Old Mutual Limited

INTEGRATED REPORT 2019

DO GREAT THINGS EVERY DAY

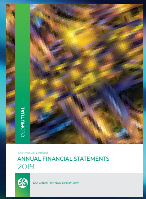
About our report

Our Integrated Report is supplemented by a suite of additional online publications. These can be accessed on our corporate website.

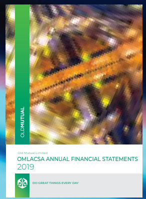
Old Mutual Limited Governance Report 2019

Old Mutual Limited Remuneration Report 2019

Old Mutual Limited Responsible Business Impact Report 2019



Old Mutual Limited Annual Financial Statements 2019



OMLACSA Annual Financial Statements 2019

Refer to oldmutual.com/investor-relations/reporting-centre/reports

Reporting scope and boundary

This report covers the activities of the Group for the period 1 January 2019 to 31 December 2019. It provides an overview of our strategy and key activities to create value over the short, medium and long term in each of our operating environments. This report extends beyond financial reporting and includes non-financial performance, our approach to risk management, an overview of our material risks and a summary of our governance and remuneration practices.

Reporting frameworks

Our integrated report has been compiled in accordance with the principles of the International Integrated Reporting <IR> Framework and the King IV™ Governance code. As a South African company listed on the JSE, we also comply with the JSE Listings Requirements and the South African Companies Act, 71 of 2008 (as amended). Our annual financial statements, an extract of which are included in this report, have been prepared in accordance with International Financial Reporting Standards (IFRS).

Combined assurance

A combined review by management and internal audit was performed to ensure the accuracy of our reporting content, with the Board and its subcommittees providing an oversight role. This report is not audited, but contains certain information that has been extracted from the audited consolidated annual financial statements, on which an unmodified audit opinion has been expressed by the Group's joint independent external auditors, KPMG Inc. and Deloitte & Touche.

Directors responsibility

The Board acknowledges its responsibility for ensuring the integrity of this integrated report. The Board has considered the operating context, strategy and value creation model and this report, in the Board's opinion, addresses all the issues that are material to, or could have a material effect on, the Group's ability to create value. This report fairly presents the integrated performance of the Group. This report was approved by the Board on 30 March 2020.

Materiality

This report focuses particularly on those issues, opportunities and challenges that impact materially on Old Mutual Limited and its ability to consistently deliver value to our stakeholders in a sustainable manner.

Forward looking statements

This report may contain certain forward looking statements with respect to certain of Old Mutual Limited's plans and its current expectations relating to its future financial condition, performance and results. By their nature, all forward looking statements involve risk and uncertainty because they relate circumstances which are beyond Old Mutual Limited's control including, domestic conditions as well as global economic and business conditions, market related risks, the policies and actions of regulatory authorities, the impact of competition, inflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Old Mutual Limited and its affiliates operate. As a result, actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in forward looking statements. Old Mutual Limited undertakes no obligation to update the forward looking statements contained in this report. Nothing in this report shall constitute an offer to sell or the solicitation of an offer to buy securities.

Lines of business

Life and Savings
Asset Management
Banking and Lending
Property and Casualty

Stakeholders

Communities
Regulators
Employees
Investors
Intermediaries
Customers

Capitals

FC Financial
NC Natural
HC Human
SC Social and Relationship
IC Intellectual
MC Manufactured

Overview

Message from the Chairman

2019 was a year where the Board was expected to demonstrate strong, ethical leadership to get the business through a difficult leadership decision. Our governance principles and unity of purpose were tested. The depth and diversity of experience of the Board ensured we remained united and focused on the tasks at hand. The crisis also presented as an opportunity to build trust with our stakeholders in our first full year as a listed company.

The termination of employment of the former chief executive, Peter Moyo, was a decision rooted in principles-based governance. This was not about simply adhering to rules but also required the Board to measure its actions as the guardian of the Group's integrity and reputation. This proved to be a difficult task. Communicating openly during a period when so many matters were under consideration by the courts and when the share price was under pressure was tough. At every step of the way we weighed up the impact of our decision on each of the Group's stakeholders, understanding that investors, employees, customers and the general public may respond differently depending on the availability of clear information. Further, we had to maintain open channels of communication with our regulators.

Our first AGM as a South African listed company was a tumultuous event. Firstly, we received exceedingly poor support for the Remuneration Report. Secondly, we had suspended Mr Moyo less than 24 hours before the AGM. This also presented an opportunity for engaging investors during extraordinary governance roadshows that we used both for listening and for sharing updates. In considering how to incorporate their feedback in our remuneration policy, we again practiced a principle of balance, also considering our strategic priorities to attract and retain talent in order to create longer term value for our stakeholders.

Old Mutual continues to be the dependable and reputable brand we have been to our customers for many decades. In the early days after the establishment of Old Mutual our motto became "a certain friend in uncertain times" and this has remained the lodestar for all of the 175 years. Over the period we have grown from a small mutual life company to a large multi-offering financial services group, with operations in 14 countries and listings on 5 stock exchanges. Through our many years of operating we have gained valuable insights and vast experience, which we apply in our business today. The most important lesson we continue to apply is that the things our customers and other stakeholders really care about seldom change. While the world continues to change, we remain focused on finding modern, innovative and relevant solutions to those core needs that never change.

Being, and being seen to be, a good corporate citizen has raised the standards of good governance. As senior leaders we must commit to be actively accessible and accountable towards our communities and we must recognise the larger stewardship role that organizations have to play. It is vital for us to understand the impact our business has on the environment and to realise that being socially responsible and innovative is simultaneously in our own best interests and that of the communities we serve. During the year we continued to do business responsibly and make a real impact in communities, demonstrating our belief of creating shared value for our investors, employees, customers and communities. We will retain a sharp focus on the long term sustainability of the Group and focus on enhancing our competitiveness. By the end of 2019, we have responsibly invested R133.1 billion in socially inclusive, low carbon and resource efficient investments, representing 17% of assets under management.

We are living through unanticipated and unprecedented times. The stresses induced by the outbreak of COVID-19 (Coronavirus), compel us to factor so much more into the already complex matrix of decision making. We need to understand the new environment and use this appreciation to support all of our stakeholders and demonstrate continually to be "a certain friend in uncertain times". At the time of writing we are aware that the impact of COVID-19, will irrevocably change society across healthcare provision, social dynamics and economic outcomes. Whilst we are not yet certain about the extent of the devastation of COVID-19 including both the period and depth of disruption, we need to pay detailed attention to our contract with stakeholders, including the fact that the business is sufficiently capitalised and has appropriate liquidity levels to honour our commitments.

We stand ready to govern the business through what looks to be a challenging year for all of us, our customers, our business and the global economy. We remain committed to ensuring that Old Mutual Limited will be a responsible corporate citizen in every jurisdiction that we operate in. Our responsibility is and always will be, to have accountability to all of our stakeholders, this principle is central to our governance framework.

Message from the Interim Chief Executive Officer

We faced challenging macroeconomic conditions in South Africa, our largest market, and many of our operating countries in the Rest of Africa in 2019. This put pressure on the disposable income levels of our customers and on the ability of our businesses to grow value for our customers and investors. Our business was resilient against these and we remain confident that our diversified business allows us to protect value for stakeholders in tough economic times.

Our financial results were resilient after taking into account the impact of external factors in our operating environment. Results from Operations (RFO) decreased by 2% reflecting positive assumption changes offset by a decrease in Old Mutual Insure's underwriting result.

Adjusted Headline Earnings (AHE) was up 5% mainly due to stronger shareholder investment returns in South Africa, partially offset by reductions in the fair value of properties in East Africa. We delivered positive Net Client Cash Flow (NCCF) which is commendable in the tough macroeconomic environment and Funds under Management (FUM) increased by 2% in line with the increase in average market levels. The achievement of our RFO target of nominal GDP+2% CAGR is dependent on an improvement in the macroeconomic environment in South Africa, which remains our largest operating country, and higher equity market levels. Given the anticipated disruption in global equity markets and significant downward pressure on GDP growth rates we do not anticipate being able to achieve this target for the 2020 financial year.

Despite tough external factors, we have made great strides to be more operationally efficient so we remain relevant to our customers of the future. Since listing in 2018, we have been deliberate and focused on making what we believe to be essential culture shifts to champion positive futures for our customers every day and to attract top talent. We have been working relentlessly to become a digitally enabled business. We have made good progress on simplifying our legacy systems and processes, transforming the business to be more agile and able to meet our customers' needs and expectations.

2019 was a year in which our customers and communities were vulnerable and we remained dedicated to make an impact to their everyday lives through our responsible business efforts. Embedding a culture of being a responsible business has been a key focus since listing. We have organised ourselves to make an impact through specific focus areas which align with the needs of our stakeholders and we are in the process of refining targets to track desired outcomes in each focus area.

On 11 March 2020, COVID-19 (coronavirus) was declared as a pandemic due to the rising rate and scale of infection observed. The rapid spread of this virus since the start of 2020, and particularly in recent weeks, has resulted in nearly half of the global population being under government enforced travel restrictions. We are actively dealing with this crisis and have established a dedicated committee to assess new information on a daily basis. In South Africa, a lockdown is in place until 16 April 2020 and a similar lockdown has been announced in Zimbabwe. We have digitally enabled the majority of our employees to work safely off premises from their homes, ensuring we can run the business effectively for our stakeholders during this uncertain time and also supporting the necessary drastic actions that have been taken by the South African government and many other governments in our Rest of Africa business. We placed restrictions on all cross border business and personal travel well in advance of the lock down to ensure we limited the risk of infection to our employees and customers.

We also model the impact of perfect storm scenarios (1/200) on solvency capital and liquidity levels regularly. These stress tests have shown we remain sufficiently capitalised with appropriate liquidity levels. We remain confident that the benefits of our well diversified business, strong balance sheet and stable cash generating ability will stand us in good stead, in what is anticipated to be a difficult year. As a leadership team we will not be increasing our salaries in 2020 and continue to put in place a series of management actions to part mitigate the negative impacts that the COVID-19 pandemic is expected to have on our business.

Our Group at a glance

Level 1 B-BBEE

Operating in 14 countries

Top Investors

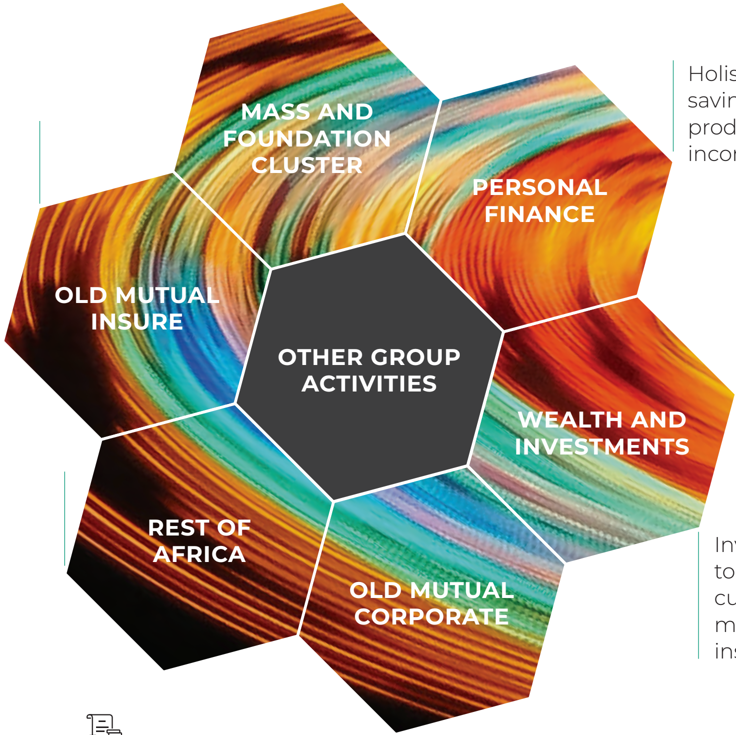
17%	Public Investment Corporation
10%	Allan Gray
5%	Prudential Portfolio Managers

Insurance products to individual and corporate customers

Various financial and insurance products to individual and corporate customers

Simple financial products to customers in the low income and lower middle income markets

Holistic advice and various savings and investment products to the middle income market



Investment solutions to high net worth customers and an asset management offering to institutional investors

Group risk and investment products to employer sponsored retirement and benefit funds

Winner of Sunday Times Top Brand in the long term insurance category

368 Branches across SA

29,861 Employees

Life and Savings

Protection solutions for certain risk events including life, critical illness, disability and funeral cover. Long term savings solutions include retirement and traditional savings products.

Banking and Lending

Wide range of banking and lending solutions including unsecured lending and simple retail banking solutions. Structured credit through our specialised finance division.

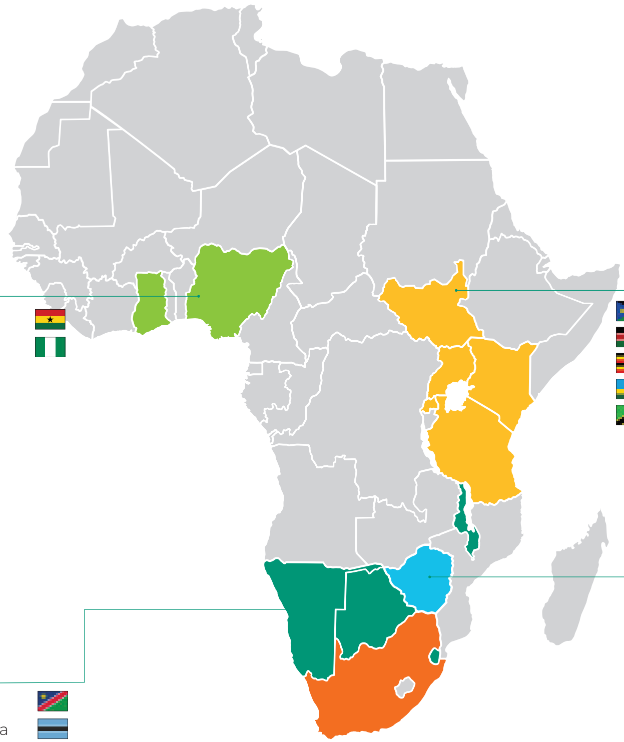
Asset Management

Retail savings and investment products including unit trusts, supported by a full scale institutional asset management capability providing access to equity, fixed income, property, infrastructure and ESG investments.

Property and Casualty

Short term insurance solutions for loss of property or liability incurred, providing cover for personal, commercial, specialty and trade credit risks.

Our operations across 14 countries



West Africa

Ghana
Nigeria

Number of advisers **418**	FUM (Rbn) **1.0**
Number of customers (m) **1.6**	Number of employees[1] **656**

China[2]

Number of customers (m) **0.2**	FUM (Rbn) **6.0**

East Africa

South Sudan
Kenya
Uganda
Rwanda
Tanzania

Number of advisers **2,465**	FUM (Rbn) **29.0**
Number of customers (m) **3.8**	Number of employees[1] **3,510**

Southern Africa

Namibia
Botswana
eSwatini
Malawi

Number of advisers **606**	FUM (Rbn) **49.5**
Number of customers (m) **0.9**	Number of employees[1] **1,446**

South Africa

Number of advisers **7,693**	FUM (Rbn) **963.0**
Number of customers (m) **6.0**	Number of employees[1] **22,483**

Zimbabwe

Number of advisers **222**	FUM (Rbn) **10.0**
Number of customers (m) **1.4**	Number of employees[1] **1,406**

1 The total number of employees include the number of tied advisers.
2 We have 360 employees in China.

Group highlights

151 active robots deployed, saving 5.2 million minutes in processing time to date

Launched Workday in Nigeria, Ghana, Botswana, Zimbabwe, Malawi and eSwatini to empower and digitally enable employees

"Workday will bring a simpler, quicker and more efficient way of working for every single one of our employees on the continent."

Edith Jiya
CEO of Old Mutual Malawi

Invested more than R300 million in education intervention programmes since 2013

Revamped our sponsorships to reflect our brand's vibrant new spirit and energy

3.2 million customers serviced in 368 South African branches

100 000 credit reports issued monthly

Partnered with Amazon Web Services as our preferred cloud provider

Sponsored Artificial Intelligence bootcamps for school girls to raise awareness

Awarded BCX Corporate Innovation Award for Robotics and Cognitive Automation

Recipient of the Standard Bank Top Women Gender Icon Award

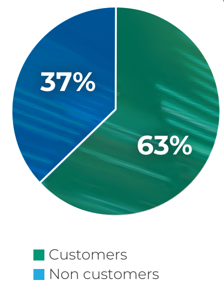
Old Mutual Rewards

500 000 + members since launch

2 500 + daily sign ups

500 million rewards earned since launch

3rd most popular Old Mutual proposition



An established history over 175 years

1845
John Fairbairn founds **The Mutual Life Assurance Society of the Cape of Good Hope**

1885
The company **changes its name** to South Africa Mutual Life Assurance Society

1970
Old Mutual acquires a majority shareholding in **Mutual & Federal, renamed to Old Mutual Insure in 2017.** Acquired the remaining shares in 2004

1973
Old Mutual acquires a **stake** in **Nedcor Bank** (now Nedbank Limited)

1999
Old Mutual is **demutualised and lists on the London, Johannesburg, Zimbabwe, Malawi** and **Namibia** stock exchanges as Old Mutual plc

2000
Old Mutual plc **purchases United Asset Management**

2013
Old Mutual plc **strengthens its operations** in Africa with the **acquisition** of **Provident Life Assurance** in Ghana and **Oceanic** Life in Nigeria

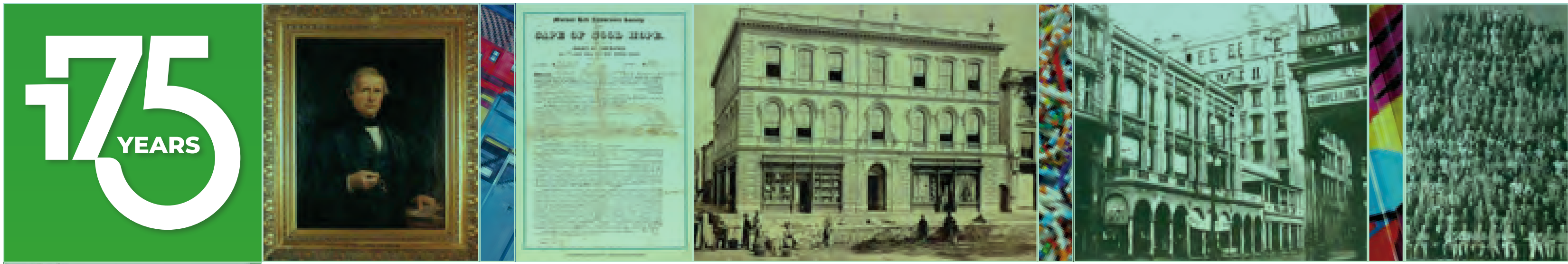
2014 – 2015
Old Mutual plc **expands its footprint to East Africa** with the **acquisition** of **60.7%** of UAP holdings, and a majority stake in Faulu Microfinance Bank Limited

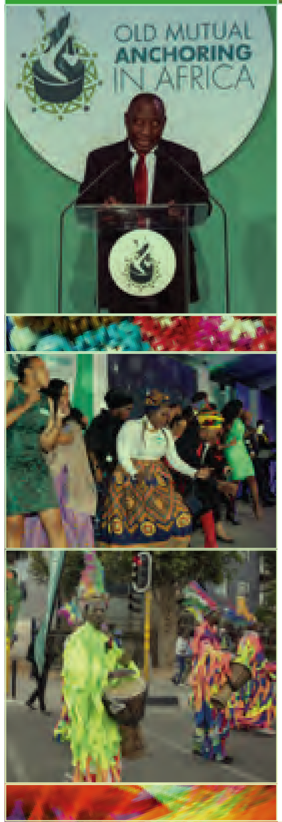
2016
Old Mutual plc **announces a Managed Separation strategy to separate the four businesses owned:** Old Mutual Emerging Markets, Nedbank, Old Mutual Wealth (now Quilter plc), and Old Mutual Asset Management plc

2018 JUN
Old Mutual Limited lists on the **Johannesburg, London, Zimbabwe, Malawi** and **Namibia** stock exchanges

2018 OCT
Old Mutual Limited **unbundles it's majority shareholding in Nedbank** to shareholders making a **total distribution to Old Mutual shareholders worth approximately R38.8 billion** and marking the completion of the Group's Managed Separation

2020 MAY
175 YEARS OF DOING GREAT THINGS





Like most **great stories**, ours has **humble beginnings.**

Founded by a Scotsman named John Fairbairn in 1845, with no capital, just the premiums of the first 166 policyholders, the trust of like-minded individuals and the unwavering belief that together people can achieve more than alone. **Our motto became "a certain friend in uncertain times" and we have been delivering on that promise for 175 years.**

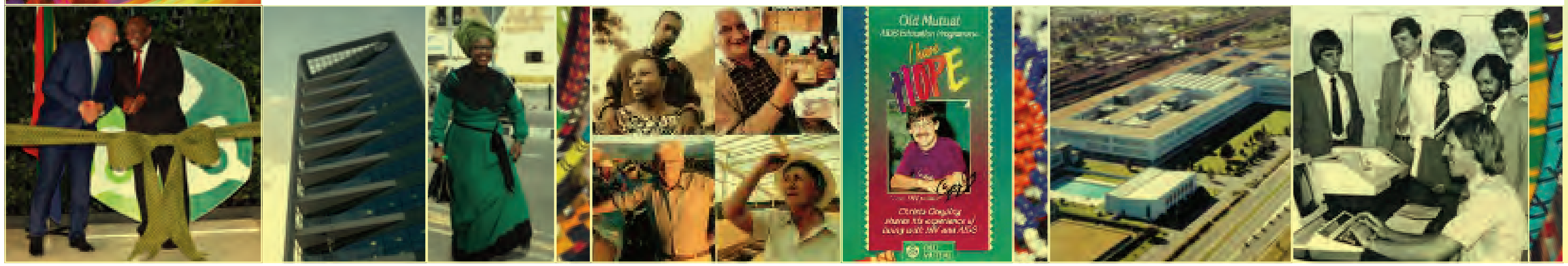
Over these 175 years we have grown from a small mutual life company to a large multi-offering financial services group, **with operations in 14 countries and listings on 5 stock exchanges.**

Through our many years of operating we have gained valuable insights and vast experience, which we apply in our business today. The most important lesson we continue to apply is that the things our customers and other stakeholders really care about seldom change. While the world continues to change, **we remain focused on finding modern, innovative and relevant solutions to those core needs that never change.** Today we can pay out funeral claims initiated via the call centre or Money Account application in less than 4 hours, ensuring that our customers and their families have the funds required during this difficult time.

