



OLD MUTUAL INSURE LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1970/006619/06)

INFORMATION STATEMENT

in respect of the

ZAR1,000,000,000

UNSECURED SUBORDINATED NOTE PROGRAMME

The Old Mutual Insure Limited (the **Issuer**) intends from time to time to issue notes (the **Notes**) under the ZAR1,000,000,000 Unsecured Subordinated Note Programme (the **Programme**) on the basis set out in the Programme Memorandum dated 3 April 2019, as amended and restated from time to time (the **Programme Memorandum**). The Notes may be issued on a continuing basis and be placed by one or more of the Dealers specified in the section headed “*Summary of Programme*” under the Programme Memorandum and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis.

The specific aggregate nominal amount, the status, maturity, interest rate, or interest rate formula and dates of payment of interest, purchase price to be paid to the Issuer, any terms for redemption or other special terms, currency or currencies, form and denomination of Notes, information as to financial exchange listings and the names of the dealers, underwriters or agents in connection with the sale of Notes being offered at a particular time will be set forth or referred to in the terms and conditions contained in the Programme Memorandum (the **Terms and Conditions**), read together with the pricing supplement applicable to any Notes (the **Applicable Pricing Supplement** and this information statement (this **Information Statement**).

Availability of Information

This Information Statement is also available on the Issuer’s website <https://www.oldmutual.co.za/insure/about-us/old-mutual-insure-financials>

Other information on the Issuer’s website is not intended to be incorporated by reference into this Information Statement.

Recipients of this Information Statement should retain it for future reference. It is intended that the Programme Memorandum read together with the Applicable Pricing Supplement in connection with the issuance of Notes, will refer to this Information Statement for a description of the Issuer, its financial condition and results of operations (if any) and investor considerations/risk factors, until a new information statement is issued.

Information Statement dated 3 April 2019.

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GENERAL

Capitalised terms used in this section headed "General" shall bear the same meanings as defined in the Terms and Conditions in the Programme Memorandum, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context. The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from Information Statement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made, and that this Information Statement contains all information required by law and the Debt Listings Requirements of the JSE. The Issuer accepts full responsibility for the accuracy of the information contained in this Information Statement.

In addition, the Issuer, having made all reasonable inquiries, confirms that this Information Statement contains or incorporates all information which is material in relation to the issuing and the offering of the Notes, that all information contained or incorporated in this Information Statement is true and accurate in all material respects and that the opinions and the intentions expressed in this Information Statement are honestly held and that there are no other facts, the omission of which, would make this Information Statement or any of such information or expression of any such opinions or intentions misleading in any material respect.

The Arranger(s), Dealer(s) and the professional advisors have not separately verified the information contained in this Information Statement. Accordingly, no representation, warranty or undertaking, expressed or implied is made and no responsibility is accepted by the Arranger(s), Dealer(s) or any of the professional advisors as to the accuracy or completeness of the information contained in this Information Statement or any other information provided by the Issuer. None of the Arranger(s), Dealer(s) nor any of the professional advisors accepts any liability in relation to the information contained in this Information Statement or any other information provided by the Issuer in connection with the Notes. The statements made in this paragraph are without prejudice to the responsibilities of the Issuer.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Information Statement or any other information supplied in connection with the issue and sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger(s), the Dealer(s) or the professional advisors. Neither the delivery of this Information Statement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof, or that any other financial statement or other information supplied in connection with the Information Statement is correct at any time subsequent to the date indicated in the document containing the same.

Neither this Information Statement nor any other information supplied in connection with the Notes constitutes the rendering of financial or investment advice by or on behalf of the Issuer, the Arranger(s), the Dealer(s) or any professional advisor.

This Information Statement and any other information supplied in connection with the Notes is not intended to provide the basis of any credit or other evaluation, and should not be considered as a recommendation by the Issuer, the Arranger(s), the Dealer(s) or any professional advisor, that any recipient of this Information Statement should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Each potential investor should consult its own advisors to make its investment decision and to determine whether it is legally permitted to purchase the Notes under Applicable Laws and regulations.

Neither this Information Statement nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arranger(s), the Dealer(s) or the professional advisors to any person to subscribe for or to purchase any Notes.

