

DATED 23 JANUARY 2009

OLD MUTUAL PLC (1)

- and -

JULIAN VICTOR FROW ROBERTS (2)

SERVICE AGREEMENT
as Chief Executive Officer of Old Mutual plc

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THIS AGREEMENT is dated 23 January 2009 and is made **BETWEEN**:

- (1) **OLD MUTUAL PLC** (No. 3591559) whose registered office is at 5th Floor, Old Mutual Place, 2 Lambeth Hill, London EC4V 4GG ("**the Company**"); and
- (2) **JULIAN VICTOR FROW ROBERTS** of [] ("**the Executive**")
(together "**the Parties**")

IT IS HEREBY AGREED as follows:

1 DEFINITIONS

In this Agreement, unless the context otherwise requires:

- (a) the following expressions shall have the following meanings:

"**Arrangement**" means the retirement and other benefit arrangements referred to in Clause 5.2;

"**Benefits**" means all of the Executive's entitlements under Clauses 5 and 7;

"**the Board**" means the Board of Directors for the time being of the Company or such other body or person as the Board of Directors of the Company may, from time to time, determine;

"**Confidential Information**" shall mean details of suppliers and their terms of business, details of customers and their requirements, the prices charged to and terms of business with customers, marketing plans and sales forecasts, financial information, results and forecasts (save to the extent that these are included in published audited accounts), any proposals relating to the acquisition or disposal of a company or business or any part thereof or to any proposed expansion or contraction of activities, details of employees and officers and of the pay and other benefits paid to them, information relating to research activities, secret processes, designs, and product lines, and any information which has been given by customers, suppliers or other persons to the Company or the Group in confidence and is marked confidential information, or which the Executive has been told is confidential or which the Executive might reasonably expect the Company would regard as confidential by the nature of its content;

"**the Employment**" means the Executive's employment under this Agreement;

"**the Group**" means the Company and the Group Companies;

"**Group Company**" and/or "**Group Companies**" means any company which is for the time being a subsidiary or holding company (up to and including the ultimate holding company) of the Company and any subsidiary of any such holding company, and for the purposes of this Agreement the terms "**subsidiary**" and "**holding company**" shall have the meanings in sections 1159 and Schedule 6 Companies Act 2006;

"**Protected Employee**" means any person who was at the Termination Date employed as an executive or a senior manager or an employee with technical knowledge or experience of the Company or any Group Company with whom the Executive personally dealt other than in a minimal and non-material way at any time during the last 12 months prior to the Termination Date;

"**Remuneration Committee**" means the remuneration committee of the Board from time to

time;

"**Restrictive Period**" means the period of 12 months after the Termination Date;

"**Salary**" means the salary in Clause 5.1, as reviewed from time to time and will be inclusive of all fees and other remuneration to which the Executive may be entitled as an officer of the Company or of any Group Company;

"**Termination Date**" means the date when the Employment is terminated by either party, or if no duties have been assigned to the Executive under Clause 3.6, it shall mean the period of 12 months immediately following the last date on which the Executive carried out duties assigned to him by the Company.

- (b) references to Clauses and sub-clauses are unless otherwise stated to clauses and sub-clauses of this Agreement;
- (c) the headings to the Clauses are for convenience only and shall not affect the construction or interpretation of this Agreement.

2 APPOINTMENT AND TERM

- 2.1 The Company appoints the Executive as Chief Executive Officer. The Executive will serve as an executive director of the Company.
- 2.2 The Employment as Chief Executive Officer started on 9 September 2008 and will continue, subject to this Agreement, until the Executive's 65th birthday unless and until terminated by either party giving to the other not less than 12 months' notice in writing terminating prior to his 65th birthday. The Executive's previous employment with the Group shall be treated as continuous with this Employment.
- 2.3 Where notice is served to terminate this Agreement, whether by the Company or the Executive, the Company will be entitled in its absolute discretion to terminate the Employment immediately by paying to the Executive the Salary and all contractual benefits (including the Benefit Allowance and performance bonus) in lieu of notice. For these purposes the relevant bonus payment shall be calculated by the Company (acting reasonably and in good faith and in a comparable manner to others executives) and paid on the same date (or dates) as bonuses are determined for other executives for the bonus year (or years) in which the relevant period of notice falls.

