

# M E R G E N C E

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The Board of Old Mutual Plc  
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15 June 2016

## **Mergence Voting at the 28 June 2016 AGM & GM of Old Mutual Plc**

To the Chairman of the Board,

Mergence Investment Managers represents clients who hold an aggregate 13,566,704 shares in Old Mutual Plc.

We would like to inform you of Mergence Investment Managers decision to vote "against" resolution number 4 at the Old Mutual Plc - AGM and resolutions number 1 and 2 at the AGM on 28 June 2016 and our reasons for these votes.

These votes are in accordance with Mergence's proxy voting guidelines<sup>1</sup> as highlighted below.

**"Against"** vote on resolution 4 on the AGM is guided by the following:

We vote against the reappointment of the auditors due to the length of time that KPMG has been the group auditor.

**"Against"** vote on resolutions 1 and 2 on the GM is based on the following:

We find the magnitude of the rewards to be unjustified given the process that will be undertaken. It is also not clear to us that poorly executed separation process could not still result in a substantial reward under this plan, especially in a situation where poor execution of the separation is offset but positive business unit performance.

We find the 40% weighting to the Strategic objective of Execution of the Managed Separation to be too large given the element of subjectivity in assessing the success of this objective.

The discretion given to the rem co to amend and or set different performance measurements based on market conditions significantly undermines the value to shareholders of the performance targets that have been set.

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<sup>1</sup> Mergence's Proxy Voting Guidelines are available on request.



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We are happy to engage on our reasons for these votes as well as any other issues of corporate governance with the board or management at any time.

Please note that we have sent instructions to our custodians to implement these votes at the AGM, this letter merely serves to inform the board of our vote and our reasons for voting as we have.

Kind Regards  


**Bradley Preston**  
CIO: Listed Investments