This Information Statement does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. None of the Issuer, the Arranger(s), Dealer(s), nor any professional advisor, represents that this Information Statement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available there under, or assumes any responsibility for facilitating any such

distribution or offering. In particular, no action has been taken by the Issuer, the Arranger(s), the Dealer(s) or the professional advisors which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Statement nor any advertisement nor other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws and regulations. The Arranger(s) or the Dealer(s) has represented that all offers and sales by them will be made on the same terms and in compliance with this prohibition.

The distribution of this Information Statement and the offer for the subscription or sale of Notes may be restricted by law in certain jurisdictions. Currently, the Notes are only available for subscription by South African residents. Persons into whose possession this Information Statement or any Notes come must inform themselves about, and observe, any such restrictions. In particular there are restrictions on the distribution of this Information Statement and the offer for the subscription or sale of Notes in the United States of America, the European Economic Area, the United Kingdom and South Africa.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold in the United States of America or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)). The Notes will be offered and sold only in offshore transactions outside the United States of America in accordance with Regulation S and, subject to certain exceptions, may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, US Persons.

Information and opinions presented in the Information Statement were obtained or derived from public sources that the Arranger(s), the Dealer(s) or the professional advisors believe are reliable but make no representations as to the accuracy or completeness thereof. Any opinions, forecasts or estimates (if any) herein constitute a judgment as at the date of this Information Statement. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. Past performance should not be taken as an indication or guarantee of future performance and no representation or warranty, express or implied is made regarding future performance. The price, value of and income from any of the securities or financial instruments mentioned in this Information Statement (if any) can fall as well as rise. Any opinions expressed in this Information Statement are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of the Arranger(s), the Dealer(s) or the professional advisors as a result of using different assumptions and criteria. Furthermore, the Arranger(s) or the Dealer(s) (and their respective directors, employees, representatives and agents) or any professional advisors accept no liability for any direct or indirect loss or damage incurred arising from the use of the material presented in this Information Statement, except as provided for by law.

All trademarks, service marks and logos used in this Information Statement are trademarks or service marks or registered trademarks or service marks of the Issuer. This Information Statement may not be reproduced without the prior written consent of the Issuer, the Arranger(s) or Dealer(s). It may not be considered as advice, a recommendation or an offer to enter into or conclude any transactions.

Copies of this Information Statement are available by request from the registered offices of the Issuer.

INVESTOR CONSIDERATIONS/RISK FACTORS

Capitalised terms used in this section headed “Investor Considerations/Risk Factors” shall bear the same meanings as used in the Terms and Conditions in the Programme Memorandum, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies that may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it, or which it may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

Prospective investors should also read the detailed information set out elsewhere in this Information Statement to reach their own views prior to making any investment decision.

References below to the “Terms and Conditions”, in relation to Notes, shall mean the “Terms and Conditions of the Notes” set out under the section of this Programme Memorandum headed “Terms and Conditions of the Notes”.

Factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme

Risks Relating to the Notes

The Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor’s overall investment portfolio.

There may not be an active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

The Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the government of South Africa or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all Outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Because uncertificated Notes are in the CSD, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Notes issued under the Programme which are listed on the Interest Rate Market of the JSE or such other or additional Financial Exchange and/or held in the CSD may, subject to Applicable Laws and the Applicable Procedures, be issued in uncertificated form. Unlisted Notes may also be held in the CSD in uncertificated form. Notes held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of the CSD. Except in the limited circumstances described in the Terms and Conditions, investors will not be entitled to receive Individual Certificates. The CSD will maintain records of the Beneficial Interests in Notes and/or issued in uncertificated form, which are held in the CSD (whether such Notes are listed or unlisted). Investors will be able to trade their Beneficial Interests only through the CSD and in accordance with the Applicable Procedures.

Payments of principal and/or interest in respect of uncertificated Notes will be made to the CSD or the Participants and the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the CSD or the Participants for distribution to their account holders. A holder of a Beneficial Interest in uncertificated Notes, whether listed or unlisted, must rely on the procedures of the CSD to receive payments under the relevant Notes. Each investor shown in the records of the CSD and/or the Participants, as the case may be, shall look solely to the CSD or the Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such uncertificated Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, such Beneficial Interests.

Holders of Beneficial Interests in uncertificated Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the CSD to appoint appropriate proxies.

