

# ADDITIONAL DISCLOSURE – MANAGED SEPARATION INCENTIVE PLAN

In October 2016, in order to align the Old Mutual Emerging Markets (OMEM) executive management team with the strategy and objective of Management Separation and the completion thereof within a specified period, a one-off incentive plan (OMEM MSIP) was implemented. The participants in the plan would proceed to be the executive management team of Old Mutual Limited following the listing. The OMEM MSIP had similar objectives to those set out in the Old Mutual plc MSIP, in order to align both executive teams to execute on the Managed Separation strategy. The Old Mutual plc and OMEM Remuneration committees extended this arrangement to Peter Moyo subsequent to his appointment as OMEM Chief Executive in 2017.

The OMEM MSIP was linked to the delivery of specifically agreed performance targets for each participant which are summarised below. An assessment against those targets was conducted following the listing of Old Mutual Limited, with the Old Mutual Limited Remuneration Committee approving the outcomes. 50% of the OMEM MSIP

awards were delivered in cash following the listing in June 2018, and the remaining 50% delivered in deferred forfeitable shares under the terms of the ESOP. The deferred shares will vest in full on the first anniversary of the date of listing, subject to continued employment of participants. Participants will receive dividends on these shares as and when a dividend is declared and paid by Old Mutual Limited. With regard to Peter Moyo's award, a *pro rata* factor was applied in determining his OMEM MSIP award. This took into account the time that has lapsed since the inception of the OMEM MSIP and his appointment. The award was made with reference to his total guaranteed package at the time of award.

The table below provides a brief description of each of the performance measures of the OMEM MSIP which were different to performance measures in STI and LTI schemes. Note that the measurement period of agreed performance targets was from the date of implementation of the OMEM MSIP through the date of listing i.e. October 2016 to June 2018.

Category	Description of measure
<b>Financial performance</b>	Financial performance had to be maintained during the Managed Separation process and was assessed based on adjusted Return on Equity (ROE) for the OMEM business
<b>Business readiness</b>	The design and implementation of an operating model that streamlined management structures and ensured that adequate group financial and actuarial reporting functions as well as appropriate risk management and assurance frameworks were in place. All executive roles were filled by March 2018
<b>Strong and credible investment case positioned to the market ahead of listing</b>	An investment case, including a BEE strategy and cost efficiency targets being satisfactorily developed and approved by the Board, with clear articulation of strategic management actions required to deliver on the investment case
<b>Appropriate capitalisation of the business</b>	Appropriate capital structure to support solvency and growth requirements, with capital optimisation being progressed
<b>Managed Separation risks</b>	The mitigation of identified Managed Separation risks to ensure operational and financial delivery was not impacted during the Managed Separation process
<b>Delivering on BBBEE targets</b>	To maintain BBBEE targets throughout the Managed Separation process
<b>Retention of key executives</b>	To ensure the retention of key executives throughout the Managed Separation process
<b>Execute East Africa five-year turnaround plan</b>	The achievement of ROE as per five-year business plan

Category	Description of measure
<b>Build succession plan</b>	Implementation of a succession plan involving both retention and attraction of key talent
<b>Investment case marketed extensively by the CEO and senior executives to ensure investor awareness and interest</b>	CEO, together with relevant senior executives to carry out an extensive marketing programme of the equity story to ensure strong interest in the business' investment case and appreciation of the attractive investment opportunity it represents
<b>Regulatory environment</b>	De-risking of the managed separation by: <ul style="list-style-type: none"> <li>• addressing regulatory concerns related to the Managed Separation, (eg governance arrangements and risk management);</li> <li>• preparing and obtaining the required regulatory approvals in SA and Rest of Africa;</li> <li>• engagement with key political stakeholders in support of relevant approvals; and</li> <li>• agreement on key conditions for the exchange of the listing</li> </ul>
<b>Technology refresh</b>	This measure is based on the following: <ul style="list-style-type: none"> <li>• delivery within business plan parameters;</li> <li>• independent assurance of programme aggregate risk;</li> <li>• risk proposition delivery</li> </ul>

The following vesting scale applies:

Performance level	Payout (as a percentage of TGP)
Threshold	60% payout
Target	80% payout
Stretch	100% payout