

**Old Mutual Limited**  
**(Incorporated in the Republic of South Africa)**  
**(Registration number: 2017/235138/06)**  
**ISIN: ZAE000255360**  
**JSE Share Code: OMU**  
**NSX Share Code: OMM**  
**("Old Mutual")**

LEI: 213800MON84ZWWPQCN47  
Ref 52/18

**26 September 2018**

## **UNBUNDLING BY OLD MUTUAL OF THE MAJORITY OF ITS SHAREHOLDING IN NEDBANK**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN OR ANY JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT.**

The definitions contained in Part IV of this announcement apply to this entire announcement, except where otherwise indicated.

This announcement does not constitute an offer or form part of any offer or invitation to purchase, subscribe for, sell or issue, or a solicitation of any offer to purchase, subscribe for, sell or issue, any securities (whether pursuant to this announcement or otherwise) in any jurisdiction, including an offer to the public or section of the public in any jurisdiction. This announcement does not comprise a prospectus or a prospectus equivalent announcement.

Peter Moyo, CEO of Old Mutual, will host a conference call for investors today, Wednesday, 26 September 2018, at 5:00 p.m. (SA time) to discuss the developments at Old Mutual. Those wishing to join the conference call can do so using the details below. Participants are advised to allow 15 minutes for registration prior to commencement at 5:00 p.m. (SA time).

South Africa: +27 21 672 4118  
UK: +44 33 3300 0804  
PIN code: 14681431#

Audio playback will be available for 30 days after the event on the following numbers.

South Africa: +27 21 672 4123  
UK: +44 33 3300 0819  
PIN code: 301246956#

### **PART I EXPLANATORY NOTE FROM THE OLD MUTUAL BOARD**

The Old Mutual Board is pleased to announce that Old Mutual will unbundle the majority of its shareholding in the issued share capital of Nedbank on Monday, 15 October 2018, in line with the anticipated timeline previously communicated by Old Mutual plc to its shareholders on 20 April 2018. In consultation with Nedbank and following engagement with our advisors, we believe that now is the appropriate time to complete this distribution. This announcement sets out the necessary information for Old Mutual Shareholders regarding the Nedbank Unbundling and the key dates for noting.

#### **Overview of Nedbank Unbundling**

##### **Rationale for distribution**

The Nedbank Unbundling is the final step of the **Managed Separation**, which was materially completed during the six months ended 30 June 2018. The Old Mutual Board believes that the Nedbank Unbundling continues to be in the best interests of Old Mutual Shareholders as it:

- allows investors to participate in the substantially different investment cases of Old Mutual and Nedbank;

- provides a substantial return of capital to Old Mutual Shareholders; and
- supports the efficient allocation of capital and underpins mutually beneficial arm's length commercial arrangements through the retention of a minority stake of 19.9% in Nedbank in the Group's shareholder funds.

Each qualifying Old Mutual Shareholder will receive Nedbank Shares (which are listed on the Johannesburg Stock Exchange and the Namibian Stock Exchange) in the ratio illustrated below:



Shares held in Old Mutual will be unaffected. Other than as detailed below, if you are an Old Mutual Shareholder as at the Record Time, Nedbank Shares will be distributed to you in addition to the Old Mutual Shares held by you as at the Record Time.

The distribution of Nedbank Shares to Old Mutual Shareholders could result in fractional entitlements for recipients. For example, if you hold 100 Old Mutual Shares, you will receive 3 Nedbank Shares and a fractional entitlement to 0.21176 of a Nedbank Share. If you hold 1,000 Old Mutual Shares, then you will receive 32 Nedbank Shares and a fractional entitlement to 0.1176 of a Nedbank Share. You will receive cash in respect of this fractional entitlement. Refer to paragraph 3.2 of Part II below for more detail on the treatment of such fractional entitlements.

Certain restricted Old Mutual Shareholders will have their entitlements to Unbundled Nedbank Shares sold for cash and the proceeds distributed to them. Refer to paragraph 2 of Part III of this announcement for more information.

The Nedbank Unbundling will take place on Monday, 15 October 2018. Refer to paragraph 3.3 of Part II below for the detailed expected timeline.

Based on the Nedbank Share price on the Johannesburg Stock Exchange on the Last Practicable Date, the total distribution to Old Mutual Shareholders is approximately R43.2 billion.

The Nedbank Unbundling was approved by Old Mutual plc shareholders as part of the scheme of arrangement in terms of which the Managed Separation was approved. Approvals for the Nedbank Unbundling were also received from all applicable regulators and stock exchanges as part of the Managed Separation regulatory engagement process.

### **Impact of the Nedbank Unbundling on key financial metrics**

The financial information presented below is the responsibility of the directors of Old Mutual and has been based on the most recently published Interim Results of Old Mutual for the six months ended 30 June 2018. The impact of the Nedbank Unbundling has been calculated using the financial information and accounting policies as disclosed in the Interim Results of Old Mutual for the six months ended 30 June 2018 and the Nedbank Share price on the Last Practicable Date. Shareholders are advised that the financial information included in this announcement has not been reviewed or reported on by the Group's auditors.

The financial information has been prepared to illustrate the impact of the Nedbank Unbundling on certain key financial metrics of the Group, and is therefore included for illustrative purposes only and due to the nature thereof does not reflect the actual financial position or results of Old Mutual. No account has been taken of the trading results or other changes in the financial position since 30 June 2018 except for the adjustments in respect of the Nedbank Unbundling.

Unaudited pro forma financial information	Notes	6 months ended 30 June 2018	Impact of Nedbank Unbundling	Pro forma 6 months ended 30 June 2018
Adjusted Headline Earnings ("AHE") (Rm) <sup>1</sup>	1	5,393	-	5,393
Return on Net Asset Value ("RoNAV")	1	17.5%	-	17.5%
Group Solvency ratio <sup>1</sup>	1	164%	-	164%
IFRS profit after tax attributable to equity holders of the parent (Rm) <sup>2</sup>	2	10,648	22,155	32,803
Total Equity (Rm) <sup>3</sup>	3	151,957	(61,749)	90,207

### Notes to the unaudited pro forma financial information

1. There is no impact to the AHE and RoNAV outcomes and the Group Solvency ratio as these measures have previously been disclosed in Old Mutual's 2018 Interim Results on the basis that the Nedbank Unbundling had already occurred. For the six months ended 30 June 2018, these disclosures are available in Old Mutual's 2018 Interim Results. For the 2017, 2016 and 2015 financial years, these disclosures were included in the pre-listing statement in respect of Old Mutual which is available on Old Mutual's website at [www.oldmutual.com](http://www.oldmutual.com).

2. The illustrative impact to IFRS profit after tax attributable to equity holders of the parent for the six months ended 30 June 2018 of R22,155 million comprises the following components:

- A profit of R24,439 million on the deemed distribution of all Nedbank Shares owned by Old Mutual. The profit is calculated as the difference between the market value and the consolidated net asset value of Nedbank Shares on the Distribution Date.
- A decrease of R2,284 million in IFRS profit after tax for the 6 months ended 30 June 2018. A lower portion of profit after tax will be included in Old Mutual's results, reflecting this change in ownership going forward. The IFRS profit after tax for the 6 months ended 30 June 2018 includes income from the current holding in Nedbank on a consolidated basis. Post the Nedbank Unbundling, the retained stake of 19.9% in Nedbank will be accounted for as an investment in an associate per IFRS requirements. The decrease of R2,284 million reflects the pro forma impact as if the Nedbank Unbundling had occurred on 1 January 2018.

3. The illustrative impact to Total Equity of R61,749 million as at 30 June 2018 comprises the following components:

- Derecognition of the net asset value of Nedbank on a consolidated basis resulting in a decrease of R88,850 million.
- An increase in Total Equity of R27,101 million representative of the retained stake of 19.9% in Nedbank deemed to be acquired at fair value in accordance with IFRS requirements. The fair value applied is expected to be the market value of the Nedbank Shares on the Distribution Date. For illustrative purposes, we have applied the market value of the Nedbank Shares as at the Last Practicable Date.

### Old Mutual after the Nedbank Unbundling

The Group currently holds approximately 52% of the issued share capital of Nedbank in its shareholder funds. After the Nedbank Unbundling, the Group will retain a minority interest of 19.9% of the issued share capital of Nedbank in the shareholder funds of Old Mutual Life Assurance Company (South Africa) Limited, a wholly-owned subsidiary of Old Mutual.

The existing arm's length commercial arrangements between Old Mutual and Nedbank will not be affected by the Nedbank Unbundling. These arrangements are contained in the 'relationship agreement' entered into between Old Mutual and Nedbank, which will govern the terms of their relationship upon completion of the Managed Separation and replaces the historic relationship agreement between Old Mutual plc and Nedbank, a copy of which is available on both the Old Mutual website at [www.oldmutual.com](http://www.oldmutual.com) and the Nedbank website at [www.nedbankgroup.co.za](http://www.nedbankgroup.co.za).

### **Nedbank odd-lot offer**

Old Mutual Shareholders are referred to the announcement published by Nedbank on SENS on Wednesday, 26 September 2018 simultaneously with the release of this announcement by Old Mutual. Nedbank has indicated its intention to consider implementing an odd-lot offer following the Nedbank Unbundling and as soon as practicably possible, subject to market conditions and all requisite approvals and in accordance with JSE Listings Requirements, to all eligible Nedbank shareholders holding less than 100 Nedbank Shares, in order to enable these Nedbank shareholders to more efficiently dispose of their odd lot holdings should they so wish and to manage the expanded nature of the Nedbank SA Register and the Nedbank Namibian Register following the implementation of the Nedbank Unbundling.

Old Mutual Shareholders holding less than 100 Nedbank Shares are advised that, in the context of an odd-lot offer, they will be required to make a positive election should they prefer to retain their Nedbank Shares.

The Nedbank announcement is available on Nedbank's website at [www.nedbankgroup.co.za](http://www.nedbankgroup.co.za).

## **PART II THE UNBUNDLING BY OLD MUTUAL OF NEDBANK SHARES**

### **1. Background**

- 1.1 On 11 March 2016, Old Mutual plc announced that its board of directors believed that the long-term interests of Old Mutual plc shareholders and other stakeholders would be best served by separating the four businesses then owned by the Old Mutual plc group from each other so that they could operate as fully independent businesses. This strategic initiative was described as the **Managed Separation** of the Old Mutual plc group. The Managed Separation was materially completed in June 2018, following the demerger and listing of Quilter plc on the London Stock Exchange and the Johannesburg Stock Exchange and the listing of the Old Mutual Shares on the Johannesburg Stock Exchange, the Malawi Stock Exchange, the Namibian Stock Exchange, the London Stock Exchange and the Zimbabwe Stock Exchange.
- 1.2 The final step in the Managed Separation, being the distribution of a significant portion of the Group's shareholding in Nedbank to Old Mutual Shareholders on the Register at that time (i.e. the **Nedbank Unbundling**), was envisaged to take place in the final quarter of 2018. As announced by Old Mutual plc in November 2017, the Group will retain a minority stake of 19.9% of the issued share capital of Nedbank in its shareholder funds after the implementation of the Nedbank Unbundling.
- 1.3 Old Mutual Shareholders are referred to the Old Mutual plc scheme circular dated 20 April 2018 and are advised that the conditions to the Nedbank Unbundling, as set out in the scheme circular, have been satisfied. A copy of the scheme circular may be accessed on Old Mutual's website at [www.oldmutual.com](http://www.oldmutual.com) for information purposes only. The scheme circular, however, does not form a part of this announcement and its provisions are not incorporated by reference.
- 1.4 The Old Mutual Board has determined that the Nedbank Unbundling will be implemented on Monday, 15 October 2018, being the Distribution Date.

### **2. Nedbank**

- 2.1 The Old Mutual plc group acquired a majority interest in Nedbank, which was at the time known as Nedcor Limited, in 1986. Nedbank is a diversified financial services provider offering a wide range of wholesale and retail banking services, as well as insurance, asset management and wealth management solutions. It delivers its products and services through

four main business clusters: (i) Nedbank Corporate and Investment Banking, (ii) Nedbank Retail and Business Banking, (iii) Nedbank Wealth, and (iv) Nedbank Rest of Africa.

- 2.2 Nedbank ranks within the top-5 banks by capital on the African continent and Ecobank Transnational Incorporated ("**Ecobank**"), in which Nedbank holds a 21.2% shareholding, ranks within the top-10 banks by assets on the African continent. Nedbank is South Africa's third-largest bank by market capitalisation and fourth-largest by total assets and headline earnings. It is a leading corporate bank and a market leader in commercial property and renewable energy finance and has a strong position in household motor finance, household deposits and card acquiring. It operates a unique asset management model as part of an integrated wealth management business. Through its pan-African banking alliance with Ecobank, Nedbank provides its customers access to Africa's largest banking network.
- 2.3 For further information on Nedbank, Old Mutual Shareholders are referred to Nedbank's public disclosures. Nedbank's public disclosures are not part of this announcement and are not incorporated by reference herein.

### 3. The Nedbank Unbundling

#### 3.1 Ratio of entitlement

- 3.1.1 The Old Mutual Board has resolved to implement the Nedbank Unbundling by way of a distribution *in specie* of Nedbank Shares in terms of section 46(1)(a)(i) of the Companies Act and out of Old Mutual's contributed tax capital (as such term is construed under the South African Income Tax Act, No. 58 of 1962). Old Mutual will distribute 158,726,732 Nedbank Shares (i.e. the Unbundled Nedbank Shares), (comprising 31.73% of the issued Nedbank Shares as at the Last Practicable Date) to Old Mutual Shareholders on the Register at the Record Time, being 5:00 p.m. (SA time) / 4:00 p.m. (UK time) on Friday, 12 October 2018.

- 3.1.2 Subject to the restrictions set out below, Old Mutual Shareholders reflected on the Register at the Record Time will receive:

**3.21176 Nedbank Shares**

**for every 100 Old Mutual Shares held.**

- 3.1.3 Old Mutual Shareholders who sell or otherwise transfer their Old Mutual Shares prior to the relevant LDT will not receive any Nedbank Shares.

#### 3.2 Fractional entitlements, Cash Proceeds and Applicable Rate

- 3.2.1 As required by the JSE Listings Requirements, fractional entitlements to Unbundled Nedbank Shares will be rounded down to the nearest whole number and the aggregated fractions of the Unbundled Nedbank Shares to which an Old Mutual Shareholder would otherwise be entitled will not be transferred to them, but will instead be sold in the market as soon as practicable after the Nedbank Unbundling.

- 3.2.2 Old Mutual Shareholders will accordingly receive monetary compensation in respect of their fractional entitlements to Nedbank Shares. In accordance with JSE Listings Requirements, this amount will be determined with reference to the volume weighted average price in Rand of a Nedbank Share traded on the Johannesburg Stock Exchange on Wednesday, 10 October 2018, being the first trading day in Old Mutual Shares on the SA Register after the LDT on Tuesday, 9 October 2018, reduced by 10% ("**Cash Proceeds**").