Recourse to the JSE Debt Guarantee Fund Trust

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE Debt Guarantee Fund Trust. Claims against the JSE Debt Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the JSE Debt Guarantee Fund Trust. Unlisted notes are not regulated by the JSE.

Credit Rating

Tranches of Notes issued under the Programme, the Issuer and/or the Programme, as the case may be, may be rated or unrated. A Rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning Rating Agency. Any adverse change in an applicable credit rating assigned to any Notes, the Issuer and/or the Programme could adversely affect the trading price for the Notes issued under the Programme.

Risks related to the structure of the particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index-Linked

The Issuer may issue Notes the terms of which provide for interest or principal payable in respect of such Notes to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time than expected;
- the amount of principal payable at redemption may be less than the Nominal Amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Variable Rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest

rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate may at any time be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes where denominations involve integral multiples: Individual Certificates

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive an Individual Certificate in respect of such holding and would need to purchase a Nominal Amount of Notes such that its holding amounts to a minimum Specified Denomination.

If Individual Certificates are issued, holders should be aware that Individual Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Modification and waivers and substitution

The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Regulatory approval

In granting approval for the issue of Notes, the Regulator may set out certain conditions, including the prior consent of the Regulator to an early redemption of the Notes or the repayment of amounts due in respect of the Notes following an Event of Default. There can be no assurance that the approval of the Regulator will be granted upon the occurrence of these events. Further, the Regulator has the ability to require that principal and/or interest is deferred as per Condition **Error! Reference source not found.** (*Deferred Payment*) which may result in investors not receiving their monies on a timely basis.

Change of law

The Notes are governed by, and will be construed in accordance with, South African law in effect as at the Programme Date. No assurance can be given as to the impact of any possible judicial decision or change to South African law or administrative practice in South Africa after the Programme Date.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it; (2) Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Capital Adequacy Risk

Capital adequacy risk is the risk that there will be insufficient available own funds to provide for unexpected adverse insurance or market related events.

Changing Regulatory and Business Landscape

The past few years have seen a number of significant regulatory and business changes internationally and within South Africa. A number of these changes arose following the various market crises globally and to ensure a safe financial sector moving forward. The South African National Treasury and the Financial Services Board (**FSB**) have introduced the 'Twin Peaks' model to give effect to the various regulatory requirements in line with international standards. The Twin Peaks model for financial sector regulation was proposed as a means to reform the regulatory and supervisory system in so far as it related to financial institutions. In June 2011, Cabinet approved the move towards the model which resulted in the drafting of the Financial Sector Regulation (**FSR**) Act. On 21 August 2017 the FSR Act was signed into law. The passing of the FSR Act is the culmination of collaboration on financial sector

reform by the South African Reserve Bank (**SARB**), National Treasury and the Financial Services Board and marks an important milestone on the journey towards a safer and fairer financial system that is able to serve all citizens.

The FSR Act gave effect to three important changes to the regulation of the financial sector. First, it gave the SARB an explicit mandate to maintain and enhance financial stability. Second, it created a prudential regulator, the Prudential Authority (**PA**). The PA is responsible for regulating banks, insurers, cooperative financial institutions, financial conglomerates and certain market infrastructures. Third, the FSR Act established what is called a market conduct regulator, the Financial Sector Conduct Authority (**FSCA**), which is located outside of the SARB.

The Insurance Act, 2017 commenced on 1 July 2018 and replaced the prudential framework requirements of the previous Long-Term and Short-Term Insurance Acts. The FSCA came into being on 1 April 2018. The establishment of the FSCA marks the start of a new, more holistic and intensive approach to regulating the conduct of financial institutions operating in South Africa – focusing on how they treat financial customers and on how they support the efficiency and integrity of the financial markets.

Risks Relating to the Issuer's Business

Non- Life Insurance Risk

The primary activity of OM Insure relates to the risk of loss from events involving persons or organisations. As such OM Insure is exposed to the uncertainty surrounding the timing, frequency and severity of claims under insurance contracts.

OM Insure manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralised management of reinsurance and monitoring of emerging issues. OM Insure also employs staff experienced in claims handling and rigorously applies standardised policies and procedures around claims assessment.

OM Insure's underwriting strategy promotes a diversified portfolio with reference to insurance risk type, amount, size and geography.