As an organisation it is also core to our values that we do business responsibly and make a real impact in the communities in which we operate. **We believe that creating shared value for our investors, employees, customers and the communities we operate in, will facilitate the long term sustainability of the Group and enhance our competitiveness.** By the end of 2019, we have responsibly invested R133.1 billion in socially inclusive, low carbon and resource efficient investments, representing 17% of assets under management.

This is our story and it has just begun - let's continue to do great things together, every day.

Old Mutual's first black woman representative, Mrs Emma Pompey.



Operating context

Global growth prospects

The global economy has gradually recovered since the 2008 financial crisis and though robust growth was recently recorded, specifically during 2018 and 2019 in the Unites States, the past decade of anaemic and uneven growth speaks to the risks that continue to threaten financial stability. These risks have become intertwined with trade tensions, amid prolonged loose monetary conditions, rapid credit growth in some emerging economies and high levels of debt. Interest rate cuts are no longer sufficient to stimulate investment and labour productivity growth will stay weak without strong policy measures, including infrastructure investment, quality education, formal employment and innovation capacity. Global wellbeing continues to fall short and a more balanced policy mix is needed to broaden access to electricity, clean water, transport and health care.

Consumer confidence

Recent corporate scandals and failing state owned enterprises in South Africa have again highlighted the consequences of corruption and mismanagement, reducing consumer confidence, ultimatly leading to lower investment sentiment. This has a direct impact on our business as investors and customers are cautious to invest in an environment like this. Eskom's implementation of frequent loadshedding has adversely impacted the productivity of businesses, resulting in higher electricity costs further impacting the quality of life for all South Africans.

Trends in Rest of Africa

The African population continues to be among the fastest growing and youngest in the world with changing preferences for products and distribution. Customers increasingly expect omnichannel distribution centred around digital access, flexibility and speed. The insurance market in Africa is characterised by many small insurers competing with a few large players. The lack of concentration presents an opportunity for consolidation of market share, but incumbents are increasingly competing with new entrants seeking to disrupt the market with unique offerings.

Financial inclusion in Africa has grown significantly over the last few years driven by the adoption of digital financial services such as mobile money, but there is still a sizeable gap to be addressed. Sub Saharan Africa leads the way with 43%[1] of adults holding a bank account but other regions still have large segments of the population that are unbanked with limited access to financial services. This lack of market penetration still presents an attractive opportunity for customer acquisition if the progress on financial inclusion can be sustained.

Food security across the continent continues to be a major concern, most recently highlighted by the challenges faced in Zimbabwe. The growing population and risks associated with climate change compound the issues across the continent, including food shortages.

1 The Global Findex Survey, World Bank Group, 2017.

Technology disruption in the insurance industry

Customer needs are continuously changing with a shift towards digital access and on demand products and services. Technology driven solutions are increasingly prevalent in the insurance industry to address customer needs which has given rise to new entrants disrupting the market. Many of the new market entrants are using advanced customer profiling techniques to develop customer leads and tailor individual financial solutions. For general insurance businesses in particular, this can improve claims assessment and settlement. The benefits of cost efficiencies stemming from digital distribution can be passed on to customers. Some insurers are moving beyond direct digital sales to use digital technology to embed their offering in customers' lives. The use of data analytics will enable insurers to let customers pause their car insurance when they are not driving and reward good driving behaviour with lower premiums. In order to survive, traditional insurers are adapting by partnering with innovative technology companies to accelerate market entry and play across the value chain. In certain instances, this outweighs the cost of investing in new technology as costs associated with the migration of legacy systems remain high.

Global pandemics

As societies become more connected through globalisation, the risk of the spread of infectious diseases to unprecedented levels in short periods of time increases. This has been evidenced with rising rate of infection associated with the Covid-19 (Coronavirus) pandemic. The rapid spread of this virus since the start of 2020 has resulted in a lock down of approximately 20% of the global population, a near global shut down in production and strict travel restrictions shutting down global movement. The volatility of movements on global exchanges such as NYSE and FTSE is comparable to previous crises. Global growth forecasts have been revised downwards with many commentators expecting global recession conditions in 2020. Reserve banks have also had to rapidly lower interest rates and announce significant aid packages to boost local economies.

Board of directors[1]

Independent non executive

Trevor Manuel
(SA) (64)
Chairman
NDip, EMP

Peter de Beyer
(SA) (64)
BBusSc (Hons), FASSA

Matthys (Thys) du Toit
(SA) (61)
BSc Agric, MBA

Albert Essien
(Ghana) (64)
BA (Hons), EDP

Itumeleng Kgaboesele
(SA) (48)
BCom, PDip (Acc), Dip (FMI), CA(SA)

John Lister
(UK) (61)
BSc (Stats), FIA

Sizeka Magwentshu-Rensburg
(SA) (60)
BA, MBA, DPhil

Nosipho Molope
(SA) (55)
BSc (Medical Sciences), BCompt (Hons), CTA, CA(SA)

James Mwangi
(Kenya) (42)
BA (Econ)

Stewart van Graan
(SA) (64)
BCom (Hons), PMD

Executive

Iain Williamson
(SA) (49)
Interim Chief Executive Officer
BBusSc (Actuarial Science), GMP, FASSA

Casper Troskie
(SA) (56)
Chief Financial Officer
BCom (Hons), CA(SA)

Non executive

Paul Baloyi
(SA) (64)
MBA, AMP, SEP

Thoko Mokgosi-Mwantembe
(SA) (58)
BSc, MSc, SEP, MCRP

Marshall Rapiya
(SA) (67)
BAdmin

Age
(Years)

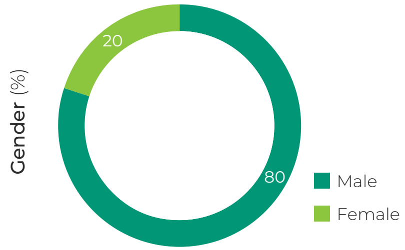
Average age
58

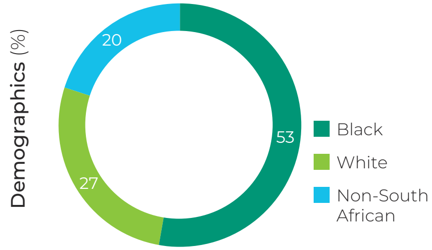
42 — 67

Tenure on the board[2]

11 directors
0 years — 5 years

4 directors
6 years — 10 years





- *Risk committee*
- *Remuneration committee*
- *Audit committee*
- *Technology and Platforms committee*
- *Responsible Business committee*
- *Corporate Governance and Nominations committee*
- *Related Party Transaction committee*
- *Chair*
- *Lead Independent Director*

1 *Directors at 31 December 2019.*
2 *Tenure considers length of time served on either of the previous Old Mutual Emerging Markets and Old Mutual plc boards or the Old Mutual Limited Board post listing in 2018.*

Executive committee[1]

Interim Chief Executive Officer

Iain Williamson (49)
BBusSc (Actuarial Science), GMP, FASSA

Chief Financial Officer

Casper Troskie (56)
BCom (Hons), CA(SA)

Customer Solutions Director

Raymond Berelowitz (51)
BBusSc (Actuarial Science), FASSA, FIA

Managing Director: Rest of Africa

Clement Chinaka (50)
BSc (Computer Science and Statistics), AMP, FASSA, FFA

Managing Director: Wealth and Investments

Khaya Gobodo (42)
BCom, MSC (Investment Management), CFA

Chief Marketing Officer

Vuyolwethu Lee (42)
BCom (Hons), MBA

Managing Director: Corporate

Prabashini Moodley (40)
BBusSc (Actuarial Science), FASSA

Managing Director: Personal Finance

Karabo Morule (38)[2]
BBusSc (Actuarial Science and Finance), FFA, FASSA, AMP

Managing Director: Old Mutual Insure

Garth Napier (41)
BCom (Hons), MBA

Managing Director: Mass and Foundation Cluster

Clarence Nethengwe (48)
BProc, BA, LLM, MBA, AMP, EDP

Human Capital Director

Celiwe Ross (41)
BSc (Mining Eng), MBA

Chief Risk Officer

Richard Treagus (54)
BBusSc (Actuarial Science), FIA, FASSA

Acting Chief Operating Officer

Heloise van der Mescht (58)
MBA

Age
(Years)

Average age
47

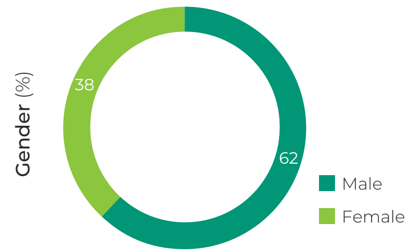
38 56

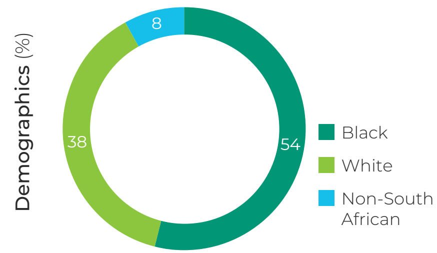
Tenure at Old Mutual

6 members
0 years 10 years

3 members
11 years 20 years

4 members
21 years 40 years





1 *Executive committee at 31 December 2019.*
2 *Karabo Morule resigned effective 31 January 2020, her role was filled by Kerin Land on 1 February 2020.*

Organic Waste
150 tonnes
(2018: 90 tonnes)

Waste diverted from landfill
52%, 688 tonnes
(2018: 37%, 370 tonnes)

More than 5,400 milk cartons diverted from the waste stream

Reverse Vending Machines

16,250 transactions on the machines

34,633 items recycled

More than 9,000 kg of waste diverted from landfill

We remain committed to our goal to **minimise waste** and to **prevent the generation of waste that cannot be recycled.**

Globally, the most common type of waste material found on beaches and landfills is plastics, with the majority being single-use plastics such as shopping bags, water bottles, coffee cups and lids, stirrers and take away containers.

As a responsible business committed to reducing our impact on the environment, we are on a journey to reduce the amount of waste we send to landfills, and our use of single-use plastics. During the year, Mutualpark and 1 Mutual Place banned the use of plastic bags and straws, allowing only the use of certified compostable "green" packaging to be sold by vendors. This has led to the reduction of waste transported to landfills, subsequently contributing to the reduction of our carbon footprint.

At 1 Mutual Place, the introduction of bio bins and the supply of fresh milk in reusable glass bottles, instead of plastic or box cartons, has positively contributed to the amount of waste we diverted from entering the waste stream.

We have also piloted the use of Reverse Vending Machines (RVMs) to maximise our recycling initiatives. The machines allow users to deposit bar-coded plastic bottles, glass bottles, aluminium cans and tetrapak (milk and juice cartons) into the machines for recycling to earn rewards such as airtime.

At Wanooka Place, efforts to maximise recycling and reduce waste contamination include the installation of recycling bins throughout the building and the appointment of an onsite supplier that separates waste for recycling and facilitates the conversion of food waste into compost.

1 Mutual Place – our office in Sandton, Johannesburg

Mutualpark – our office in Pinelands, Cape Town

Wanooka Place – Old Mutual Insure's head office in Parktown, Johannesburg

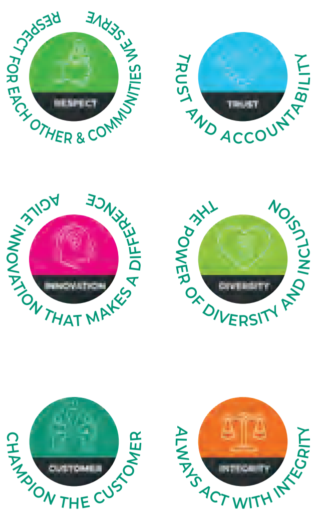
Strategy and value creation

Strategic priorities

Our purpose
is championing mutually positive futures everyday

Our vision
is to be our customers' most trusted lifetime partner, passionate about helping them achieve their financial goals

Our values



Improving key underperforming businesses

We continue to focus on operational effectiveness through a review of the efficiency of our structures in each region and cost management initiatives. We are taking deliberate action to improve underwriting experience by leveraging capabilities in the South African business. We are committed to our digital transformation journey that improves customer experience and the competitiveness of our offering.

Continuous improvement of investment performance and customer propositions to grow our market share and increase the competitiveness of our offering. This coupled with improvement in operational efficiencies and cost management initiatives will improve our profit contribution to the Group.

Organic growth remains challenging in this environment and therefore the formation of strategic partnerships is important. We will focus on ensuring profit generation from these partnerships remain in line with our targets.

We will continue to develop unique solutions through strong underwriting practices and optimal reinsurance structures.

We remain focused on enhancing our operational excellence to improve our customer offering and profitability.

Defend and grow our market share

Our adviser force is a key channel through which we deepen relationships with customers.

We continue to place more trainee advisers in worksites and branches, where productivity and lead generation rates are higher.

We are enhancing sources for data driven leads to improve the efficiency of customer acquisition.

Despite intense competition in the mass market segment, we believe growth opportunities still exist in the transactional market and our underwritten product set, which remains an underpenetrated market opportunity in this segment. Old Mutual Protect featuring improved underwriting capability and increased flexibility, will help us grow our market share.

In the Corporate market segment we are deliberate about improving customers' experience and continue to strengthen our umbrella fund offering to maintain our leading position.

Building long term competitive advantage

We believe that the digital enablement of our employee experience will motivate, retain and attract talent as we embark on developing new ways of working to remain relevant to stakeholders.

Since listing we have been driving a high performance culture and have made progress with reviewing our reward philosophy and policies to align to our long term strategy.

We continue to invest in technology to build a capability that can deliver outcomes to our customers at a pace that meet their needs and transforms their experience.

Enhancements to systems and customer servicing processes combined with innovation remain key priorities.

We have exceeded our cost savings target by delivering cost savings of R1.2 billion. The biggest drivers of cost savings were improvements in IT processes, a reduction in consultant spend and improved space utilisation.

We will continue to drive further efficiencies through group structure optimization, the simplification of our operating models and IT infrastructure over the medium term.

Delivery against long term strategy

During 2019 we commenced the refresh of our long term strategy through a series of strategy workshops with our Board. We have defined 5 strategic pillars, the delivery of which will allow us to sustain and grow the prosperity of the customers, families and communities we serve. In the medium term we will continue to measure our delivery against the eight battlegrounds until the longer term strategy is fully implemented. Achievements in 2019 already demonstrate delivery against new strategic pillars.

Always present first

Enhanced our **MyOMInsure** platform

Launch of a refreshed website and **MyOldMutual** application

Solutions that lead

National roll out of **Old Mutual Protect**

Enhanced our **Wealth Proposition**

Old Mutual cares

R80 million disbursed from the **R500 million** Enterprise Development Fund

17% of AUM invested in green economy

Rewarding digital engagement

Partnered with **Amazon Web Services** to modernise technology

More than **500 000 Old Mutual Rewards members** with more than **500 million points earned**

Engaged employees

Advanced **Pulse Culture intervention** with our employees

Launched **Workday in certain** countries across Rest of Africa, to empower and digitally enable our employees for growth

Our business model

Capital inputs

FC
Funding from equity and debt investors used to support our operations

NC
Our impact on natural resources through our business activities

HC
Skills and expertise of employees and advisers, our culture and values

SC
Stakeholder relationships and communities in which we operate to address societal issues

IC
Our brand values, strategic partnerships and innovative capabilities

MC
Our physical and digital infrastructure through which we conduct our operations

Our business activities

Product development

- End to end product development of new solutions that are innovative and inclusive to communities in which we operate
- Enhancements to products to meet changing customer needs

Business support

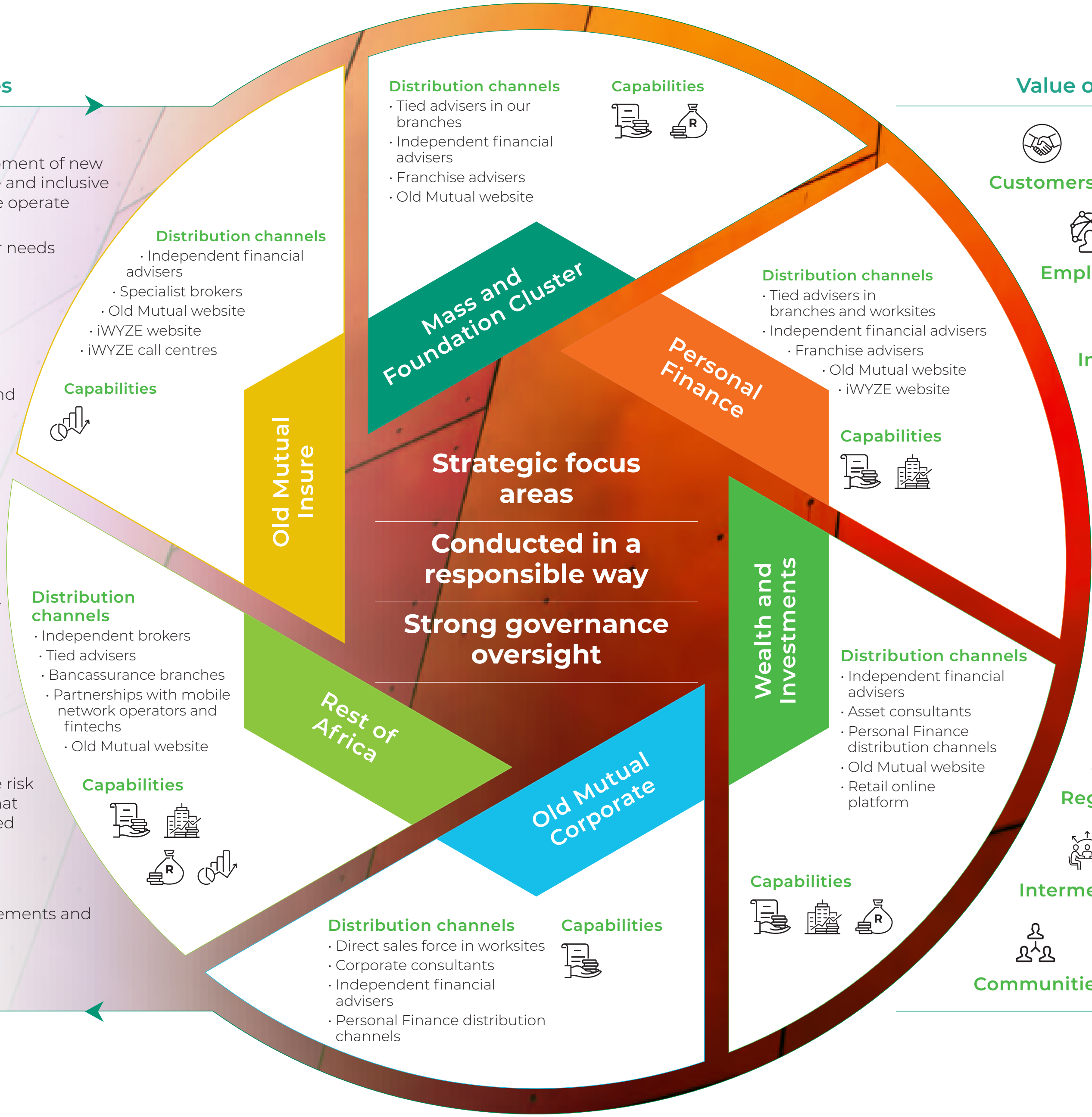
- Support services through functions including finance, human capital, marketing, strategy, information technology, procurement and corporate affairs to improve operational efficiency
- Responsible for overall branding campaigns

Customer servicing

- Support services to our customers including advice, administration, complaints and information technology assistance
- Central capability that improves customer service through the use of robotics.