- 3.2.3 The Cash Proceeds will be paid (i) by Old Mutual to the relevant registered Certificated Old Mutual Shareholders and (ii) by a nominee or CSDP to the relevant Old Mutual Shareholders that hold their Old Mutual Shares in Uncertificated Form within a nominee account or within a CSDP.

- 3.2.4 Old Mutual Shareholders on the Namibian Register, Malawian Register, UK Register and the Zimbabwean Register will be paid the local currency cash equivalents of the Cash Proceeds. The Cash Proceeds will be converted to local currency at the effective rate quoted by Old Mutual on or before the date upon which payment of the Cash Proceeds is made to the relevant Old Mutual Shareholders ("**Applicable Rate**").
- 3.2.5 The basis for the Cash Proceeds and the Applicable Rate will be announced by Old Mutual on SENS, the London Stock Exchange's Regulatory News Service ("**RNS**") and the news services of the Malawi Stock Exchange, the Namibian Stock Exchange and the Zimbabwe Stock Exchange on Thursday, 11 October 2018).

### 3.3 Expected timetable of principal events

The following timetable sets out expected dates for the implementation of the Nedbank Unbundling. All references to times are to South African time unless otherwise stated.

Event	Time and/or date
<b>Publication of this announcement</b>	<b>Wednesday,</b> 26 September 2018
Last day for transfers between the Registers in order to participate in the Nedbank Unbundling.....	Tuesday, 2 October 2018
LDT on the SA Register, Malawian Register, Namibian Register and Zimbabwean Register in order to participate in the Nedbank Unbundling .....	Tuesday, 9 October 2018
LDT on the UK Register in order to participate in the Nedbank Unbundling.....	Wednesday, 10 October 2018
Old Mutual Shares trade "ex" entitlement on the SA Register, Malawian Register, Namibian Register and Zimbabwean Register to receive the Unbundled Nedbank Shares.....	Wednesday, 10 October 2018
Old Mutual Shares trade "ex" entitlement on the UK Register to receive the Unbundled Nedbank Shares.....	Thursday, 11 October 2018
Announcement expected to be released on SENS and RNS regarding the Cash Proceeds, the Applicable Rate in respect of fractional entitlements and cost apportionment.....	By 11:00 a.m. on Thursday, 11 October 2018
Record date and Record Time .....	5:00 p.m. (SA time) / 4:00 p.m. (UK time) on Friday, 12 October 2018
Transfers between the Registers opened, commencement of trade on .....	Monday, 15 October 2018
Nedbank Unbundling implemented (Distribution Date) .....	9:00 a.m. on Monday, 15 October 2018
Old Mutual Shareholders' accounts at CSDP or broker expected to be updated and credited.....	Monday, 15 October 2018
Despatch of share certificates for Unbundled Nedbank Shares .....	Thursday, 18 October 2018

Old Mutual Shareholders should anticipate their holdings of Old Mutual Shares at the Record Time by taking into account all unsettled trades concluded on or before the LDT which are due to be settled on or before the Record Time.

Share certificates may not be dematerialised into Uncertificated Form or rematerialised into Certificated Form between Wednesday, 10 October 2018, and Friday, 12 October 2018, both days inclusive.

### 3.4 Approvals

- 3.4.1 The Nedbank Unbundling was approved by Old Mutual plc shareholders as part of the scheme of arrangement in terms of which the Managed Separation was approved.

- 3.4.2 Old Mutual has obtained approval from the applicable regulators for the implementation of the Nedbank Unbundling.

## **PART III ADDITIONAL INFORMATION**

### **1. Exchange control**

*This summary is based on the laws as in force and as applied in practice on the Last Practicable Date and is subject to changes to those laws and practices subsequent to such date.*

The following summary of the South African Exchange Control Regulations does not constitute advice, is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations. Old Mutual Shareholders who have any queries regarding the Exchange Control Regulations should contact their own professional advisers without delay.

#### **1.1 Emigrants from the Common Monetary Area consisting of South Africa, the Republic of Namibia ("Namibia") and the Kingdoms of Lesotho and eSwatini (formerly named Swaziland) ("CMA")**

- 1.1.1 Any share certificates that may be issued by Nedbank to emigrants from the CMA will be endorsed "non-resident" in accordance with the Exchange Control Regulations.
- 1.1.2 Uncertificated Unbundled Nedbank Shares will be credited directly to an Old Mutual Shareholder's emigrant share account at the CSDP or broker controlling its remaining portfolios and an appropriate electronic entry will be made in the relevant register reflecting a "non-resident" endorsement. The CSDP or broker will ensure that the emigrant adheres to the Exchange Control Regulations.
- 1.1.3 Any Unbundled Nedbank Shares issued in Certificated Form, cash dividends and Cash Proceeds based on an emigrant's Unbundled Nedbank Shares controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer in foreign exchange controlling their assets. Elections by emigrants must be made through the authorised dealer in foreign exchange controlling their assets.

#### **1.2 Residents outside of the CMA**

- 1.2.1 Any share certificates that may be issued by Nedbank to non-residents of the CMA will be endorsed "non-resident" in accordance with the Exchange Control Regulations.
- 1.2.2 Uncertificated Unbundled Nedbank Shares will be credited directly to an Old Mutual Shareholder's non-resident share account at the CSDP or broker controlling its portfolios and an appropriate electronic entry will be made in the relevant register reflecting a "non-resident" endorsement. The CSDP or broker will ensure that the non-resident adheres to the Exchange Control Regulations.
- 1.2.3 Cash dividends and Cash Proceeds due to non-residents are freely transferable from South Africa, subject to being converted into a currency other than Rand or paid for the credit of a non-resident Rand account.

### **2. Overseas Old Mutual Shareholders**

- 2.1 This following summary describes the restrictions applicable to Old Mutual Shareholders who have registered addresses outside South Africa, the United Kingdom, Malawi, Namibia and Zimbabwe, who are nationals, citizens or residents of countries other than South Africa, the United Kingdom, Malawi, Namibia and Zimbabwe ("**Overseas Old Mutual Shareholders**"), or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this announcement to a jurisdiction outside South Africa, the United Kingdom, Malawi, Namibia and Zimbabwe or who hold shares for the account or benefit of any such Overseas Old Mutual Shareholder.
- 2.2 The distribution of Unbundled Nedbank Shares to Overseas Old Mutual Shareholders in terms of the Nedbank Unbundling may be affected by the laws of such Overseas Old Mutual

Shareholders' relevant jurisdiction. Overseas Old Mutual Shareholders should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities to enable them to take up their entitlements with respect to the Unbundled Nedbank Shares.

2.3 It is the responsibility of any Overseas Old Mutual Shareholder (including, without limitation, nominees, agents and trustees for such persons) being notified by this announcement of the Nedbank Unbundling and wishing to take up their entitlement to Unbundled Nedbank Shares to satisfy themselves as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

2.4 Overseas Old Mutual Shareholders are obliged to observe the applicable legal requirements of their relevant jurisdictions.

## 2.5 **Restricted Overseas Old Mutual Shareholders**

2.5.1 A restricted Overseas Old Mutual Shareholder ("**Restricted Overseas Old Mutual Shareholder**") includes any Overseas Old Mutual Shareholder who is unable to receive any of the Unbundled Nedbank Shares to be distributed to him/her/it because of the laws of the jurisdiction of residence, establishment, incorporation or otherwise of that Overseas Old Mutual Shareholder, or any Overseas Old Mutual Shareholder that Old Mutual is not permitted to transfer any of the Unbundled Nedbank Shares to because of the laws of the jurisdiction of residence, establishment, incorporation or otherwise of that Overseas Old Mutual Shareholder. The Unbundled Nedbank Shares to which Restricted Overseas Old Mutual Shareholders would be entitled in terms of the Nedbank Unbundling will be aggregated and sold on the Johannesburg Stock Exchange in an orderly manner by the SA Registrar on behalf of and for the benefit of Restricted Overseas Old Mutual Shareholders as soon as is reasonably practical after the implementation of the Nedbank Unbundling at the best price that can reasonably be obtained at the time of sale.

2.5.2 CSDPs will be responsible for informing the SA Registrar of all Uncertificated Old Mutual Shares held by them on behalf of such Restricted Overseas Old Mutual Shareholders.

2.5.3 Restricted Overseas Old Mutual Shareholders will, in respect of their entitlement to the Unbundled Nedbank Shares, receive the average consideration per Unbundled Nedbank Share in Rand (net of currency conversion costs), to be converted at the relevant spot rate on the date of payment of such consideration to the relevant Overseas Old Mutual Shareholders), received by the SA Registrar pursuant to the sale process as set out in paragraphs 2.5.1 and 2.5.2. The average consideration per Unbundled Nedbank Share due to each Restricted Overseas Old Mutual Shareholder will only be paid once all such Unbundled Nedbank Shares have been sold.

## 2.6 **United States of America ("US")**

### 2.6.1 **Notice to US Investors**

2.6.1.1 This announcement is not an offer of securities for sale in the United States. The Unbundled Nedbank Shares have not been and will not be registered under the US Securities Act of 1933 ("**US Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, exercised, transferred or delivered, directly or indirectly, in or into the United States at any time except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state and other securities laws of the United States. The Unbundled Nedbank Shares will be issued in the United States only to qualified institutional buyers ("**QIBs**") as defined in Rule 144A under the US Securities Act in reliance on exemptions from registration under the US Securities Act.

- 2.6.1.2 Accordingly, the Unbundled Nedbank Shares will be delivered to Old Mutual Shareholders with a registered address in the United States ("**US Old Mutual Shareholders**") only if such US Old Mutual Shareholders have demonstrated to their relevant CSDP, broker, custodian or nominee (as applicable) that they are QIBs and agree to certain transfer restrictions applicable to the Unbundled Nedbank Shares delivered to QIBs. Each US Old Mutual Shareholder that wishes to receive Unbundled Nedbank Shares in terms of the Nedbank Unbundling will be required to execute an investor letter in a form to be provided by (i) Old Mutual to Strate for distribution by Strate to all CSDPs and (ii) the SA Registrar to all US Old Mutual Shareholders holding Old Mutual Shares in Certificated Form on the Register ("**US Investor Letter**"). The US Investor Letter must be returned by the Record Time to Old Mutual directly either by email to the following email address: [Ekirsten@oldmutual.com](mailto:Ekirsten@oldmutual.com), or by courier to 1 Mutualpark, Jan Smuts Drive, Pinelands, Cape Town, Western Cape, South Africa marked for the attention of E Kirsten (Company Secretary), with a copy to the relevant CSDP, broker, custodian or nominee in the case of Uncertificated Old Mutual Shareholders and the SA Registrar (to the following e-mail address: [gibs@linkmarketservices.co.za](mailto:gibs@linkmarketservices.co.za)) in the case of Old Mutual Shareholders that hold their Old Mutual Shares in Certificated Form on the SA Register, the Malawian Register, the Namibian Register and the Zimbabwean Register or to the UK Registrar (to the following email address: [offer@equiniti.com](mailto:offer@equiniti.com)) in the case of the UK Register or Old Mutual DIs.
- 2.6.1.3 Any US Old Mutual Shareholder that is not a QIB or does not deliver a US Investor Letter will be deemed to be an "**Excluded US Old Mutual Shareholder**" and shall be treated as set out under 2.5.1 above.
- 2.6.1.4 The Unbundled Nedbank Shares delivered to QIBs will be "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 under the US Securities Act ("**Rule 144**") for resale of any Unbundled Nedbank Shares. For so long as the Unbundled Nedbank Shares are restricted securities, such Unbundled Nedbank Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only: (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; (ii) in accordance with Rule 144 (if available); (iii) in accordance with another applicable exemption from the registration requirements of the US Securities Act; or (iv) in an offshore transaction complying with the provisions of Regulation S under the US Securities Act (including, for the avoidance of doubt, a bona fide sale on the Johannesburg Stock Exchange), in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.
- 2.6.1.5 The Unbundled Nedbank Shares have not been and will not be listed on a US securities exchange or quoted on any inter-dealer quotation system in the United States. Neither Old Mutual nor Nedbank intends to take any action to facilitate a market in the Unbundled Nedbank Shares in the United States. Consequently, it is unlikely that an active trading market in the United States will develop for the Unbundled Nedbank Shares.
- 2.6.1.6 The Unbundled Nedbank Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon, or endorsed the merit of, the Nedbank Unbundling or the accuracy or the adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.
- 2.6.1.7 US Old Mutual Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Nedbank Unbundling in their particular circumstances.

## 2.6.2 **Notice to CSDPs, brokers, custodians and nominees holding Old Mutual Shares on behalf of US Old Mutual Shareholders**

Each US Old Mutual Shareholder that wishes to receive Unbundled Nedbank Shares will be required to execute a US Investor Letter in a form to be provided by (i) Old Mutual to Strate for distribution by Strate to all CSDPs and (ii) the SA Registrar to all US Old Mutual Shareholders holding Old Mutual Shares in Certificated Form on the Register, and must deliver such letter by the Record Time to Old Mutual directly either by email to the following email address: [Ekirsten@oldmutual.com](mailto:Ekirsten@oldmutual.com), or by courier to 1 Mutualpark, Jan Smuts Drive, Pinelands, Cape Town, Western Cape, South Africa marked for the attention of E Kirsten (Company Secretary), with a copy to the relevant CSDP, broker, custodian or nominee (as applicable) in the case of Uncertificated Old Mutual Shareholders and the SA Registrar (to the following e-mail address: [gibs@linkmarketservices.co.za](mailto:gibs@linkmarketservices.co.za)) in the case of Old Mutual Shareholders that hold their Old Mutual Shares in Certificated Form on the SA Register, the Malawian Register, the Namibian Register and the Zimbabwean Register or to the UK Registrar (to the following email address: [offer@equiniti.com](mailto:offer@equiniti.com)) in the case of the UK Register or Old Mutual DIs. Any US Old Mutual Shareholder that does not deliver a valid US Investor Letter will be deemed to be an Excluded US Old Mutual Shareholder.

## 2.7 **Other jurisdictions**

The release, publication or distribution of this announcement in jurisdictions other than South Africa, the United Kingdom, Malawi, Namibia and Zimbabwe may be restricted by law and therefore persons in whose possession any of this announcement comes should inform themselves about, and observe, any such applicable restrictions or requirements. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws and regulations of any such jurisdiction. To the fullest extent permitted by applicable law, Old Mutual disclaims any responsibility or liability for the violation of such restrictions or requirements by any person. This announcement has been prepared for the purposes of complying with the JSE Listings Requirements, the UKLA Rules, the Malawi Stock Exchange Listings Requirements, the Namibian Stock Exchange Listings Requirements and the Zimbabwe Stock Exchange Listings Requirements and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside of those outlined above.