Reinsurance Risk

Reinsurance risk is the risk that the re-insurance cover placed is inadequate and/or ineffective to the risk management strategy and objectives.

Within the insurance business, concentrations of risk may arise where a particular event or series of events could impact heavily upon OM Insure resources. OM Insure reinsures a portion of the risks it underwrites in order to control its exposures to losses and protect capital resources. OM Insure buys a combination of proportional and non-proportional reinsurance treaties to reduce the net exposure on any one risk or event. In addition, underwriters are allowed to buy facultative reinsurance to further protect OM Insure's net account.

OM Insure uses a number of modelling tools to monitor aggregation and to simulate catastrophe losses in order to measure the effectiveness of the reinsurance programmes and the net exposure.

The board approves the reinsurance renewal strategy annually. The Group reinsurance strategy is to only make use of reinsurers with a credit rating of no less than A-.

Credit risk

OM Insure has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where OM Insure is exposed to credit risk are:

- amounts due from insurance policyholders;
- amounts due from insurance contract intermediaries and third party recoveries;
- investments and cash and cash equivalents;
- reinsurers' share of general insurance liabilities; and
- amounts due from reinsurers and third parties in respect of claims already paid.

Exposures to individual policyholders, groups of policyholders and third parties are monitored as part of the credit control process. OM Insure is also protected by guarantees provided by the intermediary guarantee facility for the non-payment of premiums collected by intermediaries.

Reputable financial institutions are used for investing and cash handling purposes. Money market instruments and cash and cash equivalents are placed with institutions that have a national long-term credit rating of at least A.

Under the terms of reinsurance agreements, reinsurers agree to reimburse the ceded amount in the event that a gross claim is paid. Consequently OM Insure is exposed to the credit risk of the reinsurer.

When selecting a reinsurer OM Insure considers its security. This is assessed from public rating information and from internal investigations. OM Insure monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements periodically.

Market risk

Market risk can be described as the risk of a change in the fair value or future cash flows of a financial instrument brought about by changes in interest rates, equity prices and foreign exchange rates. The financial instruments below are exposed to market risk:

- Equity securities
- Receivables due from policy holders
- Reinsurance receivables and reserve deposits
- Other loans
- Cash and short term money market instruments
- Cell owners interest
- Derivatives

Risk management tools are used to assess the impact of the above risks on capital and earnings in normal and stress scenarios.

Company funds invested in equities, other than treasury shares, are placed in a protected equity portfolio. In order to manage market risk, a hedge derivative contract has been entered into to protect OM Insure against a fall in the market.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due, as a result of cash not being available in a form immediately convertible to cash. Net insurance liabilities are covered by investments with limited capital risk such as cash and short dated instruments. OM Insure further manages its liquidity requirements by matching the duration of assets invested to that of the corresponding liabilities.

Operational Risk

Operational Risk is the risk that losses occur from failed processes at the hands of people or systems. Major sources of operational risk include IT Risk, information security risk, people risk, process failures in claims and underwriting and fraud management. Fraud, especially claims fraud, is inherent in the nature of short term insurance business. Fraud risk is further heightened as a result of the low domestic economic growth and rising costs placing strain on household disposable income. OM Insure manages operational risk using many tools and techniques including predictive analytics, business continuity arrangements and systems automation technology to mitigate risk from system and human error.

DESCRIPTION OF OLD MUTUAL INSURE LIMITED

Capitalised terms used in this section headed "Description of Old Mutual Limited" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

1. INTRODUCTION

The issuer, representing Old Mutual Limited's (OML) South African short-term insurance business, is South Africa's oldest short-term insurer, with a history dating back more than 180 years. As one of the leading players in the market, OM Insure is proud of its tradition of service quality and extensive range of short-term insurance products and solutions to meet its personal, commercial and corporate customers' needs. In addition, OM Insure is the short-term insurance center of excellence to the Old Mutual business outside of South Africa. OM Insure partners with independent intermediaries to deliver personal advice and solutions to customers, as well as insurance products directly to the market through iWYZE.

2. BACKGROUND AND HISTORY

It was on 14 March 1831 that the forerunner of OM Insure first opened its doors. After trading profitably for 64 years, South African Fire and Life Assurance Company was acquired by the London & Lancashire Insurance Company, which in turn was absorbed by the Royal Group in 1962. The Royal Group's many companies in South Africa merged with Old Mutual's P&C company, SA Mutual Fire & General Insurance Company, in 1970.

