

Mr R Marshall,  
c/o Old Mutual plc  
5<sup>th</sup> Floor, Old Mutual Place,  
2 Lambeth Hill,  
London  
EC4V 4GG

5 August 2010

Dear Roger,

### **Old Mutual plc – your engagement as a Non-Executive Director**

I am writing to record your terms of engagement as a non-executive director of Old Mutual plc (the “Company”). It is agreed that this is a contract for services and is not a contract of employment.

#### **Appointment**

Your appointment as a non-executive director is for an initial term of three years from 5 August 2010 unless otherwise terminated earlier by and at the discretion of either party upon not less than one month’s written notice. Continuation of your contract of appointment is contingent on satisfactory performance and election/re-election at forthcoming AGMs. We anticipate that, from 2011 onwards, all members of the Board will be required to submit themselves for annual re-election by shareholders at the AGM.

#### **Time commitment**

Overall we anticipate a time commitment of an average of between two and three days per month. This will include attendance at scheduled and *ad hoc* Board meetings, the AGM and various site visits during the year. Board meetings normally take place here in London, but we also currently hold one Board meeting each year in South Africa and sometimes another in the USA and/or at one of Skandia’s locations. In addition to the time involved in attending meetings, you will also be expected to devote appropriate preparation time ahead of each meeting and to participate in continuing development and training in order to satisfy regulatory requirements and expectations, such as those contained in the Walker Review and the FSA’s guidance for those who are approved persons at an unregulated holding company such as the Company from time to time.

By accepting this appointment, you have confirmed that you are, and will during your appointment remain, able to allocate sufficient time to meet the expectations of your role.

## Role

Non-executive directors have the same general legal responsibilities to the Company as any other director. The Board as a whole is collectively responsible for the success of the Company. The Board:

- provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives and reviews management performance; and
- sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met.

All directors must take decisions objectively in the interests of the Company and seek to promote the success of the Company.

In addition to these requirements of all directors, the role of the non-executive director has the following key elements:

- *Strategy.* Non-executive directors should help develop and constructively challenge proposals on major strategic issues;
- *Performance.* Non-executive directors should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- *Risk.* Non-executive directors should satisfy themselves, in consultation with the Group Finance Director and the Group Head of Risk, on the integrity of financial information and that financial controls and systems of risk management (including risk exposures in the context of risk appetite) are robust and defensible; and
- *People.* Non-executive directors are responsible for determining appropriate levels of remuneration of executive directors and exercising appropriate oversight over the remuneration of other high-end employees (as described in the Walker Review) around the Group. They also have a prime role in appointing, and where necessary removing, executive directors and in succession planning for key roles around the Group.

## Committee memberships

You will become a member of the Group Audit Committee on joining the Board and will succeed Richard Pym as its Chairman from 1 September 2010. You will also be a member of the Board Risk and Nomination Committees. To assist with your duties in these positions, we shall arrange to provide induction and support on a continuing basis to keep you up to date with the main accounting, actuarial, governance, risk and control issues that face the Group's businesses. Membership of Board Committees is reviewed from time to time and may be changed at the discretion of the Board.

## **Fees**

You will be paid a total fee of £76,000 gross per annum, which will increase to £96,000 per annum from 1 September 2010 (or, in each case, *pro rata* for any period of less than a year), which comprises a Board membership fee of £55,000, £10,000 for membership or £30,000 for Chairmanship of the Group Audit Committee, £8,000 for membership of the Board Risk Committee and £3,000 for membership of the Nomination Committee.

Non-executive Directors' fees are paid monthly in arrear and are subject to annual review by the Board. The Company will also reimburse you for all reasonable and properly documented travel and other expenses you incur in performing the duties of your office. Travel and other expenses may be subject to guidelines from time to time and you will be informed and consulted about these.

## **Outside interests**

It is accepted and acknowledged that you may have business interests other than those of the Company and have declared any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, these should be disclosed to the Chairman and Group Company Secretary as soon as apparent. Before accepting additional commitments, you should clear with me as Chairman that these do not present a potential conflict of interest or prevent you from being able to devote the time required to continue to fulfil your duties as a non-executive director of a FTSE 100 BOFI (as described in the Walker Review) and your positions on our various Board Committees.

The Board of the Company has determined you to be an independent non-executive director for the purposes of the UK Code on Corporate Governance.

## **Confidentiality**

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means), to third parties without prior clearance from me or the Group Company Secretary.

Your attention is also drawn to the requirements under both legislation and regulation as to the disclosure of price sensitive information. Consequently you should avoid making any statements that might risk a breach of these requirements without prior clearance from me or the Group Company Secretary.

In common with the rest of the Board, you will be expected to comply with the terms of the Model Code of the UK Listing Authority for transactions by directors of listed companies as in force from time to time.

## **Induction and Training**

The Company will provide induction and training on a continuing basis to assist you in becoming and remaining familiar and up to date with your duties, the Group's businesses and the legal and

regulatory expectations and requirements associated with your roles. As part of this, we will arrange site visits and meetings with senior operational management and the Company's auditors. The Company will reimburse you for the costs of any training in the duties of a non-executive director of a UK company that you decide to undertake, having first cleared such proposed training with the Group Company Secretary.

### **Review process**

The performance of individual directors and the Board and its committees is evaluated annually and I will discuss and agree at the beginning of each year appropriate success factors by which your performance as a non-executive director can be judged. If any matters arise at any time which cause you concern about your roles, you should discuss them with me.

### **Insurance**

The Company has directors' and officers' liability insurance and it is intended to maintain such cover for the full term of your appointment. A summary of the current cover has already been provided to you.

### **Independent professional advice**

Occasions may arise when you consider that you need professional advice in the furtherance of your duties as a director. Circumstances may occur when it would be appropriate for you to seek advice from independent advisers at the Company's expense.

Reasonable legal fees will be reimbursed by the Company if circumstances should arise in which it was necessary for you to seek separate legal advice about the performance of your duties. In such a situation, you are required to discuss the issue either with me or the senior non-executive director in advance.

### **Service address**

In line with the Companies Act 2006, we have agreed that your service address for the purposes of notification to the Companies Registry will be the Company's registered office address from time to time. You have informed us of your residential address and we shall keep a record of this in accordance with the procedures laid down by the Companies Act 2006. You should inform the Group Company Secretary of any change in those details in the future.

I and my colleagues look forward greatly to your contribution to the Board and its Committees.

Please confirm your agreement to the above matters by countersigning and returning the enclosed copy of this letter to the Group Company Secretary, Martin Murray.

Yours sincerely,

**P O'Sullivan**  
Chairman  
Old Mutual plc

I, Roger Marshall, confirm my agreement to the terms of appointment set out in the above letter.

Signed \_\_\_\_\_

Dated: \_\_\_\_\_