3 SCOPE OF THE APPOINTMENT

- 3.1 The Company appoints the Executive and the Executive agrees to act as Chief Executive Officer of the Company, and the Executive agrees to discharge the responsibilities set out in this Clause 3.1. The Executive's responsibilities shall include, but not be limited to, acting as an executive director of the Company with overall responsibility for the Group's strategy and for the operation of the Group's businesses and with such other responsibilities as the Board may reasonably assign to him, provided only that such other responsibilities are consistent with his status.
- 3.2 The Executive will faithfully and diligently perform such duties and exercise such powers consistent with the offices to which he is appointed as may from time to time be reasonably assigned to or vested in him and shall obey the reasonable and lawful directions of the Board. In particular, the Executive's appointment related actions will at all times be consistent with and further the interests of the Group.
- 3.3 The Executive agrees to carry out the duties under this Agreement on behalf of other members

of the Group (where required by the Company) and if possible and appropriate to carry out such duties as if they were duties to be performed by him on behalf of the Company.

- 3.4 The Executive may be required by the Company to act as a director of a Group Company or of any other company in which the Company has an interest. Any other directorships held by the Executive and all business interests which he has outside the Group must be disclosed in writing to the Board, unless they have already been approved by the Board pursuant to Clause 8.1. The Executive agrees to keep the Board updated of any changes in this respect.
- 3.5 The Executive shall report to the Board and shall keep the Board and any other persons stipulated by the Board promptly and fully informed (in writing if so requested) of his conduct of the business or affairs of the Company and of other members of the Group and provide such explanations as the Board may require.
- 3.6 If the Company or the Executive gives notice to terminate the Employment or if the Board considers it appropriate in order to investigate the conduct of the Executive, the Company shall be entitled not to assign any duties to the Executive nor require him to attend any of the Group Companies' offices during the period between the date when notice is given and the Termination Date or during the period in which the investigation takes place. The Company shall continue to pay the Executive his Salary and contractual benefits only during such period. During this period the Executive remains an employee of the Company and his obligations to the Company will continue, including the obligation of fidelity.

4 PLACE OF WORK

The Executive will perform his duties at the Company's offices in London or at such other location as the Board may reasonably require, and he will be required to travel to and work at Group offices, and other appropriate places, within or outside the United Kingdom for reasonable periods of time. The Executive may take his spouse with him on business trips, if he deems it appropriate to do so and it is approved in accordance with the Group's travel policy, and such travel costs will be paid for by the Company.

5 REMUNERATION

The Executive will during the Employment receive the following:

5.1 ANNUAL SALARY

A Salary of £830,000 per annum (less statutory deductions), to be paid by equal monthly instalments in arrear. The Salary shall be reviewed each January, the next such review being January 2010, and any increase shall be at the Company's sole discretion and subject to approval by the Remuneration Committee.

5.2 BENEFIT ALLOWANCE

An allowance ("the Benefit Allowance") equal to 35% of the Salary will be made available to the Executive.

The Executive may elect for all or part of the Benefit Allowance to be applied in providing benefits under the Arrangements referred to in this Clause 5.2.

Alternatively the Executive may elect to receive the Benefit Allowance (or any balance remaining after application to the Arrangements) in cash (less statutory deductions) in addition to Salary, in which case it is expressly agreed that the payment of the Benefit Allowance is in

lieu of contributions by the Company to any retirement fund, or other benefits in kind.

The Arrangements for the purpose of this Agreement are:

- the money purchase pension scheme established for Group employees in the UK. There is no contracting-out certificate in force under this scheme in respect of the Employment. (Alternatively, if the Executive so wishes, the Company will contribute out of the Benefit Allowance to personal pension arrangements in the Executive's name);
- the Childcare Voucher scheme
- the Ride-to-Work Bicycle scheme; and
- any other benefits in kind which may be agreed by the Company from time to time.

The Executive's participation and any entitlement to receive any payment or any benefit by himself or on his behalf in any Arrangement will be subject to the rules of the relevant Arrangement, the consent of the trustees, if appropriate, and any limits prescribed by Her Majesty's Revenue and Customs from time to time. The Executive agrees that any sums payable under any such Arrangements are dependent on the provider of the Arrangement accepting the Executive's claim and making the payment due under the Arrangement (if any). The Company may, at its reasonable discretion, replace, remove or amend any of the Arrangements. Any change to the Benefit Allowance will be subject to the approval of the Remuneration Committee.

