



27 January 2006

Dear Reuel

**Old Mutual plc – your appointment to the Board as a Non-Executive Director**

Upon the recommendation of the Nomination Committee, the Board of Old Mutual plc (“the Company”) has appointed you as a non-executive director with effect from 27 January 2006. My colleagues and I are delighted that you have accepted this appointment.

This letter sets out the terms of your appointment. 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 will be for an initial term of three years unless otherwise terminated earlier by and at the discretion of either party upon one month’s written notice. Continuation of your contract of appointment is contingent on satisfactory performance and re-election at forthcoming AGMs. Non-executive directors are expected to retire from the Board on or before their seventieth birthdays.

**Time commitment**

Overall we anticipate a time commitment of an average of around two days per month. This will include attendance at scheduled and ad hoc Board meetings, the AGM and one or two site visits per year. Board meetings normally take place here in London, but we also currently have one Board meeting each year in South Africa and another in the USA and/or Sweden. In addition to the time involved in attending meetings, you will also be expected to devote appropriate preparation time ahead of each meeting.

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.

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, where appropriate, constructively challenge proposals on strategy;
- *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 on the integrity of financial information and that financial controls and systems of risk management are robust and defensible; and
- *People.* Non-executive directors are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary removing, executive directors and in succession planning.

## Fees

You will be paid a fee of £45,000 gross per annum for your role as a non-executive director (or pro rata for any period of less than a year). These fees will be paid monthly in arrear and be 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 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 Company Secretary as soon as apparent. Before accepting additional commitments, you should clear with the Chairman that these do not present a potential conflict of interest.

The Board of the Company has determined you not to be independent for the purposes of the Combined Code in view of the fact that you are Chairman designate of Nedbank Group Limited and also have business connections with Nedbank Group Limited.

### **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 the Chairman of the Company.

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 the Chairman or Secretary of the Company.

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 (a copy of which has already been supplied to you).

### **Induction**

The Company will provide a tailored induction to assist you in familiarising yourself with your duties and the Group's businesses. We will also arrange for site visits and meetings with senior management and the Company's auditors.

### **Review process**

The performance of individual directors and the Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role, 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.

## **Training**

I have already mentioned the importance which we attach to you obtaining a good understanding of the Group's businesses and having an opportunity to meet our senior operational management team and we shall also consult you over any training that may be helpful to assist you in familiarising yourself with the role and responsibilities of a non-executive director of a UK listed company. 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 Company Secretary.

I and my colleagues look forward greatly to working with you.

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

Yours sincerely

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**C D Collins**  
Chairman,  
Old Mutual plc

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

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Signed \_\_\_\_\_

Dated: 24/02/2006