## 3. **Trading and settlement**

### 3.1 **Entitlement to receive Unbundled Nedbank Shares**

#### 3.1.1 **Record Time**

3.1.1.1 Eligible Old Mutual Shareholders registered on the applicable Register as at the Record Time will receive Unbundled Nedbank Shares (or a beneficial entitlement to Unbundled Nedbank Shares) (as the case may be). Please see paragraph 3.1.3 below for details of how dealings in Old Mutual Shares prior to the Record Time will be treated.

3.1.1.2 The way in which Old Mutual Shareholders will receive Unbundled Nedbank Shares (or a beneficial entitlement thereto) will depend on how they hold their Old Mutual Shares on the applicable Register as at the Record Time. These settlement arrangements are summarised in paragraph 3.2 below.

3.1.1.3 The Record Time applies to all Old Mutual Shareholders regardless of the applicable Register on which their Old Mutual Shares are held.

#### 3.1.2 **Overseas Old Mutual Shareholders**

3.1.2.1 If, in respect of any Overseas Old Mutual Shareholder, Old Mutual is advised that the distribution of Unbundled Nedbank Shares would or may infringe the laws of any jurisdiction outside South Africa, Malawi, Namibia, the United

Kingdom or Zimbabwe, or would or may require Old Mutual or Nedbank to comply with any governmental or other consent or any registration, filing or other formality with which Old Mutual or Nedbank is unable to comply or compliance with which Old Mutual or Nedbank regards as unduly onerous, then Old Mutual shall deliver the relevant Unbundled Nedbank Shares to the SA Nominee, who shall receive the Unbundled Nedbank Shares on behalf of the relevant Overseas Old Mutual Shareholders.

3.1.2.2 All Unbundled Nedbank Shares to which the restriction in paragraph 3.1.2.1 applies that are transferred to the SA Nominee shall be sold in the market as soon as practicable following the Distribution Date. Any such sale/s shall be carried out at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale/s (after the deduction of all expenses and commissions incurred in connection with such sale) shall be paid to the relevant Overseas Old Mutual Shareholder by the SA Nominee by way of electronic funds transfer to the extent that the SA Nominee has, or is provided with, bank account details for such Overseas Old Mutual Shareholder, and failing which, by sending a cheque as soon as reasonably practicable after the SA Nominee receives such proceeds. Old Mutual Shareholders on the Namibian Register, Malawian Register, UK Register and the Zimbabwean Register will be paid the local currency cash equivalents of such net proceeds, which will be converted to local currency at the relevant spot rate on the day upon which such net proceeds are paid to the relevant Old Mutual Shareholders. The SA Nominee shall further send to each such Overseas Old Mutual Shareholder a statement of account reflecting the number of Unbundled Nedbank Shares sold, the price achieved in respect of such sale and the amount of all expenses and commissions incurred in connection with such sale.

3.1.2.3 The payment to any Overseas Old Mutual Shareholders of the proceeds from the sale of Unbundled Nedbank Shares in accordance with paragraph 3.1.2.2 will be in full and final satisfaction of the rights of such Overseas Old Mutual Shareholders to receive the relevant Unbundled Nedbank Shares.

### 3.1.3 Dealings in Old Mutual Shares as at the Record Time

3.1.3.1 For the purposes of determining which Old Mutual Shareholders are eligible to receive Unbundled Nedbank Shares, dealings in Old Mutual Shares will be recognised only if:

3.1.3.1.1 in the case of Old Mutual Shareholders registered on the SA Register whose Old Mutual Shares are held in Uncertificated Form through the Strate System, the transferee is registered on the Uncertificated section of the SA Register as the holder of the beneficial entitlement to the relevant Old Mutual Shares as at the Record Time;

3.1.3.1.2 in the case of Old Mutual Shareholders who hold a beneficial entitlement to Old Mutual Shares that are registered in the name of (i) the OMSAN Nominee on the OMSAN Nominee Register, (ii) the OMBN Nominee on the OMBN Nominee Register or (iii) the OMNAN Nominee on the OMNAN Nominee Register (as applicable), the transferee is registered on the OMSAN Nominee Register, the OMBN Nominee Register or the OMNAN Nominee Register (as the case may be) as the holder of the beneficial entitlement to the relevant Old Mutual Shares as at the Record Time;

3.1.3.1.3 in the case of Old Mutual Shareholders holding Old Mutual DIs through the UK Register in Uncertificated Form in CREST, the transferee is registered on the UK Register as the holder of the relevant Old Mutual DIs as at the Record Time. In the event that there are dealings effected and instructions inputted for settlement through CREST prior to the last day for dealings on the London Stock Exchange where an entitlement to Old Mutual DIs has not been settled by the Record Time, a corporate action event will arise in CREST to notify the parties of the market claim

that the selling party will become credited with Unbundled Nedbank Shares held through the SA Nominee, in order to assist those who are party to open transactions;

- 3.1.3.1.4 in the case of Old Mutual Shareholders who hold a beneficial entitlement to Old Mutual Shares that are registered in the name of a Zimbabwean Nominee on the relevant Zimbabwean Nominee Register, the transferee is registered on the applicable Zimbabwean Nominee Register as the holder of the beneficial entitlement to the relevant Old Mutual Shares as at the Record Time; and
- 3.1.3.1.5 in the case of Old Mutual Shareholders registered on the SA Register, the Malawian Register, the Namibian Register, the UK Register or the Zimbabwean Register whose Old Mutual Shares are held in Certificated Form, registrable transmission applications or instruments of transfer (as applicable) in respect of those Old Mutual Shares are received by the relevant Registrar before the Record Time with sufficient time to allow for registration of the transferee by the Record Time.
- 3.1.3.2 Based on the timetable as set out in paragraph 3.3 of Part II of this announcement, in order for transferees to be registered in accordance with the timings listed above (and noting certain trading and settlement requirements in South Africa, Malawi, Namibia, the United Kingdom and Zimbabwe), the last day of dealings in Old Mutual Shares is expected to be Tuesday, 9 October 2018 on the Johannesburg Stock Exchange, the Malawi Stock Exchange, the Namibian Stock Exchange and the Zimbabwe Stock Exchange and Wednesday, 10 October 2018 on the London Stock Exchange, though depending on individual circumstances, the local requirements of brokers in the relevant jurisdictions and other potential delays in processing a trade, dealings may need to be made earlier than these dates in order for transfers of Old Mutual Shares or beneficial entitlements to Old Mutual Shares to be registered in accordance with the timings above.
- 3.1.3.3 Similarly, Old Mutual will not recognise any transfer or transmission application in respect of Old Mutual Shares received after Tuesday, 2 October 2018 in respect of either:
- 3.1.3.3.1 requests for transfers of Old Mutual Shares between the SA Register, the Malawian Register, the Namibian Register, the UK Register (other than through CREST), and the Zimbabwean Register; and
- 3.1.3.3.2 transfers of Old Mutual Shares completed on the UK Register or in respect of Old Mutual DIs in CREST.

## 3.2 **Summary of the methods of receipt of Unbundled Nedbank Shares**

- 3.2.1 The way in which Old Mutual Shareholders will receive their Unbundled Nedbank Shares (or beneficial entitlement thereto) will depend on how they hold their Old Mutual Shares on the applicable Register as at the Record Time, as summarised below. Further details are set out in paragraphs 3.3 and 3.4 below.
- 3.2.2 It is the responsibility of Old Mutual Shareholders to satisfy themselves as to the full observance of applicable laws and regulatory requirements, including the obtaining of any governmental, exchange control or other consents that may be required in order for them, their nominee, custodian or trustee, as applicable, to receive and hold the Unbundled Nedbank Shares (or a beneficial entitlement thereto) as set out below.

Manner in which Old Mutual Shares or Old Mutual DIs (as applicable) are held as at the Record Time	Manner in which Unbundled Nedbank Shares (or a beneficial entitlement to Unbundled Nedbank Shares) will be received	Form of confirmation
<b>South Africa</b>		
On the SA Register in Certificated Form	On the Nedbank SA Register in Certificated Form	Nedbank Share certificates are expected to be despatched following the Distribution Date, at the Old Mutual Shareholder's risk, on Thursday, 18 October 2018
On the SA Register in Uncertificated Form	A beneficial entitlement to Unbundled Nedbank Shares that is recorded on the Nedbank SA Register in Uncertificated Form and credited to the same CSDP or broker account in which the holder's Old Mutual Shares are currently held	The relevant CSDP or broker account will be credited on the Distribution Date (Monday, 15 October 2018)
On the OMSAN Nominee Register of beneficial entitlements	A beneficial entitlement to the Unbundled Nedbank Shares that is recorded on the SA Nominee Register and the holder will become an SA Nominee Participant in respect of such Unbundled Nedbank Shares	The SA Nominee Register will be credited with the beneficial entitlements to Unbundled Nedbank Shares on the Distribution Date (Monday, 15 October 2018)
<b>Namibia</b>		
On the Namibian Register in Certificated Form	On the Nedbank Namibian Register in Certificated Form	Written holding confirmations are expected to be despatched following the Distribution Date, at the Old Mutual Shareholder's risk, on Thursday, 18 October 2018
On the OMNAN Nominee Register of beneficial entitlements	On the Nedbank Namibian Register in Certificated Form	Written holding confirmations are expected to be despatched following the Distribution Date, at the Old Mutual Shareholder's risk, on Thursday, 18 October 2018
<b>Malawi</b>		
On the Malawian Register in Certificated Form	A beneficial entitlement to the Unbundled Nedbank Shares that is recorded on the Malawian Nominee Register and the holder will become a Malawian Nominee	The Malawian Nominee Register will be credited with the beneficial entitlements to Unbundled Nedbank Shares on the Distribution Date

	<b>Participant in respect of such Unbundled Nedbank Shares</b>	(Monday, 15 October 2018)
<b>On the Malawian Register in Uncertificated Form</b>	<b>A beneficial entitlement to the Unbundled Nedbank Shares that is recorded on the Malawian Nominee Register and the holder will become a Malawian Nominee Participant in respect of such Unbundled Nedbank Shares</b>	<b>The Malawian Nominee Register will be credited with the beneficial entitlements to Unbundled Nedbank Shares on the Distribution Date (Monday, 15 October 2018)</b>
<b>On the OMBN Nominee Register of beneficial entitlements</b>	<b>A beneficial entitlement to the Unbundled Nedbank Shares that is recorded on the Malawian Nominee Register and the holder will become a Malawian Nominee Participant in respect of such Unbundled Nedbank Shares</b>	<b>The Malawian Nominee Register will be credited with the beneficial entitlements to Unbundled Nedbank Shares on the Distribution Date (Monday, 15 October 2018)</b>
<b>United Kingdom</b>		
<b>On the UK Register in Certificated Form</b>	<b>A beneficial entitlement to the Unbundled Nedbank Shares that is recorded on the SA Nominee Register and the holder will become an SA Nominee Participant in respect of such Unbundled Nedbank Shares</b>	<b>The SA Nominee Register will be credited with the beneficial entitlements to Unbundled Nedbank Shares on the Distribution Date (Monday, 15 October 2018)</b>
<b>On the UK Register through Old Mutual DIs in Uncertificated Form through CREST</b>	<b>A beneficial entitlement to the Unbundled Nedbank Shares that is recorded on the SA Nominee Register and the holder will become an SA Nominee Participant in respect of such Unbundled Nedbank Shares</b>	<b>The SA Nominee Register will be credited with the beneficial entitlements to Unbundled Nedbank Shares on the Distribution Date (Monday, 15 October 2018)</b>
<b>Zimbabwe</b>		
<b>On the Zimbabwean Register in Certificated Form</b>	<b>A beneficial entitlement to Unbundled Nedbank Shares that is recorded on the Corpserve Nominee Register and the holder will become a Corpserve Nominee Participant in respect of such Unbundled Nedbank Shares</b>	<b>The Corpserve Nominee Register will be credited with the beneficial entitlements to Unbundled Nedbank Shares on the Distribution Date (Monday, 15 October 2018)</b>
<b>On a Zimbabwean Nominee Register (maintained by either the Corpserve Nominee (i.e. Old Mutual Shares held in</b>	<b>A beneficial entitlement to Unbundled Nedbank Shares that is recorded on the Corpserve Nominee Register and</b>	<b>The Corpserve Nominee Register will be credited with the beneficial entitlements to Unbundled Nedbank</b>

Uncertificated Form) or the OMZN Nominee) of beneficial entitlements	the holder will become a Corpserve Nominee Participant in respect of such Unbundled Nedbank Shares	Shares on the Distribution Date (Monday, 15 October 2018)
--	--	---

### 3.3 Explanation of settlement arrangements and trading in respect of the Unbundled Nedbank Shares

#### 3.3.1 Settlement arrangements and trading of Unbundled Nedbank Shares on the Johannesburg Stock Exchange

##### 3.3.1.1 Settlement arrangements for Unbundled Nedbank Shares in respect of Old Mutual Shareholders who hold their Old Mutual Shares on the SA Register in Uncertificated Form (that is, in the Strate System), where such Unbundled Nedbank Shares will be traded on the Johannesburg Stock Exchange

3.3.1.1.1 In the case of Old Mutual Shareholders who hold their Old Mutual Shares on the SA Register in Uncertificated Form as at the Record Time, the Unbundled Nedbank Shares to which they are entitled will be Dematerialised and delivered to them in Uncertificated Form.

3.3.1.1.2 Old Mutual will procure that the SA Registrar is instructed to make the appropriate arrangements to credit the applicable Old Mutual Shareholders' CSDP accounts (or that of their nominee, where applicable) with the entitlement to the relevant Unbundled Nedbank Shares with effect from the Distribution Date.

3.3.1.1.3 Settlement of transactions in Unbundled Nedbank Shares on the Johannesburg Stock Exchange may only take place in Uncertificated Form within the Strate System.

3.3.1.1.4 Old Mutual Shareholders whose Old Mutual Shares are held in Uncertificated Form are required to maintain an account with a CSDP or broker, and should instruct their CSDP or broker regarding voting and other matters in respect of their Unbundled Nedbank Shares in accordance with the mandate entered into between the beneficial holder and their CSDP or broker. If Old Mutual Shareholders wish to attend a Nedbank shareholders' meeting in person, they will need to request a proxy or voting instruction form from their CSDP or broker or appointed nominee in accordance with the terms of the mandate entered into between them and their CSDP, broker or nominee. Old Mutual Shareholders can contact their CSDP, broker or nominee for further information in this regard.

##### 3.3.1.2 Settlement arrangements for Unbundled Nedbank Shares in respect of Old Mutual Shareholders who hold their Old Mutual Shares on the SA Register in Certificated Form, where such Unbundled Nedbank Shares will be traded on the Johannesburg Stock Exchange

3.3.1.2.1 In the case of Old Mutual Shareholders who hold their Old Mutual Shares on the SA Register in Certificated Form as at the Record Time, the Unbundled Nedbank Shares to which they are entitled will be delivered to them in Certificated Form.