5.3 PERFORMANCE BONUS

The Executive will be entitled to participate annually in a performance bonus scheme, ("Performance Bonus") under which and subject to the fulfilment of individual and Group performance criteria specified by the Remuneration Committee in relation to each financial year of the Group (i.e. January to December each year), the Executive may earn a Performance Bonus of up to 150 per cent of the Salary (any Performance Bonus payable will be less all statutory deductions). Two-thirds of any Performance Bonus will be paid in cash annually after the announcement of the Company's final results, usually in March of the year following that to which the Performance Bonus relates. The remaining third is deferred as restricted shares for a period of three years under the Company's Share Reward Plan.

The basis and targets for the Performance Bonus shall be determined annually by the Remuneration Committee at the start of each year.

The Remuneration Committee may also, at its absolute discretion, invite the Executive in any financial year to participate in a bonus matching arrangement, under which the Executive may elect to buy shares in the Company with some or all of the cash portion of his Performance Bonus (if any is payable), which will be held in trust for him for a prescribed period of three years and on terms that a contingent two-for-one matching award (subject to prescribed performance conditions) will be made in relation thereto under the Company's Performance Share Plan. The two-for-one matching award may be made in restricted shares or in options, where the face value of the award of options will be based on a fair value calculation, as determined at the time of the grant. Where the Executive's Performance bonus is lower than the target bonus for any financial year the Remuneration Committee may invite the Executive to participate in the bonus matching arrangement, up to the equivalent of the target level cash bonus, subject to his providing the Company shares required to secure the matching shares.

5.4 PAYMENT

Payment of Salary, Benefit Allowance and Performance Bonus may be made either by the Company or any other Group Company.

5.5 LIFE AND DISABILITY INSURANCE

The Company will maintain life and disability insurance for the Executive during the Employment, up to the capped cover level approved by the Company from time to time, the cost of which shall be borne by the Company.

6 EXPENSES/DEDUCTIONS

The Executive will be refunded all reasonable out-of-pocket expenses incurred by him on the Group's business (including expenses of entertainment, subsistence and travelling properly incurred), subject to production of such evidence of such expenses as the Company may reasonably require.

The Company shall be entitled, at any time during the Employment, and in any event on its termination (howsoever arising), to deduct from the Salary any monies due from the Executive to the Company, including but not limited to any outstanding loans, advances, training costs, the cost of repairing any damage or loss to the Company's property caused by the Executive's recklessness or negligence (and of recovering the same), excess holiday, and any other monies owed by the Executive to the Company or any Group Company.

7 CHAUFFEUR

The Company will provide the Executive with a driver for all business-related journeys and for such other journeys as the Company reasonably determines necessary. The Company will reasonably determine the manner in which the services of a driver are to be provided to the Executive.

8 RESTRICTIONS ON OTHER ACTIVITIES BY THE EXECUTIVE

- 8.1 During the Employment, the Executive may not directly or indirectly be engaged, concerned or interested in any other business, except with the prior approval of the Board, except that this will not prohibit the holding (directly or through nominees) of investments listed on or dealt in on a recognised stock exchange, where the holding represents 5 per cent. (or less) of the issued shares or other securities of any class of any one company.
- 8.2 The Executive will comply (as is reasonable) with every applicable rule of law in the UK, the rules and regulations of the regulatory authorities of the UK insofar as they are applicable to the Employment and every regulation of the Company for the time being in force in relation to dealings in shares and private account trading.
- 8.3 The Executive will not either during or after the termination of the Employment (without limit in point of time) divulge or communicate any Confidential Information to any person or persons (except to those of the officials of the Company or Group whose province it is to know the same), use any Confidential Information for his own purposes or for any purposes other than those of the Company or Group, or, through any failure to exercise all due care and diligence, cause any unauthorised disclosure of any Confidential Information.
- 8.4 All notes, memoranda, records, lists of customers and suppliers and employees,

correspondence, documents, computer and other discs and tapes, data listing, codes, designs and drawings and other documents and material whatsoever (whether made or created by the Executive or otherwise) belonging to the business of the Company or any member of the Group (and any copies of the same) will be and remain the property of the Company or such member of the Group, and will be returned to the Company by the Executive (or to such other company in the Group as the case may require) from time to time on demand and in any event on the termination of the Employment.

- 8.5 The Executive will not at any time either during the Employment or afterwards make any untrue, misleading or disparaging statement in relation to the Company or any Group Company (or any of its or their employees or officers). The Company will procure that its directors will not at any time during the Employment or afterwards make any untrue, misleading or disparaging statements in relation to the Executive.