In order to be known as an overtly South African insurance company, a suitable name was needed. The Mutual part was easy, reflecting the Old Mutual Group's involvement. As the words 'Royal' or 'London' would reflect a British heritage, it was then decided to use the name 'Federal'.

In February 2010, Mutual & Federal Limited became a wholly owned subsidiary of the Old Mutual Group. It was also in 2010 that the direct insurance market was penetrated for the first time, with the launch of iWYZE valuables insurance. This also brought to an end the Mutual & Federal listing on the Johannesburg Stock Exchange.

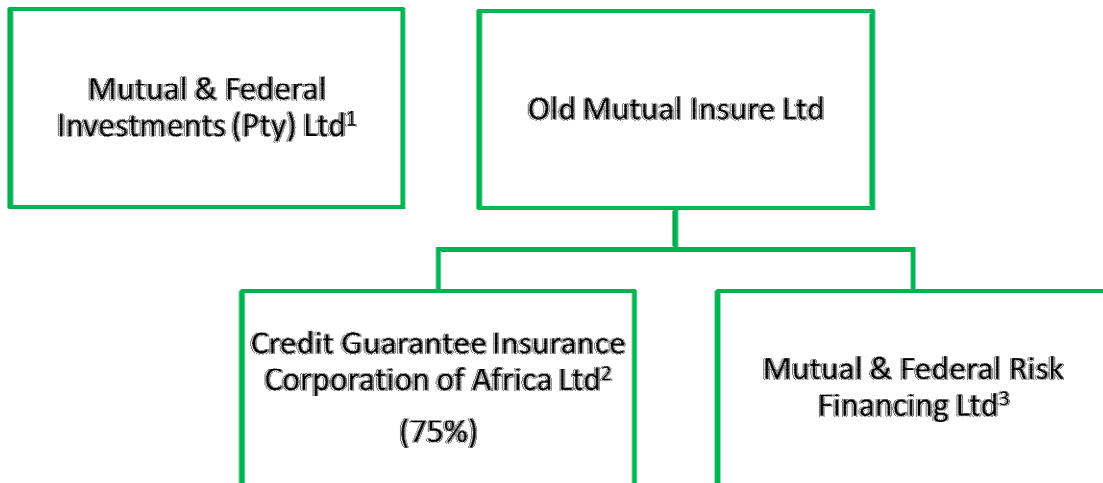
In March 2016, the Financial Services Board (FSB) approved Mutual & Federal's transaction to acquire the remaining issued shares in Credit Guarantee Insurance Corporation of Africa Limited (CGIC). This confirmed CGIC as a core asset within M&F's portfolio of insurance businesses. Mutual & Federal subsequently accepted an offer from Atradius, a leading global trade credit insurance, surety and collections services company, for a 25% (twenty five percent) strategic equity stake in CGIC. This transaction was concluded in April 2017.

On 5 June 2017 Mutual & Federal Insurance Company Limited became OM Insure. The brand change supports the Group's commitment to become a fully integrated financial services provider, making it easier and more convenient for customers across the African continent to do business with the Group. The new brand positioning will create opportunities for OM Insure to unlock the value that lies within the Old Mutual customer base, its brand and its distribution channels, whilst continuing to develop OM Insure's core capability of short-term insurance expertise.

3. OWNERSHIP AND CONTROL

The issuer is 100% (one hundred percent) owned by OML, recently primarily listed on the Johannesburg Stock Exchange (JSE) on 26 June 2018. OML has standard listing on the London Stock Exchange and secondary listings on three other stock exchanges in Africa: Namibia, Malawi and Zimbabwe.

In March 2016 it was decided that the best way forward for the Old Mutual Group was to separate its four strong businesses (Old Mutual Emerging Markets, Nedbank, UK based Old Mutual Wealth and US based Old Mutual Asset Management) into independent, standalone companies. The foremost aim of this strategy (called managed separation) has been to unlock and create value for shareholders. As part of managed separation, it was agreed that Old Mutual Emerging Markets (**OMEM**) would strengthen its focus on Africa and move its primary listing to Africa.



Notes:

¹ Wholly owned OML investment holding entity.