3.3.1.2.2 Share certificates for the Unbundled Nedbank Shares are expected to be despatched following the Distribution Date on Thursday, 18 October 2018. Pending the despatch of share certificates for Unbundled Nedbank Shares, transfers of Unbundled Nedbank Shares by Old Mutual Shareholders held in Certificated Form will be certified against the

Nedbank SA Register. Temporary documents of title will not be issued in respect of the Unbundled Nedbank Shares.

- 3.3.1.2.3 Settlement of transactions in Unbundled Nedbank Shares on the Johannesburg Stock Exchange may only take place in Uncertificated Form within the Strate System. Accordingly, Old Mutual Shareholders who hold their Unbundled Nedbank Shares in Certificated Form and who wish to trade in such Unbundled Nedbank Shares on the Johannesburg Stock Exchange will be required to have their registered holding of Unbundled Nedbank Shares Dematerialised such that they are held through a CSDP or broker in Uncertificated Form.
- 3.3.1.3 **Settlement arrangements for Unbundled Nedbank Shares in respect of Old Mutual Shareholders who hold a beneficial entitlement to Old Mutual Shares on the OMSAN Nominee Register, where such Unbundled Nedbank Shares will be traded on the Johannesburg Stock Exchange**
- 3.3.1.3.1 In the case of Old Mutual Shareholders whose Old Mutual Shares are registered on the OMSAN Nominee Register in the name of the OMSAN Nominee (who holds such Old Mutual Shares on behalf of the Old Mutual Shareholders) as at the Record Time, the Unbundled Nedbank Shares to which they are entitled will be able to be traded and settled on the Johannesburg Stock Exchange through the Strate System in Uncertificated Form.
- 3.3.1.3.2 In order to facilitate this arrangement, such Old Mutual Shareholders will hold a beneficial entitlement to Unbundled Nedbank Shares on the SA Nominee Register with the SA Nominee holding the relevant Unbundled Nedbank Shares on their behalf. Such Old Mutual Shareholders will accordingly become SA Nominee Participants as Underlying Shareholders.
- 3.3.1.3.3 The SA Registrar and SA Nominee shall make the appropriate arrangements to update the SA Nominee Register with the relevant ultimate beneficial entitlement held by each of the SA Nominee Participants to the relevant Unbundled Nedbank Shares with effect from the Distribution Date.
- 3.3.1.3.4 The beneficial interest in such Unbundled Nedbank Shares will be held on the Nedbank SA Register in the name of the SA Nominee, in order for the Unbundled Nedbank Shares to be held in a form that can be traded on the Johannesburg Stock Exchange through the Strate System via the SA Nominee's CSDP. The SA Nominee will hold its interest in the relevant Unbundled Nedbank Shares on behalf of the SA Nominee Participants. In order for the SA Nominee Participants to be entitled to trade in respect of the Unbundled Nedbank Shares to which they are beneficially entitled, each SA Nominee Participant may be required to complete certain "know your customer" checks that must be carried out by the SA Nominee in order to satisfy certain legal and regulatory requirements before these types of corporate actions can be completed for and on behalf of the SA Nominee Participants. Once such checks are completed, the transfer and settlement of such beneficial title to the Unbundled Nedbank Shares can then be effected in the manner described below. In addition, SA Nominee Participants who hold their ultimate beneficial entitlement to the relevant Unbundled Nedbank Shares under this arrangement and who are non-residents of South Africa may also be eligible to claim a reduction in the applicable dividend withholding tax rate payable on any dividends paid by Nedbank, subject to the provisions of any double-taxation agreement between South Africa and the country in which they are tax resident (if applicable).
- 3.3.1.3.5 The transfer and settlement of such beneficial title to the Unbundled Nedbank Shares can be effected by providing an instruction to trade to

the SA Nominee. The SA Nominee will arrange for the transfer and settlement of such beneficial title through the Strate System via its CSDP in accordance with the Strate System Rules. If an SA Nominee Participant wishes to attend a Nedbank shareholders' meeting in person, they will need to request a proxy or voting instruction form from the SA Nominee. Any dividends paid by Nedbank will be paid by the SA Nominee into the nominated bank account of each SA Nominee Participant. All such arrangements, amongst others, will be facilitated by and performed in accordance with the terms of the mandates to which the SA Nominee Participants and the SA Nominee will be subject. Further detail in relation to the operation of the SA Nominee is set out in paragraph 3.4.1 below.

3.3.1.4 **Settlement arrangements for Unbundled Nedbank Shares in respect of Old Mutual Shareholders who hold (i) Old Mutual Shares on a Branch Register other than the Namibian Register (whether in Certificated or Uncertificated Form, or through Old Mutual DIs) or (ii) a beneficial entitlement to Old Mutual Shares on the OMBN Nominee Register or either of the Zimbabwean Nominee Registers, where such Unbundled Nedbank Shares will be traded on the Johannesburg Stock Exchange**

3.3.1.4.1 In the case of the Old Mutual Shareholders referred to in paragraph 3.3.1.4.2 below, the Unbundled Nedbank Shares to which they are entitled will only be able to be traded and settled on the Johannesburg Stock Exchange through the Strate System in Uncertificated Form.

3.3.1.4.2 The Unbundled Nedbank Shares to which the following Old Mutual Shareholders are entitled will be delivered to them in the following manner:

3.3.1.4.2.1 as regards Old Mutual Shareholders (i) who hold their Old Mutual Shares on the Malawian Register (whether in Certificated or Uncertificated Form) or (ii) whose Old Mutual Shares are registered on the OMBN Nominee Register in the name of the OMBN Nominee (who holds the relevant Old Mutual Shares on behalf of such Old Mutual Shareholders), in each case as at the Record Time, such Old Mutual Shareholders will receive a beneficial entitlement to Unbundled Nedbank Shares on the Malawian Nominee Register with the Malawian Nominee holding the relevant Unbundled Nedbank Shares on their behalf. Such Old Mutual Shareholders will accordingly become Malawian Nominee Participants;

3.3.1.4.2.2 as regards Old Mutual Shareholders who hold (i) Old Mutual DIs or (ii) Old Mutual Shares in Certificated Form on the UK Register, in each case as at the Record Time, such Old Mutual Shareholders will receive a beneficial entitlement to Unbundled Nedbank Shares which is recorded on the SA Nominee Register with the SA Nominee holding the relevant Unbundled Nedbank Shares on their behalf. Such Old Mutual Shareholders will accordingly become SA Nominee Participants; and

3.3.1.4.2.3 as regards Old Mutual Shareholders (i) who hold their Old Mutual Shares on the Zimbabwean Register (whether in Certificated or Uncertificated Form) or (ii) whose Old Mutual Shares are registered on a Zimbabwean Nominee Register in the name of either of the Zimbabwean Nominees (who holds the relevant Old Mutual Shares on behalf of such Old Mutual Shareholders), in each case as at the Record Time, such Old Mutual Shareholders will receive a beneficial entitlement to Nedbank Shares on the Corpserve Nominee Register with the Corpserve Nominee holding the relevant Unbundled Nedbank Shares on their behalf. Such Old

Mutual Shareholders will accordingly become Corpserve Nominee Participants.

- 3.3.1.4.3 Old Mutual will procure that the Malawian Nominee, the SA Nominee or the Corpserve Nominee (as applicable) are instructed to make the appropriate arrangements to update each of the Malawian Nominee Register, the SA Nominee Register or the Corpserve Nominee Register (as applicable) with the relevant ultimate beneficial entitlement held by each of the Malawian Nominee Participants, the SA Nominee Participants and the Corpserve Nominee Participants (as applicable) to the relevant Unbundled Nedbank Shares with effect from the Distribution Date.
- 3.3.1.4.4 In each case, the beneficial interest in Unbundled Nedbank Shares will be held on the Nedbank SA Register in the name of the SA Nominee, in order for the Unbundled Nedbank Shares to be held in a form that can be traded on the Johannesburg Stock Exchange through the Strate System via the SA Nominee's CSDP. The SA Nominee will hold its interest in the relevant Unbundled Nedbank Shares on behalf of each of the Malawian Nominee, SA Nominee Participants referred to in paragraph 3.3.1.4.2.2 and the Corpserve Nominee (as applicable), and the SA Nominee will record that the beneficial entitlement to such Unbundled Nedbank Shares is held by the Malawian Nominee, the SA Nominee Participants referred to in paragraph 3.3.1.4.2.2 or the Corpserve Nominee (as applicable). The Malawian Nominee and the Corpserve Nominee will, in turn, each record in the Malawian Nominee Register and the Corpserve Nominee Register (as applicable) that the ultimate beneficial entitlements to such Unbundled Nedbank Shares is held by the Malawian Nominee Participants or the Corpserve Nominee Participants (as applicable).
- 3.3.1.4.5 In order for Malawian Nominee Participants and the SA Nominee Participants to be entitled to trade in respect of the Unbundled Nedbank Shares to which they are beneficially entitled, each Malawian Nominee Participant and SA Nominee Participant may be required to complete certain "know your customer" checks that must be carried out by the Malawian Nominee (or provide their consent to the transfer of their existing "know your customer" information held by the OMBN Nominee) or the SA Nominee (as applicable), in order to satisfy certain legal and regulatory requirements before these types of corporate actions can be completed by the Malawian Nominee for and on behalf of the Malawian Nominee Participants or by the SA Nominee for and on behalf of the SA Nominee Participants. Once such checks are completed or the relevant information transferred, the transfer and settlement of such beneficial title to the Unbundled Nedbank Shares can then be effected in the manner described below.
- 3.3.1.4.6 Subject to the checks described in paragraph 3.3.1.4.5 being completed, the transfer and settlement of such beneficial title to the Unbundled Nedbank Shares can be effected by providing an instruction to trade to the Malawian Nominee, the SA Nominee or the Corpserve Nominee (as applicable). The Malawian Nominee, the SA Nominee or the Corpserve Nominee (as applicable) will arrange for the transfer and settlement of such beneficial title through the Strate System via the SA Nominee and its CSDP, in accordance with the Strate System Rules. Transfers of beneficial title to the Unbundled Nedbank Shares through the Strate System will be settled in ZAR, with such proceeds being converted to the relevant local currency at the spot exchange rate on the day of payment. If a Malawian Nominee Participant, an SA Nominee Participant or a Corpserve Nominee Participant wishes to attend a Nedbank shareholders' meeting in person, they will need to request a proxy or voting instruction form from the Malawian Nominee, the SA Nominee or the Corpserve Nominee (as applicable). Any dividends paid by Nedbank will be paid by the Malawian Nominee, the SA Nominee or the Corpserve Nominee (as applicable) into the nominated bank account of each

Malawian Nominee Participant, SA Nominee Participant or Corpserve Nominee Participant. Such dividends will be paid by Nedbank in ZAR but will thereupon be converted to the relevant local currency at the spot exchange rate on the day of payment. All such arrangements, amongst others, will be facilitated by and performed in accordance with the terms of the mandates to which (i) Malawian Nominee Participants and the Malawian Nominee, (ii) the SA Nominee Participants and the SA Nominee and (iii) the Corpserve Nominee Participants and the Corpserve Nominee, will be subject. Further detail in relation to the operation of the Malawian Nominee, the SA Nominee or the Corpserve Nominee is set out in paragraphs 3.4.2, 3.4.1 and 3.4.3 below.

3.3.1.4.7 Investment income arising from the Unbundled Nedbank Shares held directly or indirectly by any Zimbabwean resident, and the disposal of any such Unbundled Nedbank Shares, may be subject to applicable exchange control restrictions.

### 3.3.2 **Settlement arrangements and trading of Unbundled Nedbank Shares on the Namibian Stock Exchange**

**Settlement arrangements for Unbundled Nedbank Shares in respect of Old Mutual Shareholders who hold (i) Old Mutual Shares on the Namibian Register in Certificated Form or (ii) a beneficial entitlement to Old Mutual Shares on the OMNAN Nominee Register, where such Unbundled Nedbank Shares will be traded on the Namibian Stock Exchange**

3.3.2.1 The Unbundled Nedbank Shares to which the following Old Mutual Shareholders are entitled will be delivered to them in Certificated Form and will be held on the Nedbank Namibian Register:

3.3.2.1.1 Old Mutual Shareholders who hold their Old Mutual Shares on the Namibian Register in Certificated Form as at the Record Time; and

3.3.2.1.2 Old Mutual Shareholders whose Old Mutual Shares are registered on the OMNAN Nominee Register in the name of the OMNAN Nominee (who holds the relevant Old Mutual Shares on behalf of such Old Mutual Shareholders) as at the Record Time.

3.3.2.2 Written holding confirmations in respect of the Unbundled Nedbank Shares are expected to be despatched following the Distribution Date on Thursday, 18 October 2018. Pending the despatch of such holding confirmations for Unbundled Nedbank Shares, transfers of Unbundled Nedbank Shares by such Old Mutual Shareholders whose Unbundled Nedbank Shares are held in Certificated Form will be certified against the Nedbank Namibian Register. Temporary documents of title will not be issued in respect of the Unbundled Nedbank Shares.

3.3.2.3 The Unbundled Nedbank Shares so held by Namibian Shareholders can be traded and settled on the Johannesburg Stock Exchange as well through the Strate System in Uncertificated Form only. Settlement of transactions in Unbundled Nedbank Shares on the Johannesburg Stock Exchange may only take place in Uncertificated Form within the Strate System. Accordingly, Old Mutual Shareholders who hold their Unbundled Nedbank Shares in Certificated Form on the Nedbank Namibian Register and who wish to trade in such Unbundled Nedbank Shares on the Johannesburg Stock Exchange will be required to have their registered holding of Unbundled Nedbank Shares Dematerialised such that they are held through a CSDP or broker in Uncertificated Form.

3.3.3 Old Mutual reserves the right to distribute Unbundled Nedbank Shares to any or all Old Mutual Shareholders who hold Old Mutual Shares in Uncertificated Form as at the

Record Time in Certificated Form and vice versa if, for reasons outside its reasonable control, it is not able to effect settlement as anticipated.

### 3.4 **Explanation of the various Nominee Terms and Conditions**

#### 3.4.1 **Explanation of the principal SA Nominee Terms and Conditions**

3.4.1.1 The SA Nominee will hold the Unbundled Nedbank Shares for SA Nominee Participants subject to the SA Nominee Terms and Conditions. SA Nominee Participants are the beneficial owners of the Unbundled Nedbank Shares and may give instructions to transfer the relevant Unbundled Nedbank Shares.

3.4.1.2 By participating in the SA Nominee, each SA Nominee Participant warrants that the Unbundled Nedbank Shares to which such beneficial title relates will be, and will remain, free from any encumbrance.