9 WORKING HOURS, HOLIDAYS AND ABSENCE ON MEDICAL GROUNDS

- 9.1 The Executive will work such hours as may from time to time reasonably be required of him and shall not be entitled to receive any additional remuneration for work outside his normal hours.
- 9.2 The Executive agrees that the maximum weekly working time limit provided for in Regulation 4(1) of the Working Time Regulations 1998 does not apply to him and he specifically waives that limit by signing this Agreement. The Executive has the right to terminate the agreement in this Clause 9.2 by providing three months' written notice. The exercise of that right shall not in any way affect the operation of any other provision of this Agreement.
- 9.3 The Executive will be entitled during the Employment (in addition to normal public holidays) to 30 days' paid holiday in each holiday year or pro rata where appropriate. The holiday year begins on 1 January and ends on 31 December. Holiday entitlement of up to 10 days may be carried over to the next holiday year without the prior consent of the Chairman of The Board and must be used during that year, failing which it will be lost. The Executive will be entitled at the termination of the Employment to be paid in respect of any accrued but untaken holiday entitlement, and shall be liable to reimburse the Company (by way of deduction from the final payment of Salary, if appropriate) for holidays taken but not accrued.
- 9.4 Holidays must be taken at such time or times as the Chairman of The Board may approve, such approval not to be unreasonably withheld. The Board may require the Executive to take holidays during any period or periods of investigation or other absence under Clause 3.6.
- 9.5 The Executive will be entitled to payment of the Salary and benefits during any periods of absence from work as a result of sickness or injury up to a maximum of 6 months in aggregate in any one calendar year. The Company will pay statutory sick pay, where appropriate, in accordance with the legislation in force at the time of absence, and any payment of Salary in accordance with this clause will include statutory sick pay.
- 9.6 If the Executive's absence on medical grounds is or appears to be caused by actionable negligence of a third party in respect of which damages are or may be recoverable, all sums paid by the Company will constitute loans to the Executive, who will immediately notify the Company of the relevant circumstances and of any claim, compromise, settlement or judgment made or award. He will give the Company all necessary particulars and will refund to the Company either the amount of damages recovered by him under such compromise, settlement or judgment or the sums advanced to him in respect of the period of the incapacity (whichever

is the lesser).

10 TERMINATION

10.1 The Employment will be subject to termination by the Company:

(a) by not less than six months' notice in writing given at any time while the Executive has been incapacitated by reason of ill health or accident from performing his duties under this Agreement for a period of or periods aggregating 180 days in the preceding 12 months. This is unless, at any time during the currency of any notice given under this sub-paragraph, the Executive provides a medical certificate satisfactory to the Board to the effect that he has fully recovered his physical and/or mental health and that no recurrence of illness or incapacity can reasonably be anticipated, in which case the Company will withdraw such notice.

(b) by summary notice in writing if the Executive:

- (i) commits any serious breach or any repeated or continued (after warning) material breach of his obligations under the Agreement; or
- (ii) has been guilty of serious misconduct bringing himself or the Company or any Group Company into disrepute; or
- (iii) has become bankrupt or has had an interim order made against him under the Insolvency Act 1986 or compounded with his creditors generally; or
- (iv) has been convicted of an offence under any statutory enactment or regulation relating to insider dealing; or
- (v) has been prohibited by law from being a director; or
- (vi) has voluntarily resigned as a director of the Company or (without the consent of the Board) any Group Company.

10.2 If the Company becomes entitled to terminate the Employment under Clause 10.1(b), it will be entitled (but without prejudice to its right subsequently to terminate the Employment on the same or any other ground) to suspend the Executive on full pay for so long as it may think fit. In respect of any share or other incentive scheme ("Share Scheme") which the Executive is entitled to benefit from on termination of the Employment, all rights to receive any payment or benefit under any Share Scheme will be governed entirely by the rules of the relevant scheme and no compensation shall be payable if in accordance with the rules of such Share Scheme no such payment is to be made.

10.3 On the termination of the Employment howsoever arising, the Executive will:

- (a) at the request of the Company resign from his office as a Director of the Company and all offices held by him in any Group Company, provided however that such resignation or resignations will be given and accepted on the basis that it is or they are without prejudice to any claims which the Executive may have against any such company arising out of this Agreement or of the termination of the Employment; and
- (b) immediately deliver to the Company all passwords, security pass, books, documents,

materials within the scope of Clause 8.4 and all credit cards and other property of the business of the Company or any Group Company which may be in his possession or under his power or control and if the Executive should fail to do so the Company is irrevocably authorised to appoint some person in his name and on his behalf to sign and do any documents or things necessary or requisite to give effect to these provisions.

