share Plan – Restricted Shares on 14 March 2016, which will be exchanged for nil cost share options under the Old Mutual plc Managed Separation Incentive Plan once that plan has been approved by shareholders. ■ Upon recruitment, the committee may grant awards with a face value of up to 750% of base pay in the year of award. This is in addition to the buying out of unvested awards from a previous employer.	■ Performance conditions include: – Strategic (40%) – Financial (25%) – TSR relative to a bespoke composite peer group benchmark TSR (35%) – Risk management: (Up to 5% formulaic downward adjustment) ■ The committee has discretion to reduce MSIP outcomes to nil if required, via a risk management assessment based on a report of risk exposures or to reflect financial underperformance not adequately reflected in the financial measures. ■ Performance is measured over the period up to vesting. ■ Divestment of a business may trigger testing of the financial performance criteria for that business and/or reweighting of the businesses and TSR indices.

How the element supports our strategic objectives	Operation of the element	Maximum potential payout and payment at threshold	Performance measures used, weighting and time period applicable
	■ A post-vesting holding period of one year will be applied to 50% of the vested award (on a net of tax basis if applicable), in a form that will track the shareholder experience as closely as possible, which might include a restriction on the ability of the executive to exercise 50% of the option during that one year period. ■ The committee (or its successor) has discretion: – to amend awards under the rules of the plan; – to adjust awards in the event of any variation of the share capital of the Company; – to split awards into separate awards, or adjust or vest awards on a demerger; and/or – to adjust or vest awards on a special dividend or other similar event which affects the market price of the shares to a material extent. ■ Over the course of the Managed Separation period, the form of the award will track the shareholder experience as closely as possible. ■ Awards may in certain situations be automatically surrendered and replaced by awards in a new/acquiring/ demerged company.	■ Vesting at threshold is 8.75% of the award and 100% vests only for meeting stretching targets, with interpolation between these points. ■ The committee has discretion to: – amend, and/or set different performance measures for material changes (such as an acquisition, demerger or market conditions), if it considers such amendments necessary to achieve the original purpose and any new measures are not materially less difficult to satisfy; and – adjust the outcome if it is not aligned to the overall performance of the Company. ■ Any exercise of discretion would be explained in the Annual Report on Remuneration and may, as appropriate, be the subject of consultation with the Company's major shareholders.	

How the element supports our strategic objectives	Operation of the element	Maximum potential payout and payment at threshold	Performance measures used, weighting and time period applicable
Legacy long-term incentives (LTI) – no further awards will be granted to executive directors under this plan			
Incentivised attainment of long-term objectives and strengthened the alignment of interests between executive directors and shareholders	■ Vesting is subject to the achievement of performance targets measured after a three-year period. ■ Vesting normally occurs 50% after three years and 50% after four years and in no circumstances before three years. ■ The committee has discretion to amend awards under the rules of the plan, to adjust awards in the event of any variation of the share capital of the Company, and to adjust or vest awards on a demerger, special dividend or other similar event which affects the market price of the shares to a material extent.	■ Vesting is 0% at threshold and 100% for achieving stretching targets, with interpolation between the points. ■ The committee has discretion to: – amend, and/or set different performance measures for material changes (such as a change in strategy, acquisition, demerger or market conditions), if it considers such amendments necessary to achieve the original purpose and any new measures are not materially less difficult to satisfy; and – adjust the outcome if it is not aligned to the overall performance of the Company. ■ Any exercise of discretion would be explained in the Annual Report on Remuneration and may, as appropriate, be the subject of consultation with the Company's major shareholders.	■ Awards granted in 2015: – Financial (70%); – Strategic (30%); – TSR multiplier against the FTSE 100 index (50%) and the JSE ALSI (50%). ■ Awards granted in 2013 and 2014: – Financial (60%) – Strategic (40%) – TSR multiplier against the FTSE 100 Index (50%) and the JSE ALSI (50%)

How the element supports our strategic objectives	Operation of the element	Maximum potential payout and payment at threshold	Performance measures used, weighting and time period applicable
Shareholding requirements			
To strengthen alignment of interests between executive directors and shareholders	■ The minimum shareholding requirement as a percentage of base pay is to be achieved within five years of appointment to the role as follows: – Group Chief Executive – 200% – Other executive directors – 150% ■ Unvested and vested but unexercised share awards or options are not taken into account in the calculation.	■ None	■ None
Provisions of previous policy that will continue to apply			
Any commitment made before the individual became an executive director of the Company and any vesting of outstanding share incentive awards will be honoured, even where it is not consistent with the policy prevailing at the time such commitment is fulfilled or such vesting occurs.			