Capital and risk management

- Comprehensive and mature risk management framework that ensures disciplined risk based decision making
- Compliance with regulatory requirements
- Monitoring of capital requirements and optimal capital allocation



Value outcomes

Customers

Employees

Investors

Regulators

Intermediaries

Communities

Value created for our stakeholders

We leverage our size and scale to generate significant and meaningful value for all our stakeholders

R288.7 billion
of value created in 2019

Customers
R116.4 billion

R93.7 billion paid in claims and benefits

R22.7 billion of Loans and Advances

Intermediaries
R7.6 billion

R7.5 billion of fees and commissions paid

R72.7 million invested in adviser training

Employees
R9.8 billion

R9.7 billion paid in salaries and benefits

R114 million invested in staff training

Communities
R143.9 billion

R131 billion[1] invested responsibly in socially inclusive, low carbon and resource efficient investments

R12.9 billion in taxes paid

Investors
R11.1 billion

R5.4 billion of ordinary cash dividends paid

R804 million interest paid to debt holders

R4.9 billion returned through share buybacks

Regulators

Level 1 B-BBEE certification

Group solvency ratio of **161%**

1 *R39.6 billion invested through shareholder funds with the remaining amount invested on behalf of customers*

Value outcomes for our stakeholders

Customers

Inputs	Activities	Outcomes
MC Strong distribution force MC Investment in IT systems and digital infrastructure SC Active custodian of customer funds SC Engaged employees that contribute to our customers' experience	Improvement of service delivery capabilities to reduce system downtime Training and upskilling of servicing teams to provide better customer service Branch activations to convert customers to digital platforms Deployment of robotics to claims and customer engagement processes to improve speed and efficiency	Reducing payout times of qualifying funeral claims to less than 8 hours, 4 hours via money account Almost 4,000 call centre agents educated on our digital tools to better assist customers Engaged 5,000 customers as part of branch activations R22.7 billion of Loans and Advances R93.7 billion claims and benefits paid

Employees

Inputs	Activities	Outcomes
HC Capable and diverse executive team FC Over R114 million invested in employee development and training HC New values adopted to drive culture shift FC More than R4 million invested in employee wellbeing	Meaningful engagement with senior leaders during the year Progress made to create a diverse and inclusive working environment Implemented Workday, a digital employee engagement tool, to better engage Improved physical and online learning capabilities	70% of employees participated in the new culture survey 85% black employees[1] 43% of our executive positions are female R9.7 billion paid in salaries and benefits

Investors

Inputs	Activities	Outcomes
MC R78 billion net asset value FC R2 billion of debt raised, R1 billion repaid FC R1.7 billion drawn on revolving credit facilities SC Level 1 B-BBEE rating	Returned excess capital through share buybacks and dividends Optimized the group capital structure through new debt issuance and repayments Improved capital management and resource allocation Continued simplification of Residual plc	Total ordinary dividends of 120 cents per share in respect of 2019 earnings R4.9 billion of share buybacks R804 million of interest paid to debt holders R9.8 billion AHE R6.8 billion free surplus generated

Intermediaries

Inputs	Activities	Outcomes
MC Innovative and integrated digital tools HC Online and classroom based learning	New or enhanced digital tools and applications enable advisers to better serve customers Regular training to improve advice capability.	7 693 tied advisers

Communities

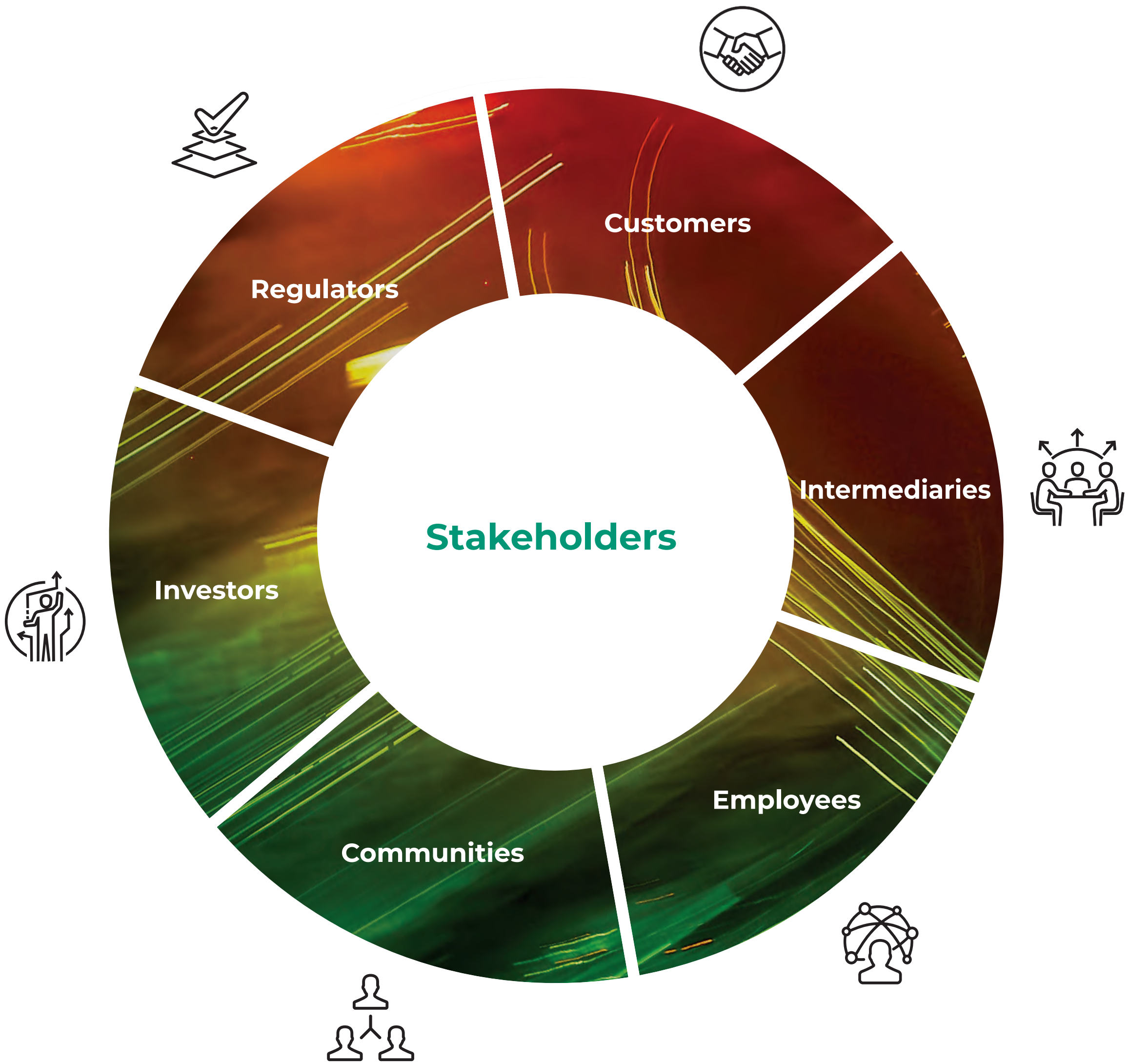
Inputs	Activities	Outcomes
IC Being a responsible business is a core part of our strategy NC Water filtration and solar panels installed NC Employee initiatives to give to communities SC Established community relationships and partnerships	Continuous commitment to environmental sustainability through waste, water and energy management initiatives Regular engagements with communities Increased focus on socially inclusive investments	*Refer to the Responsible Business Impact report* RB 133 million litres of drinking water was produced by the water filtration plant since operation in 2018 2.1 million kWh of energy generated by the solar plant at Mutualpark 52% of waste diverted from landfill R12.9 billion in taxes paid

Regulators

Inputs	Activities	Outcomes
IC Robust risk and compliance frameworks SC A member of industry bodies and associations	Participated in various thought leadership forums on topics such as economic growth, job creation and digital technology Engaged regulators on regulatory returns, reports and consumer matters, capital requirements and alignment to Twin Peaks Strengthened regulatory relationships in Rest of Africa Continued to align capital basis to Prudential Standards in South Africa	Compliance with regulatory requirements Group solvency ratio of 161% Input from an industry perspective on various new legislative bills

1 *This relates to South African employees only.*

Stakeholder management



At the heart of our stakeholder engagement mandate are three core commitments. Our first commitment is to creating value for all our stakeholders. Knowing our stakeholders and understanding their needs is important to us as it forms the basis of all our relationships. Wherever there is shared value, there is lasting commitment to building and growing together. Our second commitment is to adhering to strong corporate governance in the management of all our relationships. Our groupwide Stakeholder Relations Policy ensures that the standards by which we operate across all our markets are in line with both international best practice and the King IV Code. Our final commitment is to following a method of structured strategic engagement, allowing us to monitor and evaluate the quality of our relationships and their impact on the communities we serve.

We are proud of the decision we have made as a business to be a responsible social partner within our makets, actively partcipating in industry bodies and professional associations that seek to drive finanancial inclusion on our continent. We are purposeful about lending our voice to conversations that shape the future of our continent, using international platforms such as NEPAD, UNHCR and the World Economic Forum to support the global sustainability agenda. Furthermore we work together with our regulators and all levels of governments to build stronger economies across Africa. Whether partnering with municipal government structures in Nairobi to roll out IT systems to strengthen public health care facilities Kenya, to leading student development and mathematics education initiatives in Zimbabwe or running financial education programs for unions and public servants in South Africa – we remain committed to unlocking shared value for all our stakeholders.

In December 2019 we had the privilege of celebrating some of our strongest and most impactful stakeholder relationships at the Old Mutual Partnership Awards (OMPA). This initiative powerfully reinforces the significance of the socio-economic impact of our relationships across our broad network of stakeholders. In an increasingly interconnected world, in which we must all play our part, our business – together our community of stakeholders – continues to demonstrate that the collective practice of responsible business principles yields the most optimal results for all social partners.

Our interaction with stakeholders

	Customers	Intermediaries	Communities	Employees	Investors	Regulators
Key interest and concerns	• Innovative and flexible product solutions • Competitive and transparent pricing • Omnichannel digital experience and ease of use • Fast and efficient customer service • Responsible and appropriate advice • To be treated in a responsible and fair manner	• Digital applications and tools that save time and are easy to use • Support and infrastructure to enable productivity • Product and regulatory training • Fair incentives that reward efforts	• Skills development and employment opportunities • Access to enterprise supplier development programmes • Financial education and financial inclusion • Corporates to contribute to social and environmental issues	• Fair and competitive remuneration • Training and development for personal and career advancement • An inclusive, diverse and safe working environment • Being employed by a company that embraces new ways of working in a digital era	• Sustainable financial returns and distributions • Clear strategic direction and operational execution • Strong governance frameworks and ethics • Experienced management team • Transparent reporting and disclosures	• Compliance with legal and regulatory requirements • Being a responsible taxpayer • Contribution to industry and regulatory working groups • Strong governance oversight • Treating customers fairly • Meeting capital requirements
Channels of engagement	• Tied advisers, independent brokers, agents and consultants in branches, call centres and worksites • Digital applications and tools • Digital and traditional media channels • Annual reports	• Sales conferences and roadshows • Digital applications and tools • Digital and traditional media channels	• Community projects and campaigns • Digital and traditional media channels • Annual reports	• Workday, an employee engagement technology solution • Extensive internal communications • Management roadshows and town hall meetings • Annual reports	• Investor days and roadshows • Annual and interim reports • SENS announcements • Annual General Meetings • Digital and traditional media channels	• Regular engagement with the Regulator • Participation in industry bodies and public forums • Provide input on draft regulations • Quarterly regulatory submissions

Fourleaf Residential Development

Fourleaf Estate, a residential development in Port Elizabeth, offers **323 affordable housing units** to low and middle income families. This was funded by the Housing Impact Fund of South Africa (HIFSA) and developed by Similan Properties.

HIFSA, is a Development Impact Fund managed by Old Mutual Alternative Investments, and its investors comprise Old Mutual Life Assurance Company South Africa, the Government Employees Pension Fund, the Development Bank of Southern Africa and the Eskom Pension and Provident Fund.

Fourleaf Estate became the first residential development in Africa to receive the EDGE final certification and includes features such as **advanced green initiatives, security, internet connectivity, innovative landscaping and community vegetable gardens.** Homes in the estate are modern designs with flexible add-on options to suit different budgets.

The houses deliver significant **energy savings** through practical solutions, such as **heat pumps** for hot water, **low-flow taps** which reduce hot water consumption through aeration and **water-efficient fittings including** low-flow showerheads and dual-flush toilets. Adjusted window-to-wall ratios and good roof insulation also ensure **optimal energy efficiency.**

This estate is predicted to realise **annual savings of R414,000** as a result of applying EDGE certified energy and water efficiency measures. This is expected to translate into **approximately R1,280 savings in utility costs for each housing unit.**

Our approach to Risk Management

Our risk management approach is aligned to the Group's purpose and strategy. A comprehensive and mature risk management framework is in place, which is anchored in a three lines of assurance model, and includes a clear articulation of our risk strategy. It ensures disciplined risk based decision making in the Group and active control over the risk exposures to which our earnings and capital are exposed. This achieves a more sustainable delivery of AHE and RoNAV within our chosen risk appetite. We have a comprehensive suite of risk policies to direct how specific risks should be managed and controlled, aligned to our risk categorisation model. Appropriate escalation mechanisms are in place for risk events and breaches in risk limits and targets. A forward looking Own Risk and Solvency Assessment (ORSA) enables us to assess the robustness of our balance sheet in adverse conditions, and we have modelled severe scenarios to ensure strong resilience of solvency capital and liquidity.

Risk mitigation techniques are used to help manage risk exposures by passing certain risks to third parties in the form of reinsurance or use of derivatives instruments such as swaps or hedges, as well as ensuring robust internal processes and a strong control environment.

Our risk strategy supports our business strategy, in delivering on our vision of being our customers most trusted financial partner and our brand promise of being a certain friend in uncertain times. Our reputation and success as a business is anchored in financial strength.

Maintaining trust with stakeholders steers our reputation. Integrity remains one of our core values as we believe it is essential for sustainable long term growth. We are committed to treat customers fairly and have good controls in place to minimise operational risk that could have an adverse impact on any of our stakeholders

Diversification is key in insurance to avoid excessive risk concentration, and we look to achieve this across a broad spectrum including risk types, products, geographies, target markets and distribution channels. As a highly interconnected financial services institution, we manage and mitigate potential contagion effects in adverse conditions.

Tolerance for uncertainty within well defined risk appetites is key to executing our business strategy, which is predicated on strong and responsible growth in market share and profits. We are willing to take on certain risks on behalf of our customers to improve their financial security, whilst operating within the bounds of strong expertise and competitive advantage through agile innovation. We have higher tolerance for risk in our Rest of Africa business as we build our brand and experience in these markets.

We optimise returns on a risk adjusted basis by focusing on the risks where the long term expected return more than compensates us for the risk taken and the cost of capital. We take on risks that are efficient from a capital perspective as this will optimise RoNAV.

Material risks

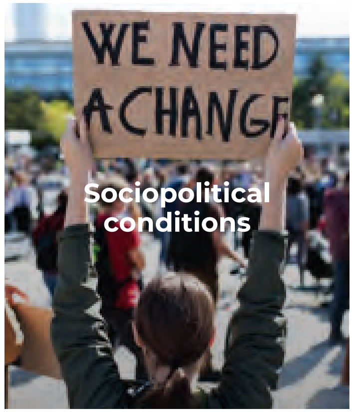
Risks with high or moderate risk preferences are generally regarded as opportunities that we actively seek in order to create customer and shareholder value. Other risks are regarded as uncertainties that pose financial and non-financial obstacles to meeting business objectives and these downside risks have to be managed effectively or avoided.

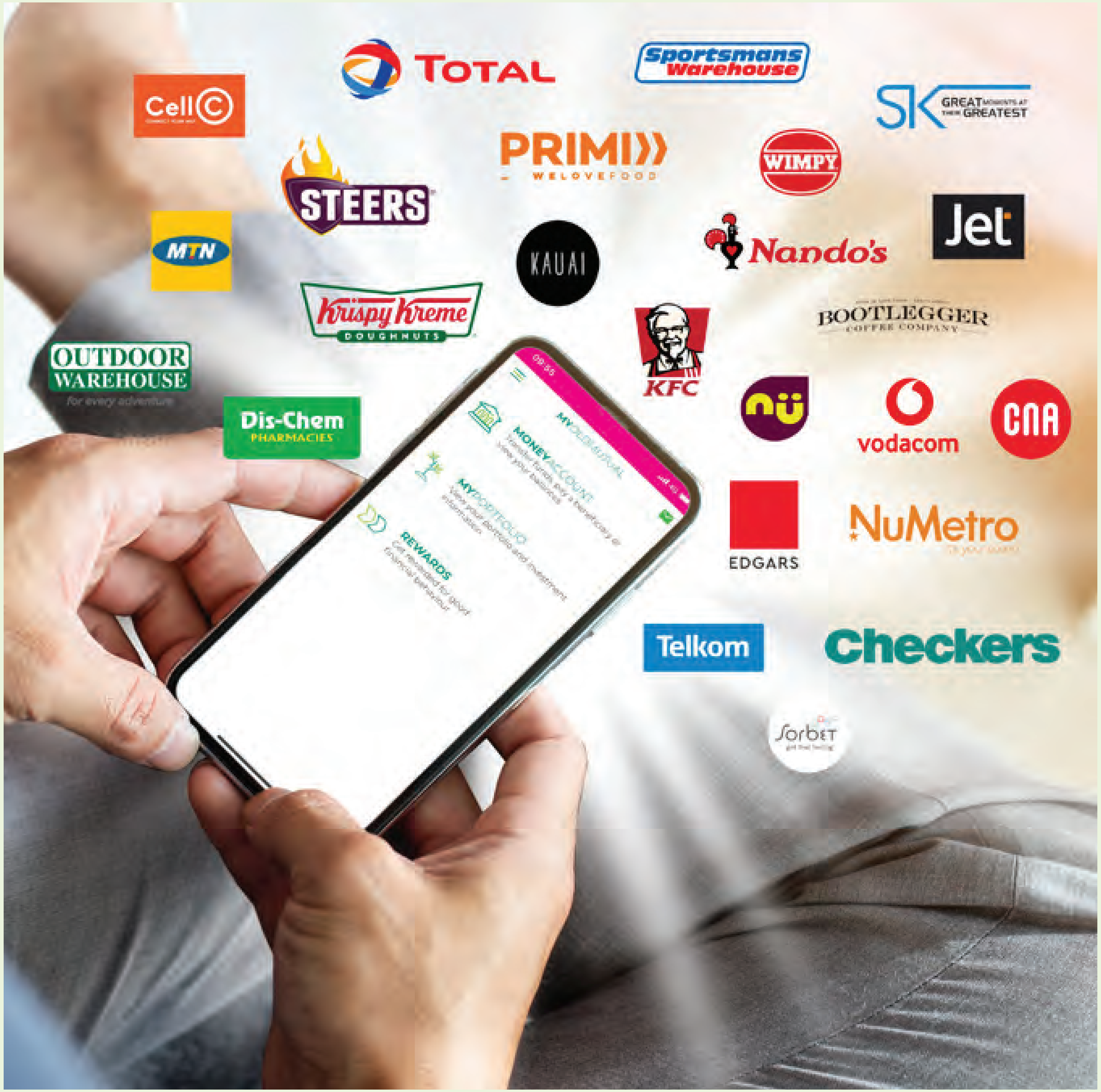
Risk	Context	Impact on value	Mitigating Actions
	A poor global macroeconomic environment, including in South Africa and many of the countries we operate in, affects customer demand for our products.	• Lower disposable income of customers has an adverse effect on customer acquisition and persistency. This could impact revenue generation and profitability. • Could impact our ability to meet our medium term strategic growth targets in order to deliver value to our investors.	• Regular scenario and stress testing to monitor balance sheet strength and drive prudent capital management. • Continued focus on operational improvements, cost efficiency and disciplined capital allocation.
	Our Life and Savings products provide benefits to customers on death or disability, and income streams for life. Our Property and Casualty business provides cover across a wide range of contingencies. These underwriting risks are central to our business strategy.	• Worse experience than priced for has a direct impact on profits. • More frequent occurrence of risk events causing poor claims experience and negatively impacting profit.	• Strong expertise to manage underwriting risks robustly. • Appropriate frameworks in place for product design, accurate pricing, adequate reserving, and experience monitoring. • Tactical reinsurance to reduce exposure when adverse experience is expected and skilled underwriting practices.
	Our investment and savings product offering and shareholder investment portfolio exposes the business to volatility and declines in market levels. Lower GDP growth in South Africa makes it difficult to achieve good investment returns for our customers.	• Lower asset-based fees earned and weaker investment returns on shareholder funds could impact profits. • Could lead to mismatches in valuation of assets and liabilities creating investment losses or profits. • Potential for poor investment return on investment products, which can adversely affect customer cash flows and expectations, and our reputation.	• Mature hedging programme in place to mitigate risk of asset liability mismatches • Investment Guarantee reserves and discretionary margins provide buffers against equity market volatility. • Conservative asset class allocation on shareholder portfolio, with hedging structure in place.

Material risks

Risk	Context	Impact on value	Mitigating Actions
	In order to offer guaranteed annuity and with profit annuities to our customers we take on institutional credit risk. As part of our integrated financial services strategy, we offer unsecured loans to retail customers.	• Deterioration and default of institutional credit assets may adversely impact investment return on shareholder funds and profits, where benefits to customers are guaranteed. • Increased financial pressure on consumers due to the weak economic environment coupled with high unemployment rates could lead to higher volumes of customers defaulting on loans.	• Optimisation of investment credit portfolio by tilting portfolio towards better quality assets and reducing concentration of risk in particular sectors. • Continuous improvements in credit risk models and application scorecards for retail credit, and ensure sufficient independent model oversight. • Operational efficiencies and predictive analytics to improve collections on retail credit.
	The accelerating pace of developments in technology and information results in increasing data fraud and cyberattacks. Digital disruption as part of the Fourth Industrial Revolution, continues to pose risks providing digital services in the absence of global technology governance frameworks, potential information infrastructure breakdown and cross border challenges on Privacy Laws.	• Could improve customer experience if we deliver a seamless digital offering. • If we are not able to introduce enhanced propositions fast enough we could lose ground to competitors in the process. • There is opportunity to reduce costs and improve system availability with advances in technology.	• Simplification and modernisation of our IT infrastructure is well underway, along with the adoption of new technologies to support customer experience, business development and resilience, and information security. • Adoption of a more digital capability and the move to cloud solutions, is increasing agility of our business. Artificial Intelligence provides us with an opportunity to improve our business processes and customer experience. • Ongoing enhancements in servicing through technology to enhance our customer experience. • Various initiatives to improve ease of doing business for both intermediaries and customers are being implemented.

Emerging risks

Risk	Context	Our approach
	Five of the top ten global risks in terms of likelihood include climate action failure, extreme weather, natural disasters, biodiversity loss and human-made environmental disasters. Extreme weather events are already a more frequent feature in some of the countries in which we operate. In 2019, we experienced floods in parts of South Africa, severe drought across Southern and East Africa, and cyclones on the east coast of South Africa.	• Trends in extreme weather conditions have already begun to impact both the pricing of risk and our reinsurance arrangements on some lines in our Property and Casualty business. • Given our significant exposure to investment vehicles and institutional clients who either derive revenue from, or are invested in environmentally sensitive industries, we are developing a comprehensive climate change response strategy to address the potential impact on our business and stakeholders. This presents an opportunity for us to reaffirm our responsible business ethos by leading the transition in providing solutions to climate change mitigation and adaptation.
	On the sociopolitical front globally, challenges include economic inequality, rising polarisation and leadership power struggles impacting geopolitical tensions. Global macroeconomic pressures continue to intensify and coupled with the overhang of geopolitical tensions, provide a negative outlook in the face of economic slowdown and increasing risk of stagnation increases across the emerging markets in which we operate. In South Africa, limited financial resources, fiscal margin, political capital and social support coupled with a fragile economy create a hostile climate for confronting key domestic risks around energy production, government debt levels, mismanagement of state owned enterprises and wide scale corruption.	• As a significant player in the South African economy in particular, but also across all the jurisdictions in which we operate, we continue to invest responsibly and to use our influence to improve Corporate Governance across our investment assets. • We are also committed to financial inclusion across all the markets in which we operate, being a market leader in financial education, product design and servicing, as well as distribution. Our distribution capability is pivotal to ensuring that we help our customers reach their financial dreams and goals.
	Countries may not be equipped or prepared to deal with the impacts of epidemics or pandemics.	• The key areas to be managed in the face of pandemics and epidemics include operational, financial and insurance elements. The financial focus includes maintaining sufficient liquidity to meet potentially increased outflows as a direct or indirect result of a pandemic or epidemic. The insurance focus relates to ensuring adequacy of risk based pricing and reserving for traditional life and medical insurance, taking into account likely future claims experience and persistency. The operational focus is on business resilience and being present for our customers in a caring way in a time of uncertainty, whilst being fully cognisant of the health and safety of our employees.



Old Mutual Rewards - helping South Africans make **smarter money decisions**

Old Mutual Rewards is a free loyalty programme, offered to both customers and non customers, designed to encourage and reward good financial behaviour. It is designed to change financial habits and improve financial wellbeing through simple, accessible and effective financial education tools.

ENGAGE, LEARN AND EARN Members earn points through the use of our financial education tools. Over 1.6 million financial wellness activities have been completed, including more than 300,000 budgeting activities and more than 400,000 Moneyversity courses and assessments.

UP YOUR TIER TO EARN MORE POINTS An increase in the number of financial needs met by Old Mutual enables members to reach a higher rewards tier which leads to more rewards being earned. A positive outcome since the launch of the programme has been an increase in the number of members that are making saving a priority.

REDEEM OR REINVEST Points can be redeemed for a wide selection of rewards or reinvested to enable our members to reach their financial goals faster.

These rewards include discounts on premiums for existing life and savings policies, donations to charities, promotions and instant rewards with our redemption partners.

Performance

Group financial review

"We have made good progress in managing our balance sheet to create shareholder value."

Casper Troskie
Chief Financial Officer

R4.9 billion in share buybacks

R2.0 billion debt raised at improved rates

RONAV of 15.2%

R6.8 billion free surplus generated

Zimbabwe continues to be managed on a ring fenced basis and excluded from Group key performance indicators

2019 RFO contribution

Mass and Foundation Cluster	39%
Personal Finance	19%
Wealth and Investments	16%
Old Mutual Corporate	20%
Old Mutual Insure	3%
Rest of Africa	6%
Net expenses from central functions	(3%)

AHE R9,856 million

RFO
R8,972 million

RFO decreased by 2% reflecting a poor macroeconomic environment. The impact of positive assumption changes was offset by a decrease in Old Mutual Insure's underwriting result.

Finance costs
R737 million

The increased finance costs is largely due to finance costs in East Africa and additional unsecured subordinated debt issued by OMLACSA. This was partially offset by higher fair value gains on derivative instruments related to borrowed funds.

Shareholder Investment return
R2,102 million

Stronger equity market performance in South Africa, where the majority of the shareholder assets are held, and a higher average invested shareholder asset base compared to the prior year assisted returns. Shareholder investment return in Rest of Africa decreased by 63% from the prior year largely due to a reduction in the fair value of investment properties in East Africa.

Income from associates
R2,528 million

Lower income from associates largely due to the decrease in earnings from Nedbank. Nedbank's headline earnings decreased by 7%, reflecting the challenging macroeconomic environment, the impact of applying hyperinflation accounting for their operations in Zimbabwe and the cost of exercising their option to increase their stake in Banco Único.

Targets	Performance against targets	
Average Cost of equity[1] + 4%	15.2%	✗
CAGR of Nominal GDP +2%	R8,972m (2%)	✗
R1 billion pre-tax run rate cost savings	Achieved R1.2 billion of savings	✓
Old Mutual Insure net underwriting margin of 4% – 6%	0.4%	✗
Solvency ratios OMLACSA: 175% – 210% OML: 155% – 175%	 216% 161%	✓
Target cover 1.5 to 2.0x for full year	Total ordinary dividend of 120 cents per share	✓

1 *Weighted average cost of equity of 13.4% for 2019.*

Group financial statements

Summarised consolidated income statement

Rm	2019	2018
Net earned premiums	**72,760**	72,046
Investment return (non-banking)	**86,696**	20,511
Banking interest and similar income	**5,074**	4,532
Fee and commission income, and income from service activities	**10,548**	11,031
Other income[1]	**1,038**	1,757
Total revenue and other income	**176,116**	109,877
Net claims and benefits incurred	**(87,330)**	(59,881)
Change in investment contract liabilities	**(29,756)**	5,855
Fee and commission expenses, and other acquisition costs	**(10,713)**	(9,773)
Operating and administrative expenses	**(23,407)**	(25,845)
Other expenses[1]	**(12,493)**	(12,331)
Total expenses	**(163,699)**	(101,975)
Share of gains of associated undertakings and joint ventures after tax	**2,269**	550
Impairment of investments in associated undertakings	**(869)**	–
Loss on disposal of subsidiaries, and associated undertakings	**(21)**	(2)
Profit before tax	**13,796**	8,450
Income tax expense	**(4,245)**	(3,453)
Profit after tax from continuing operations	**9,551**	4,997
Profit after tax from discontinued operations	**104**	37,711
Profit after tax for the financial year	**9,655**	42,708

1 *For presentation purposes certain income and expense lines not separately listed have been grouped into other income and other expenses respectively.*

Total revenue

Total revenue increased by 60% to R176 billion, largely due to an increase in investment return and banking interest. Investment return increased mainly as a result of positive equity market performance in South Africa, Zimbabwe and Namibia, which resulted in higher fair value gains. Banking interest and similar income increased mainly as a result of the growth in the loan book of Old Mutual Finance and the banking business in Kenya. The increase in revenue was partially offset by the increase in outward reinsurance costs.

Total expenses

Total expenses increased by 61% to R163 billion, largely driven by an increase in net claims and benefits paid out and the change in investment contract liabilities. Net claims and benefits increased by 46% to R87 billion, largely as a result of an increase in policyholder liabilities from Mass and Foundation Cluster, Personal Finance and Old Mutual Corporate, as well as higher catastrophe and hail and frost claims in Old Mutual Insure. Change in investment contract liabilities expense increased from a positive expense of R6 billion to R30 billion expense, largely due to positive market performance.

Profit from discontinued operations

Profit after tax from discontinued operations in the prior year include profits from Quilter, Nedbank, Latin American businesses, Old Mutual Bermuda, as well as profits earned on the unbundling of Nedbank and the distribution of Quilter completed in 2018. The R104 million profit after tax from discontinued operations in the current year includes R91 million profit from the Latin American businesses for the three months ended 31 March 2019, and a profit of R30 million on the disposal of these businesses.

Group financial statements

Summarised consolidated statement of financial position

Rm	2019	2018
Investment property	**34,992**	34,512
Investments and securities	**744,965**	708,638
Cash and cash equivalents	**30,474**	32,339
Reinsurers' share of policyholder liabilities	**8,385**	7,902
Investment in associated undertakings and joint ventures	**26,251**	26,679
Other assets[1]	**65,835**	74,385
Total assets	**910,902**	884,455
Life insurance contract liabilities	**141,156**	143,926
Investment contract liabilities with discretionary participating features	**198,483**	188,355
Investment contract liabilities	**314,071**	287,774
Property and casualty liabilities	**8,860**	9,099
Third party interest in consolidated funds	**80,814**	80,855
Borrowed funds	**18,989**	16,888
Other liabilities[1]	**70,604**	76,138
Total liabilities	**832,977**	803,035
Net assets	**77,925**	81,420
Equity attributable to equity holders of the parent	**74,763**	78,021
Total non-controlling interests	**3,162**	3,399
Total equity	**77,925**	81,420

1 For presentation purposes, certain assets and liabilities lines not separately listed have been grouped into other assets and other liabilites respectively.

Net assets

Net assets decreased by 4% to R78 billion, largely as a result of an increase in total liabilities. Total liabilities increased by 4% to R833 billion mainly due to an increase in investment contract liabilities and borrowed funds from a new debt issuance. Long term business policyholder liabilities increased as a result of positive market performance which resulted in an increase in unit linked investment contracts and investment contract liabilities with discretionary participating features. The increase in liabilities was partially offset by the increase in assets, driven by an increase in property, plant and equipment and reinsurers' share of policyholder liabilities. Property, plant and equipment increased due to an increase in lease assets as a result of the adoption of IFRS 16.

Total equity

Total equity decreased by 4% to R78 billion largely as a result of capital returns of R4.9 billion from share buybacks, R5.5 billion dividends paid and a decrease in the net asset value of the Zimbabwean business. This decrease was driven by the deterioration of the local currency and the resulting foreign exchange losses recognised.

Group CFO focus areas in 2019

Actuarial basis changes

During the year we concluded several experience reviews across our life business in South Africa, the results of which were captured in our year end basis change process. We have also implemented several model and methodology improvements. At an overall level the net impact of these basis changes to our life profit was R932 million. Although positive at a total level, there were some significant segment profit impacts due to the differing outcomes of the experience reviews at a segment level.

Cost efficiency

We have exceeded our savings target by delivering cost savings of R1.2 billion. The biggest drivers of cost savings were improvements in IT processes, a reduction in consultant spend and improved space utilisation. We will continue to focus on acquisition cost effectiveness and drive further efficiencies through group structure optimisation, continued simplification of our operating model and IT infrastructure over the medium term.

Medium term targets

The achievement of our RFO target of nominal GDP+2% CAGR is dependent on an improvement in the macroeconomic environment in South Africa, which remains our largest operating country, and higher equity market levels. Given the anticipated disruption in global equity markets and significant downward pressure on GDP growth rates we do not anticipate being able to achieve this target for the 2020 financial year.

Balance sheet optimisation

We have made good progress in managing our balance sheet to create shareholder value. This was achieved through continuous optimisation of the capital structure with new debt issuances and repayments, active management of excess shareholder assets and adherence to our target dividend policy.

Financial management framework

The execution of our asset allocation strategy has resulted in a deliberate allocation to lower risk asset classes in an effort to reduce regulatory capital requirements and thereby support our strong solvency capital levels. Regulatory uncertainty has constrained our ability to manage capital levels more deliberately, and return on capital which in conjunction with operational results drive RONAV performance against our target, remain under pressure with the current global economic conditions.

Three manager model

We implemented the Three Manager Model framework effective 1 January 2020. We expect this model to consolidate related risks to improve risk management and resource allocation. Under this framework, the Middle Manager function will manage market and liquidity risk for OMLACSA's guaranteed product set. Specialised Finance in our Wealth and Investments segment will be responsible for managing the assets that were previously managed by Old Mutual Corporate and Personal Finance segments.

Valuations in a distressed environment

The valuation of our property portfolio in East Africa and Zimbabwe requires significant judgement due to the current economic conditions in these regions. The methodologies used to determine and assess the fair value of these portfolios include discounted cash flow and income capitalisation models. The valuation of each property was determined after taking into account the specific market and economy in which the property is invested and the particulars of the property itself. We will continue to monitor our asset valuations, especially given the distressed macroeconomic environment in some of the regions that we operate in.

Mass and Foundation Cluster

Results from Operations	NCCF
R3,527 million	R7.0 billion
Life APE sales	**Loans and Advances**
R4,191 million	R18,491 million

3.1 million customers

4,700 tied advisers

368 branches in SA

Value creating activities

- Installed 57 branded ATMs to improve customer conveniece through an increase in access points.
- Opened 20 new branches during the year, increasing our branch footprint to improve accessibility to products and advice for customers that prefer face to face engagement and in areas with low internet penetration.
- Easiplus Funeral Plan is now accessible via the Money Account application, increasing the range of platforms from which customers can access our products.
- Enhanced our savings proposition which now include improved early surrender terms with the key feature to save through smoothed bonus funds remaining intact.
- Through our live interface with Home Affairs and using robotics to validate real time claims we have improved our funeral claims process.
- We have made good progress on our funeral service offers aimed at providing customers with an end to end service experience, in an effort to meet their needs for more than a funeral payout.
- Continuous drive to obtain customer feedback to provide training that will enable advisers to better service customers. This will also improve persistency and new customer acquisition.

Operating context

Our customers in the Mass and Foundation markets were hit hardest by the challenging economic environment in South Africa as unemployment levels reached unprecedented highs at 29.1%, resulting in further strain and financial pressure on consumers.

Competition is fierce within this market segment with new entrants challenging the integrated financial services strategy by introducing of entry level bank accounts that directly rival the Money Account proposition. An uptick in strategic partnerships between banks, mobile operators and insurance companies to allow for quicker "go-to-market" solution posed challenges to our business.

Risks

Competitive pressures from new entrants and traditional peers that offer innovative and flexible financial solutions at competitive prices to mass market customers. This may impact future profitability if there is an increase in policy cancellations.

Mitigating actions

Improvement of our customer value proposition by enabling advisers with advice tools and training, enhancing our product offering, and integrating our products across various digital platforms.

Trade-offs

Products that enhance customer value proposition often have lower margins and can therefore have an impact on profit in the medium term, despite growing market share.

Deliberate slowed growth in disbursements, pricing changes implemented to improve credit losses had an adverse effect on credit life sales and profit.

Personal Finance

Life APE sales	Results from Operations
R2,580 million	R1,730 million
NCCF	**VNB**
(R3.9) billion	R271 million

1.8 million customers

2,993 tied advisers

4,103 employees

Value creating activities

- Added an accidental death benefit feature to iWYZE Life Cover which pays out a lump sum in the event of death, demonstrating our commitment to tailor products to customers' needs.
- Added more redemption partners to our rewards programme and introduced premium discounts on life and savings products.
- Continued investment in financial education tools such as Moneyversity and the popular 22seven application, to help customers improve their financial literacy and track spending habits.
- Launched a new application that simplifies customer portfolio management, enabling advisers to provide better customer experience whilst simultaneously focusing on new customer acquisition.
- Tactically started placing more advisers in branches and worksites where productivity rates are higher and could create larger pools of leads.
- Developed a new funding proposition that cover advisers' set up costs which is expected to boost recruitment efforts.
- A change in remuneration practices that compensates advisers to increase efficiencies in sales processes and better align with value outcomes for investors.
- Initiated a retention engagement programme targeted at customers at risk of cancelling their policies.

Operating context

2019 continued to present a tough economic environment, with continued pressure on our customers' disposable income and higher indecision to buy life and savings products. It also resulted in some customers cancelling and buying down their policies. Competitive pressure from traditional and non-traditional entrants such as banks and insurtechs that negatively impacted customer retention and acquisition.

Risks

Tied distribution force under pressure due to high turnover rates and slower than anticipated recruitment, creating a larger portion of unintermediated customers that adversely impacts retention and acquisition rates.

Mitigating actions

Initiatives to drive higher productivity include investment in power supply infrastructure to avoid power interruptions and enhanced advice tools and training, as well as tactical placement in worksites and branches. Old Mutual Protect, a flexible underwriting solution with the use of the latest technology will further enhance the intermediary value proposition.

Trade-offs

The remuneration change compensating advisers on confirmed sales had an impact on advisers from a cash flow perspective. This led to higher turnover of advisers in the short term but we have subsequently experienced an improvement in persistency.

Cost efficiency initiatives drove good expense management with a positive impact to profits, however this resulted in lower marketing spend which had an adverse effect on sales.

Wealth and Investments

Improve the competitiveness of Wealth and Investments

AUM
R766.5 billion

NCCF
R3.5 billion

Gross flows
R81,439 million

Results from Operations
R1,447 million

51% of customer inflows from advice tools

1,122 employees

Value creating activities

- Reduced and simplified our retail funds to enhance our customers` investment decisions and improve ease of doing business with us.
- Enhanced our Wealth Trader platform and added more products, thereby ensuring easy access to local and global assets that customers can buy online, anytime using their smart devices.
- Launched the OMUT shopper, targeting younger customers by offering a seamless digital offering, free of the hassle of uploading signed documents.
- Revamped the Wealth Integrator tool to enhance ease of doing business and facilitate more targeted customer conversations that will improve their overall experience.
- Alternatives business concluded the AIIF3 fundraising at $320 million.
- Medium term investment performance has been positive, with 63% of funds above median over a rolling 3 years despite the tough economic conditions.
- Rationalised and restructured our boutique structure which drove cost efficiencies.

Operating context

The challenging economic environment has continued to impact investor sentiment which resulted in lower investment activity locally and internationally. The macroeconomic environment put pressure on our retail customers' disposable income and reduced their propensity to save. This led to lower inflows to the local retail platform and institutional inflows also came under pressure.

Risks

The adverse macroeconomic environment and the decline in investment performance continue to put pressure on deal flow and fees.

Mitigating actions

Continuous expense management across all our operations and building a diversified product and asset base have been focus areas for us.

Trade-offs

We adopted a conservative stance with respect to capital deployment due to a challenging economic environment. While slower deployment has an adverse impact on profitability, we experienced low levels of distress in the credit book relative to competitors

Costs incurred related to the completion of the platform migration of Old Mutual International were excluded from the Group's profit measures, but led to cash outflows and lower IFRS profits. We are confident that the technology and processes implemented will provide an opportunity to attract new business and improve profitability.

Old Mutual Corporate

Life APE sales	Results from Operations
R3,636 million	R1,816 million
VNB	**NCCF**
R351 million	(R6.4) billion

450,000 + Superfund members

81% Superfund member satisfaction

Value creating activities

- Investment in robotics process automation has increased the speed of service delivery, improving claim turnaround times and overall customer experience.
- Provided members with free access to professional retirement benefit counsellors that assist with retirement investment decisions, leading to a significant improvement in members preserving, converting retirement lump sums to annuities and increasing their retirement contributions.
- Old Mutual Corporate Consultants (OMCC) launched OnTrack ®, a tool that assists trustees and employers with fund design and helps improve the retirement outcomes for their members.
- Launched additional products for the SME market including Save2Gether and SMEStaffCover, both available online.
- We launched the Employee Benefits Bootcamp for our employees in partnership with the University of Free State. The outcome is improved sales and consulting expert knowledge, technical competencies and professional skills which ensures high quality service to clients.
- We continued to invest in our Superfund umbrella proposition in the institutional retirement market, successfully maintaining our competitiveness as evidenced by strong recurring premium flows in 2019.
- We secured a number of single premium deals that are going through the Pensions Fund Act Section 14 transfer processes.

Operating context

The weak South African economy negatively impacted the employee benefits industry with ongoing pressure on outflows. Despite this we had a healthy pipeline of deals and secured excellent new business flows. Investment returns have been depressed as result of prolonged local equity market weakness. Clients invested in our flagship Absolute Growth Portfolios experienced a less volatile investment outcome due to our smoothed bonus investment strategy.

Risks	Mitigating actions
The Group Income Protection book underwriting outcome has improved but continues to be loss-making.	Disciplined underwriting, pricing and ongoing claims management, as well as a review of experience and reinsurance levels.
The FSCA published the 2nd draft Conduct Standard for Smoothed Bonus funds in 2018. We are prepared to comply with changes as soon as it becomes effective, however residual risk remain with new regulation.	Studied the draft Conduct Standard and understand the changes we need to make and are confident these can be implemented timeously to ensure ongoing compliance with changing regulations.

Trade-offs

In repricing Group Income Protection business we had to balance worse underwriting experience with customer affordability and competitiveness.

Our digital client and intermediary experiences are still not at the level we would like them to be. We continue to prioritise enhancements to our digital capability whilst balancing multiple business demands.

Old Mutual Insure

GWP	Results from Operations
R14,699 million	R233 million

Underwriting results	Net underwriting margin
R35 million	0.4%

64% Net Promoter Score

3,353 employees

436,040 policies

Value creating activities

- Simplified language in our policies to enable our customers to better understand their policies.
- Enhanced our Assist Application to include functionalities such as the ability to upload images, request call backs and integration with our online tools.
- Introduced behavioural training to call centre agents and brokers to engage with customers in a more meaningful way that strengthen key account relationships. A new rewards programme rolled out to improve our customers' experience.
- In partnership with Nedbank, we launched a business insurance product that provides protection to SMMEs.
- Launched a customer management tool with a more efficient quote conversion, that shorten the turnaround time to our customers.
- Used robotics to increase the speed of information gathering for quotes to improve turnaround time to customers.
- Enhanced MyOMInsure, our online broker solution, to include advanced renewal reports, simplified premium field names, improved display of risk classes, enhanced agent search capabilities and communication portal.
- Partnered with FAIS Exchange to house training materials and assessments, to ensure that brokers have a single point of entry and repository for their training materials and assessment records.
- Strategic partnerships in the Specialty division continue to contribute to good GWP growth.

Operating context

A high volume of natural catastrophe losses associated with floods and hail were experienced in 2019. Many of the catastrophe loss claims fell below the reinsurance threshold which adversely affected our underwriting result. The decline in the South African economy and a deteriorating credit environment was evident in the results of CGIC that reflected a continued volatile claims environment.

Risks

An increase in liquidation and business rescue cases in industries which CGIC operates in due to current economic conditions, remain a concern for the sustainability of our CGIC operations.

Higher frequency of catastrophe events, driven by the accelerated pace of climate change, has a significant impact on profits when reinsurance structures are not optimal.

Mitigating actions

Continued focus through various management actions including pricing reviews, assessment of risk exposure and reinsurance strategies to improve claims experience and profit.

Trade-offs

We have implemented a soft freeze on vacancies to prioritize investment in our information technology capabilities. This is expected to result in capacity constraints in the short term, however, prioritizing our technology capability is expected to result in improved customer engagement, servicing and experience.

Rest of Africa

GWP
R3,235 million

Results from Operations
R496 million

NCCF
R3.7 billion

Loans and Advances
R4,193 million

7.6 million customers[1]

7,018 employees[1]

Value creating activities

- Solutions aligned with customer needs and expectations:
  - **FutureInvest**, an improved long term savings product launched in Namibia, which enables customers to save through our smoothed bonus funds, protecting their investment from market volatility.
  - **Flexi Funeral Plan**, a competitively priced microsure product launched in Zimbabwe. This product provides a one year assurance cover with an option to renew, allowing customers the flexibility to consider their financial circumstances before renewal.
  - **Mlera Life Cover**, a competitively priced life cover launched in Malawi. Customers can select the term of cover they need and no medical exams are required, expanding our offering to people that could previously not obtain affordable life cover.
- Introduced new and enhanced digital tools to improve customer experience, such as:
  - TNM Mpamba, a mobile money service in Malawi that customers can use to pay their premiums.
  - Launched a mobile money payment platform in Ghana that expedites the receipt of claims proceeds by customers.
  - Use of network initiated USSD for customer consent in Namibia, to reduce paper trail and improve customer experience.
  - Online travel insurance, enabling customers to buy online wherever they are.
  - Deployed robotics in Namibia, which enabled us to save processing time, allowing advisers and consultants to focus on customer service.
- Increased our Old Mutual Finance branch footprint in Namibia during the year to increase our presence and improve accessibility of products and advice for customers.
- Introduced adviser incentives and competitions which are expected to boost morale, increase sales and improve productivity.
- Key changes in senior management with appointment of CEOs in Ghana, Botswana and Zimbabwe. Clement Chinaka, former managing director of Old Mutual Corporate, was appointed managing director of Rest of Africa, following the retirement of Jonas Mushosho. We believe that these individuals will positively contribute to our continued turnaround efforts.
- Preserved shareholder value through the suspension of underwriting oil and gas business in West Africa until the control environment stabilized and implemented cost saving initiatives to improve profitability.
- In eSwatini, we increased our focus on digital distribution channels as we closed down traditional retail tied channels that were not profitable.

Operating context

Most regions in Rest of Africa, excluding Zimbabwe and South Sudan, experienced positive, modest economic growth. In Zimbabwe, tough economic conditions, which were exacerbated by currency shortages, drought conditions, increasing fuel prices and prolonged power outages, persisted. South Sudan's economic growth was heavily impacted by the unstable political situation and low domestic demand.

1 Includes employees and customers of Zimbabwe.

Rest of Africa

Risks

Increased capital requirements in most of the regions in which we operate continue to present a challenge in showing turnaround, when additional investment is required.

Hyperinflationary conditions in Zimbabwe continue to adversely impact our business and stakeholders. Volatility in asset values create fluctuations in shareholder value and in investment returns for our customers. Our employees in Zimbabwe have been negatively affected by the increase in the cost of living, where inflation of expenses continue to outweigh salary increases.

Mitigating actions

Continuous improvement in internal controls in all regions to provide assurance to regulators and other stakeholders. We actively engaged with relevant regulatory bodies across all the regions we operate in and have strengthened these relationships.

Performed reviews of our product offerings in Zimbabwe to ensure they remain relevant and allow flexibility for customers. Assessment of our investment strategy and weighting of our portfolio towards asset classes that have been observed to better preserve value during periods of hyperinflation. We continue to invest and transact in foreign currency where permissible as a natural hedge to the fast depreciating Zimbabwe dollar. Provided relief to our employees from the pressures of these economic conditions through the grant of special allowances and changes to remuneration.

Trade-offs

In an effort to improve the quality of the Old Mutual Finance loan book in Namibia, we continue to target low risk state owned enterprise employees, offering payroll linked disbursements. This led to lower disbursements which had an adverse impact on profitability but allowed for more acceptable levels of credit risk.

In Malawi, we implemented a restructuring to right-size the business and invested in the enhancement of the internal control framework. This resulted in an increase in our cost base which had an adverse impact on profits in 2019 but the longer term benefits of the restructuring are expected to improve future profits.

Creating memorable and positive experiences for our customers and intermediaries

Our new **comprehensive risk insurance proposition** is a **single, flexible solution** supported by a fully centralised and agile digital platform. It facilitates an improved digital experience in line with our customers' evolving needs, putting them at the heart of everything we do.

ONE

Product – one flexible protection product range

Place – one online sales and servicing platform for advisers, to access anytime and anywhere

Ask – customers give us their information once

The dynamic quote process choice of modular benefits and automated solution recommendation, will help advisers across all channels design individually tailored plans that meet customers' financial needs in one seamless journey. Customers only pay for the benefits they want and need and can adjust their policies in line with changing circumstances.

Faster decision making incorporating the latest health and medical testing technology to drive speed and decision making.

Easy and efficient to do business with us by increasing accessibility, convenience, and removing repetition and red tape.

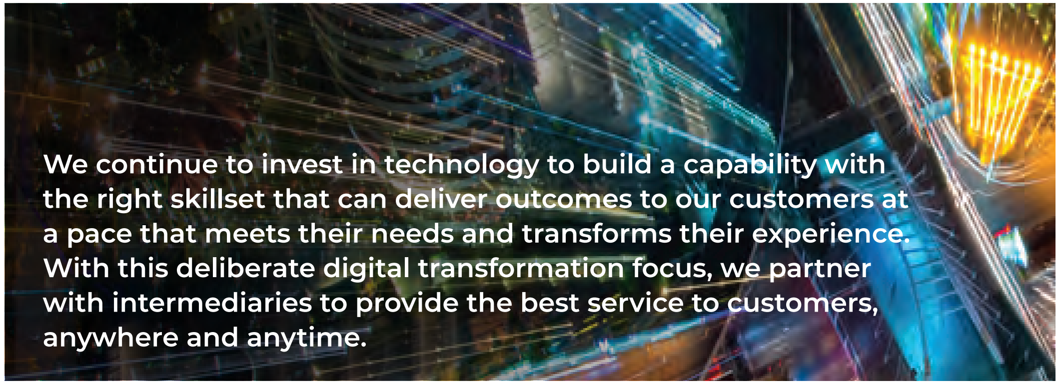
Enabling **clear and comprehensive communication** that informs and manages customer expectations from advice to claim stage.

Access to **best advice and right solutions** through recommendation features.

Creating a **seamless digital experience** for the customer supported by the latest technology in the industry and cloud-based operations.

Simplicity and reducing our cost of doing business by having **one protection platform** with intelligent automations.

Refresh our technology offering



We focused on the enablement of end-to-end digital experiences across key customer and intermediary journeys.

- We launched new websites in Botswana and Nigeria further driving the convergence of digital platforms across the organisation. A refreshed Old Mutual corporate website will be launched in 2020 to provide a more seamless digital experience for customers and intermediaries.
- We launched various mobile money applications in the Rest of Africa that improve ease of use for customers and expedites claims payments.
- We launched the MyOldMutual application in South Africa, providing customers with a single access point to view their portfolio of investments and rewards information. A refresh of the application will be rolled out in 2020.
- We have trained our call centre agents and advisers in branches in digital tools and products available to customers to drive digital adoption. We continue to create awareness about our digital offerings through focused marketing of Old Mutual rewards.
- Through partnerships with Fintechs, we have automated the income verification services to reduce the time and complexity experienced by customers when purchasing our products.
- Old Mutual Protect was launched to a group of advisers in 2019 and will be deployed more broadly in 2020. This is a complete refresh of the retail protection range in South Africa and Namibia with innovative features including online advice tools that are easy to use, instant electronic signature that eliminates the need for paper and flexible underwriting options.

Almost 4,000 call centre agents

trained to drive an increase in customer digital adoption

153% increase

in active digital users

Enhancements to systems and service processes and creating an innovative culture remain key priorities to ensure we improve our customers' experience.

- We deployed 151 bots to more than 40 processes across the organisation which have enabled us to save 5.2 million processing minutes. This has led to a reduction in call centre volumes and improvements in claims processes.
- Our partnership with Amazon Web Services (AWS) enables us to modernise our technology infrastructure and innovate rapidly to enhance our customers' experience, whilst improving intermediary and employee experience. Following the announcement of the strategic partnership with AWS in October 2019, close to 200 Old Mutual employees have been trained in AWS services.
- We received the BCX Digital Innovation award in the corporate category for our commitment to improving customer experience through use of robotics and cognitive automation. The awards further recognised our Old Mutual Money Account Mobile Banking App for its innovative features, and our machine learning and artificial intelligence capabilities used to identify and prevent cyber attacks.
- We established a Research and Development function to lead our artificial intelligence and machine learning capabilities.
- We partnered with the Melisizwe Computer Lab to train 25 unemployed youth members on artificial intelligence and machine learning. Seven of the 2019 graduates were hosted for a week for on-site work experience at Old Mutual. We also helped over 300 school children develop technology skills via weekend technology interventions in 2019.
- We launched a Data Analyst Academy with the intention to invest in communities whilst developing a future talent pipeline. 10 candidates will undergo rigorous training for 6 months after which they will be offered a 12 month fixed contract.

We remain focused on creating an environment in which our customers, employees and stakeholders feel safe, secure and enabled with innovative technology.

- We continued to simplify and modernise our estate through consolidation of financial solutions in East Africa, and we deployed cloud based email and collaboration solutions across the Group.
- Protecting employee and customer information remained a top priority as we continue to drive a culture of awareness regarding cybersecurity and form partnerships with world class companies to strengthen our security solutions.

Win the war for talent

In 2019 we continued to foster a high performing workforce and create a compelling employee value proposition, which will encourage employees to deliver their exceptional best. We are acutely aware that the world is constantly changing and therefore our employees need to embrace new ways of working to be future fit and capable of delivering on our strategic objectives. We remain focused on creating a diverse and inclusive work environment, where all our employees have a sense of belonging.

We empower our employees to self service, collaborate and strengthen their capability through the use of digital tools and tailored learning solutions.

We rolled out Workday, a human capital technology platform to our businesses in Nigeria, Malawi, Zimbabwe, Botswana, eSwatini and Ghana. This platform is a single, shared and standardised technology solution, enabling employees to engage on their preferred device. This solution will also enhance our use of data when making people decisions, resulting in effective reporting and analytics that strengthen our business decision making capabilities.

We established a People, Data and Analytics function to lead our data and analytics capabilities. This has attracted individuals from diverse backgrounds, with different skillsets.

In 2020 we will continue the roll out of Workday in South Africa, Namibia and East Africa. We will embed this solution across the entire organisation, creating awareness of its features and train employees to make more analytical and data driven decisions. We believe this will lead to effective people management, and provide easy access to learning, performance management and reward information.

We recognize that investing in people is key to our growth ambitions and to deliver innovative solutions to our customers.

We started implementing a new performance management approach to drive a high performance culture. New performance management practices, including regular coaching conversations between line managers and employees were embedded to increase productivity and development.

We launched the 'Your Time is Now' campaign, an engagement programme to attract young future leaders. 124 graduates participated in these programs and were placed in business functions across the Group.

We developed leadership capabilities through high impact programmes in partnership with business schools. These programmes are designed to provide access to thought leaders and relevant content, to enable our leaders to build and influence a workforce for the future.

219 leaders completed accelerated development programmes

1,575 managers completed our managerial development programmes

In 2020 we will continue to review our talent pool to identify the best leaders for the future. We will embed sound performance and talent management practices that empower employees to develop their talent and contribute to the achievement of our strategic objectives. We will continue the roll out of digital and innovative learning solutions and encourage the use of digital platforms as learning tools.

Win the war for talent

We continue to pursue a culture where employees are engaged which we believe will motivate them to be committed to our purpose, values and strategic objectives.

We developed a clear set of culture measures which allow us to measure our progress against desired culture shifts. Based on topical themes from previous surveys, we developed a culture model specifically designed for Old Mutual employees. 70% of our employees responded to the survey and gave us feedback on how they are experiencing our culture.

To reinforce our culture shifts and develop more meaningful engagements, our executive committee hosted a series of "Conversations with Exco" which enabled employees to raise their interests and concerns.

We remain committed to the advancement of inclusivity across the organisation. We stand against the violation of people's right to safety and dignity within the workplace and we launched #NoMoreSHH, a sexual harassment awareness campaign affirming our commitment to treating all complaints with the necessary care and confidentiality. We further increased awareness on conduct that constitutes sexual harassment, the action that will be taken and channels available to report it.

We encouraged our employees to participate and demonstrate their disdain against gender-based violence against women and children in South Africa.

We implemented the parental leave policy with effect from 1 March 2019 in South Africa, a year before it became law. We enhanced our current benefit structure by offering the equivalent of maternity leave benefits for adoptive and commissioning parents.

We foster positive relationships with organised labour through our stakeholder engagement framework. This ensures that we entrench the culture of dialogue with our stakeholders, reducing the occurrence of collective conflicts and disputes.

In 2020 we will continue to review our employee value proposition to deliver a refreshed strategy that resonates with employees, enabling us to attract and retain top talent.

We will build strong capabilities across business functions to be more competitive and operate with efficiency and speed.

We will implement a Diversity and Inclusion strategy with focus on inclusivity across the business through interventions that build psychological safety.

Our actions to minimise our impact to the environment

When it comes to our work environment and carbon footprint, it is important that we lead by example. We continuously work to minimize impact on the environment and to improve our working environment. In addition to driving responsible consumption of resources, we are increasing our solar energy production, recycling and minimising waste across our offices.

Recycled water

- We have produced 133 million litres of recycled drinking water from our water filtration plant at Mutualpark since August 2018, this represents 90% of our required water usage
- We have increased rainwater harvesting for irrigation and toilet flushing at 1 Mutual Place
- Water efficient fittings are now in place in our offices, including a 9 step filter system from basins and showers used to flush toilets at Wanooka Place

Renewable energy

- Mutualpark has achieved a 6 star green building rating
- We generated 2.1 million kWh of energy from our 1 100kW solar panels, contributing to monthly diesel savings
- Our solar plant at Mutualpark is being expanded to increase output to 3800kW
- We have Installed light sensors and LED light panels to reduce energy demand at most of our offices

Reducing waste

- We have diverted 52% of our waste from landfill, up from 38% in 2018.
- At Mutualpark 95% of targeted food packing is made from compostable material, eliminating single use plastics
- We have a worm farm in place for vegetable and fruit peels from our kitchens at Wanooka Place
- We are piloting reverse vending machines for our staff to dispose of recyclables in exchange for rewards such as airtime

1 Mutual Place – our office in Sandton, Johannesburg
Mutualpark – our office in Pinelands, Cape Town
Wanooka Place – Old Mutual Insure's head office in Parktown, Johannesburg

Governance

The following pages have been extracted from the full Corporate Governance report, which is available at www.oldmutual.com/investor-relations/reporting-centre/reports

Overview

Board Focus areas in 2019

Our long term strategy

In September 2019 the Board, along with the executive team, commenced a review of the Group's long term strategy. The process is iterative and was conducted over a number of scheduled specific Board strategy days. During these sessions the Board also agreed to a change in the approach to the governance of strategy whereby a detailed strategic review will be performed every three years rather than a high level review performed annually. We expect this process to be finalised in H2 2020, after the appointment of the new CEO.

Remuneration

We have spent significant time considering the Group's remuneration policies and practices and members of our Remuneration committee have engaged in extensive discussions with our shareholders after the negative vote received at our 2019 Annual General Meeting (AGM).

The maturing and improvement of our remuneration policy and practices is an iterative process, which we will facilitate through continuous open and transparent engagement with stakeholders.

Zimbabwe

During the year we developed a bespoke governance framework to manage our operations in Zimbabwe on a ring fenced basis, given the unique macroeconomic conditions this business is operating under. Our focus is on preserving value for our customers and employees through this challenging economic cycle.

We also debated extensively the appropriate accounting treatment for this business and commenced accounting for this operation as hyperinflationary from 30 June 2019. We removed the results of this business from our key operating measures such as Adjusted Headline Earnings and set separate management remuneration targets in respect of the performance of this business.

Auditors

We remain concerned about the general state of the auditing profession in South Africa. During the year the Audit committee engaged with relevant parties to understand the nature of media reports implicating the Group's auditors. We take these allegations seriously, and will keep a watching brief as these matters unfold. As a Group we undertake to do everything in our power to support a healthy auditing profession with high ethical standards.

Board assessment

During 2019 we performed an independently facilitated assessment for all members of the Board. During the interview process, questions were posed to both directors and the members of the executive committee to provide peer review feedback on the performance of each individual director.

The assessment results showed that the Board remains effective and is able to reach consensus when making difficult decisions.

Appointment of Lead Independent director

During 2018 and 2019 the Board utilised the Related Party Transactions committee to discharge the duties of a Lead Independent director. This was done to ensure that the newly constituted Board had developed the requisite rapport to enable it to run an election process for a Lead Independent director. The Board agreed in late 2019 that it was sufficiently settled to proceed with the appointment of a Lead Independent director. An independently facilitated process was performed, and Peter de Beyer was appointed as the Lead Independent director on 17 March 2020.

Impact of termination of chief executive's employment

The Board carefully monitored the operational the impact of the termination of the employment of our former chief executive officer, Peter Moyo. prior to and following the termination of his employment there was extensive engagement at each key legal milestone.

Our executive management team also ensured our employees, customers and stakeholders were reassured through this period of uncertainty.

We held a total of 17 additional ad-hoc committee and Board meetings to ensure that this matter was appropriately considered and necessary actions were taken timeously.

Our executive level succession plans were effective as vacancies on the executive committee were filled with experienced internal candidates.

Overview (continued)

Board Focus areas in 2020

Build and retain investor confidence

Building and retaining investor confidence is a key priority for the Board. Finalising the appointment of a new chief executive officer and completing the refresh of our long term strategy will be key underpins to achieving this.

Transformation

After the achievement of our Level 1 BBBEE contributor status on 17 March 2020, the Board continues to work on plans to improve our BBBEE ownership scores, in line with the commitments made in our pre listing statement.

Oversight of this process and ensuring that it supports the Board's vision of a truly broad-based scheme, will be one of the main focus areas for the Board in 2020.

Responsible Business

We will continue to engage and challenge executive management to ensure that we can measure our achievements as a Responsible Business. In this regard, certain defined ESG metrics have been added to the relevant scorecards of senior managers already, with the development of an overall ESG metric for our variable pay scheme being developed in 2020. We will continue to drive initiatives that contribute towards minimising our environmental impact, such as our Responsible Investing approach and improving the green footprint of our own operations.

Governing through COVID-19

The Board is actively engaging with stakeholders through this difficult time and monitoring the potential impact this pandemic could have on the performance of our business and our solvency and liquidity levels. Ensuring that we guide and steer the business through the many decisions that it will be required to make over the coming months will be a key focus.

Board refreshment

The Board previously indicated that a board refresh would be a focus area in 2019. Given events of 2019, this process was paused and will receive renewed attention in 2020.

Governance and Ethics philosophy

Maadili charter

During 2019 we launched an updated code of ethics called the Maadili charter. Maadili is the Swahili word for morals and ethics. It defines ethical behaviour as following the spirit and intention of the law and treating all of our stakeholders fairly and respectfully. All directors and employees attest that they have read and understood the charter on an annual basis.

Reporting breaches in ethics

We have a variety of internal and external mechanisms for reporting actual or suspected unethical or unlawful behaviour. These are supported by strong investigative capabilities and rigorous disciplinary processes and sanctions.

The Board

Changes the Board and committee composition during the year

Board member	Date	Nature of change		Impact on committee membership
Thoko Mokgosi-Mwantembe	3 April 2019	Designation change from independent non executive to non executive due to related party matter	▼	Stepped down as Remuneration committee chairperson
Stewart van Graan	3 April 2019	Change in committee membership designation	▲	Appointed as Technology and Platforms committee chairperson
	3 April 2019	Change in committee membership	▲	Appointed as Corporate Governance and Nominations committee member
Nombulelo Moholi	3 April 2019	Change in committee membership	▲	Appointed as Remuneration committee chairperson and member
			▼	Stepped down as Technology and Platforms committee chairperson
	18 September 2019	Resignation as independent non executive director of Old Mutual Limited and OMLACSA	▼	Resignation as Remuneration committee chairperson
			▼	Resignation as Technology and Platforms committee member
Iain Williamson	27 May 2019	Designation change from chief operating officer to interim chief executive officer	▲	Appointed as Responsible Business committee member
			▲	Appointed as Technology and Platforms committee member
Peter Moyo	17 June 2019	Employment terminated. Retired as a director of Old Mutual Limited (24 May 2019) and resigned as a director of OMLACSA (27 June 2019)	▼	Removed from Responsible Business, Risk and Technology and Platforms committees
Itumeleng Kgaboesele	25 September 2019	Change in committee membership	▲	Appointed as Corporate Governance and Nominations committee member
	25 September 2019	Change in committee membership designation	▲	Appointed as Remuneration committee chairperson
Paul Baloyi	22 October 2019	Designation change from independent non executive as tenure exceeded nine years	►	None

Rotation and retirement of directors

In terms of our Board charter, all directors are subject to retirement by rotation and re-election by the shareholders at least once every three years. Newly appointed directors may hold office only until the next AGM, at which point they retire and become available for re-election by the shareholders, on the recommendation of the Board. At the AGM on 24 May 2019, all directors, with the exception of Peter Moyo, were elected after making themselves available for election in line with our Board charter.

When determining the identity of the directors who have been the longest in office since their last election, consideration is given to the date of appointment as a non executive director of Old Mutual Emerging Markets and/or Old Mutual plc whichever occurred earlier. The time served on either of the Old Mutual Emerging Markets or Old Mutual plc Boards is added to the time served on the Old Mutual Limited Board in considering rotation decisions.

Executive directors have no fixed term of appointment but are subject to short term notice periods. The maximum tenure of non executive directors in the Group is three terms of three years. The retirement age for directors is set at 70 years, or such age as determined at the discretion of the Corporate Governance and Nominations committee.

Paul Baloyi, Peter de Beyer, Albert Essien, Nosipho Molope and Marshall Rapiya are due to retire by rotation. All of these directors are eligible for re-election and have indicated that they will offer themselves for re-election at the AGM in May 2020.

The Board and our stakeholders

The Board monitors the quality and effectiveness of our stakeholder relationships and engagements. Our dedicated stakeholder relations function plays a critical role in ensuring we observe effective industry and international governance practices in managing and responding to the requirements and views of our stakeholders.

The boards of our subsidiaries adopt the Group's stakeholder relations policy and ensure all the applicable requirements are implemented and complied with. Subsidiary boards must ensure local regulatory requirements are included in the policy adopted at a subsidiary level.

2019 Annual General Meeting voting results

Our inaugural AGM was held on 24 May 2019.

Non binding advisory ordinary resolutions 6.1 and 6.2, relating to our remuneration policy and implementation report, were voted against by 46% and 69% of voting shareholders respectively. Given this low level of support we invited, through a SENS issued on 26 July 2019, dissenting shareholders to make written submissions to outline concerns and make recommendations regarding the non-binding advisory resolutions. Further engagements were initiated with shareholders and additional disclosure was provided on directors' beneficial interests and the pay outs under the Managed Separation Incentive Programme (MSIP) through SENS announcements.

72% of votable shares[1] represented at AGM

195 investor meetings held

93% of ordinary and special resolutions approved by majority of shareholders

Met **48** institutional shareholders and **52** institutional non-holders

Resolutions passed with approval levels ranging from **74.25%** to **99.9%**

Met investors from South Africa, the United Kingdom, Europe, Canada, the United States of America and Asia

1 *Calculated as 3,488,824,463 divided by 4,831,264,848 shares, representing the total number shares in issue less treasury shares as defined in the JSE Listings Requirements.*

The Board and our stakeholders (continued)

Executive management engaged extensively with equity investors in 2019. Key topics discussed included the Group's performance and dividend outlook and the impact of the weak macroeconomic environment on current and future performance. The ongoing litigation between the former CEO and the Company and the concern around the impact on the share price was also a key item discussed. Investors also raised questions around the Group's long term capital allocation relative to its peers.

Executive management attended seven investment conferences in 2019, including the annual South Africa Tomorrow conference in New York. This conference showcases South African listed companies and institutions to current and potential international investors. We are a host and sponsor of this event, in collaboration with the JSE and other South African corporates.

In addition, regular group and individual meetings were held between our non executive directors and members of the investor community following the suspension and termination of the former CEO. These meetings ensure that we kept our investors appraised of key developments in litigation processes and established support for the appeal process we followed.

Debt investor roadshows

During 2019, we conducted a non deal roadshow in South Africa to update our debt investors on the performance of the Company and seek consent for the consolidation of the OMLACSA and Old Mutual Insure Domestic Medium Term Note (DMTN) programmes into a single Old Mutual Limited DMTN programme. This increases our flexibility and optionality for any potential future issuances under this programme.

We received the required support for this consolidation in early 2020, with the requisite majority as required under each DMTN Programme. We will continue to engage our debt investors on an ongoing basis.

Governance roadshows

We conducted two governance roadshows during 2019 to provide our shareholders with the opportunity to engage with our Chairman and other members of our Board on governance matters.

Our Chairman hosted a total of 34 engagements with institutional investors holding a combined total of 53.6% of our issued share capital. Key topics discussed included concerns around ongoing litigation with the former CEO and questions around the appointment of a permanent CEO. The Group's remuneration philosophy and implementation report was also discussed.

Sponsor

We fully understand the role and responsibilities of our equity and debt sponsors, as stipulated in the JSE Limited Listings Requirements. We have cultivated good working relationships with both our equity sponsor, BofA Securities and our debt sponsor, Nedbank CIB. We are satisfied that the sponsors have executed their mandates with due care and diligence in 2019.

Political party contributions

The Group does not, as a principle, donate to political parties. As a responsible and responsive corporate citizen we are required to participate in certain events that are organised by political parties for which payment is required. Any such payments are made in a transparent manner with prior approval by the relevant executive committee member.

Executive committee (continued)

Changes to the executive committee during the year

Executive member	Date	Impact on committee membership
David Beunfil	1 April 2019	Resigned from executive committee subsequent to the sale of the Latin American business
Peter Moyo	24 May 2019	Suspended from office
	17 June 2019	Employment terminated
Iain Williamson	24 May 2019	Appointed as interim chief executive officer
Heloise Van Der Mescht	1 June 2019	Appointed as interim chief operating officer, replacing Iain Williamson
Clement Chinaka	1 November 2019	Appointed as managing director of Rest of Africa ahead of the retirement of Jonas Mushosho
Prabashini Moodley	1 November 2019	Appointed as managing director of Old Mutual Corporate following Clement Chinaka's appointment as managing director of Rest of Africa
Jonas Mushosho	31 December 2019	Retired from the executive committee
Karabo Morule	18 October 2019	Resigned as managing director of Personal Finance, and served notice until 31 January 2020
Kerrin Land	1 February 2020	Appointed as managing director of Personal Finance
Maserame Mouyeme	1 February 2020	Appointed as Corporate Affairs director

Succession planning

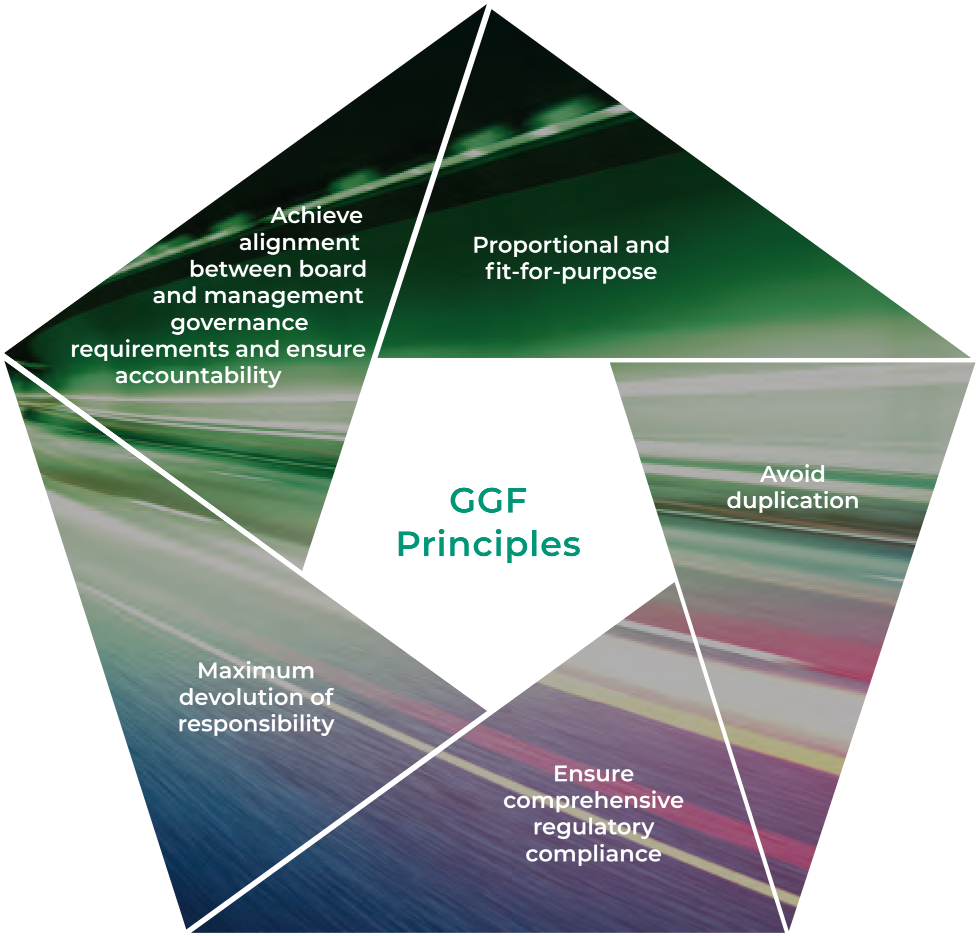
Members of the executive committee who left the Group during the year have been replaced with individuals listed on the Group's executive leadership succession plans, with deep industry knowledge and experience and who have been with the Group for some time. These succession plans will be updated and refreshed over the coming year.

Executive committee sub committees

The executive committee has formed sub committees aligned to each of the board committees. This ensures that all papers are reviewed and interrogated before formal submission to the Board.

Group Governance Framework

The Board is responsible for ensuring that the governance arrangements across the Group enable them to discharge their oversight and fiduciary duties effectively, with clear accountability and devolution of responsibility. To achieve this, the Board, along with the executive committee, operate and oversee a Group Governance Framework (GGF), in line with international best practice.



The GGF explains how the Board executes its direction and oversight responsibilities, and what it expects from subsidiary boards in the Group. The GGF establishes the minimum governance requirements for the Group and subsidiary boards, and importantly, sets a framework for the minimum governance requirements over various governance domains relevant to Old Mutual.

It takes into account that the Group has significant and geographically diverse operations, with equity listed on five stock exchanges and debt issued on one stock exchange. The GGF is structured into a five category corporate governance model. Each category has specific requirements, duties and powers and this ensures that the principles of proportionality and maximum devolution are achieved.

Operation of and compliance with the GGF provides the Board with assurance that the Group is operating as they direct, appropriately managing risk, complying with applicable legislation and regulatory requirements and applying the principles of effective governance as expressed in King IV™.

A group wide attestation was completed during the year and the Board, along with the subsidiary boards, attested to application of the GGF. Group internal audit performed an independent review of the effectiveness and completeness of the attestation process.

Audit Committee

"The Audit committee played a key role in continuous evaluation of the robustness of the finance processes to ensure reliable financial data is disclosed externally."

Nosipho Molope: *Chairperson*

Governance domains

- Assurance
- Actuarial
- Strategy and performance

Related capitals

- IC Intellectual
- SC Social and relationship
- FC Financial
- MC Manufactured

Focus areas in 2019

- Reviewed key judgments and significant matters raised by management, internal and external audit to ensure the accuracy and integrity of financial data disclosed
- Reviewed the Head of Actuarial Function reports concluding effective operation of the actuarial control function
- Reviewed the dividend proposals and ensured the Group had sufficient resources to make distributions
- Evaluated the adequacy and effectiveness of the internal control environment
- Evaluated the independence, effectiveness and performance of the Internal Audit function
- Reviewed and approved the annual internal audit plan, ensuring the inclusion of material risk areas, acceptable coverage of business processes and that all reporting requirements were met
- Recommended to shareholders the appointment of Deloitte and Touche and KPMG for 2019
- Reviewed and approved the external auditor's 2019 annual plan, scope of work, audit fees and considered the key audit matters in the external audit report
- Reviewed the 2019 annual financial statements
- Oversaw the implementation of IFRS 16: Leases, effective 1 January 2019
- Assessed compliance with all other statutory requirements in terms of section 94(7) of the Companies Act of 2008, King IV™, JSE Listings Requirements and any other applicable regulatory requirements, and confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act, 26 of 2005
- Considered the effectiveness of the Chief Financial Officer, Casper Troskie

Focus areas in 2020

- Monitoring and evaluation of the Groups preparation for the implementation of IFRS 17, effective 1 January 2023
- Continued monitoring of the economic situation in Zimbabwe and assessment of the appropriate accounting treatment and disclosure in the Group financial statements
- Continued focus on ensuring that the group's financial processes and controls operate effectively and are consistent with the group's complexity

The Audit committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

98%
Committee meeting attendance

9 Meetings

5 Members

The terms of reference for this committee can be found at www.oldmutual.com/about/governance/board-committees

Name[1]	Board status[2]	Meeting attendance
Nosipho Molope (Chairperson) BSc (Medical Sciences), BCompt (Hons), CTA, CA(SA)	INED	9/9
Paul Baloyi[3] MBA, AMP (INSEAD), SEP (Harvard)	NED	9/9
Peter de Beyer BBus Sci (Hons), FASSA	INED	8/9
Itumeleng Kgaboesele BCom, PDip (Acc), Dip (FMI), CA(SA)	INED	9/9
John Lister BSc (Stats), FIA	INED	9/9

1 *All committee members were appointed on 06 March 2018.*

2 *INED represents independent non executive director, NED represents non executive director and ED represents executive director.*

3 *In line with Group requirements became a non executive director on 22 October 2019 as tenure exceeded 9 years.*

Corporate Governance and Nominations committee

"The termination of the employment of our former chief executive officer, Peter Moyo, after careful consideration of the relevant facts and circumstances, was a decision rooted in principles based governance where one is not simply adhering to rules but also acting as a guardian of the Group's integrity and reputation."

Trevor Manuel: *Chairman*

Governance domains

- Board specific
- Compliance

Related capitals

- IC Intellectual

Focus areas in 2019

- The committee met a number of times, in addition to scheduled meetings, to consider the suspension and termination of employment of Peter Moyo
- Approved a framework for the payment of legal fees in relation to legal proceedings involving directors, where such legal proceedings have the potential to impact materially on the reputation of the Group or any of its subsidiaries
- Reviewed and updated the Board suspension and termination of the employment of Peter Moyo and the resignation of Nombulelo Moholi
- Reclassified Thoko Mokgosi-Mwantembe as a non executive director after the consideration of an arms-length transaction concluded with a group company in her personal capacity. Accordingly, she stepped down as chairperson of the Remuneration committee and as a member of this committee
- Reclassified Paul Baloyi as a non executive director after he reached his 9 year anniversary as a director
- Considered the succession pipeline for the executive committee and participated in the selection and appointment of sucessful candidates to the executive committee

Focus areas in 2020

- Finalising the appointment of a permanent chief executive officer
- Driving a refresh of the Board to supplement the experience and skillset with the skills gaps identified
- Refreshing the succession plan for the executive committee following the recent appointments made

The Corporate Governance and Nominations committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

91%
Committee meeting attendance

7 Meetings

8 Members

The terms of reference for this committee can be found at www.oldmutual.com/about/governance/board-committees

Name[1]	Board status[2]	Meeting attendance
Trevor Manuel (Chairman) NDip, EMP (Stanford)	INED	7/7
Peter de Beyer BBus Sci (Hons), FASSA	INED	7/7
Thys du Toit BSc Agric. MBA	INED	7/7
John Lister BSc (Stats), FIA	INED	6/7
Sizeka Magwentshu-Rensburg BA, MBA(Webster), DPhil	INED	6/7
Nosipho Molope BSc (Medical Sciences), BCompt (Hons), CTA, CA(SA)	INED	7/7
Itumeleng Kgaboesele[3] BCom, PDip (Acc), Dip (FMI), CA(SA)	INED	1/1
Steward van Graan[4] BCom (Hons), PMD	INED	4/4
Thoko Mokgosi-Mwantembe[5] BSC, MSC, SEP, MCRP	NED	3/4
Nombulelo Moholi[6] BSc (Eng), SEP (Stanford), SMMP (Harvard)	INED	4/6

1 *All directors appointed on 6 March 2018, unless otherwise stated.*
2 *INED represents independent non executive director, NED represents non executive director and ED represents executive director.*
3 *Appointed as a member of this committee on 25 September 2019, following his appointment as chairperson of the Remuneration committee.*
4 *Appointed as a member of this committee on 3 April 2019, following his appointment as chairperson of the Technology and Platforms committee.*
5 *Stepped down as chairperson of Remuneration committee and member of this committee on 3 April 2019.*
6 *Resigned on 18 September 2019.*

Invited attendees: *Iain Williamson is a standing invitee as interim chief executive officer. In 2019 there were several meetings where external legal experts were invited to advise the committee in connection with the Peter Moyo litigation.*

Remuneration Committee

"We expect our remuneration policies and practices to mature and improve through an iterative process that will be facilitated through continuous open and transparent engagement with stakeholders."

Itumeleng Kgaboesele: *Chairperson*

Governance domains

- Talent and reward
- Strategy and performance

Related capitals

- HC Human

Focus areas in 2019

- Engaged with shareholders ahead of and following negative votes to obtain feedback and incorporated this into remuneration policies as appropriate
- Refined our current remuneration philosophy, practices and structures in order to ensure they are fit for purpose and competitive
- Engaged with management on the challenges facing our Zimbabwe business and formulated appropriate remuneration responses
- Reviewed and approved the remuneration for the executive committee, executive management and heads of control functions, ensuring they are fairly and responsibly rewarded. This included benchmarking remuneration levels against industry peers and organisations of similar complexity
- Reviewed and approved the overall annual increase pool awarded to Group employees, with particular focus on the increases awarded to senior management ensuring internal parity as well as external competitiveness
- Approved the implementation of the Group's variable pay schemes applying discretion where appropriate

Focus areas in 2020

- Ensuring a process of continuous improvement in our remuneration policy and implementation through an iterative process of engagement with relevant stakeholders
- Review of variable pay schemes ensuring pool determination is aligned to business performance and introducing increasing discretion into the process
- A focus on fair and responsible remuneration including pay-gap, pay-ratio and alignment of remuneration

The Remuneration committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

94%
Committee meeting attendance

8 Meetings

4 Members

The terms of reference for this committee can be found at www.oldmutual.com/about/governance/board-committees

Name[1]	Board status[2]	Meeting attendance
Itumeleng Kgaboesele (Chairperson)[3] BCom, PDip (Acc), Dip (FMI), CA(SA)	INED	7/8
Thoko Mokgosi-Mwantembe[4] BSc, MSc, SEP(Harvard), MCRP (Institute of Management Development of Switzerland)	NED	8/8
Thys du Toit BSc Agric, MBA	INED	8/8
Sizeka Magwentshu-Rensburg BA, MBA(Webster), DPhil	INED	7/8
Nombulelo Moholi[5] BSc (Eng), SEP (Stanford), SMMP (Harvard)	INED	3/3

1 *All directors appointed on 6 March 2018, unless otherwise stated.*
2 *INED represents independent non executive director, NED represents non executive director and ED represents executive director.*
3 *Appointed as chairperson on 25 September 2019.*
4 *Designation changed from independent non executive to non executive. Resigned as chairperson on 3 April 2019.*
5 *Appointed as member and chairperson on 3 April 2019, resigned from the Board on 18 September 2019.*

Invited attendees: The Board Chairman, CEO, Group Human Capital director and the Group Head of Reward have standing invitations to attend all meetings of the Remuneration committee. The committee may further invite any executive management team members or other individuals to attend meetings as they consider appropriate. No attendee is present when matters pertaining to their own remuneration or terms of employment are being discussed. Iain Williamson, interim chief executive officer, was invited to the meetings from 27 May 2019.

Risk committee

"The second line risk management processes and oversight of the Risk Committee proved effective in ensuring the Group remained within its risk appetite, while it navigated a difficult external environment."