3.4.1.3 The SA Nominee is appointed as agent, representative, custodian and administrator for the relevant SA Nominee Participants in relation to the relevant Unbundled Nedbank Shares and is authorised to settle transactions in relation to Unbundled Nedbank Shares in accordance with the relevant SA Nominee Participants' instructions. SA Nominee Participants are required to indemnify and hold the SA Nominee harmless against all liability, costs or expenses incurred by the SA Nominee's agents in connection with the due and proper performance by the SA Nominee of all of its obligations under the SA Nominee Terms and Conditions. The SA Nominee will be liable for direct damages incurred by SA Nominee Participants by reason of the SA Nominee's own wilful default or gross negligence and (except in the case of fraud) will not be liable for indirect, special or consequential loss or damage. It is the responsibility of the SA Nominee Participants to keep abreast with the Strate System Rules. In the event of any conflict between the SA Nominee Terms and Conditions and applicable laws, the applicable laws shall prevail.

3.4.1.4 The SA Nominee will open and maintain securities accounts in the name of the SA Nominee Participants to record the number of Unbundled Nedbank Shares to which they are beneficially entitled and to record all transactions and entries made with respect to the Unbundled Nedbank Shares.

3.4.1.5 The SA Nominee will, to the extent it is so able, notify SA Nominee Participants electronically of all corporate events in relation to the Unbundled Nedbank Shares, other than where the relevant details have been included in other corporate documentation that has or will be sent directly to SA Nominee Participants by Nedbank. Dividend information will be published in local newspapers in accordance with standard market practice and the SA Nominee will send a payment advice or statement once the payment or corporate action has been processed.

3.4.1.6 Instructions given by an SA Nominee Participant to the SA Nominee must be sent in writing to the address or to the email as stated in the SA Nominee Terms and Conditions. SA Nominee Participants accept the risk of loss or damage arising, directly or indirectly, as a result of any failure in, misuse of, or any fraud or misrepresentation due to the SA Nominee Participants' own failure to give a valid instruction in accordance with the SA Nominee Terms and Conditions. The SA Nominee incurs no liability for acting on any instruction, direction or other communication on which the SA Nominee is authorised under the SA Nominee Terms and Conditions or for any delay in delivery of non-delivery or error in transmission.

3.4.1.7 The SA Nominee will only vote on behalf of SA Nominee Participants in relation to their Unbundled Nedbank Shares if a voting instruction form is received by an SA Nominee Participant by the required date and time.

- 3.4.1.8 The SA Nominee is entitled to interest that may accrue on any funds deposited with the SA Nominee (for example, for the purchase of Unbundled Nedbank Shares) to cover administration costs. SA Nominee Participants may claim interest where the claim amounts to more than R50.00.
- 3.4.1.9 SA Nominee Participants are required to pay fees and charges as published by the SA Nominee from time to time and notified to SA Nominee Participants and/or indicated on the SA Nominee's website. These charges may be varied upon 30 days' written notice.
- 3.4.1.10 SA Nominee Participants are required to be verified and the SA Nominee will not be liable for any delays that might be caused as a result of the verification process. SA Nominee Participants are required to indemnify and agree to hold the SA Nominee harmless against all liability, cost, expense or damage incurred by the SA Nominee or its agents arising as a consequence of the SA Nominees having acted on any forged, fabricated, inaccurate, invalid or unauthorised documentation except as a result of the SA Nominee's own failure to comply with its verification obligations.
- 3.4.1.11 SA Nominee Participants may terminate their participation in the SA Nominee facility by giving the SA Nominee at least 30 days' written notice. The SA Nominee will advise the relevant Underlying Shareholder within three business days of the termination of its participation in the SA Nominee facility. The SA Nominee may also terminate an SA Nominee Participant's participation in the SA Nominee facility by giving at least 30 days' written notice to the relevant SA Nominee Participant.
- 3.4.1.12 Any addition to, variation or cancellation of the SA Nominee Terms and Conditions must be communicated to SA Nominee Participants in writing.
- 3.4.1.13 The SA Nominee Terms and Conditions are governed by the laws of South Africa.
- 3.4.1.14 The SA Nominee Terms and Conditions are available on Nedbank's website at [www.nedbankgroup.co.za](http://www.nedbankgroup.co.za).

#### 3.4.2 **Explanation of the principal Malawian Nominee Terms and Conditions**

- 3.4.2.1 The Malawian Nominee will hold the Unbundled Nedbank Shares for Malawian Nominee Participants pursuant to the Malawian Nominee Terms and Conditions. Under the Malawian Nominee Terms and Conditions, the Malawian Nominee Participants are the beneficial owners of the Unbundled Nedbank Shares and may give instructions to the Malawian Nominee to transfer the relevant Unbundled Nedbank Shares.
- 3.4.2.2 By participating in the Malawian Nominee facility, each Malawian Nominee Participant warrants that the Unbundled Nedbank Shares to which such beneficial title relates will be, and will remain, free from any encumbrance.
- 3.4.2.3 The Malawian Nominee is appointed as agent, representative, custodian and administrator for the relevant Malawian Nominee Participants in relation to the relevant Unbundled Nedbank Shares and is authorised to settle transactions in relation to such Unbundled Nedbank Shares in accordance with the relevant Malawian Nominee Participants' instructions. Malawian Nominee Participants are required to indemnify and hold the Malawian Nominee harmless against all liability, costs or expenses incurred by the Malawian Nominee and its agents in connection with the due and proper performance by the Malawian Nominee of all of its obligations under the Malawian Nominee Terms and Conditions. The Malawian Nominee will be liable for direct damages incurred by Malawian Nominee Participants by reason of the Malawian Nominee's own wilful default or gross negligence and (except in the case of fraud) will not be liable for indirect, special or consequential loss or damages.

- 3.4.2.4 The Malawian Nominee will open and maintain share accounts in the name of the Malawian Nominee Participant to record the number or nominal value of the relevant Unbundled Nedbank Shares to which they are beneficially entitled and to record all transactions and entries made with respect to the Unbundled Nedbank Shares.
- 3.4.2.5 The Malawian Nominee will notify Malawian Nominee Participants electronically of all corporate events in relation to the Unbundled Nedbank Shares, other than where the relevant details have been included in other corporate documentation that has or will be sent directly to Malawian Nominee Participants by Nedbank.
- 3.4.2.6 Instructions given by a Malawian Nominee Participant to the Malawian Nominee must be sent in writing to the address or to the email as stated in the Malawian Nominee Terms and Conditions. Malawian Nominee Participants accept the risk of loss or damage arising, directly or indirectly, as a result of any failure in, misuse of, or any fraud or misrepresentation due to the Malawian Nominee Participants' own failure to give a valid instruction in accordance with the Malawian Nominee Terms and Conditions. The Malawian Nominee will not incur any liability for acting on any instruction, direction or other communication on which the Malawian Nominee is authorised to rely under the Malawian Nominee Terms and Conditions.
- 3.4.2.7 The Malawian Nominee will only vote on behalf of Malawian Nominee Participants in relation to their Unbundled Nedbank Shares if a voting instruction form is received from a Malawian Nominee Participant by the required date and time.
- 3.4.2.8 Malawian Nominee Participants are required to pay fees and charges as published by the Malawian Nominee from time to time and notified to Malawian Nominee Participants and/or indicated on the Malawian Nominee's website. These charges may be varied upon 30 days' written notice.
- 3.4.2.9 Malawian Nominee Participants are required to be verified and the Malawian Nominee will not be liable for any delays that might be caused as a result of the verification process. Malawian Nominee Participants are required to indemnify and agree to hold the Malawian Nominee harmless against all liability, costs, expense or damage incurred by the Malawian Nominee or its agents arising as a consequence of the Malawian Nominee having acted on any forged, fabricated, inaccurate, invalid or unauthorised documentation, except as a result of the Malawian Nominee's own failure to comply with its verification obligations. A Malawian Nominee Participant is solely responsible to, and agrees to submit, a written dividend tax declaration if applicable, and to forthwith inform the withholding agent in writing should the circumstances of the Malawian Nominee Participant change.
- 3.4.2.10 Any addition to, variation or cancellation of the Malawian Nominee Terms and Conditions must be communicated to Malawian Nominee Participants in writing.
- 3.4.2.11 The Malawian Nominee Terms and Conditions are governed by Malawian law.
- 3.4.2.12 The Malawian Nominee Terms and Conditions are available on Nedbank's website at [www.nedbankgroup.co.za](http://www.nedbankgroup.co.za).

### 3.4.3 **Explanation of the principal Corpserve Nominee Terms and Conditions**

- 3.4.3.1 The Corpserve Nominee will hold the Unbundled Nedbank Shares for Corpserve Nominee Participants pursuant to the Corpserve Nominee Terms and Conditions. Under the Corpserve Nominee Terms and Conditions, the Corpserve Nominee Participants are the beneficial owners of the relevant Unbundled Nedbank Shares and may give instructions to transfer the relevant Unbundled Nedbank Shares.

- 3.4.3.2 By participating in the Corpserve Nominee facility, each Corpserve Nominee Participant warrants that the Unbundled Nedbank Shares to which such beneficial title relates will be, and will remain, free from any encumbrance.
- 3.4.3.3 The Corpserve Nominee is appointed as agent, representative, custodian and administrator for the relevant Corpserve Nominee Participants in relation to the relevant Unbundled Nedbank Shares and is authorised to settle transactions in relation to Unbundled Nedbank Shares in accordance with the relevant Corpserve Nominee Participants' instructions. Corpserve Nominee Participants are required to indemnify and hold the Corpserve Nominee harmless against all liability, costs or expenses incurred by the Corpserve Nominee and its agents in connection with the due and proper performance by the Corpserve Nominee of all of its obligations under the Corpserve Nominee Terms and Conditions. The Corpserve Nominee will be liable for direct damages incurred by Corpserve Nominee Participants by reason of the Corpserve Nominee's own wilful default or gross negligence and (except in the case of fraud) will not be liable for indirect, special or consequential loss or damages.
- 3.4.3.4 The Corpserve Nominee will open and maintain share accounts in the name of the Corpserve Nominee Participant to record the number or nominal value of Unbundled Nedbank Shares to which they are beneficially entitled and to record all transactions and entries made with respect to the Unbundled Nedbank Shares.
- 3.4.3.5 The Corpserve Nominee will notify Corpserve Nominee Participants electronically of all corporate events in relation to the Unbundled Nedbank Shares, other than where the relevant details have been included in other corporate documentation that has or will be sent directly to Corpserve Nominee Participants by Nedbank. Instructions given by a Corpserve Nominee Participant to the Corpserve Nominee must be sent in writing to the address or to the email as stated in the Corpserve Nominee Terms and Conditions. Corpserve Nominee Participants accept the risk of loss or damage arising, directly or indirectly, as a result of any failure in, misuse of, or any fraud or misrepresentation due to the Corpserve Nominee Participants' own failure to give a valid instruction in accordance with the Corpserve Nominee Terms and Conditions. The Corpserve Nominee incurs no liability for acting on any instruction, direction or other communication on which the Corpserve Nominee is authorised to rely under the Corpserve Nominee Terms and Conditions.
- 3.4.3.6 The Corpserve Nominee will only vote on behalf of Corpserve Nominee Participants in relation to their Unbundled Nedbank Shares if a voting instruction form is received from a Corpserve Nominee Participant by the required date and time.
- 3.4.3.7 Corpserve Nominee Participants are required to pay fees and charges as published by the Corpserve Nominee from time to time and notified to Corpserve Nominee Participants and/or indicated on the Corpserve Nominee's website. These charges may be varied upon 30 days' written notice.
- 3.4.3.8 Corpserve Nominee Participants are required to be verified and the Corpserve Nominee will not be liable for any delays that might be caused as a result of the verification process. Corpserve Nominee Participants are required to indemnify and agree to hold the Corpserve Nominee harmless against all liability, costs, expense or damage incurred by the Corpserve Nominee or its agents arising as a consequence of the Corpserve Nominee having acted on any forged, fabricated, inaccurate, invalid or unauthorised documentation, except as a result of the Corpserve Nominee's own failure to comply with its verification obligations. A Corpserve Nominee Participant is solely responsible to, and agrees to submit, a written dividend tax declaration if applicable, and to forthwith inform the withholding agent in writing should the circumstances of the Corpserve Nominee Participant change.

- 3.4.3.9 Any addition to, variation or cancellation of the Corpserve Nominee Terms and Conditions must be communicated to Corpserve Nominee Participants in writing.
- 3.4.3.10 The Corpserve Nominee Terms and Conditions are governed by Zimbabwean law.
- 3.4.3.11 The Corpserve Nominee Terms and Conditions are available on Nedbank's website at [www.nedbankgroup.co.za](http://www.nedbankgroup.co.za).

### 3.5 **Nominee arrangements put in place by Old Mutual Shareholders**

Where Old Mutual Shareholders hold their Old Mutual Shares through a nominee, custody or trust arrangement (other than through the OMBN Nominee, the OMSAN Nominee, the OMNAN Nominee or a Zimbabwean Nominee) such that the nominee, custodian or trustee is the registered holder of the Old Mutual Shares on the relevant Register as at the Record Time, it is the responsibility of such Old Mutual Shareholders holding their Old Mutual Shares in this manner to confirm whether their nominee, custodian or trustee is eligible to receive Unbundled Nedbank Shares on their behalf, vote at general meetings of Nedbank and receive payments by Nedbank (among other things), pursuant to the arrangements described above. Old Mutual Shareholders holding their Old Mutual Shares through a nominee, custodian or trust arrangement should contact their nominee, custodian or trustee for further information in this regard.

## 4. **Taxation**

The following summary describes certain tax consequences in connection with the Nedbank Unbundling in South Africa, Malawi, Namibia, Sweden, the United Kingdom, the US and Zimbabwe only. This summary is based on the tax law and practice in force in the relevant jurisdiction as at the Last Practicable Date only, which are subject to change occasioned by future legislative amendments and court decisions, including changes that could have a retrospective effect. In the case of persons who are non-residents of South Africa for income tax purposes, this summary should be read in conjunction with the provisions of any applicable double tax agreement between South Africa and their country of residence.

This summary is general and non-exhaustive commentary to certain tax consequences of the Nedbank Unbundling and is intended to be used only as a general guide and does not constitute legal or tax advice. If you are in any doubt as to your tax position, you should consult an independent professional adviser immediately.

### 4.1 **South African Taxation**

- 4.1.1 This section 4.1 summarises the South African income tax treatment for an Old Mutual Shareholder that is a South African resident company, a non-South African resident company with a permanent establishment in South Africa or a South African resident retail shareholder that holds Old Mutual Shares as capital assets or as trading stock. For the purposes of this section 4.1, the term Old Mutual Shareholder must be construed accordingly.
- 4.1.2 The Old Mutual Board has specifically resolved to distribute the Unbundled Nedbank Shares as a return of capital (paid out of "**contributed tax capital**" ("**CTC**")). The distribution of the Nedbank Shares on the Nedbank Unbundling should therefore qualify as an "unbundling transaction" for purposes of section 46(1) of the South African Income Tax Act, 58 of 1962 (as amended) ("**Income Tax Act**") and should not be treated as a taxable event for Old Mutual Shareholders who are resident in South Africa. Consequently, the receipt of the Unbundled Nedbank Shares by South African tax resident Old Mutual Shareholders should qualify for tax relief and should not constitute a "return of capital" or a "dividend" for South African tax purposes only. Dividends tax should therefore not apply. Consequently, the receipt of the Unbundled Nedbank Shares by Old Mutual Shareholders who are non-resident of South Africa should still, however, be treated as a "return of capital" under general South African tax principles.