² Registered short-term insurance company licensed to underwrite guarantee class of business.

³ Wholly owned registered short-term insurance company licensed to conduct multi-class business as a cell captive.

(Holdings in non-operating entities are not included in the diagram.)

4. DESCRIPTION OF BUSINESS

OM Insure provides an extensive range of short-term insurance products and solutions to retail and corporate customers. These products and solutions are primarily distributed through a well-developed independent intermediary network. This is specifically relevant to the corporate customer segment who values financial advice provided by independent intermediaries.

The independent intermediary network is supported by an automated intermediary services centre which streamlines the way OM Insure does business and communicates with intermediaries. The centre empowers intermediaries to effectively service their clients in an efficient manner and underscores OM Insure's commitment to remain relevant in the industry.

Recognising the right of customers to choose how they engage with OM Insure to procure insurance cover, OM Insure opened a direct distribution channel currently focused on retail customers. This does not detract from the relevance of the independent intermediary network, but complements it by reaching a wider customer base.

Alternative distribution channels are also supported and these include underwriting management agencies, affinity groups and corporate customers in the retail sector.

The business is structured into four distinct business units.

4.1 Commercial, Personal and Distribution

This is the largest business unit and focuses on the retail, small and medium enterprises and volume corporate customer segments. A wide range of products are distributed through

the independent intermediary network to address customers' needs. Insurance cover is provided for loss or damage to movable and immovable property as well as risks associated with ownership of the insured assets. Cover also extends to risks associated with running a business e.g. business interruption.

Insurance products and services provided to agricultural customers are also included with this business unit. In addition to providing insurance cover for farming equipment and infrastructure, the company provides protection for crops.

Some of the business is administered by independent intermediaries on systems independent from that of OM Insure. This is done in terms of contractual mandates between the parties.

4.2 **Old Mutual Specialty Insurance**

This business unit is aimed at specialist insurance cover offered to corporate customers and requires individual risk selection and risk pricing. Cover is provided on a non-standard basis and requires specialist intermediaries to advise customers. Solutions exist for corporate property, engineering and marine risks. OM Insure's underwriting management agencies also form part of this business unit and services, amongst others, the heavy commercial vehicle industry.

Mutual & Federal Risk Financing is the Group's registered cell captive insurer which offers first and third-party insurance facilities to corporate customers, affinity groups, corporate retail customers and niche insurance administrators. Mutual & Federal Risk Financing retains limited underwriting risk and primarily earns fee based income. It is wholly owned by OM Insure, and outsources its operations and all the control functions to OM Insure, hence intrinsically connected with OM Insure due to these arrangements. It does however have a separate insurance license, within which external companies (cells) operate ring-fenced funds in order to finance their insurance requirements (first-party cells) or those of their business clients (third-party cells).

4.3 **iWYZE**

iWYZE is the Group's direct distribution insurance initiative currently focused on retail short-term insurance customers, offering a wide range of car and home insurance as well as personal goods and liability cover options.

Business is obtained directly through advertising and purchased leads while customers are serviced through call centers.

With the new mobile application, customers can access useful resources such as emergency services and step-by-step advice in the event of a car accident or house robbery. Customers can also submit pictures, reports, claim notifications and request a call back.

4.4 **CGIC**

CGIC provides quality trade credit insurance products to domestic and export customers. The basic trade credit insurance product protects businesses against the risk of non-payment by insured buyers.

CGIC's unique strength lies in the ability to secure a vast store of information and market intelligence from a range of sources and to interpret data to support the business of clients for both domestic and export markets.

CGIC is further active in the bonds and surety sector.

5. **INVESTMENT CASE**

OM Insure is a core asset within OML with short-term insurance playing a central role in the Group's expansion into the rest of Africa. With a proud history of more than 180 years as a leading P&C business in South Africa, OM Insure is ideally placed to continue to deliver real value to investors.

The OM Insure investment case is anchored in three key elements: market position; growth prospects; and group collaboration.

6. **MARKET POSITION**

The consolidated market share of the OM Insure Group based on 2017 gross written premiums was 9.7% (nine point seven percent) of the South African short-term insurance industry¹. The re-brand strategy that was implemented in 2017 will introduce further benefit from the strong Old Mutual brand recognition that exists.

