



24 June 2004

Dear Russell

**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 and member of the Audit Committee with effect from 24 June 2004. My colleagues and I are delighted that you have accepted these appointments.

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 typically expected to serve two three-year terms, although the Board may invite you to serve an additional period. Non-executive directors are, in any event, 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 after the induction phase. This will include attendance at scheduled and ad hoc Board and Audit Committee meetings, the AGM and one or two site visits per year. Board and Audit Committee meetings normally take place here in London, but we also currently have one Board meeting each year in South Africa and one each year in the USA. 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 able to allocate sufficient time to meet the expectations of your role. The agreement of the Chairman of the Company should be

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sought before accepting additional commitments that might impact on the time you are able to devote to your role as a non-executive director and member of the Audit Committee of the Company.

### 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 constructively challenge and help develop 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 £35,000 gross per annum for your role as a non-executive director and a further fee of £5,000 gross per annum for your membership of the Audit Committee (or, in each case, 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.

The Board of the Company has determined you to be independent according to provision A.3.1 of the Combined Code.

### **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 Company 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 is enclosed).

### **Induction**

Immediately after appointment, the Company will provide a comprehensive, formal and tailored induction. 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 is enclosed.

## **Independent professional advice**

Occasions may arise when you consider that you need professional advice in the furtherance of your duties as a director or member of the Audit Committee. 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.

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



**M J Levett**  
**Chairman, Old Mutual plc**

Enc.: Model Code  
Summary of Directors' and Officers' liability insurance cover  
Meeting dates for 2004 and provisional dates for 2005  
Scheme of Authority (including terms of reference of the Audit Committee)

I, Russell Philip Edey, confirm my agreement to the terms of appointment set out in the above letter.

Signed \_\_\_\_\_

Dated: 24.6.04