- 4.1.3 Old Mutual Shareholders should be required to allocate a portion of the expenditure attributable to the Old Mutual Shares held by them to the Unbundled Nedbank Shares received pursuant to the Nedbank Unbundling. The expenditure with respect to Old Mutual Shareholders' Old Mutual Shares must be apportioned in accordance with an apportionment ratio described in more detail in paragraph 4.1.4 below.
- 4.1.4 The proportionate amount of the expenditure to be allocated to the Unbundled Nedbank Shares must be determined in accordance with the ratio that the market value of the Unbundled Nedbank Shares, as at the end of the day of that distribution, bears to the sum of the market value, as at that date, of the Old Mutual Shares and of the Unbundled Nedbank Shares (the "**Apportionment Ratio**"). The Apportionment Ratio is based on the closing share price per Old Mutual Share and the closing share price per Unbundled Nedbank Share on LDT+1 (as defined in the JSE Listings Requirements), being Wednesday, 10 October 2018.
- 4.1.5 In instances where Old Mutual Shareholders hold their Old Mutual Shares as trading stock, the expenditure used should be the amount originally taken into account by the Old Mutual Shareholder in respect of those Old Mutual Shares held prior to the Nedbank Unbundling as contemplated in section 11(a), section 22(1) and section 22(2) of the Income Tax Act. The expenditure to be allocated to the Unbundled Nedbank Shares should be determined by applying the Apportionment Ratio. Old Mutual Shareholders should be deemed to have incurred the expenditure allocated to the Unbundled Nedbank Shares on the date on which the expenditure was incurred in respect of the Old Mutual Shares.
- 4.1.6 Old Mutual Shareholders holding their Old Mutual Shares as capital assets should be deemed to have acquired a proportional number of Unbundled Nedbank Shares as capital assets. The expenditure incurred in respect of the Old Mutual Shares in terms of paragraph 20 of the Eighth Schedule to the Income Tax Act and the market value of those Old Mutual Shares should similarly be apportioned between the Unbundled Nedbank Shares and the Old Mutual Shares by applying the Apportionment Ratio. The portion of the expenditure allocated to the Unbundled Nedbank Shares should reduce the base cost of the Old Mutual Shares held. Old Mutual Shareholders should be deemed to have incurred the expenditure allocated to the Unbundled Nedbank Shares on the same date on which the expenditure was incurred in respect of the Old Mutual Shares.
- 4.1.7 As an illustrative example, assume that an Old Mutual Shareholder currently holds 100 Old Mutual Shares and receives 3.21176 Unbundled Nedbank Shares pursuant to the Nedbank Unbundling. The Old Mutual Shareholder's expenditure for his 100 Old Mutual Shares is assumed to be R2,000.00. The market value per Old Mutual Share post the Nedbank Unbundling is assumed to be R22.22 per share (using the Old Mutual Share price of R30.96 as at the Last Practicable Date as a proxy) and that the market value of the Unbundled Nedbank Shares post the Nedbank Unbundling is R272.24 per share (using the Nedbank Share price at the Last Practicable Date as a proxy). The Apportionment Ratio would then be calculated as follows:

$$\text{Apportionment Ratio} = (A / (A + B))$$

**Where:**

**A** = the market value of the Unbundled Nedbank Shares at the close of the day after the Nedbank Unbundling (R874.37, being 3.21176 x R272.24 per share);

**B** = the market value of the Old Mutual Shares at the close of the day after the Nedbank Unbundling (R2,222.00, being 100 x R22.22 per share);

$$= (R874.37 / (R874.37 + R2,222.00));$$

$$= 28.24\%$$

- 4.1.7.1 The deemed expenditure to be attributed to the Unbundled Nedbank Shares (3.21176 Unbundled Nedbank Shares) would be calculated as 28.24% x R2,000, being R564.77, equating to deemed expenditure of R175.84 per Nedbank Share.
- 4.1.7.2 The deemed expenditure to be attributed in turn to the Old Mutual Shares (100 Old Mutual Shares) would be R2,000.00 - R564.77, being R1435.23, equating to deemed expenditure of R14.35 per Old Mutual Share.
- 4.1.8 No securities transfer tax should be payable by the Old Mutual Shareholders in respect of the receipt of the Unbundled Nedbank Shares, given that the distribution qualifies as an "unbundling transaction" for purposes of section 46(1) of the Income Tax Act and is consequently exempt.
- 4.1.9 Note, however, that for purposes of Old Mutual Shareholders who are non-resident of South Africa, where the Unbundled Nedbank Shares are transferred through the agency of or from a member (i.e. a Johannesburg Stock Exchange stockbroker) or when the transfer of shares listed on the Johannesburg Stock Exchange is effected by a participant (i.e. a person that holds in custody and administers a listed share), the member or participant should be liable for the securities transfer tax. That member or participant may, however, recover the securities transfer tax payable from the Old Mutual Shareholders who are not resident in South Africa in respect of whose Old Mutual Shares the security transfer tax is payable.
- 4.1.10 For the purposes of the calculation of the securities transfer tax, the taxable amount shall be the following:
- 4.1.10.1 where shares listed on the Johannesburg Stock Exchange are transferred through the agency of or from a member (i.e. a Johannesburg Stock Exchange stockbroker), the securities transfer tax must be calculated on the purchase consideration; or
- 4.1.10.2 where the transfer of shares listed on the Johannesburg Stock Exchange is effected by a participant, the securities transfer tax must be calculated with reference to the declared consideration. If no consideration is declared or if the declared consideration is less than the lowest Johannesburg Stock Exchange traded price on the date of the transaction, the securities transfer tax must be calculated with reference to the closing price on that date.

## 4.2 Malawian Taxation

- 4.2.1 This section 4.2 summarises the Malawi income tax treatment for an Old Mutual Shareholder that is a Malawi resident company or a non-Malawi resident company with a Malawi permanent establishment that holds its Old Mutual Shares as capital assets and not as trading stock.
- 4.2.2 As the Unbundled Nedbank Shares will be distributed by Old Mutual from its CTC, the Nedbank Unbundling should, for Malawian tax purposes, not be treated as an *in specie* dividend distribution and will accordingly not be subject to withholding tax in Malawi.
- 4.2.3 However, in Malawi, any receipt of cash or asset is taxable as "income" in the hands of a Malawian resident. Therefore the receipt of the Unbundled Nedbank Shares will be regarded as "income" in the hands of Malawian tax resident Old Mutual Shareholders.
- 4.2.4 Where income received is regarded as capital in nature, the taxpayer will need to identify a "tax basis" which may be offset against that taxable income. Malawian tax resident Old Mutual Shareholders will therefore establish a tax basis for the Unbundled Nedbank Shares received.
- 4.2.5 As regards tax on capital gains, this is calculated as the difference between the "amount realised" and the tax basis of the asset. Where there are no sale proceeds, the open

market value of the asset disposed of is the "amount realised", while the tax basis will be the cost of the shares, adjusted for inflation/consumer price indices applicable from the date of acquisition to the date of disposal.

4.2.6 Since the Malawian tax resident Old Mutual Shareholders will not incur any costs or make any contributions for the receipt of the Unbundled Nedbank Shares, there will likely be no tax basis for the Unbundled Nedbank Shares received, and hence the full open market value of the Unbundled Nedbank Shares received will be taxable.

4.2.7 That market value will also form the tax basis of the Unbundled Nedbank Shares received, for purposes of determining any capital gain or loss arising on the ultimate disposal of the Unbundled Nedbank Shares in future by the Malawi tax resident Old Mutual Shareholders.

#### 4.3 **Namibian Taxation**

4.3.1 This section 4.3 summarises the Namibia income tax treatment for an Old Mutual Shareholder that is a Namibia resident company or a non-Namibia resident company with a Namibia permanent establishment and that holds its Old Mutual Shares as capital assets, not as trading stock (for purposes of this section 4.3 only, a "**Namibian Shareholder**").

4.3.2 The Nedbank Unbundling should, for Namibian income tax purposes, be treated as an *in specie* distribution of Unbundled Nedbank Shares by Old Mutual. Such distribution should not be taxable in the hands of the Namibian Shareholders.

#### 4.4 **United Kingdom Taxation**

4.4.1 Save where expressly indicated, the comments below apply only to Old Mutual Shareholders resident and, in the case of an individual, domiciled or deemed domiciled for tax purposes in the United Kingdom and to whom "split year" treatment does not apply, who hold Old Mutual Shares as an investment and who are the absolute beneficial owners thereof. Certain categories of Old Mutual Shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefiting from certain reliefs or exemptions, those connected with Old Mutual or the Group and those for whom the Old Mutual Shares are employment-related securities may be subject to special rules and this summary does not apply to such Old Mutual Shareholders.

#### 4.4.2 **Receipt of Unbundled Nedbank Shares and Cash Proceeds:**

4.4.2.1 The receipt of Unbundled Nedbank Shares and any Cash Proceeds pursuant to the Nedbank Unbundling will be a taxable event for Old Mutual Shareholders who are resident in the United Kingdom for United Kingdom tax purposes. As there is some technical uncertainty, Old Mutual has requested HMRC's views on whether the Nedbank Unbundling will be treated as income or as a capital distribution (part disposal) for United Kingdom tax purposes.

4.4.2.2 Based on an initial indication received by Old Mutual from HMRC, Old Mutual Shareholders who are resident in the United Kingdom for United Kingdom tax purposes should be subject to United Kingdom tax in respect of the Nedbank Unbundling in the same way as a dividend, with the consequences described below. This is subject to ongoing discussion with HMRC, and Old Mutual will provide an update in the event of any material change. Old Mutual Shareholders are recommended to consult with their own professional advisers to consider the implications for them in light of their own circumstances.

#### 4.4.2.3 **Individual Old Mutual Shareholders**

4.4.2.3.1 On the basis of the initial indication received from HMRC, a United Kingdom resident individual Old Mutual Shareholder should not be subject to income tax in respect of the Nedbank Unbundling if the total

amount of dividend income received by the individual in the tax year does not exceed a dividend allowance of £2,000, which will be taxed at a nil rate (the "**Dividend Allowance**"). The amount of the dividend income received by the individual in the tax year in which the Nedbank Unbundling occurs should include an amount equal to the market value (at the time of the Nedbank Unbundling) of the Unbundled Nedbank Shares and any Cash Proceeds received by the individual on the Nedbank Unbundling.

#### 4.4.2.3.2

In determining the income tax rate or rates applicable to a United Kingdom resident individual Old Mutual Shareholder's taxable income, dividend income is treated as the highest part of such individual Old Mutual Shareholder's income. Dividend income that falls within the Dividend Allowance will count towards the basic or higher rate limits (as applicable) which may affect the rate of tax due on any dividend income in excess of the Dividend Allowance. To the extent that a United Kingdom resident individual Old Mutual Shareholder's dividend income (which should include an amount equal to the market value (at the time of the Nedbank Unbundling) of the Unbundled Nedbank Shares and any Cash Proceeds received pursuant to the Nedbank Unbundling) for the tax year exceeds the Dividend Allowance and, when treated as the top slice of such individual shareholder's income, falls above such individual shareholder's personal allowance but below the basic rate limit, such an individual shareholder will be subject to tax on that dividend income at the dividend basic rate of 7.5%. To the extent that such dividend income falls above the basic rate limit but below the higher rate limit, such an individual Old Mutual Shareholder will be subject to tax on that dividend income at the dividend upper rate of 32.5%. To the extent that such dividend income falls above the higher rate limit, such an individual shareholder will be subject to tax on that dividend income at the dividend additional rate of 38.1%.

#### 4.4.2.4

##### **Corporate Old Mutual Shareholders**

On the basis of the initial indication received from HMRC, Old Mutual Shareholders who are within the charge to United Kingdom corporation tax should be subject to corporation tax on the market value (at the time of the Nedbank Unbundling) of the Unbundled Nedbank Shares and the amount of any Cash Proceeds distributed to them pursuant to the Nedbank Unbundling, unless (subject to special rules for such shareholders that are small companies) the distribution falls within an exempt class and certain other conditions are met. Each Old Mutual Shareholder's position will depend on its own individual circumstances, although it would generally be expected that the Nedbank Unbundling should fall within an exempt class.

#### 4.4.3

##### **Base Cost in Unbundled Nedbank Shares:**

Old Mutual Shareholders who are resident in the United Kingdom or otherwise subject to United Kingdom corporation tax or capital gains tax should obtain an initial base cost in their Unbundled Nedbank Shares equal to the market value of their Unbundled Nedbank Shares at the time of the Nedbank Unbundling.

#### 4.4.4

##### **Stamp duty and stamp duty reserve tax:**

No United Kingdom stamp duty or stamp duty reserve tax should be payable by Old Mutual Shareholders in respect of their receipt of Unbundled Nedbank Shares pursuant to the Nedbank Unbundling.

#### 4.5

##### **Zimbabwean Taxation**

#### 4.5.1

This section 4.5 summarises the Zimbabwe income tax treatment for an Old Mutual Shareholder that is a Zimbabwe resident company or a non-Zimbabwe resident

company with a permanent establishment in Zimbabwe or an individual Old Mutual Shareholder that holds Old Mutual Shares as capital assets, not as trading stock. For the purposes of this section, the term "Old Mutual Shareholders" must be construed accordingly.

- 4.5.2 As the Unbundled Nedbank Shares will be distributed by Old Mutual from its CTC, the Nedbank Unbundling will therefore likely be regarded as a return of capital contribution or initial investment in the Zimbabwean tax-resident Old Mutual Shareholders' hands. Such receipts are likely to be regarded as capital receipts and not dividends.
- 4.5.3 The source of the capital receipts (being shares in a non-Zimbabwean company) is offshore and not in Zimbabwe and thus no tax should arise in Zimbabwe.
- 4.5.4 No Zimbabwean taxation should arise on receipt of the Unbundled Nedbank Shares by non-residents, even if they have a permanent establishment in Zimbabwe.
- 4.5.5 No Zimbabwean stamp duty should be payable by Zimbabwean tax-resident Old Mutual Shareholders in respect of their receipt of Unbundled Nedbank Shares.