- 10.4 Termination of the Employment shall be without prejudice to any rights which have accrued at the time of termination or to Clauses 8.3, 8.4, 8.5 and 11 (all of which will remain in full force and effect).

11 RESTRICTIVE COVENANTS

- 11.1 The Executive acknowledges that during the Employment he will acquire Confidential Information and secret information in relation to the Company and Group Companies and that through dealing closely with customers and clients he will form close connections with and influence over those customers and clients. He therefore undertakes that he will not for the Restrictive Period whether as principal or agent, and whether alone or jointly with, or as a director, manager, partner, employee or consultant of any other person, directly or indirectly employ or attempt to employ or negotiate or arrange the employment or engagement by any other person, of any person who to his knowledge was a Protected Employee.
- 11.2 At no time after the Termination Date shall the Executive directly or indirectly represent himself as being interested in or employed by or in any way connected with the Company or any Group Company, other than as a former employee of the Company.
- 11.3 The Executive undertakes with the Company that he will not at any time during the Employment or after the Termination Date, engage in any trade or business or be associated with any person firm or company engaged in any trade or business using or incorporating the name "Old Mutual", "Skandia" or any other brand of the Group. The Executive also undertakes that after the Termination Date in the course of carrying on any trade or business he will not claim, represent or otherwise indicate any present association with the Company or any other Group Company or for the purpose of carrying on or retaining any business or custom claim, represent or otherwise indicate any past association with the Company or any other company in the Group.
- 11.4 The Executive agrees that, having regard to all the circumstances, the restrictions contained in this clause are reasonable and necessary for the protection of the Company and other Group Companies with which he will be involved in the course of the Employment. The Parties agree that each restriction is to be read and construed independently of the other restrictions so that if one or more are found to be void or unenforceable as an unreasonable restraint of trade or for any other reason, the remaining restrictions shall not be affected. Further, if any restriction is found to be void but would be valid and enforceable if some part of it were deleted, the Parties agree that that restriction will apply with such deletion as may be necessary to make it valid and enforceable.

12 GRIEVANCE AND DISCIPLINARY PROCEDURES

- 12.1 Guidance for the Company and the Executive for the resolution of grievances and disciplinary issues are contained in Clause 12.2. The provisions of Clause 12.2 shall not be contractually binding.
- 12.2 The Company shall resolve grievances and disciplinary issues in accordance with the

Company's policies and in the spirit of the latest ACAS code of practice to the extent that it is appropriate for employees of the Executive's level. If the Executive wishes to raise a grievance relating to the Employment, he should address any grievance in writing in the first instance to the Chairman of the Board (or, if the grievance relates to the Chairman of the Board, to the Senior Non-Executive Director of the Company) providing full details and copies of all relevant documents.

13 ADDITIONAL TERMS OF EMPLOYMENT

The Executive's employment with the Company is governed by the terms set out in the Handbook, "Working at Old Mutual" (the "Handbook") and the standards and procedures held on the Company's intranet site, or as may be issued from time to time at the Company's sole discretion. In addition to the specific terms of this Agreement the Executive is bound by the terms of policies, which are contractually binding on all employees based at the Head Office of the Company, namely:

- Confidentiality Policy (including the Confidentiality Addendum to be signed by the Executive);
- Conflicts of Interest Policy;
- Intellectual Property Policy;
- Data Protection Policy;
- Travel and Expenses Policy; and
- IT Security Policy.

For the avoidance of doubt, if there is any conflict between the terms of this Agreement and any Company policies or procedures, the terms of this Agreement shall prevail.

14 CHOICE OF LAW AND SUBMISSION TO JURISDICTION

This Agreement shall be governed by and interpreted in accordance with English law and the Parties agree that the English Courts will have exclusive jurisdiction in relation to any dispute arising out of or in respect of this Agreement.

15 WHOLE AGREEMENT

15.1 This Agreement and the documents referred to in this Agreement comprise the entire agreement between the Parties relating to the Employment.

15.2 No collective agreements apply to the Employment.

15.3 All other agreements for service between the Parties or between the Executive and any other Group Company are hereby terminated, discharged and superseded by mutual consent.

IN WITNESS whereof this Agreement has been executed the day and year first above written

[Signature page to follow]

EXECUTED AS A DEED)
by **OLD MUTUAL plc** by the)
signatures of two officers of)
the Company)

.....

Director

.....

Director/Secretary

EXECUTED AS A DEED by)
JULIAN VICTOR FROW ROBERTS in the)
presence of:)

Witness signature:

Name (in capitals):

Address:
.....
.....
.....

Occupation: