



Key litigation update: No damages are due to Peter Moyo

January 17, 2022 - Old Mutual confirms that a claim for reinstatement and damages by former CEO Peter Moyo is due to be heard in the Gauteng High Court from today and will be defended vigorously as having no merit.

Mr Moyo has had a string of losses in court based on his attempt to be reinstated. Prior High Court decisions, including his appeal before a Full Bench, found Old Mutual acted lawfully in its dismissal of Mr Moyo. There is no reason to believe that the court will come to a different conclusion on this occasion.

Old Mutual does not only dispute the amount Mr Moyo is claiming, but indeed that any damages whatsoever are due. We will show in our defence that Mr Moyo was lawfully dismissed, was paid what was owed to him, and hence we do not believe he has a legal basis for claiming any amount whatsoever. The claim of R250m is after an employment tenure of only 18 months. We will also request the court to ensure that the decisions of prior courts on this matter, notably the decision of the Full Bench, are duly considered and followed in these proceedings.

The litigation has its genesis in a dispute concerning the employment of a high-ranking executive, Mr Moyo. His contract as the CEO of Old Mutual was terminated, on two occasions. Both decisions were made in the exercise of Old Mutual's contractual rights, and Mr Moyo has from the outset abandoned any labour rights he may have had.

A Full Bench decision in January 2020 in Old Mutual's favour found the company had acted in a legal way in terminating Mr Moyo's contract. The Supreme Court of Appeal subsequently dismissed Mr Moyo's application for leave to appeal against that January 2020 Full Bench decision. On 17 March 2020, Old Mutual also successfully opposed another urgent application by Mr Moyo in which he attempted to interdict the company from appointing a permanent CEO.

The legal battle is not something Old Mutual chose, but was the route taken by Mr Moyo.

Old Mutual anticipates the dismissal of the current claim will finally put an end to the needless rounds of litigation instituted by Mr Moyo.

Key Background Facts/Rationale for Original Termination:

The suspension of Mr Moyo was announced on 24 May 2019. Mr Moyo was, on 17 June 2019, given notice of termination of employment. This situation arose because Mr Moyo had violated the terms of his employment contract by placing his private financial interests ahead of the company's interests. In disregard of the provisions in his employment contract designed to manage his conflicts of interest arising from his shareholding in NMT Capital (a company he co-founded, and in which Old Mutual had also invested), Mr Moyo chaired a meeting of the NMT Capital Board on 4 July 2018, at which it was decided to pay an ordinary dividend of R105 million.

Mr Moyo and his partners thus shared R84m, while omitting to pay preference share dividends, valued at R65.4m at the time, due to Old Mutual. This was a violation of the shareholders' agreement, the preference share subscription agreement and Mr Moyo's employment contract. The Board engaged Mr Moyo for months about this matter. However, it became clear that he and the Board had a difference of opinion about this matter. Following the



exchange of various correspondence and a meeting where Mr Moyo was given yet another chance to address the situation, the Board, on the basis of legal advice, reached the difficult conclusion that his continued employment was untenable. Ultimately, the present court case relates to whether Old Mutual was entitled to, in terms of Mr Moyo's employment contract, terminate his contract on six months' notice. Old Mutual paid Mr Moyo six months' salary, and the Full Bench has previously found that Old Mutual had every right to do so, and that Old Mutual followed the appropriate procedure in doing so.

Recent Important Court Wins for Old Mutual Justifying Dismissal:

- On 14 January 2020, a Full Bench of the South Gauteng High Court upheld with costs Old Mutual's appeal against an order made on 30 July 2019 temporarily reinstating Mr Moyo pending the outcome of further litigation. The Full Bench confirmed that Old Mutual had acted lawfully in terminating Mr Moyo's contract.
- On 23 March 2020 the Supreme Court of Appeal dismissed with costs the application by Mr Moyo, for leave to appeal the 14 January Full Court judgment in favour of Old Mutual.
- Just prior to this on 17 March 2020, the High Court dismissed Peter Moyo's application for an interdict prohibiting Old Mutual from hiring a permanent CEO.
- An interlocutory application brought by Mr Moyo for the indefinite postponement of the hearing of his application to have the OM non-executive directors declared delinquent was denied in August 2021.

Awaited Decision:

The hearing of a consolidated application to have the Old Mutual non-executive directors declared delinquent and to have them declared in contempt of court (neither of which was pursued for more than a year) took place on 4 November last year before a Full Bench of the South Gauteng High Court. This decision is pending.

Our Responses to Incorrect Assertions/Factual Inaccuracies:

<https://www.oldmutual.com/about/update-on-peter-moyo/>

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