John Lister: *Chairperson*

Governance domains

- Compliance
- Risk

Related capitals

- FC Financial
- MC Manufactured
- SC Social and relationship

Focus areas in 2019

- Monitored and approved the adequacy and appropriateness of the Group's risk, management policies, processes and systems
- Reviewed and approved the Group's risk strategy, including: the limits for Solvency Capital, Liquidity and Earnings risk metrics; the appetites for different types of risks; and the target risk profile for the Group, with particular focus and application on our Zimbabwean business
- Reviewed and approved the Own Risk and Solvency Assessment (ORSA) submitted to the Prudential Authority, including an analysis of the Group's resilience in severe (1 in 50) and Perfect Storm (1 in 200) downside scenarios
- Provided financial risk oversight on market, liquidity, asset and liability matching and funding risks and monitored market conduct risk across the Group
- Reviewed the Group's exposure to investment credit and retail credit risk, in particular the Group's exposure to the OM Finance unsecured lending book
- Approved the annual operating plans for the risk, actuarial oversight, compliance and forensic functions
- Monitored progress of the cybersecurity, business resilience and information and technology strategic programmes
- Reviewed the regulatory compliance processes and procedures, focusing on business readiness initiatives to manage regulatory changes and the impact these have on the Group's compliance profile
- Oversaw the development and roll out of the compliance framework across the Group, including monitoring of compliance with current and developing material legislation and regulation
- Worked closely with the Audit committee in monitoring life and general insurance risk and ensuring adequate oversight by the actuarial control function

Focus areas in 2020

- Ensure the Group remains operationally and financially resilient during and after the COVID-19 pandemic
- Guide the executive management team in managing performance in tough trading circumstances expected to result from low GDP growth outlook depressed asset values and global uncertainty related to COVID-19
- Monitoring environmental, external and emerging risks and the impact these will have on the Group
- Monitor, along with the Technology and Platforms committee, information technology, cyber risk and the information security programme's maturity and remediation roadmap
- Monitor and review the appropriateness of outsourcing and third party arrangements
- Continue to monitor the credit experience in the unsecured lending operations

The Risk committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

100%
Committee meeting attendance

4 Meetings

7 Members

The terms of reference for this committee can be found at www.oldmutual.com/about/governance/board-committees

Name[1]	Board status[2]	Meeting attendance
John Lister (Chairperson) BSc (Stats) RA	INED	4/4
Paul Baloyi[3] MBA, AMP(INSEAD), SEP(Harvard)	NED	4/4
Peter de Beyer BBusSci (Hons), FSSA	INED	4/4
Albert Essien BA	INED	4/4
Nosipho Molopo BSc (Medical Sciences), BCompt (Hons), CTA, CA(SA)	INED	4/4
Marshall Rapiya BAdmin	NED	4/4
Stewart van Graan BCom (Hons), PMD	INED	4/4
Peter Moyo[4] BAcc (Hons), HDip (Tax), AMP (Harvard), CA(SA)	ED	2/2

1 *All committee members were appointed on 06 March 2018.*
2 *INED represents independent non executive director, NED represents non executive director and ED represents executive director.*
3 *In line with Group requirements became a non executive director on 22 October 2019 as tenure exceeded 9 years.*
4 *Employment terminated on 17 June 2019.*

Invited attendees: *The Board Chairman, CFO, Risk and Actuarial director have standing invitations to attend meetings. In addition, Iain Williamson, interim chief executive officer, was invited to the meetings from his appointment date on 24 May 2019.*

Composition

There will be cross membership between the Risk committee and the Audit committee, typically with the chairperson of each committee serving as a member of the other, but no person will be the chairperson of both committees at the same time.

Related Party Transaction committee

"The Related Party Transaction committee considers, reviews, evaluates and provides oversight over related party transactions (whether natural persons or corporates) to ensure these transactions are fair and in the best interests of the Group. The terms of reference for this committee allows it to make independent and final determinations in respect of all conflicts of interests."

Thys du Toit: *Chairperson*

Governance domains

- Risk

Related capitals

- FC Financial
- HC Human
- MC Manufactured
- IC Intellectual
- SC Social and relationship

Focus areas in 2019

- Reviewed and monitored related party transactions and ensured accurate disclosure of these transactions in the interim and annual financial statements as required by IAS 24: Related party disclosures
- Led the investigation into how the conflict of interest in respect of Peter Moyo had been managed
- The members of the committee reviewed and considered the actions of Mr Moyo in managing the conflict of interest that existed in respect of his role as CEO of Old Mutual Limited and as an investor in NMT. Having engaged with Mr Moyo individually, jointly and through legal representatives over a lengthy period of time, it reached the conclusion that the strongest possible sanction against Mr Moyo was required. This recommendation was submitted to the Corporate Governance and Nominations committee for further consideration and action

Focus areas in 2020

- Monitoring and reviewing all related party transactions throughout the year. The committee meets as and when required to ensure the required governances are in place to monitor related party relationships and transactions

The Related Party Transaction committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

100%
Committee meeting attendance

3 Meetings[3]

3 Members

The terms of reference for this committee can be found at www.oldmutual.com/about/governance/board-committees

Name[1]	Board status[2]	Meeting attendance
Thys du Toit (Chairperson) BSc Agric, MBA	INED	3/3
James Mwangi BA (Econ)	INED	3/3
Stewart van Graan BCom (Hons), PMD	INED	3/3

1 All directors were appointed on 7 March 2018.
2 INED represents independent non executive director, NED represents non executive director and ED represents executive director.
3 During the period 1 ad-hoc meeting was held, there was 100% attendance for this meeting.

Responsible Business committee

"The committee is pleased with the progress made in driving Responsible Business practices throughout the Group. The achievement of our Level 1 BBBEE status for 2019 was a particularly important milestone."

Sizeka Magwentshu-Rensburg: *Chairperson*

Governance domains

Customer, reputation and Responsible Business

Related capitals

- HC Human
- SC Social and relationship
- NC Natural

Focus areas in 2019

- Provided steer and input into the refinement of the Responsible Business strategy. The approved strategy outlines six focus areas through which responsible business efforts will be executed. Each focus area has a clear mandate and desired outcome with accountable executives in each area
- Reviewed and approved the responsible investment policy and monitored compliance with the UN Responsible Investment Principles. Considered the philosophy of responsible lending and the initiatives implemented by the Group. Approved the 2020-2024 Old Mutual Education Flagship Project strategy
- Significant consideration given to the experience and outcomes for customers across the Group, including the ongoing monitoring of Treating Customers Fairly, now referred to as Market Conduct initiatives
- Reviewed the impact of the Amended FSC on the calculation of the BBBEE score and provided recommendations to improve the score. Reviewed the BBBEE effective shareholding and advised on the timing and quantum of a transaction
- Monitored and reviewed the outcome of the Entrepreneurship Ecosystem pilot programme which will focus on the development of small, medium and micro sized Enterprises (SMMEs)
- Ensured that governance processes were established for the R500 million Enterprise Development Fund set up as part of the Framework agreement per the pre listing statement

Focus areas in 2020

- Review and approve performance measures designed by management in respect of responsible business focus areas, to ensure it enables the Board to measure success in the achievement of these goals
- Oversee the programme responsible for market conduct across the Group and ensure delivery by management. Continue monitoring initiatives to enhance the customer proposition
- Approve and monitor the implementation of policies and strategies relating financial education and financial inclusion, responsible investing, education, ethics, stakeholder management, skills development as well as enterprise development
- Review, and monitor adherence to, the Group Responsible Business Framework

The Responsible Business committee discharged its statutory duties according to Regulation 43 of the Companies Act. It has, in respect of its Terms of Reference, identified certain areas of responsibility which will receive additional focus and oversight going forward.

95%
Committee meeting attendance

5 Meetings

7 Members

The terms of reference for this committee can be found at www.oldmutual.com/about/governance/board-committees

Name[1]	Board[2] status	Meeting attendance
Sizeka Magwentshu-Rensburg (Chairperson) BA, MBA (Webster), DPhil	INED	5/5
Peter de Beyer BBusSci (Hons), FASSA	INED	4/5
Albert Essien BA	INED	5/5
Trevor Manuel NDip, EMP (Stanford)	INED	5/5
James Mwangi BA (Econ)	INED	4/5
Marshall Rapiya BAdmin	NED	5/5
Iain Williamson[5] BBusSc (Actuarial Science), General Management Programme (Harvard), FSSA	ED	3/3
Nombulelo Moholi[3] BSc (Eng), SEP (Stanford), SMMP (Harvard)	INED	4/4
Peter Moyo (CEO)[4] BAcc (Hons), HDip (Tax), AMP (Harvard), CA(SA)	ED	2/2

1 *All committee members were appointed on 06 March 2018.*
2 *INED represents independent non executive director, NED represents non executive director and ED represents executive director.*
3 *Resigned on 18 September 2019.*
4 *Peter Moyo's employment was terminated on 17 June 2019.*
5 *Appointed on 27 May 2019.*

Technology and Platforms committee

"The Technology and Platforms committee continues to play the critical oversight role in the technology refresh programme to ensure a stable, secure and evolving digital platform that enables communications, transaction and support services with our customers and employees across all channels."

Stewart van Graan: *Chairperson*

Governance domains

- Information Technology

Related capitals

- HC Human
- MC Manufactured
- IC Intellectual

Focus areas in 2019

- Monitored and challenged the execution of the Group's multi year technology refresh. Key solutions launched in 2019 under this programme included Workday and OM Protect
- Approved the agreement to migrate the Group's information technology infrastructure estate to a cloud-based infrastructure platform over a three year period
- Monitored the ongoing progress of the Rewards programme. This programme now has over 500,000 members
- Reviewed the Group information security report, which showed continued improvement and remained on track with targets set
- Monitored the performance of critical applications, the performance of which continued to improve with increases in service availability and decreases in down time
- Monitored implementation of key strategic initiatives aimed at mitigating cyber and information risk and ensuring continuity of certain systems

Focus areas in 2020

- Monitoring and overseeing the delivery of our information technology refresh to ensure on time and in scope delivery. In 2020 this committee will focus on monitoring the progress of the national roll out of OM Protect and the continued investment in new digital ways of working
- Monitoring of the progress of the Group's agreed plan to migrate its IT estate to a cloud based infrastructure
- Monitoring the management of key IT risks relating to information and cyber security and continuity of business critical systems

The Technology and Platforms committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

95%
Committee meeting attendance

4 Meetings	**4** Members

Terms of Reference for this committee can be found at www.oldmutual.com/about/governance/board-committees

Name[1]	Board status[2]	Meeting attendance
Nombulelo Moholi[3] BSc (Eng), SEP(Stanford), SMMP (Harvard)	INED	3/3
Stewart van Graan (Chairperson)[4] BCOM (Hons), PMD	INED	4/4
Thoko Mokgosi-Mwantembe BSc, MSc, SEP(Harvard), MCRP (Institute of Management Development of Switzerland)	NED	4/4
James Mwangi BA (Econ)	INED	3/4
Iain Williamson[6] BBusSc (Actuarial Science), General Management Programme (Harvard), FSSA	ED	2/2
Peter Moyo (CEO)[5] BAcc (Hons), HDIP (Tax), AMP (Harvard), CA(SA)	ED	2/2

1 *All directors appointed on 6 March 2018, unless otherwise stated.*
2 *INED represents independent non executive director, NED represents non executive director and ED represents executive director.*
3 *Stepped down as chairperson on 3 April 2019 and subsequently resigned from the Old Mutual Limited Board on 18 September 2019.*
4 *Appointed as chairperson on 3 April 2019 to replace Nombulelo Moholi.*
5 *Terminated on 17 June 2019.*
6 *Appointed on 27 May 2019.*

Invited attendees: *The Board Chairman, Chief Information Security Officer, Chief Operating Officer, Director: Customer Solutions, Chief Information Officer, Chief Digital and Data Officer, Chief Information Officer, Chief Risk Officer and the Group Internal Audit director have standing invitations to attend meetings of this committee. Executive management team member(s) and/or other individuals are invited to attend meetings as appropriate.*

Remuneration

The following pages have been extracted from the full Remuneration report, which is available at www.oldmutual.com/investor-relations/reporting-centre/reports

Remuneration committee

I took over as Chairman of the Remuneration Committee in September 2019 from Nombulelo Moholi who in turn took over from Thoko Mokgosi-Mwantembe in April 2019. Their strong leadership in their respective tenures made this a seamless transition.

It was a challenging year for the Committee given the levels of executive changes and the negative shareholder vote on the 2018 remuneration report. The operating environment in all the countries in which we operate remained challenging, requiring our continued focus on ensuring fair and responsible reward whilst balancing the interests of all stakeholders.

Following the negative votes on our remuneration policy and implementation reports at the 2019 Annual General Meeting, we have spent significant time engaging with shareholders and, together with management, considering the feedback in the context of the Group's remuneration policies and practices. I am pleased with the progress we made in 2019, in our first full year as a listed company, towards responding to the concerns raised.

We expect our remuneration policies and practices to mature and improve through an iterative process that will be facilitated through continuous open and transparent engagement with stakeholders.

Itumeleng Kgaboesele: *Chairperson*

Focus areas in 2019

- Review of our reward framework to evaluate consistency in remuneration and benefits structures across the Group, particularly in Rest of Africa.
- Embedding our remuneration philosophy through implementation in accordance with best practice, and ensuring the requisite engagements with all stakeholders are in place.
- Oversight over the themes as set out in the committee's terms of reference.

Action taken in 2019

- Engaged with shareholders following negative votes to obtain further feedback and incorporated into remuneration policies as appropriate.
- Refined our current remuneration philosophy, practices and structures in order to ensure they are fit for purpose and competitive.
- Engaged with management on the challenges facing our Zimbabwe business and formulated appropriate remuneration responses.
- Reviewed and approved the remuneration for the executive committee, executive management and heads of control functions, ensuring they are fairly and responsibly rewarded. This included benchmarking remuneration levels against industry peers and organisations of similar complexity.
- Reviewed and approved the overall annual increase pool awarded to Group employees, with particular focus on the increases awarded to senior management ensuring internal parity as well as external competitiveness.
- Approved the implementation of the Group's variable pay schemes applying discretion where appropriate.

Focus areas in 2020

- Ensuring a process of continuous improvement in our remuneration policy and implementation through an iterative process of engagement with relevant stakeholders.
- Review of variable pay schemes ensuring pool determination is aligned to business performance and introducing increasing discretion into the process.
- A focus on fair and responsible remuneration including pay-gap, pay-ratio and alignment of remuneration.

The Remuneration Policy achieved the stated objectives.

The Remuneration Policy was complied with except for the implementation of contractual agreements reached prior to listing.

Vasdex Associates (Pty) Ltd are the appointed external advisors to the Committee and we are satisfied that their advice is objective and independent. We also utilise data provided by Mercer and PwC Remchannel and are satisfied with the integrity of the data provided by them.

Refer to page 23 of the Governance report for details of Committee members and meetings held during the year.

Refer to page 72 for a glossary of terms.

Shareholder engagement

Given the low level of support for the 2018 Remuneration policy and Implementation report, communication was initiated with shareholders in line with the Group's remuneration policy and JSE listing requirements. Shareholders were engaged prior to the AGM and further engagements were initiated following the AGM.

- A SENS issued in May 2019 provided additional disclosure on directors' beneficial interests and the basis of the payment in relation to the MSIP
- A SENS issued on 26 July 2019 invited dissenting shareholders to make written submissions to raise concerns and recommendations regarding the nonbinding advisory resolutions
- Engagements were held with shareholders during our governance roadshows in October and November of 2019.

2018 voting outcome

Policy

54% For
46% Against

Implementation

31% For
69% Against

Remuneration Policy

Shareholder concerns

- Lack of disclosure of thresholds, targets and maximum outcomes for variable pay schemes.
- Lack of inclusion in group scorecards of non-financial metrics that track performance against non-financial strategic objectives.
- STI metrics may incentivise the wrong behaviour, and could potentially be manipulated.
- LTI metrics require a mix between balance sheet and income statement, should be more operationally focused and have a longer time horizon.
- The consequence management of the malus and clawback policy and minimum shareholding requirements is not clear.

Our response

- Disclosure that adequately describes performance metrics, with clear targets and outcomes provided.
- Individual scorecards contain non-financial metrics. Work is underway to incorporate non-financial metrics in 2021 variable pay.
- All KPI's are clearly defined and the Group's profit measures are governed by Group Finance with oversight from the Audit committee. RFO is a component of AHE which is reconciled to IFRS profit, a disclosed reconciliation. The starting point for RoNAV is IFRS equity attributable to equity holders of the parent.
- Non-operational TSR metrics have been replaced with adjusted HEPS growth in the 2020 LTI scheme, which together with RoNAV provides longer term and more operationally focused metrics.
- Additional policy disclosure regarding malus and clawback and minimum shareholding requirements.

Implementation Report

Shareholder concerns

- The impact on remuneration outcomes by including Zimbabwe in key metrics.
- Lack of clarity on the rationale, justification and analysis of outcomes of MSIP settlements.
- Lack of alignment between business results and executive remuneration.

Our response

- We have explained the treatment of Zimbabwe in calculating the outcomes for applicable remuneration elements for 2018 and 2019– refer to detailed disclosure in the implementation report.
- Additional disclosure of the assessment process for MSIP metrics and timing of malus and clawback have been provided.
- 2018 remuneration outcomes were distorted by one off listing awards, whereas 2019 remuneration outcomes show greater alignment.

Managed Separation Incentive Plan

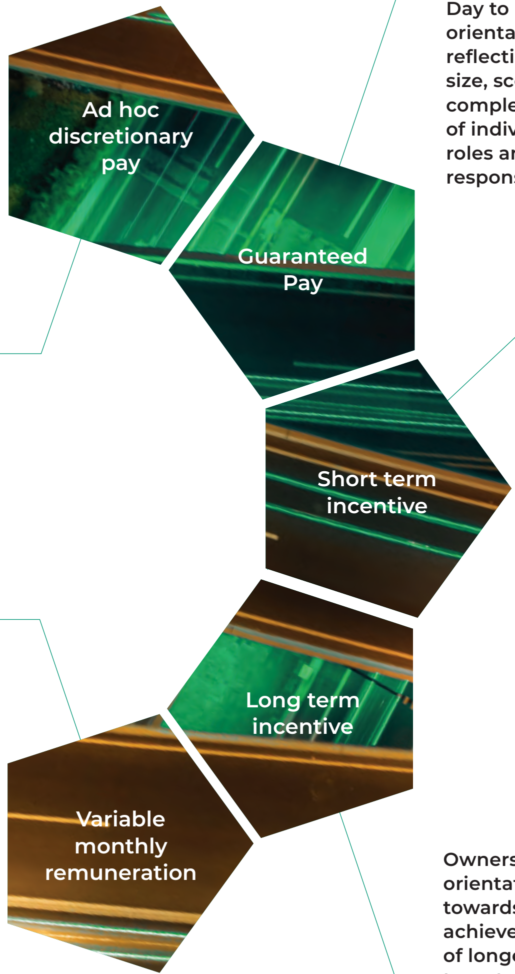
The cash and deferred share components of the MSIP awards were reported in the 2018 Remuneration Report. Further detail was then published in a SENS released in May 2019 which described the conditions and related performance objectives applicable to MSIP awards.

Each executive was assessed on a combination of Group and segment performance objectives. The relevant Board sub committees were responsible for the assessment of identified objectives and made recommendations to the Committee for approval.

('000)	Award %	Reported
Iain Williamson	87%	R 11 022
Clarence Nethengwe	93%	R 3 487
Karabo Morule	91%	R 6 854
Clement Chinaka	90%	R 3 623
Peter Moyo	90%	R 15 433
David MacCready	80%	R 14 382
Jonas Mushosho	75%	USD 734

Our malus policy was applicable to the deferred portion of the MSIP until 18 September 2019. No malus or clawback provisions applied to the cash portion of the award. The termination of Peter Moyo's employment on 17 June 2019 resulted in the lapse of the deferred portion of his MSIP awards to the value of R6,773,979 during 2019.

Remuneration elements



Ad hoc discretionary pay

Enhances the ability to attract staff into the Group and to retain existing staff

Sign on awards, both cash and share based, are a mechanism to attract external talent by compensating them for lock-in values at a current employer.

Retention awards, both cash and share based, are a mechanism to recognise and reward top talent as part of our talent management process.

Guaranteed Pay

Day to day orientation reflecting the size, scope and complexity of individual roles and responsibilities

The Group remunerates employees based on the market conditions we operate in. In South Africa and Namibia employees are remunerated on a TGP basis. In the Rest of Africa employees are remunerated either on a TGP or on a cash plus benefits basis.

Benefits are provided in line with market practice relevant in each jurisdiction where we operate. Employees have access to a wide range of employment benefits some of which are compulsory.

Medical Aid	Retirement Funding	Voluntary cash retainer
Death and disability cover	Funeral benefits	

The general target position for guaranteed pay is the median of the relevant market data. Above median guaranteed pay is adopted for a small number of key roles or scarce skills supported by market data for companies comparable to Old Mutual.

We use survey reports from PwC Remchannel and Mercer containing a comprehensive view of remuneration across multiple industries to ensure that our remuneration remains market competitive.

Short term incentive

Performance orientation towards the achievement of group, segment and individual targets

Group	OMIG	OMF	Other
More detail on p8 of Remuneration report REM	Annual STI pool determined on a profit sharing basis with distribution to participants based on individual performance and market benchmarks Cash payment varies between 40% and 100% of the award. The deferred award is used to build up ownership in specific boutiques or deferred into unit trust portfolios.	Annual STI pool determined by the overall financial and strategic performance of the business. Payment is made 100% in cash with no deferrals applicable.	Various other businesses in the Group operate bespoke STI schemes governed by their respective Boards. Awards comprise a combination of cash and deferrals.

Long term incentive

Ownership orientation towards the achievement of longer term targets that create shareholder value

Group	OMIG	OMF	Other
More detail on p9 of Remuneration report REM	Certain senior executives in OMIG participate in the Group LTI.	Employees are awarded phantom shares indexed against the Old Mutual Finance net asset value.	Certain senior executives in these businesses participate in the Group LTI.

Variable monthly remuneration

Drives the achievement of monthly variable targets

Schemes that are based on business specific objectives and create a direct linkage between these outcomes (e.g. achievement of sales target) and remuneration. Payment is typically on a monthly or quarterly basis.