Malus and claw back provisions

	Criteria	Applicable to:
Malus	■ Misleading or misstated financial results ■ Loss due to failure to observe risk management policies ■ Gross misconduct ■ Actions leading to reputational damage	■ Cash STI – during the period between the end of the performance period and the payment date ■ Unvested deferred STI awards – during the three-year performance period ■ Unvested legacy LTI awards – three or four years matching the vesting period ■ Unvested MSIP awards – up to the date of vesting of the award.
Claw back	■ Misleading or misstated financial results ■ Loss due to failure to observe risk management policies ■ Gross misconduct	■ Cash STI – for a three-year period following the payment date ■ Vested legacy LTI awards – for two years if three-year vesting and for one year, if four-year vesting ■ Vested MSIP awards – for one year from vesting

Notes to the Directors' Remuneration Policy table (executive directors)

* In the event that extended closed periods under the Model Code or the Market Abuse Regulation restrict the ability to grant share awards under the Old Mutual plc Managed Separation Incentive Plan, the committee may determine that it is appropriate to make a cash award of equivalent value to the remaining number of shares had they been granted upfront. Awards would be on the terms of the Old Mutual plc Managed Separation Incentive Plan, with a provision giving the committee the discretion to convert the awards into nil cost share options as originally intended.

Changes to the Directors' Remuneration Policy

Policy element	Existing policy	Proposed change to policy	Rationale for change
Legacy long-term incentives	■ Incentivised attainment of long-term objectives ■ Awards granted in 2015: – Financial (70%); – Strategic (30%); – TSR multiplier against the FTSE 100 index (50%) and the JSE ALSI (50%). ■ Vesting occurs 50% after three years and 50% after four years.	■ Introduction of MSIP to replace legacy LTI. No further awards under the legacy LTI can be granted to the current executive directors. ■ MSIP is a single, focused arrangement with the following performance conditions: – Execution of the Managed Separation; – Performance of the underlying businesses while they remain part of the Group; – Long-term alignment with shareholder value; and – Risk management. ■ Vesting occurs at the earlier of completion of the Managed Separation strategy or 11 March 2020. ■ A post-vesting holding period of one year will be applied to 50% of the vested award (on a net of tax basis if applicable), which might include a restriction on the ability of the executive to exercise 50% of the option during that one year period.	■ To incentivise the senior management team to complete the Managed Separation within a finite period and to unlock and create shareholder value during this phase, the committee determined that a single, focused arrangement would be most appropriate. ■ The MSIP is designed to align executive directors and a core team of senior executives to the strategy and shareholder experience. Shareholder alignment is achieved through: (i) the grant of nil cost share options; (ii) adjustments to the awards based on corporate events; (iii) the TSR measure (constructed to measure the value added via the portfolio businesses); and (iv) the post-vesting holding period. ■ The vesting of the legacy LTI is designed to operate consistently with the existing policy. Flexibility has been added to vest certain awards if the normal vesting date falls after the completion of the Managed Separation, but in no circumstances before three years.

Policy element	Existing policy	Proposed change to policy	Rationale for change
		■ The strategic element of the performance measures will change for the awards granted in 2015 (including the buy-out awards granted to the Group Chief Executive), in order to align them with the Managed Separation. ■ Vesting of the legacy LTI will normally occur 50% after three years and 50% after four years, and in no circumstances before three years.	
Short-term incentives	■ Financial (Earnings per Share (EPS) in constant currency and Return on Equity (ROE)) plus personal scorecard metrics.	■ The annual STI will be based on financial, operational, strategic and personal scorecard metrics, which the committee will review annually based on the status of the Managed Separation. ■ At least 50% of STI awards will be subject to appropriate Group or business unit financial measures.	■ To enable the committee to determine the STI performance metrics on an annual basis in order to reflect the transition of the Group over the period of the Managed Separation.
Taxable benefits	■ Value of taxable benefits represents the net value of benefits that are paid for by the Company and are chargeable to UK income tax.	■ Value of taxable benefits represents the gross value of benefits that are paid for by the Company and are chargeable to UK income tax.	■ This provision is intended to provide flexibility to allow the Company to deal appropriately with the tax treatment of the expense concerned.
Malus and Claw back	■ Malus provisions applied to the Company's short-term and long-term incentives.	■ In addition to malus, claw back provisions apply to the cash STI, vested legacy LTI awards and vested MSIP awards in respect of performance periods beginning on or after 1 January 2015.	■ In response to the implementation of the revised UK Corporate Governance Code, the Company introduced claw back in its implementation of the previous policy. Now that the policy is being updated, the committee has included it within the policy.

