

Old Mutual Limited

Incorporated in the Republic of South Africa

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LEI: 213800MON84ZWWPQCN47

JSE Share Code: OMU

LSE Share Code: OMU

NSX Share Code: OMM

MSE Share Code: OMU

ZSE Share Code: OMU

("Old Mutual" or "the Company" or the "Group")

Ref 26/21

4 November 2021

CASH PROCEEDS IN RESPECT OF FRACTIONAL ENTITLEMENTS AND APPLICABLE RATE

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Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings in the finalisation announcement published on Tuesday, 26 October 2021 ("Finalisation Announcement").

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1. Background

Old Mutual Shareholders are referred to the Unbundling Announcement and the Finalisation Announcement wherein it was announced that Old Mutual will unbundle all of the Nedbank Shares held by Old Mutual Emerging Markets Proprietary Limited (being 62,131,692 Nedbank Shares and comprising 12.2% of the issued ordinary share capital of Nedbank as at 26 October 2021) to Old Mutual Shareholders by way of a distribution *in specie* in terms of section 46(1)(a)(ii) of the Companies Act, No. 71 of 2008 (the "**Unbundling**") on Monday, 8 November 2021.

The salient dates and times included in the Finalisation Announcement remain unchanged.

In terms of the Unbundling, each Old Mutual Shareholder will receive 1.31954 Nedbank Shares (which are listed on the Johannesburg Stock Exchange and the Namibian Stock Exchange), for every 100 Old Mutual shares held on the relevant securities register of Old Mutual as at 8.00 p.m. (SA time) / 6.00 p.m. (UK time) on Friday, 5 November 2021 ("**Record Time**"). The distribution of the Unbundled Nedbank Shares to Old Mutual Shareholders in the ratio above may result in fractional entitlements for the recipients.

2. CASH PROCEEDS AND FRACTIONAL ENTITLEMENTS

In accordance with the JSE Listings Requirements and as outlined in paragraph 3.2 of the Finalisation Announcement, fractional entitlements to the Unbundled Nedbank Shares will be rounded down to the nearest whole number and the aggregated fractions of the Unbundled Nedbank Shares to which Old Mutual Shareholders are entitled will not be transferred to them but will instead be sold in the market as soon as practicable after the Unbundling.

Old Mutual Shareholders will accordingly receive monetary compensation in respect of their fractional entitlements to the Unbundled Nedbank Shares. In accordance with the JSE Listings Requirements, this amount has been determined with reference to the volume weighted average price in Rand of a Nedbank Share traded on the JSE on Wednesday, 3 November 2021, ZAR177.20697 (being the first day on which Old Mutual shares traded 'ex' the entitlement to receive the Unbundled Nedbank Shares) reduced by 10% ("**Cash Proceeds**"). On this basis, Old Mutual Shareholders are advised that the

Cash Proceeds due to Old Mutual Shareholders in respect of any fractional entitlement is ZAR159.48627 (ZAR177.20697 x 0.9) per Unbundled Nedbank Share.

The Cash Proceeds will be paid (i) by Old Mutual to the relevant registered Old Mutual Shareholders that hold their Old Mutual shares in certificated form and (ii) by a nominee or CSDP to the Relevant Old Mutual Shareholders that hold their Old Mutual Shares in uncertificated form within the nominee account or within a CSDP.

Old Mutual Shareholders on the Namibian register, Malawi register, UK register and Zimbabwe register will be paid the local currency at the following rates:

- Namibia: 1.0000 Namibian dollars per Rand
- Malawi: 52.7666 Malawian kwacha per Rand
- United Kingdom: 0.0474 Pound sterling per Rand
- Zimbabwe: 6.3251 RTGS dollar per Rand

3. EXAMPLES OF FRACTIONAL ENTITLEMENT

- **Example 1:** This example assumes that an Old Mutual Shareholder holds 100 Old Mutual Shares at the close of business at the Record Time. The rounding convention described above is then applied and the Old Mutual Shareholder will receive 1 Unbundled Nedbank Share in respect of the 100 Old Mutual Shares held by them as at the Record Time and a cash payment for the fractional entitlement of $0.31954 \times \text{ZAR}159.48627 = \text{ZAR}50.96224$.
- **Example 2:** This example assumes that an Old Mutual Shareholder owns 1,000 Old Mutual Shares at the close of business at the Record Time. The rounding convention described above is then applied and the Old Mutual Shareholder will receive 13 Unbundled Nedbank Shares in respect of the 1,000 Old Mutual Shares held by them as at the Record Time and a cash payment for the fractional entitlement of $0.1954 \times \text{ZAR}159.48627 = \text{R}31.16362$.

4. TAXATION

Old Mutual Shareholders are further referred to paragraph 6 of the Finalisation Announcement which outlines the tax treatment in respect of the Unbundling. As noted in the Finalisation Announcement, the Old Mutual Board has specifically resolved to distribute the Unbundled Nedbank Shares as a return of capital (paid out of "contributed tax capital"). The distribution of the Nedbank Shares on the Nedbank Unbundling does not qualify as an "unbundling transaction" for purposes of section 46(1) of the Income Tax Act and should be treated as a taxable event for Old Mutual Shareholders who are resident in South Africa. Consequently, the receipt of the Unbundled Nedbank Shares (including the Cash Proceeds) by South African tax resident Old Mutual Shareholders should constitute a "return of capital" for South African tax purposes only. Dividends tax should therefore not apply. The receipt of the Unbundled Nedbank Shares by Old Mutual Shareholders who are non-resident of South Africa should also be treated as a "return of capital" under general South African tax principles.

5. NOTICE TO US INVESTORS

Shareholders with a registered address in the United States of America are reminded that the Unbundled Nedbank Shares will only be delivered to Old Mutual Shareholders who are qualified institutional buyers ("QIBs") and who have returned executed investor letters to Old Mutual, with a copy of the relevant CSDP, broker, custodian or nominee in the case of Old Mutual Shareholders that hold their Old Mutual shares in uncertificated form, and the SA Registrar in the case of Old Mutual Shareholders that hold their Old Mutual shares in certificated form, by the Record Time. Old Mutual Shareholders who are QIBs are further referred to paragraph 4.5 of the Finalisation Announcement which outlines the full details in relation to the process and requirements for QIBs for the purpose of the Unbundling.

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Notes to Editors

About Old Mutual

Old Mutual is a premium African financial services group that offers a broad spectrum of financial solutions to retail and corporate customers across key market segments in 14 countries. Old Mutual's primary operations are in South Africa and the rest of Africa, and it has a niche business in China. With over 176 years of heritage across sub-Saharan Africa, Old Mutual is a crucial part of the communities it serves and broader society on the continent.

For further information on Old Mutual, and its underlying businesses, please visit the corporate website at www.oldmutual.com.