Short Term Incentive outcomes

Original STI scorecard

The Group's STI performance scorecard was approved in March 2019.

Metric	Weighting	Threshold 0%	Target 75%	Maximum 130%
RFO (R'000)	35%	9,139	9,875	10,300
Zimbabwe RFO (RTGS'000)	5%	168,9	248,8	289,6
RoNAV (%)	20%	13%	17%	21%
Inflows (Rbn)[1]	15%	193	199	206
Outflows (Rbn)[1]	15%	(177)	(169)	(162)
Cost efficiency leadership (R'000)	10%	800	1,000	1,500
	100%			

Subsequent to this approval the Committee applied its discretion and made the following amendments to the STI scorecard to ensure fair and responsible remuneration:

- The Zimbabwe metric was removed due to inflationary conditions in country and remaining metrics were re-weighted
- The threshold for RFO was lowered on a tiered basis leading to a more favourable outcome for general employees than for executives

In the original scorecard the threshold for RFO was set equal to RFO that was achieved in FY 2018. This meant that the threshold was 92.5% of the RFO target of R9.87 billion per the original scorecard, whereas in prior years the threshold was set at between 75% and 80% of the target. On this basis the calculated outcome on the originally approved scorecard would have been 30.6% resulting in a 51% reduction in STI to all participants. The Committee deemed this outcome to be overly punitive and approved a reduction in the RFO threshold on a tiered basis. The reduced thresholds applied to the executive committee, senior management and all other participants were 90%, 85% and 80% of target respectively.

Revised STI scorecard outcome

Metric	Revised weighting	2019 Actual	Weighted Outcome
RFO (R'000)	37%	8,972	11.2%
RoNAV (%)	21%	15,2%	6.1%
Inflows (Rbn)	16%	188,6	0.0%
Outflows (Rbn)	16%	(168,5)	14.0%
Cost efficiency leadership (R'000)	10%	1,202	10.5%
	100%		41.8%

The tiered thresholds resulted in the outcomes set out below. This equates to a decrease on prior year of 48.2% for the executive committee, 36.6% for senior management and 30.7% for all other participants.

Tiered outcome

Executive committee	32.7%
Senior management	40.1%
All other participants	43.8%
Weighted average	**41.8%**

Treatment of Zimbabwe

2019

Zimbabwe RFO constituted a 5% weighting on the original Group STI scorecard. As a result of the high levels of inflation experienced in Zimbabwe, the actual RFO exceeded the maximum inflation adjusted target thus contributing 6.5% to the STI outcome. This outcome was not considered to be aligned to shareholder outcomes. The Zimbabwe metric was thus removed from the scorecard and the remaining metrics re-weighted by a proportional scaling.

This resulted in a decrease in STI payout percentage of 5%.

2018

The 2018 STI paid to the executive committee was voluntarily recalibrated to exclude Zimbabwe from both target and actual metrics following the restatement of 2018 Group results to exclude Zimbabwe. This was implemented as a lapse of previously awarded deferred STI shares at the same price at which they were awarded for the executive committee as at 31 December 2018 still employed in November 2019.

This resulted in a 13% reduction in the 2018 STI awarded to the executive committee.

Pool outcome

R'000	2019	2018	Y/Y
Group STI pool[2]	**1,208**	1,610	(25%)
RFO	**8,972**	9,139	(2%)
Pool as % of RFO	**12%**	15%	(300 bps)
Executive committee as % of total pool	**3%**	4%	(100 bps)

1 *Inflows includes NCCF inflows of R170.7 billion plus GWP of R17.9 billion.*
2 *STI pool of R905 million disclosed in 2018 Remuneration Report excluded OMIG, OMF and various other smaller standalone STI schemes*

Long Term incentive outcomes

The awards in terms of the 2017 LTI scheme were awarded prior to the Managed Separation and were designed to track the financial performance of Old Mutual Emerging Markets, previously reported as a segment of Old Mutual plc Group.

The awards granted in March 2017 vested on 26 March 2020 at a 38.1% vesting percentage. This outcome was applied to the number of shares awarded, reflecting the achievement against metrics over a three year performance period. The lower payout is largely a result of a more positive economic environment when these metrics were set in 2017, followed by a challenging macroeconomic environment in 2018 and 2019.

Metric	Description	Original Weighting	Revised Weighting	Outcome
Group financial performance	Performance of RoNAV, RFO, NCCF and cost to income ratio against plan	48%	58%	12.5%
Market share and investment performance	Strategic target that measures the market share of life and investment products and investment performance of our flagship funds.	26%	31.5%	16.1%
Rest of Africa financial performance	Measures performance of RoNAV, Gross Written premiums and growth in customer numbers	26%	10.5%	9.5%
Total		100%	100%	38.1%

Treatment of Zimbabwe

Due to the volatility that hyperinflation introduces to Zimbabwe's outlook and the barriers to access capital by way of dividends, we have excluded the results of our Zimbabwe business from the Group's key performance indicators for the 2019 and 2018 periods.

2017

The metrics of the 2017 LTI scheme were amended to align remuneration outcomes to the treatment of Zimbabwe in externally reported key performance indicators. Given the significant contribution of Zimbabwe to Rest of Africa over the measurement period, the metrics were re-weighted to exclude Rest of Africa for the 2018 and 2019 performance periods.

This resulted in a 10% decrease in the vesting percentage for 2017 LTI awards.

Executive Director and Prescribed officer outcomes

We explain below the disclosures provided for our executive directors and prescribed officers in the single figure remuneration tables, the unvested share tables and the 2017 LTI graph.

The table below is an illustration of how remuneration awarded in the year is reconciled to the **total single figure remuneration**.

TGP
STI
Cash STI
Deferred STI
LTI award at face value
Other
One off listing awards
Total Remuneration
Less: LTI award at face value
Add: Single figure LTI
Add: Qualifying dividends
Total Single Figure remuneration

TGP: The cash salary plus benefits paid for the year shown pro rata to the period served as a Prescribed Officer.

STI, Cash STI, Deferred STI: The STI award granted in March 2020 relating to employment and STI performance metrics in 2019. 60% is paid in cash and 40% is deferred for three years.

LTI award at face value: The LTI award granted in March 2020 relating to employment in 2019 subject to three year LTI performance metrics. This forms part of awarded remuneration but is not part of single figure remuneration.

Other: Any other awards or payments which are specified per individual where relevant.

One off listing awards: The total of the Nedbank distribution, Quilter distribution, Broad based share award and MSIP as disclosed in the 2018 Remuneration Report.

Add: Single figure LTI: Awards made in 2017 with the LTI performance metrics measurement period ending on 31 December 2019 vesting in March 2020.

Add: Qualifying dividends: Dividends received on unvested forfeitable shares in the STI and LTI schemes.

The **unvested share tables** reconcile opening to closing balance of unvested shares and shows the values of units awarded, lapsed and the year-end value.

- LTI closing values are calculated at an estimated 60% vesting outcome except the 2017 award which is shown at actual vesting outcome
- Lapses comprise the portion of corporate performance targets not met, partial lapsing for eligible leavers' LTI, full lapsing for ineligible leavers LTI, and voluntary forfeiture by the executive committee of a portion of the 2018 deferred STI award.
- In terms of our current share schemes, the shares received on the Nedbank unbundling were sold and OML shares were purchased and awarded to participants on the same terms as the original award to which it related. These awards are shown as "special awards".

The **2017 LTI graph** reconciles the 2017 award value to the total value received by showing:

- the impact of the corporate performance targets yielding a 38.1% outcome
- the impact of share price performance. The share price at vesting was significantly lower than at award partially as a result of the unbundling of Nedbank and Quilter in 2018
- the amount of Nedbank and Quilter distributions received on these awards which were included in 2018 single figure remuneration. The 2017 LTI was awarded prior to listing when the share schemes did not contain change in control provisions and, as a result, Nedbank and Quilter shares were distributed to participants on unbundling.

Our CEO and CFO are executive directors and we define prescribed officers as our COO and the managing directors of our six segments.

Iain Williamson is the **Interim Chief Executive Officer of the Old Mutual Limited Group**

Personal performance

- Successfully navigated the operations of the Group through tough trading conditions with resilient financial results.
- Successful engagement with external stakeholders in light of the various challenges presented by the dismissal of the former CEO.
- Led the executive committee in its joint efforts with the Board to develop the long term strategy of the Group.
- Led the business to exceed the cost efficiency leadership target of R1 billion.
- Led the Group's efforts to achieve an improved BBBEE rating.

Total single figure remuneration

R'000	2019	2018	%
TGP[1]	**6,006**	4,500	33%
STI	**5,250**	5,069	4%
Cash STI	**3,150**	3,041	
Deferred STI	**2,100**	2,028	
LTI award at face value	**9,138**	4,725	93%
Other	**–**	–	
One off listing awards	**–**	16,475	
Total remuneration	**20,394**	30,769	(34%)
LTI award at face value	**(9,138)**	(4,725)	
Single figure LTI	**1,050**	877	20%
Qualifying dividends	**1,038**	522	
Total single figure remuneration	**13,344**	27,443	(51%)

1 TGP includes an annualised acting CEO allowance of R2,196,000 paid monthly as of 1 June 2019.

Voluntary lapse of R664,506 of 2018 deferred STI due to recalibration to exclude Zimbabwe.

Casper Troskie is the **Chief Financial Officer of the Old Mutual Limited Group**

Total single figure remuneration

R'000	2019	2018	%
TGP[1]	**4,725**	3,443	37%
STI[2]	**4,100**	6,490	(37%)
Cash STI	**2,460**	3,894	
Deferred STI	**1,640**	2,596	
LTI award at face value	**3,750**	5,198	(28%)
Other	**–**	10,329	
One off listing awards	**–**	13	
Total remuneration	**12,575**	25,473	(51%)
LTI award at face value	**(3,750)**	(5,198)	
Single figure LTI	**–**	–	
Qualifying dividends	**1,043**	350	
Total single figure remuneration	**9,868**	20,625	(52%)

1 Prior year TGP was for a 9 month period.
2 Prior year STI was calculated for a 9 month period.

Personal performance

- Good progress on balance sheet optimization through share buybacks, new debt issuances and the completion of the sale of Latin America businesses.
- Successful in obtaining approval for a new financial management framework that will improve balance sheet management.
- Successful engagement with key stakeholders to improve relationships, specifically regulators and investors.
- Led the business to exceed the cost efficiency leadership target of R1 billion.
- Played a significant role in the Group's efforts to achieve an improved BBBEE rating.

Voluntary lapse of R850,947 of 2018 deferred STI due to recalibration to exclude Zimbabwe.

Clarence Nethengwe is the **Managing Director of Mass and Foundation Cluster** which is a retail segment that provides simple financial services products to customers in the low income and lower middle income markets. Through Old Mutual Finance we offer unsecured lending and transactional banking products, which enable us to compete against banks and other non-traditional competitors. We deliver our products to customers through tied advisers, branches, accredited brokers, franchise advisers, digital marketing and telesales.

Personal performance

- Good profit growth reflecting positive basis changes despite lower life sales and a decline in net lending margin.
- Ensured an effective risk and control environment in the business.
- Exercised stringent cost control and met cost efficiency leadership targets.
- Significant level of engagement with relevant regulators on the impact of regulatory changes to the lower income market.
- An increase in active Money Account customers, improvements in customer needs met scores and more customers reached through financial education interventions.

Total single figure remuneration

R'000	2019	2018	%
TGP	4,200	3,600	17%
STI	2,900	7,010	(59%)
Cash STI	1,740	4,206	
Deferred STI	1,160	2,804	
LTI award at face value	3,375	4,620	(27%)
Other	–	–	
One off listing awards	–	5,647	
Total remuneration	10,475	20,877	(50%)
LTI award at face value	(3,375)	(4,620)	
Single figure LTI	139	174	(20%)
Qualifying dividends	721	176	
Total single figure remuneration	7,960	16,607	(52%)

Voluntary lapse of R918,959 of 2018 deferred STI due to recalibration to exclude Zimbabwe.

Khaya Gobodo is the **Managing Director of Wealth and Investments Cluster** which is one of the largest private wealth and investment managers in Africa. Our Wealth business is an advice led, vertically integrated retail investment business. Our Asset Management business operates through investment boutiques with diverse capabilities across listed South African and global asset classes. The Alternatives business covers private equity, infrastructure investments, impact investments and international private equity. Specialised Finance manages and supports the origination of credit assets to back the Group's guaranteed products and its Consumer Price Index-linked products.

Total single figure remuneration

R'000	2019	2018
TGP	4,000	–
STI	5,300	–
Cash STI	3,180	–
Deferred STI	2,120	–
LTI award at face value	3,225	–
Other[1]	12,800	–
One off listing awards	–	–
Total remuneration	25,325	–
LTI award at face value	(3,225)	–
Single figure LTI	–	–
Qualifying dividends	438	–
Total single figure remuneration	22,538	–

1 *Khaya Gobodo was appointed as a prescribed officer from 1 January 2019, after being appointed to the Group in 2018. Other consists of a buy out award payable in three tranches, over three years with no prospective performance conditions as follows: Tranche 1 R9,000,000 paid in June 2018. Tranche 2 R8,500,000 paid in June 2019. Tranche 3 R4,300,000 payable in June 2020. The single figure disclosure comprises the tranche 2 and 3 payments.*

Personal performance

- Achieved respectable revenue growth and positive NCCF in the current market conditions with a good result from the Alternatives business.
- Maintained a strong risk control environment and reorganised resources to create an optimal compliance structure.
- Exercised stringent cost control and met cost efficiency leadership targets.
- Improved tools and applications to improve customer experience and the launch of OMUT MyShopper app to increase market share in the unit trust space.
- Good levels of engagement with various major investors.

Clement Chinaka was the **Managing Director of Old Mutual Corporate** until 1 November 2020 at which date he took over as MD Rest of Africa. Old Mutual Corporate primarily provides group risk, investments, annuities and consulting services to employer sponsored retirement and benefit funds in South Africa. Our risk products include group risk benefits and our cell captive business. Our inhouse consulting business provides benefit, investment, actuarial and communication consulting services, helping us retain our existing customers and acquire new customers. Our products are distributed through various channels, including directly to corporate customers using our direct sales force and Old Mutual Corporate Consultants, independent intermediaries and the Group's retail distribution channels.

Personal performance

- Achievement of profit targets and strong sales growth.
- Significant progress made in implementing relevant new regulations.
- Achieved high satisfaction scores for both direct clients and intermediaries
- Exercised stringent cost control and met the Cost Efficiency Leadership targets.
- Expanded digital distribution capability to the SMEs.
- Continued to build industry profile and won several awards from the Institute of Retirement Funds and the SA Publications Forum.

Total single figure remuneration

R'000	2019	2018	%
TGP	**4,033**	3,500	15%
STI	**3,600**	6,743	(47%)
Cash STI	**2,160**	4,046	
Deferred STI	**1,440**	2,697	
LTI award at face value	**3,375**	4,400	(23%)
Other	**–**	–	
One off listing awards	**–**	7,022	
Total remuneration	**11,008**	21,665	(49%)
LTI award at face value	**(3,375)**	(4,400)	
Single figure LTI	**455**	564	(19%)
Qualifying dividends	**729**	317	
Total single figure remuneration	**8,817**	18,146	(51%)

Voluntary lapse of R884,051 of 2018 deferred STI due to recalibration to exclude Zimbabwe.

Garth Napier is the **Managing Director of Old Mutual Insure** which provides property and casualty insurance products to individuals and corporates. The personal business provides property and casualty insurance products, which include household goods, and motor and accident cover to individual customers. The commercial business provides insurance against fire, accident and motor risks for small to medium sized commercial businesses, as well as agriculture and crop insurance. The speciality business provides asset, fire, accident and motor insurance to large corporate institutions. In addition, it provides trade credit insurance through Credit Guarantee Insurance.

Total single figure remuneration

R'000	2019	2018	%
TGP[1]	**4,471**	721	520%
STI[2]	**2,650**	1,082	145%
Cash STI	**1,590**	649	
Deferred STI	**1,060**	433	
LTI award at face value	**3,390**	4,757	(29%)
Other[3]	**7,649**	4,990	
One off listing awards	**–**	–	
Total remuneration	**18,160**	11,550	57%
LTI award at face value	**(3,390)**	(4,757)	
Single figure LTI	**–**	–	
Qualifying dividends	**662**	–	
Total single figure remuneration	**15,432**	6,793	127%

1 Prior year TGP was for a 2 month period.
2 Prior year STI was calculated for a 2 month period.
3 Other in 2019 includes a once off sign on share award to the value of R7,110,000 which was awarded with no prospective performance conditions, vesting 2 years after the grant date, and relocation allowances of R538,708. Other in 2018 consists of a cash buy out award.

Personal performance

- Good revenue growth however profits adversely impacted by catastrophe and crop losses and higher reinsurance cost.
- Improved the risk and control environment in the business, but further work required.
- Cost efficiency leadership target not met due to one off costs incurred.
- Developed a new strategy and made significant improvements to the core of the business.
- Significant efforts to improve the relationship with the regulator.
- Led efforts to improve the BBBEE score of Old Mutual Insure.

Voluntary lapse of R141,745 of 2018 deferred STI due to recalibration to exclude Zimbabwe.

Heloise Van Der Mescht is the **Acting Chief Operating Officer**

Total single figure remuneration

R'000	2019	2018
TGP[1]	2,289	–
STI[2]	2,175	–
Cash STI	2,175	–
Deferred STI	–	–
LTI award at face value	3,070	–
Other	–	–
One off listing awards	–	–
Total remuneration	7,534	–
LTI award at face value	(3,070)	–
Single figure LTI	223	–
Qualifying dividends	228	–
Total single figure remuneration	4,915	–

1 TGP is shown from date of appointment as a prescribed officer on 1 June 2019. TGP includes an annualised acting COO allowance of R1,320,000 paid monthly as of 1 June 2019.

2 The STI amount reflects the value for the full year's performance bonus and is payable in full in cash since Heloise van der Mescht is within 3 years of retirement.

Prabashini Moodley was appointed the **Managing Director of Corporate** effective 1 November 2019.

Total single figure remuneration

R'000	2019	2018
TGP[1]	633	–
STI[2]	2,175	–
Cash STI	1,305	–
Deferred STI	870	–
LTI award at face value	3,000	–
Other	–	–
One off listing awards	–	–
Total remuneration	5,808	–
LTI award at face value	(3,000)	–
Single figure LTI	156	–
Qualifying dividends	199	–
Total single figure remuneration	3,163	–

1 TGP reflects amount paid from date of appointment as a prescribed officer on 1 November 2019.

2 The STI amount reflects the value for the full year's performance bonus.

Jonas Mushosho was the **Managing Director of Rest of Africa** until his retirement effective 31 December 2019.

Total single figure remuneration

USD '000	2019	2018	%
TGP[1]	**374**	315	19%
STI	**166**	360	(54%)
Cash STI	**166**	360	
Deferred STI	**–**	–	
LTI award at face value	**–**	359	
Other[2]	**1,109**	–	
One off listing awards	**–**	986	
Total remuneration	**1,649**	2,020	(18%)
LTI award at face value	**–**	(359)	
Single figure LTI	**34**	37	
Qualifying dividends	**43**	40	
Total single figure remuneration	**1,726**	1,738	(1%)

1 TGP includes economic hardship allowances and indexed salary adjustments.
2 Other includes accumulated and statutory post retirement leave and compensation in recognition of his additional responsibilities as CEO of Old Mutual Zimbabwe Limited in addition to his appointment as Managing Director of Rest of Africa.

Karabo Morule was the **Managing Director of Personal Finance** until the effective date of her resignation on 31 January 2020.

Total single figure remuneration

R'000	2019	2018	%
TGP	**4,200**	3,800	11%
STI	**–**	4,418	(100%)
Cash STI	**–**	2,651	
Deferred STI	**–**	1,767	
LTI award at face value	**–**	4,620	(100%)
Other	**–**	–	
One off listing awards	**–**	10,340	
Total remuneration	**4,200**	23,178	(82%)
LTI award at face value	**–**	(4,620)	
Single figure LTI	**441**	555	(21%)
Qualifying dividends	**765**	309	
Total single figure remuneration	**5,406**	19,422	(72%)

Karabo Morule did not qualify for STI or LTI relating to the 2019 year and all unvested shares owing to her have lapsed on 31 January 2020.

Voluntary lapse of R579,137 of 2018 deferred STI due to recalibration to exclude Zimbabwe.

Glossary

Term	Description
AGM	Annual General meeting
AHE	Adjusted Headline Earnings
BP	The Group business plan as approved by the Board
COE	Cost of Equity
the Committee	the Group Remuneration Committee
Companies Act	Companies Act 71 of 2008
EHA	Economic Hardship Allowance
Employment Equity Act	Employment Equity Act 55 of 1998 as amended
ESG	Environmental, social and governance
GDP	Gross Domestic Product
HEPS	Headline Earnings per Share
Inflows	The incoming funds portion of NCCF (this metric includes gross writtten premiums)
JSE	Johannesburg Stock Exchange
KPI	Key Performance Indicator

Term	Description
LTI	Long term incentive
MSIP	Managed Separation Incentive Plan
NCCF	Net Client Cash Flow
OMF	Old Mutual Finance
OMIG	Old Mutual Investment Group
Outflows	The outgoing funds portion of NCCF
RFO	Results from Operations
RoNAV	Return on Net Asset Value
SENS	Stock Exchange News Service
STI	Short term incentive
TGP	Total guaranteed pay
TSR	Total Shareholder Return
Variable pay	The sum of STI and LTI
VAT	Value added tax

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