Policy element	Existing policy	Proposed change to policy	Rationale for change
Retirement in the UK	■ Retirement considered an automatic Good Leaver reason for employees based in the UK at the date of award.	■ For share awards made from 2015 onwards, retirement is no longer considered an automatic Good Leaver reason for employees based in the UK. Retirement may be considered for Good Leaver status under the discretionary Good Leaver provisions.	■ The committee believes that it is inappropriate to continue to classify retirement as an automatic Good Leaver provision for employees based in the UK at the date of award.

Performance measures and targets
The committee selects performance measures that are central to the Company's overall strategy and are used by the executive directors and Board in overseeing the operation of the business. The performance targets for the STI are determined annually by the committee.

External directorships
Executive directors are, subject to prior clearance by the Board, permitted to hold one external non-executive directorship of a listed company and are entitled to retain the fees payable to them for doing so.

Consideration of employment conditions elsewhere in the Group
The Company's approach to executive director and wider employee remuneration is based on a common set of remuneration principles and a governance structure which have been implemented across all major subsidiaries. This includes subsidiary remuneration committees with agreed terms of reference, who have oversight over local matters and ensure that the remuneration principles and policies are implemented consistently.

Although the committee does not consult directly with employees on the executive director remuneration policy, it reviews proposals in the context of a detailed understanding of remuneration for the broader employee population. The structure of total remuneration packages for executive directors, and for the broader employee population is similar, with the exception of MSIP and LTI awards, which comprises base pay, pension and benefits and eligibility for a discretionary STI based on performance in the financial year. The level of STI and the portion deferred are determined by role and responsibility. Executive directors and selected senior executives will participate in the MSIP. As with the MSIP, the legacy LTI plan applied to executive directors and senior executives based at the plc in London. Other LTI plans are in place for senior executives in subsidiary companies.

Annual base pay increases for the executive directors are normally limited to the average base pay increase for employees in their home country, unless there has been a change in role or salary progression for a newly appointed director.

Approach to remuneration in connection with recruitment

The committee's approach to remuneration in connection with recruitment is to pay no more than is necessary to attract appropriate candidates to the role. It should be noted that the Company operates in a specialised sector, is undergoing an extraordinary period of transition under the Managed Separation strategy, and many of its competitors for talent are from outside the UK.

Remuneration terms for any new executive directors will be based on the approved remuneration policy and would include the same elements, and be subject to constraints at or below those of the existing executive directors, as shown below:

Element of remuneration	Maximum percentage of base pay
Base pay	N/A
Benefit allowance (for retirement, elective benefits or in cash)	35%
Other benefits	Dependent on circumstances and location
STI	150%
MSIP	Up to 750%

In determining the MSIP award opportunity to be offered to new executive directors on recruitment, consideration will be given to progress achieved in executing the Managed Separation strategy and the time elapsed. These considerations will likely lead to a reduction of the level of award opportunity over time as the Managed Separation progresses.

When it is necessary to 'buy out' an individual's unvested awards from a previous employer, the committee will seek to match the expected value of the awards by granting awards that vest over a time frame similar to those given up, with a commensurate reduction in quantum where the new awards will be subject to performance conditions that are not as stretching as those applicable to the awards given up. Existing annual incentive given up may be bought out on an expected value basis or incorporated in an appropriate way into the executive's bonus for the first performance year only.

Where appropriate, the committee will agree reasonable costs of relocation in line with the Group's mobility policy which, based on individual circumstances, provides for a settling-in allowance and costs incurred such as travel, shipping, immigration and tax advice, temporary housing, transaction costs on home sale/purchase, home/school search and school fees and, if in relation to a temporary assignment, tax equalisation and a housing allowance. All of these costs will be covered gross of tax incurred by the executive, where applicable.

Service agreements and payment for loss of office

Executive directors' service agreements are designed to provide an appropriate level of protection for the executive and the Company by: (i) setting out individual entitlements to elements of remuneration consistent with policy; (ii) summarising notice periods and compensation on termination of employment by the Company; and

(iii) describing the obligations in relation to confidentiality, data protection, intellectual property and restraint on certain activities. In the event that the employment of an executive director is terminated, any compensation payable will be determined in accordance with the terms of the service agreement between the Company and the executive director, as well as the rules of any incentive plans.