7. **GROWTH PROSPECTS**

Despite already offering a well-diversified portfolio of insurance businesses, there is still ample opportunity to grow. Areas targeted for strong growth include the direct distribution business, iWYZE, and Old Mutual Specialty Insurance. This will see the business becoming less dependent on the more traditional insurance classes as well as the independent intermediary distribution channel.

Access to a new generation product administration system enables OM Insure to develop and deploy digital solutions that will make it easier for independent intermediaries and policyholders to engage with OM Insure to manage their respective insurance portfolios.

8. **GROUP COLLABORATION**

Being a core asset within a large financial institution in Africa positions OM Insure to benefit from the scale of the Group. These benefits include the cross selling opportunity into the combined OML customer base as well as increased buying power.

9. **MANAGEMENT STRATEGY**

The strategy of OM Insure is to effectively manage a diversified insurance business portfolio that provides compelling customer value propositions and delivers strong through-the-cycle financial performance to investors.

10. **RISK AND CAPITAL MANAGEMENT**

OM Insure operates a mature enterprise risk management system to identify and address risks that threaten the achievement of its business objectives. Risk management activities are performed by trained and skilled individuals and are subject to oversight by both second and third line corporate governance structures.

Individual risk committees that meet quarterly have been constituted for each of the segments and support areas which are sub-committees of the Group Executive Risk Committee (**GERC**) which itself is a sub-committee of the Executive. The primary role is to ensure the completeness and accuracy of each risk profile. A consolidated view of the risks facing the organisation is reported to the GERC and then presented to the Board Risk and Compliance Committee.

The risk profile for OM Insure consists of modelled and non-modelled risk categories. Both modelled and non-modelled category risks are managed through the risk and control self-assessment and governance processes. Capital is held for modelled risk categories where the risk is quantified, allowing for risk mitigation such as reinsurance.

11. MODELLED RISK

The modelled risk profile for OM Insure is dominated by non-life insurance risk. The key elements used to manage the non-life insurance risk within OM Insure are described within the underwriting risk policy. An important risk mitigation technique is reinsurance, which is fundamental in managing capital. The choice and amount of reinsurance is driven by available capital, the value for money of reinsurance, impact of reinsurance on return on equity (ROE) and the risk appetite for earnings volatility.

The risk strategy is made more granular through capital allocation to the respective business segments. The capital allocation process determines the capital intensity ratios, the required underwriting margin to deliver return on capital as well as providing risk limits and early warning thresholds by business unit.

12. CAPITAL MANAGEMENT

The objectives of OM Insure are to manage capital efficiently while considering the regulatory capital requirements and the desired credit rating to support the business.

The following capital management principles are currently in place.

- (i) All entities should remain solvent on the applicable regulatory capital framework.
- (ii) The buffer over the applicable solvency capital requirement is targeted at the level to ensure only a 1% (one percent) probability of breach over a one year time horizon, or following an instantaneous shock, whichever is the greater.
- (iii) Targeted SAM solvency capital requirement coverage for the Old Mutual Insure Group is circa 1.2 times, based on the SAM group deduction and aggregation method.
- (iv) Excess capital over the targeted coverage ratio is paid as dividends unless required in the near term.
- (v) Management action is required where the solvency capital requirement coverage ratio decreases below the early warning threshold set with reference to the targeted coverage ratio.
- (vi) An absolute minimum coverage ratio is set at 1.1 times for the Old Mutual Insure Group and any decrease below this level will result in a request to the shareholder to recapitalize the group.

Capital is managed on an integrated basis across OML and as such the capital required for the targeted buffer may not always be recorded on the balance sheet of the relevant entity.

The capital position of the company is subject to constant monitoring by experienced and well trained individuals.

13. STRESS AND SCENARIO TESTING

Scenario tests are performed to assess the impact of observable and foreseeable market conditions on the capital position of the company. This is done at least annually as part of the rolling three year planning cycle. The results from stress and scenario testing are considered in assessing the adequacy of the target capital buffer.

For the most part stress and scenario testing indicates an impact on the ability of OM Insure to pay dividends following an adverse experience, but not that a capital injection will be required.

14. KING IV APPLICATION

The Issuer is a licensed insurer and wholly-owned subsidiary of OML which is a JSE listed entity. OML applies King IV and requires that its subsidiaries complies with the King IV governance outcomes through application of the principles as set out in the code, and this applies to all material subsidiaries, which includes the Issuer.