#### 4.6 **Certain US Federal Income Tax Considerations**

- 4.6.1 This section 4.6 summarises certain United States federal income tax consequences relevant to Old Mutual Shareholders receiving Unbundled Nedbank Shares (or Cash Proceeds) pursuant to the Nedbank Unbundling that are US Holders (as defined below) that hold their Old Mutual Shares as capital assets. The discussion does not cover all aspects of United States federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on the receipt of Unbundled Nedbank Shares (or Cash Proceeds) by particular investors (including consequences under the alternative minimum tax or net investment income tax) and does not address state, local, non-United States or other tax laws. This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 5% or more of the shares (by vote or value) of Old Mutual, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under United States federal income tax laws (such as financial institutions, insurance companies, entities and arrangements treated as partnerships for United States federal income tax purposes or holders of interests in such entities, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, holders who acquired their Old Mutual Shares upon the exercise of employee stock options or otherwise as compensation, holders that have held their Old Mutual Shares as part of straddles, hedging transactions or conversion transactions for United States federal income tax purposes, persons that have ceased to be United States citizens or lawful permanent residents of the United States, investors holding the Old Mutual Shares in connection with a trade or business conducted outside the United States, or investors whose functional currency is not the US dollar).
- 4.6.2 As used in this section, the term "**US Holder**" means a beneficial owner of Old Mutual Shares that is, for United States federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised in or under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to United States federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for United States federal income tax purposes.
- 4.6.3 The United States federal income tax treatment of a partner in an entity or arrangement treated as a partnership for United States federal income tax purposes that holds Old Mutual Shares will depend on the status of the partner and the activities of the partnership. US Holders that are entities or arrangements treated as partnerships for United States federal income tax purposes should consult their tax advisers concerning the United States federal income tax consequences to them and their partners in respect of the Nedbank Unbundling.

- 4.6.4 Except as otherwise noted, this summary assumes that Old Mutual is not currently and was never a passive foreign investment company ("**PFIC**") for United States federal income tax purposes. If Old Mutual is or has been a PFIC in any taxable year during which a US Holder held its Old Mutual Shares, materially adverse consequences could result for such US Holder (see paragraph 4.6.6 below). If Old Mutual is treated as a PFIC with respect to a US Holder for the year in which the Nedbank Unbundling occurs, material adverse tax consequences could arise for such US Holder. US Holders should consult their tax advisers regarding the potential application of the PFIC regime to the Nedbank Unbundling.
- 4.6.5 This section is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended ("**Revenue Code**"), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and South Africa (the "**Treaty**"), all as of the Last Practicable Date and all of which are subject to change at any time, possibly with retrospective effect.
- 4.6.6 The receipt of Unbundled Nedbank Shares (or Cash Proceeds) pursuant to the Nedbank Unbundling is expected to be a taxable distribution by Old Mutual to US Holders, with the amount realised in the distribution by a US Holder equal to the fair market value of the Unbundled Nedbank Shares (or Cash Proceeds) distributed to it. The distribution generally would be treated as a dividend to the extent of Old Mutual's current or accumulated earnings and profits (as determined for United States federal income tax purposes). The amount of the distribution in excess of Old Mutual's current and accumulated earnings and profits generally would be treated as a non-taxable return of capital to the extent of the US Holder's basis in their Old Mutual Shares and thereafter as capital gain. However, Old Mutual does not maintain calculations of its earnings and profits for United States federal income tax purposes. US Holders should therefore assume that the entire amount deemed realised pursuant to the Nedbank Unbundling would be reported as ordinary dividend income. The distribution would not be eligible for the dividends received deduction generally allowed to corporations. The distribution generally would be taxable to a non-corporate US Holder at the reduced rate normally applicable to long-term capital gains, provided Old Mutual qualifies for the benefits of the Treaty, and certain other requirements are met.
- 4.6.7 A US Holder would have a tax basis in the Unbundled Nedbank Shares received equal to their fair market value, determined in US dollars and the US Holder's holding period for the Unbundled Nedbank Shares would begin on the day of receipt of such Unbundled Nedbank Shares.
- 4.6.8 A non-United States corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules", either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For this purpose, "passive income" generally includes interest, dividends, royalties, rents and gains from commodities and securities transactions. Exceptions are provided for income derived in the active conduct of an insurance business and income derived in the active conduct of a banking business. A substantial portion of the income and assets of Old Mutual and its subsidiaries, including Nedbank and its subsidiaries, is attributable to passive assets held in connection with insurance and banking businesses conducted by certain of Old Mutual's subsidiaries and Nedbank's subsidiaries. Accordingly, the eligibility of these businesses for such exceptions is central to the determination of the PFIC status of Old Mutual.
- 4.6.9 Special rules under the PFIC regime generally allow banks to treat their banking business income as non-passive in certain circumstances. To qualify for these rules, a bank must satisfy certain requirements regarding its licensing and activities. Old Mutual believes that its and Nedbank's banking subsidiaries should currently meet these requirements.
- 4.6.10 It is unclear how to apply the PFIC rules and the active insurance exception to non-United States insurance companies, such as Old Mutual's insurance subsidiaries and

Nedbank's insurance subsidiaries, offering products that, while conforming to the regulatory requirements applicable to insurance companies in their respective jurisdictions, do not conform to those applicable to United States insurance companies. Old Mutual believes that its insurance subsidiaries each met the requirements of the active insurance exception for 2016 and 2017. However, the United States Congress recently enacted legislation modifying certain aspects of the active insurance exception rules applicable to taxable years beginning after 31 December 2017. As a consequence, some of Old Mutual's insurance subsidiaries may not meet the requirements of the active insurance exception in 2018 or future years.

- 4.6.11 Based on its interpretation of the applicable law, the composition of its income, the valuation of its assets and the activities conducted by it and its subsidiaries, Old Mutual does not believe that it was a PFIC in the taxable year ended 31 December 2017 and does not expect to be a PFIC for the current taxable year. No assurance is given that Old Mutual was not a PFIC in any prior year. In addition, because these determinations are factual in nature and subject to change, there can be no assurance that the income and activities of the insurance subsidiaries and banking subsidiaries of Old Mutual and Nedbank have qualified in the past, currently qualify, or will qualify in the future, for the active insurance exception and/or the active banking exception, or that Old Mutual will not be a PFIC for the current year or in the future.
- 4.6.12 Distributions paid pursuant to the Nedbank Unbundling by a United States paying agent or other United States intermediary will be reported to the US Internal Revenue Service and to the US Holder as may be required under applicable regulations. Backup withholding may apply to these distributions if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain US Holders are not subject to backup withholding. US Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the receipt of Unbundled Nedbank Shares (or Cash Proceeds), including requirements related to the holding of certain "specified foreign financial assets".

#### 4.7 **Sweden Taxation**

- 4.7.1 This section 4.7 summarises certain Swedish income tax considerations in relation to the Nedbank Unbundling for an Old Mutual Shareholder that is resident in Sweden for tax purposes.
- 4.7.2 Special tax consequences that are not described below may apply for certain categories of taxpayers, including investment companies, mutual funds, life insurance companies and shares held by a partnership or as current assets in a business operation. Further, specific tax consequences may be applicable if, and to the extent that, an Old Mutual Shareholder realises a capital loss on the shares and to any currency exchange gains or losses. Credit of foreign taxes is not addressed in these paragraphs.
- 4.7.3 The Nedbank Unbundling should, for Swedish income tax purposes, be treated as distribution in kind of Unbundled Nedbank Shares (or Cash Proceeds) by Old Mutual. Such distribution should normally be taxable in the hands of Swedish tax resident Old Mutual Shareholders as a regular dividend.
- 4.7.4 Dividends are normally taxed at a rate of 30% for individuals (capital income) and 22% for legal entities (business income). The rate applicable to business income may be reduced to 21.4% in 2019 and further reduced to 20.6% in 2021. The acquisition cost for the Unbundled Nedbank Shares received by way of distribution in kind should be equal to the amount taxed as income on receipt of the Unbundled Nedbank Shares.

Old Mutual Shareholders are reminded that the foregoing taxation summary is a general and non-exhaustive commentary to certain tax consequences of the Nedbank Unbundling and that it does not constitute legal or tax advice. If you are in any doubt as to your tax position, you should consult an independent professional adviser.

## 5. HELPLINE AND WEBSITES

If you have any questions relating to this announcement or the Nedbank Unbundling in general, please contact the relevant Registrar using the following contact details:

- South Africa – Link Market Services South Africa Proprietary Limited on telephone number: +27 (0)86 140 0110 or +27 (0)11 029 0253
- Malawi – National Bank of Malawi Limited on telephone number: +265 (0)182 0622/0054
- Namibia – Transfer Secretaries (Proprietary) Limited on telephone number: +264 (0)61 227647
- United Kingdom – Equiniti Limited on telephone number: 0333 207 5952 (if calling from the United Kingdom) or +44 121 415 0805 (if calling from overseas)
- Zimbabwe – Corpserve Registrars (Private) Limited on telephone number: +263(0) 475 1559/61
- Nedbank's transfer secretary in South Africa - Link Market Services South Africa Proprietary Limited on telephone number: +27 (0)11 713 0800

Lines are open on Mondays to Fridays (except for public holidays) from 8:00 a.m. to 4:30 p.m. (local time) in respect of all Registrars other than the UK Registrar, and in the case of the UK Registrar from 8.30 a.m. to 5.30 p.m. (London time). Please note that, for legal reasons, the Helpline cannot provide any legal, tax or financial advice.

## PART IV : DEFINITIONS

In this announcement, unless otherwise stated or the context clearly indicates otherwise, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words importing one gender include the other genders and references to a person include juristic persons and associations of persons and *vice versa*:

<b>"Branch Register"</b>	the Malawian Register in respect of Malawi, the Namibian Register in respect of Namibia, the UK Register in respect of the United Kingdom and the Zimbabwean Register in respect of Zimbabwe, as the context may require;
<b>"CDCL"</b>	Chengetedzai Depository Company Limited, incorporated and registered in Zimbabwe with corporate registration number 1716/2010, being the operator of the Zimbabwean CSD;
<b>"Certificated" or "in Certificated Form"</b>	recorded in physical paper form on the relevant Register without reference to the Strate System, the Malawian CSD, CREST or the Zimbabwean CSD;
<b>"Companies Act"</b>	the South African Companies Act, 71 of 2008 (as amended);
<b>"Corpserve Nominee"</b>	Corpserve Nominees (Private) Limited, incorporated and registered in Zimbabwe with corporate registration number 2421/2015, being a wholly-owned subsidiary of the Zimbabwean Registrar, in its capacity as nominee holding beneficial entitlements to Old Mutual Shares on behalf of the relevant Underlying Shareholders or as administrator of custody accounts holding dematerialised securities, as the context requires;
<b>"Corpserve Nominee Participant"</b>	an Underlying Shareholder who is a participant in the Corpserve Nominee facility pursuant to the Corpserve Nominee Terms and Conditions;
<b>"Corpserve Nominee Register"</b>	the register of beneficial entitlements to Old Mutual Shares or Nedbank Shares (as applicable), maintained by the Corpserve Nominee;

<b>"Corpserve Nominee Terms and Conditions"</b>	the terms and conditions under which the Corpserve Nominee provides the Corpserve Nominee facility, as amended from time to time, described in paragraph 3.4.3, a copy of which is available on Nedbank's website at <a href="http://www.nedbankgroup.co.za">www.nedbankgroup.co.za</a> .
<b>"CREST"</b>	the system for the paperless settlement of trades in securities and the holding of Uncertificated securities operated by Euroclear United Kingdom & Ireland Limited in accordance with the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended);
<b>"CSDP"</b>	a Central Securities Depository Participant, a participant as defined in section 1 of the FMA;
<b>"Dematerialised"</b>	means: <ul style="list-style-type: none"> <li>(i). in relation to SA Shareholders and Namibian Shareholders, the process by which Certificated shares are deposited with a CSDP and documents of title evidencing such shares are replaced by an electronic record of such shares in the Uncertificated portion of Old Mutual's securities register;</li> <li>(ii). in relation to Malawian Shareholders, the process by which Certificated shares are deposited with a Malawian Custodian and documents of title evidencing such shares are replaced by an electronic record of such shares in the sub-register of shareholders maintained by the Malawian Custodian or the Malawian CSD, as applicable; and</li> <li>(iii). in relation to Zimbabwean Shareholders, the process by which Certificated shares are deposited with a Zimbabwean Custodian and documents of title evidencing such shares are replaced by an electronic record of such shares in the sub-register of shareholders maintained by the Zimbabwean Custodian or by an investment administrator to which the Zimbabwean Custodian has outsourced the professional administration of the sub-register of shareholders;</li> </ul>
<b>"Distribution Date"</b>	Monday, 15 October 2018, being the date upon which the Unbundled Nedbank Shares will be distributed to Old Mutual Shareholders;
<b>"Exchange Control Regulations"</b>	the South African Exchange Control Regulations, 1961 as promulgated by Government Notice R.1111 of 1 December 1961 and amended up to Government Notice R.445 of 8 June 2012, in terms of section 9 of the South African Currency and Exchanges Act, 9 of 1933 (as amended);
<b>"FCA"</b>	the United Kingdom Financial Conduct Authority or its successor from time to time;
<b>"FMA"</b>	the South African Financial Markets Act, 19 of 2012 (as amended);
<b>"FSMA"</b>	the United Kingdom's Financial Services and Markets Act 2000 (as amended);
<b>"Group"</b>	Old Mutual and its subsidiaries and subsidiary undertakings from time to time;
<b>"HMRC"</b>	HM Revenue & Customs;

<b>"IFRS"</b>	International Financial Reporting Standards and interpretations issued by the International Financial Reporting Interpretations Committee published by the International Accounting Standards Board as adopted by the European Union;
<b>"Johannesburg Stock Exchange"</b>	the exchange operated under the FMA by JSE Limited;
<b>"JSE Limited"</b>	JSE Limited, incorporated and registered in South Africa with registration number 2005/022939/06, licensed to operate an exchange under the FMA;
<b>"JSE Listings Requirements"</b>	the listings requirements issued by JSE Limited under the FMA to be observed by issuers of equity securities listed on the Johannesburg Stock Exchange (as amended);
<b>"Last Practicable Date"</b>	Friday, 21 September 2018;
<b>"LDT"</b>	last day to trade, as set out in the timetable in paragraph 3.3 of Part II of this announcement;
<b>"London Stock Exchange"</b>	the securities exchange operated by London Stock Exchange plc under the FSMA;
<b>"London Stock Exchange plc"</b>	London Stock Exchange plc, incorporated and registered in England and Wales, with registered number 02075721;
<b>"Malawi"</b>	the Republic of Malawi;
<b>"Malawi Stock Exchange"</b>	the securities exchange operated by Malawi Stock Exchange Limited under the Malawian Securities Act, 2010 (as amended) and the Malawian Companies Act, 2013 (as amended), and licensed under the Malawian Financial Services Act, 2010 (as amended);
<b>"Malawi Stock Exchange Limited"</b>	Malawi Stock Exchange Limited, a company limited by guarantee and operating under the Capital Market Development Act (Cap 46:06) of the laws of Malawi and the Companies Act (Cap 46:03) of Malawi with registration number: 5510;
<b>"Malawi Stock Exchange Listings Requirements"</b>	the listings requirements issued by Malawi Stock Exchange Limited;
<b>"Malawian CSD"</b>	the Central Securities Depository, operated by The Reserve Bank of Malawi Electronic Central Securities Depository, being an electronic clearing and settlement environment for securities transactions on the Malawi Stock Exchange;
<b>"Malawian Custodian"</b>	a registered custodian under the Malawian Financial Services Act, 2010, being a custodian of the Dematerialised shares deposited in the Malawian CSD and tradable on the Malawi Stock Exchange;
<b>"Malawian Nominee"</b>	The National Bank of Malawi Nominees Limited, incorporated and registered in Malawi with corporate registration number 970, in its capacity as nominee;
<b>"Malawian Nominee Participant"</b>	an Underlying Shareholder who is a participant in the Malawian Nominee facility pursuant to the Malawian Nominee Terms and Conditions;
<b>"Malawian Nominee Register"</b>	the register of beneficial entitlements to Nedbank Shares maintained by the Malawian Nominee;
<b>"Malawian Nominee Terms and Conditions"</b>	the terms and conditions under which the Malawian Nominee provides the Malawian Nominee facility, as amended from time to time, described in paragraph 3.4.2 above, a copy of which is available on Nedbank's website at <a href="http://www.nedbankgroup.co.za">www.nedbankgroup.co.za</a> ;
<b>"Malawian Register"</b>	the Malawian branch of Old Mutual's securities register maintained in Malawi on behalf of Old Mutual by the Malawian Registrar;