The Company's policy is to make payments in accordance with pre-established contractual arrangements, but with consideration of individual circumstances. These circumstances may include the reason for termination and, for deferred STI, MSIP and legacy LTI share incentive awards, some discretion in the determination of Good Leaver status for vesting of such awards.

The policy in this respect is set out in the following table:

Standard provision	Policy	Details
Notice	■ Policy is to provide a maximum of 12 months' notice.	■ In certain cases, executive directors will not be required to work their notice period and, depending on the circumstances, may be put on 'garden leave' or granted pay in lieu of all or part of their notice period (PILON). PILON, including base pay, benefits and pension-related benefits, would normally be paid monthly and be subject to mitigation when alternative employment is secured but may also be paid as a lump sum ■ Executive directors are generally subject to annual re-election at the Company's Annual General Meeting.
Treatment of STI awards	■ STI awards will be made to Good Leavers based on an overall assessment of corporate and personal performance and pro-rated for the period worked in the performance year of termination.	■ Paid in cash.

Standard provision	Policy	Details
Treatment of MSIP awards	■ All awards lapse except for Good Leavers.	■ MSIP vesting for Good Leavers* is based on the achievement of performance conditions. The number of shares to vest would be calculated on a pro-rata basis, based on the period of time after the date of grant (or 14 March 2016 in the case of the initial awards) and ending on the date of termination relative to the restricted period up to the vesting date. The committee retains the discretion not to apply time-based pro-rating where appropriate.
Treatment of unvested legacy LTI and deferred STI share incentive awards	■ All awards lapse except for Good Leavers.	■ Legacy LTI vesting for Good Leavers* is based on the achievement of performance conditions. The number of shares to vest would be calculated on a pro-rata basis, based on the period of time after the date of grant and ending on the date of termination relative to the restricted period. ■ Deferred STI awards for Good Leavers* vest fully on termination, subject to the committee's discretion to lapse part or all of the award.
Compensation for loss of office	■ Settlement agreements with executive directors may provide for, as appropriate: – Incidental costs related to the termination, such as legal fees for advice on the settlement agreement – Provision of outplacement services – Payment in lieu of accrued, but untaken, holiday entitlements – Exit payments in relation to any legal obligation or damages arising from such obligation – Settlement of any claim arising from the termination – Continuation or payment in lieu of other incidental benefits – In the case of redundancy, two weeks' base pay per year of service.	■ Terms are subject to the signing of a settlement agreement.

Standard provision	Policy	Details
Non-executive directors	■ One month's notice (12 months for the Chairman). ■ Appointed for an initial three-year term. ■ Normally expected to serve two three-year terms, subject to annual re-election at the Company's Annual General Meeting. ■ A third term (of up to three years, or longer in exceptional circumstances) may be offered on a year-by-year basis after completion of the first two terms.	■ Non-executive directors are subject to annual re-election at the Company's Annual General Meeting.

* Subject to further adjustments which may be applied to discretionary Good Leavers as set out in the 'Treatment of incentive awards on termination or change of control' section of this policy.

Treatment of incentive awards on termination, change of control or other corporate event

For all deferred short-term incentives, legacy long-term incentives, and MSIP awards, the share incentive plan rules provide for automatic 'Good Leaver' status on termination of employment in the event of: (i) death; (ii) injury or disability; (iii) redundancy; (iv) the employing company or business ceasing to be a subsidiary or business of Old Mutual plc; and (v) certain takeovers and other corporate events.

In addition, the committee has discretion to award Good Leaver status for any other reason (discretionary Good Leavers). In these circumstances, the committee has discretion to apply less generous terms than would apply under the automatic Good Leaver reasons. The committee's determination will take into account the particular circumstances of the executive director's departure and the recent performance of the Company. Following the execution of the Managed Separation, it is not expected that the executive directors will have roles in the resulting independent entities. This is addressed in the table below:

Component	Automatic Good Leaver	Other leaver*	Change of control	Other corporate events
STI	■ Pro-rata payment for the period worked in the performance year, based on agreed performance criteria. ■ Paid in cash.	■ No award will be made.	■ At the discretion of the committee.	■ No impact, but performance targets may need to be reviewed.
Deferred STI	■ The committee has discretion to vest all awards on termination.	■ Outstanding awards are forfeit.	■ Vest automatically except in the case of internal re-organisations or mergers (as defined in the rules), where there may be an automatic surrender and replacement of awards in the new/acquiring company.	■ The committee has the discretion to amend deferred STI awards under the rules of the plan, to adjust deferred STI awards in the event of any variation of the share capital of the Company, and to adjust or vest deferred STI awards on a demerger, special dividend or other similar event, which affects the market price of the shares to a material extent.

