



A commitment to our stakeholders regarding the dispute with the former CEO, Mr Peter Moyo.

The public nature of the dispute between Old Mutual Limited (Old Mutual) and the former CEO, Peter Moyo, is unfortunate. The Board of Directors acknowledges the events of recent months have had an adverse impact on the company and all its stakeholders. At a time when trust in institutions and their leaders is low, public feuding at a leading financial services company does little to reassure South Africans that our economy is in good hands. We regret this state of affairs and commit to a speedy resolution of this dispute.

Nonetheless, it is critical to remind our stakeholders that this situation first arose because the former CEO violated the terms of his employment contract by placing his private financial interests ahead of the company. In flagrant disregard of provisions in his employment contract designed to manage conflicts of interest between NMT Capital (a company he co-founded) and Old Mutual, Mr Moyo chaired a meeting of the NMT Capital Board on 4 July 2018, at which it was decided to pay an ordinary dividend of R105 million. Mr Moyo and his partners thus shared R84m, while omitting to pay preference share dividends, valued at R65.4m at the time, due to Old Mutual. The Board engaged Mr Moyo for months about this matter. However, it became clear that he and the Board had a difference of opinion about his transgressions and how to resolve them. Following the exchange of various correspondence and a meeting where Mr Moyo was given yet another chance to address the situation, the Board, on the basis of legal advice, reached the difficult conclusion that his continued employment was untenable.

As one of the country's largest fund managers, Old Mutual's corporate governance and management of related party conflicts should be above reproach. The former CEO's actions significantly undermined this.

Regrettably, Mr Moyo's unprofessionalism persists. He has effectively admitted that the relationship with Old Mutual has irretrievably broken down and he is not answerable to the Board. It is difficult to see how he then believes he should resume his duties as CEO, even as the company has instituted an appeal of the original High



Court finding, which will now be heard by the full bench of three High Court judges. To safeguard Old Mutual's interests in light of Mr Moyo's challenge to the termination of his employment, we gave notice a second time. As matters stand there is no legal finding against this second notice.

The public spectacle Mr Moyo manufactures in his demand to resume his duties suggests that he continues to place his interests ahead of those of Old Mutual and its stakeholders. This lack of regard for the company's interests created the Board's loss of confidence in the first place. Since the initial judgment, we have obtained additional legal advice, including from attorneys and independent senior counsel, i.e. independently from the initial team. While we cannot prejudge the outcome of our appeal, and the other cases related to this matter, we have acted on careful legal advice at all times and are confident that our decisions will ultimately serve the best interests of the company.

Meanwhile, interim CEO Iain Williamson, a veteran at Old Mutual of 26 years standing, is doing a sterling job, and operationally the business continues uninterrupted.

Once more, the Board would like to assure our customers, staff, investors and other stakeholders that it will do everything within its power to resolve this matter speedily and in the best interest of the company. As one of the country's leading manager of collective investments, we must balance this commitment against our duty to the country's corporate governance framework.