<b>"Malawian Registrar"</b>	The National Bank of Malawi Limited (Financial Management Services Department), incorporated and registered in Malawi with registration number 1428;
<b>"Malawian Shareholders"</b>	Old Mutual Shareholders who hold Old Mutual Shares on the Malawian Register;
<b>"Namibia"</b>	the Republic of Namibia;
<b>"Namibian Register"</b>	the Namibian branch of Old Mutual's securities register maintained in Namibia on behalf of Old Mutual by the Namibian Registrar;
<b>"Namibian Registrar"</b>	Transfer Secretaries Proprietary Limited, incorporated and registered in Namibia, with registration number: 93/731;
<b>"Namibian Shareholders"</b>	Old Mutual Shareholders who hold Old Mutual Shares on the Namibian Register;
<b>"Namibian Stock Exchange"</b>	the Namibian Stock Exchange, an exchange licensed by the Namibian Financial Institutions Supervisory Authority and operated under and regulated by the Namibian Stock Exchanges Control Act, 1 of 1985 (as amended);
<b>"Namibian Stock Exchange Listings Requirements"</b>	the listings requirements issued by the Namibia Stock Exchange under the Namibian Stock Exchanges Control Act, 1 of 1985 (as amended), required to be observed by issuers of securities listed on the Namibian Stock Exchange (as amended);
<b>"Nedbank"</b>	Nedbank Group Limited, incorporated and registered in South Africa with registration number 1966/010630/06;
<b>"Nedbank Namibian Register"</b>	the Namibian branch of Nedbank's securities register maintained in Namibia on behalf of Nedbank by the Namibian Registrar;
<b>"Nedbank SA Register"</b>	Nedbank's principal securities register maintained in South Africa on behalf of Nedbank by the SA Registrar;
<b>"Nedbank Shares"</b>	ordinary shares of no par value in the issued share capital of Nedbank;
<b>"Nedbank Unbundling"</b>	the distribution by Old Mutual of the Unbundled Nedbank Shares to Old Mutual Shareholders, as detailed in this announcement;
<b>"Old Mutual"</b>	Old Mutual Limited, incorporated and registered in South Africa with registration number 2017/235138/06;
<b>"Old Mutual Board"</b>	the board of directors of Old Mutual;
<b>"Old Mutual DI"</b>	a depositary interest held in CREST representing an entitlement to one underlying Old Mutual Share registered in Equiniti Financial Services Limited's nominee's name, Wealth Nominees Limited, as custodian for the Old Mutual DIs;
<b>"Old Mutual plc"</b>	Old Mutual plc, incorporated and registered in England and Wales with registered number 03591559;
<b>"Old Mutual Shareholders"</b>	the registered holders of Old Mutual Shares;
<b>"Old Mutual Shares"</b>	ordinary shares of no par value in the issued share capital of Old Mutual;
<b>"OMBN Nominee"</b>	Old Mutual (Blantyre) Nominees Limited, incorporated and registered in Malawi with registered number 5053;
<b>"OMBN Nominee Register"</b>	the register of beneficial entitlements to Old Mutual Shares, maintained by the OMBN Nominee;
<b>"OMNAN Nominee"</b>	Old Mutual (Namibia) Nominees (Proprietary) Limited, incorporated and registered in Namibia with registration number 99/083;

<b>"OMNAN Nominee Register"</b>	the register of beneficial entitlements to Old Mutual Shares, maintained by the OMNAN Nominee;
<b>"OMSAN Nominee"</b>	Old Mutual (South Africa) Nominees (RF) Proprietary Limited, incorporated and registered in South Africa with registration number 1999/004976/07;
<b>"OMSAN Nominee Register"</b>	the register of beneficial entitlements to Old Mutual Shares, maintained by the OMSAN Nominee;
<b>"OMZN Nominee"</b>	Old Mutual Zimbabwe Nominees (Private) Limited, incorporated and registered in Zimbabwe with corporate registration number 2170/99;
<b>"Overseas Old Mutual Shareholders"</b>	Old Mutual Shareholders with a registered address in, or who are citizens, residents or nationals of, jurisdictions outside South Africa, Malawi, Namibia, the United Kingdom or Zimbabwe or whom Old Mutual reasonably believes to be citizens, residents or nationals of jurisdictions outside South Africa, Malawi, Namibia, the United Kingdom or Zimbabwe;
<b>"Quilter plc"</b>	Quilter plc, incorporated and registered in England and Wales with registered number 06404270;
<b>"Rand" or "ZAR"</b>	the lawful currency of South Africa;
<b>"Record Time"</b>	5:00 p.m. (SA time) / 4:00 p.m. (UK time) on Friday, 12 October 2018;
<b>"Register"</b>	the securities register of Old Mutual, comprising the SA Register, the Malawian Register, the Namibian Register, the UK Register and the Zimbabwean Register, or where applicable, any of such Registers;
<b>"Registrar"</b>	the SA Registrar, the Namibian Registrar, the Malawian Registrar, the UK Registrar and the Zimbabwean Registrar, as applicable;
<b>"SA Nominee"</b>	Pacific Custodians Nominees (RF) Proprietary Limited, incorporated and registered in South Africa with registration number 2014/113298/07;
<b>"SA Nominee Participant"</b>	an Underlying Shareholder who is a participant in the SA Nominee facility pursuant to the SA Nominee Terms and Conditions;
<b>"SA Nominee Register"</b>	the register of beneficial entitlements to Nedbank Shares maintained by the SA Nominee;
<b>"SA Nominee Terms and Conditions"</b>	the terms and conditions under which the SA Nominee provides the SA Nominee facility, as amended from time to time, described in paragraph 3.4.1, a copy of which is available on Nedbank's website at <a href="http://www.nedbankgroup.co.za">www.nedbankgroup.co.za</a> ;
<b>"SA Register"</b>	Old Mutual's principal securities register maintained in South Africa on behalf of Old Mutual by the SA Registrar;
<b>"SA Registrar"</b>	Link Market Services South Africa Proprietary Limited, incorporated and registered in South Africa, with registration number: 2000/007239/07;
<b>"SA Shareholders"</b>	Old Mutual Shareholders who hold Old Mutual Shares on the SA Register;
<b>"SECZ"</b>	The Securities and Exchange Commission of Zimbabwe;
<b>"SENS"</b>	the Johannesburg Stock Exchange's Stock Exchange News Service;
<b>"South Africa"</b>	the Republic of South Africa;

<b>"Strate"</b>	Strate Proprietary Limited, incorporated and registered in South Africa with registration number 1998/022242/07, which is a registered central securities depository in terms of the FMA, and which manages the Strate System;
<b>"Strate System"</b>	the system operated for dealings in Uncertificated securities listed on the Johannesburg Stock Exchange that take place on the Johannesburg Stock Exchange and for dealings in Certificated securities listed on the Johannesburg Stock Exchange that take place off market;
<b>"Strate System Rules"</b>	the depository rules, directives, regulations and notices issued by Strate from time to time (as amended);
<b>"UK" or "United Kingdom"</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>"UK Register"</b>	the UK branch of Old Mutual's securities register maintained in the UK on behalf of Old Mutual by the UK Registrar;
<b>"UK Registrar"</b>	Equiniti Limited, incorporated under the laws of England and Wales, with registration number: 06226088;
<b>"UKLA Rules"</b>	together, the rules and regulations made by the FCA in its capacity as the United Kingdom Listing Authority under FSMA; and contained in the Financial Services Authority's publication of the same name, the United Kingdom prospectus rules made by the FCA pursuant to Part VI of the FSMA, referred to in section 73A(4) of the FSMA and contained in the FCA's publication of the same name; and the disclosure guidance and transparency rules made by the FCA pursuant to section 73A of the FSMA;
<b>"Unbundled Nedbank Shares"</b>	158 726 732 Nedbank Shares distributed by Old Mutual to Old Mutual Shareholders pursuant to the Nedbank Unbundling;
<b>"Uncertificated" or "in Uncertificated Form"</b>	means: <ul style="list-style-type: none"> <li>(i). in relation to SA Shareholders, recorded on the SA Register as being held in uncertificated form in the Strate System and title to which, by virtue of the Companies Act, the FMA and the Strate System Rules, may be transferred by means of the Strate System;</li> <li>(ii). in relation to Malawian Shareholders, recorded on the Malawian Register as being held in uncertificated form in the Malawian CSD and title to which may be transferred by means of the Malawian CSD;</li> <li>(iii). in relation to UK Shareholders, recorded on the UK Register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of CREST; and</li> <li>(iv). in relation to Zimbabwean Shareholders, recorded on the Zimbabwean Register as being held in uncertificated form in the Zimbabwean CSD and title to which, by virtue of the Zimbabwean Securities and Exchange Act, may be transferred by means of the Zimbabwean CSD;</li> </ul>
<b>"Underlying Shareholders"</b>	a holder of a beneficial entitlement to Old Mutual Shares or Nedbank Shares (as applicable);
<b>"Zimbabwe"</b>	the Republic of Zimbabwe;

<b>"Zimbabwe Stock Exchange"</b>	the Zimbabwe Stock Exchange, established under the Zimbabwe Stock Exchange Act Chapter 24:18, as subsequently repealed and replaced by Chapter 24:25 of the Zimbabwean Securities Act, 17 of 2004 (as amended);
<b>"Zimbabwe Stock Exchange Listings Requirements"</b>	the listings requirements issued by the Zimbabwe Stock Exchange;
<b>"Zimbabwean CSD"</b>	the Central Securities Depository, operated by CDCL, being an electronic clearing and settlement environment for securities transactions on the Zimbabwe Stock Exchange;
<b>"Zimbabwean Custodian"</b>	a registered custodian and licensee of the SECZ under the Zimbabwean Securities and Exchange Act, being the custodian of the Dematerialised shares deposited in the Zimbabwean CSD and tradable on the Zimbabwe Stock Exchange;
<b>"Zimbabwean Nominee"</b>	the Corpserve Nominee or the OMZN Nominee as the context requires;
<b>"Zimbabwean Nominee Register"</b>	the register of beneficial entitlements to Old Mutual Shares or Nedbank Shares (as applicable), maintained by the relevant Zimbabwean Nominee;
<b>"Zimbabwean Register"</b>	the Zimbabwean branch of Old Mutual's securities register maintained in Zimbabwe on behalf of Old Mutual by the Zimbabwean Registrar;
<b>"Zimbabwean Registrar"</b>	Corpserve Registrars (Private) Limited, incorporated and registered in Zimbabwe, with registration number: 9988/97;
<b>"Zimbabwean Securities and Exchange Act"</b>	the Zimbabwean Securities and Exchange Act, Chapter 24:25 (as amended);
<b>"Zimbabwean Shareholders"</b>	Old Mutual Shareholders who hold Old Mutual Shares on the Zimbabwean Register.

### **Sponsors**

Merrill Lynch South Africa Proprietary Limited, Johannesburg Stock Exchange sponsor

Stockbrokers Malawi Limited, Malawi Stock Exchange sponsor

PSG Wealth Management (Namibia) Proprietary Limited, Namibian Stock Exchange sponsor

Imara Edwards Securities (Private) Limited, Zimbabwe Stock Exchange sponsor

### **Joint Financial Advisers**

Merrill Lynch South Africa Proprietary Limited

Rothschild (South Africa) Proprietary Limited

### **Legal advisers**

Webber Wentzel, South African legal adviser

Savjani & Co, Malawian legal adviser

Engling, Stritter and Partners, Namibian legal adviser

Linklaters LLP, legal adviser with respect to English law and U.S. law

Dube, Manikai & Hwacha Legal Practitioners, Zimbabwean legal adviser

## DISCLAIMER

This announcement is not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia), Australia, Canada or Japan. These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for, or otherwise invest in, securities in the United States, Australia, Canada or Japan. The Unbundled Nedbank Shares mentioned herein have not been, and will not be, registered under the US Securities Act. The Unbundled Nedbank Shares may not be offered or sold in the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the US Securities Act. There will be no public offer of securities in the United States.

The information contained in this announcement constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act, 37 of 2002 (as amended) ("**FAIS Act**") and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Old Mutual Shares or the Unbundled Nedbank Shares or in relation to the business or future investments of Old Mutual or Nedbank is appropriate to the particular investment objectives, financial situations or needs of a prospective investor, and nothing in this announcement should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa.

No representation or warranty, express or implied, is made by any person other than Old Mutual as to the accuracy, completeness or verification of the information set out in this announcement, and nothing contained in this announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. No person other than Old Mutual assumes responsibility for this announcement's accuracy, completeness or verification and all other persons accordingly disclaim, to the fullest extent permitted by applicable laws and regulations, any and all liability whether arising in delict, tort, contract or otherwise that they might otherwise be found to have in respect of this announcement or any such statement.

### JSE Sponsor

Merrill Lynch South Africa (Pty) Limited

### Namibian Sponsor

PSG Wealth Management (Namibia) (Proprietary) Limited

### Enquiries

#### Investor Relations

Patrick Bowes  
(Interim Head of Investor Relations)

T: +44 (0)20 7002 7440  
E: [Patrick.bowes@omg.co.uk](mailto:Patrick.bowes@omg.co.uk)

#### Communications:

Tabby Tsengiwe

T: +27 (11) 217 1953  
M: +27 (0)60 547 4947  
E: [ttsengiwe@oldmutual.com](mailto:ttsengiwe@oldmutual.com)

### 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 markets segments in 17 countries. Old Mutual's primary operations are in South Africa and the rest of Africa, and it has niche businesses in Latin America and Asia. With over 170 years of heritage across sub-Saharan Africa, we are a crucial part of the communities we serve 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](http://www.oldmutual.com).