Component	Automatic Good Leaver	Other leaver*	Change of control	Other corporate events
MSIP	■ Vest on the normal vesting date (except where exceptional reasons apply, when vesting may be immediate), subject to achievement of performance targets, calculated on a pro-rata basis, based on the period of time after the date of grant (or 14 March 2016 in the case of the intiial awards) and ending on the date of termination relative to the restricted period. ■ The committee has discretion to disapply automatic time-based pro-rating of awards for Good Leavers before the date at which the Managed Separation is complete. ■ Options will be granted on the basis that there will be no time-based pro-rating of awards where the Managed Separation is completed before the end of the four-year long-stop period and the director remains in employment at that time, but the committee retains discretion to apply time-based pro-rating if appropriate.	■ Outstanding awards are forfeit.	■ Awards may be exchanged or may vest subject to the achievement of performance measures and pro-rated to reflect the reduced period of time between the date of grant (or 14 March 2016 in the case of the initial awards) and vesting (rounded up to the next whole year). The committee may disapply pro-rating if it considers it appropriate to do so.	■ Demerger – Awards may be split into separate awards, exchanged for new awards over the demerged company, adjusted or vested at the committee's discretion. ■ Other corporate events – The committee has the discretion to amend MSIP awards under the rules of the plan, to adjust MSIP awards in the event of any variation of the share capital of the Company, and to adjust or vest MSIP awards on a special dividend or other similar event, which affects the market price of the shares to a material extent.

Component	Automatic Good Leaver	Other leaver*	Change of control	Other corporate events
Legacy LTI	■ Vest on the normal vesting date (except in the event of death or where other exceptional compassionate reasons apply, when vesting may be immediate), subject to achievement of performance targets, calculated on a pro-rata basis, based on the period of time after the date of grant and ending on the date of termination relative to the restricted period. ■ The committee has discretion to disapply time-based pro-rating of awards when appropriate.	■ Outstanding awards are forfeit.	■ Vest subject to the achievement of performance measures and pro-rated from grant date to the anniversary of grant date following change of control. In the case of internal re-organisations or mergers (as defined in the rules), there may be an automatic surrender and replacement of awards in the new/acquiring company. The committee may disapply pro-rating if it considers it appropriate to do so.	■ The committee has the discretion to amend LTI awards under the rules of the plan, to adjust LTI awards in the event of any variation of the share capital of the Company, and to adjust or vest LTI awards on a demerger, special dividend or other similar event, which affects the market price of the shares to a material extent.
Sharesave	■ In line with HMRC rules and the rules of Sharesave.	■ In line with HMRC rules and the rules of Sharesave.	■ In line with HMRC rules and the rules of Sharesave.	■ The committee does not have the discretion under the rules of the plan to adjust the number of shares under option.

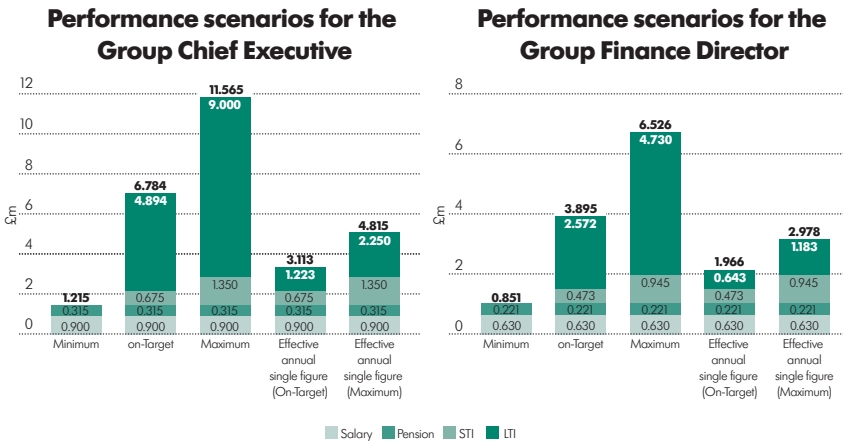
* Anyone who is not a Good Leaver or a discretionary Good Leaver

The committee retains the discretion to make reasonable and proportionate changes to the New Policy if the committee considers this appropriate in order to respond to changing legal or regulatory requirements or guidelines (including but not limited to any PRA guidance relating to Solvency II). This includes the ability to make administrative changes to benefit the operation of the New Policy and/or to implement such changes ahead of any formal effective date, ensuring timely compliance. Where proposed changes are considered by the committee to be material, the Group will consult its major shareholders. Any changes would be formally incorporated into the New Policy when it is next put to shareholders for approval.

The committee retains the discretion, acting in accordance with the applicable share plan rules, to adjust the delivery of awards at the completion of the Managed Separation, reflecting the circumstances of the corporate events.

Performance scenarios

The graph below shows awards made under different performance scenarios within the first twelve months of the New Policy coming into effect. The performance outcomes of the MSIP are measured over a period of up to four years. Given that the MSIP award is intended to be the only long-term incentive to operate over this timeframe, we have also shown an equivalent annual single figure where the MSIP has been spread over this timeframe.



How shareholder views are reflected in the New Policy

The change in strategy prompted the committee to review and propose revised incentive plans, resulting in consultation with shareholders.

We discussed the design features of the draft MSIP with our largest shareholders and also shared a substantial amount of information about the proposed design with major shareholder representative bodies such as ISS and the Investment Association. The feedback received during this period has been reflected in the proposed New Policy above.

Dates of directors' service contracts and letters of appointment

Executive director	Commencement date in current role	Continuous service date	Notice period
Bruce Hemphill	1 November 2015	1 November 2015	12 months
Ingrid Johnson	1 July 2014	1 September 1993	12 months

Non-executive director	Date of original appointment	Date of current appointment	Current term as director	Date current appointment terminates
Patrick O'Sullivan	1 January 2010	1 January 2016	3rd (First period)	1 January 2017
Mike Arnold	1 September 2009	1 September 2015	3rd (First period)	1 September 2016
Zoe Cruz	6 January 2014	6 January 2014	1st	6 January 2017
Alan Gillespie	3 November 2010	3 November 2013	2nd	3 November 2016
Danuta Gray	1 March 2013	1 March 2016	2nd	1 March 2019
Adiba Ighodaro	6 January 2014	6 January 2014	1st	6 January 2017
Trevor Manuel	1 January 2016	1 January 2016	1st	1 January 2019
Roger Marshall	5 August 2010	5 August 2013	2nd	5 August 2016
Nkosana Moyo	1 September 2013	1 September 2013	1st	1 September 2016
Vassi Naidoo	1 May 2015	1 May 2015	1st	1 May 2018
Nonkululeko Nyembezi-Heita	9 March 2012	9 March 2015	2nd	9 March 2018

Directors' service contracts and letters of engagement for the non-executive directors are available on the Company's website at www.oldmutual.com.

Directors' Remuneration Policy table (non-executive directors)

How the element supports our strategic objectives	Operation of the elements (fees and benefits)	Maximum potential pay-out	Performance measures used, weighting and time period applicable
To attract non-executive directors who have the broad range of experience and skills required to oversee the implementation of the strategy.	■ Fees for non-executive directors (other than the Chairman) are set by the Board and paid in 12 monthly instalments ■ The Chairman's fees are set by the committee and paid in 12 monthly instalments ■ Reimbursement and settlement by the Company of travel expenses to Board meetings or corporate events of the Company (including the tax for which settled on the individual's behalf) ■ Travel for partners to a limited number of Board meetings or corporate events of the Company and its major subsidiaries (including the tax for which settled on the individual's behalf).	■ Fees are set within the range of comparative board and committee fees, benchmarked against an appropriate group of FTSE 100 companies. Average increases will not normally exceed the average increase for the UK workforce, except where: – committee roles or responsibilities change significantly; or – market fees in relation to certain roles change significantly ■ Non-executive directors may hold positions on the boards of subsidiary companies and are entitled to retain the fees payable to them for doing so.	■ Non-executive directors are not eligible to participate in performance-related incentive plans

Old Mutual plc
Registered in England and Wales No. 3591559
and as an external company in each of South Africa
(No. 1999/004855/10), Malawi (No. 5282),
Namibia (No. F/3591559) and Zimbabwe (No. E1/99)

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