The assessment of the application of King IV for OML is ongoing. The assessment results to date show that OML and its subsidiaries' (including the Issuer) governance processes are well entrenched and that the Old Mutual Group is generally compliant with the principles of King IV.

In particular, the Issuer endorses and endeavours to adhere to the guidelines and principles of King IV.

The Issuer has applied the King IV principles on the same basis as disclosed in OML's Prospectus and Pre-listing Statement. For a table disclosing the principles of King IV, and how each has been applied to the material Old Mutual Group companies, including the Issuer, refer to OML's Prospectus and Pre-listing Statement, which is available on OML's website at https://www.oldmutual.com/docs/default-source/investor-relations-files/pre-listing-statement.pdf?sfvrsn=621ea89_4.

As a key subsidiary, OM Insure has formally adopted the GGF as its governance framework and therefore complies with the principles of King IV, save for:

Non-executive director Remuneration

Non-executive director fees should comprise a base fee as well as an attendance fee per meeting.

For the Issuer, an annual fee is calculated and non-executive directors are paid on a monthly basis. The annual fee is calculated based on the assumption that non-executive directors attend all board and ad-hoc meetings. This assumption is used as non-executive directors have consistently attended all meetings in prior years.

15. **BOARD OF DIRECTORS**

The members of the board of directors as at the date of issue of this Information Statement are:

Michael Ilsley (57), Chairman - Non-executive Director – appointed 1 April 2018

CA (SA), B.Com, B.Acc

Mike was appointed as a director and deputy chairman of OM Insure in April 2018. He was appointed as the chairman of the board on 1 August 2018 subject to regulatory approval. He is currently employed as the Strategy Development Executive reporting to the CEO of OML and also serves as a non-executive director on the boards of Old Mutual Finance and Old Mutual plc. Mike has extensive experience in governance, business, financial and short-term insurance and has operated as an executive, non-executive and independent director of a number of large listed and regulated companies in the financial insurance industry, including short term insurers.

Garth Napier (39), Managing Director – Executive Director - joined 5 November 2018

MBA, BCom (Accounting) (Hons), BCom

Garth joined OM Insure on 5 November 2018. He started off his career at McKinsey as a Business Analyst. After his MBA, he worked as an Associate and in 2007, he was appointed as the Engagement Partner. Thereafter, he joined Edcon in the Discount Division, as the Marketing, Business Strategy and Pricing Executive in 2008 and in 2014 was appointed the Chief Executive of the Discount Division which comprised of the following three brands Jet, JetMart and Legit. Later in 2015, Garth was appointed the Chief Executive of the Speciality Division which houses the cellular business. Edcon is one of the largest credit providers in South Africa and his role at Edcon demonstrates his understanding of consumers, consumer behaviour and has the ability to manage a large number of stakeholders. His last position prior to joining OM Insure was at Steinhoff Africa Retail 'STAR' in 2017 as the Managing Director of Pep Africa (Pepkor), which has given him broader exposure to the African continent.

Peter Moyo (56), Non-executive Director – CEO Old Mutual Limited – appointed 1 June 2017

Advanced Management Programme (Harvard Business School), Higher Diploma Tax Law, CA (SA), B.Compt (Hons), CA (Z)

Peter rejoined the Old Mutual in June 2017 as Chief Executive Officer of Old Mutual Emerging Markets and later Old Mutual Limited, having left in 2005 to take the helm at Alexander Forbes. Before joining Old Mutual, he was a Partner at Ernst & Young, where he also served on the National Executive. Peter has held various directorships both in the public and private sector; which include chairing the Boards of Vodacom Group Limited, Willis SA Proprietary Limited, CSC SA Proprietary Limited and the audit committee of the Office of the Auditor General. He is a founding director and shareholder of an NMT Capital Group. He currently serves on the Board of Nedbank Group Limited, Advisory Board of the University of Stellenbosch Business School and is the Chairperson of Business Against Crime South Africa.

Thuli Manyoha (35), Financial Director – Executive Director– appointed 1 January 2018

BComm (Financial Accounting), BComm (Hons) (Financial Accounting), CA (SA)

Nokuthula (Thuli) Manyoha has been appointed as the Financial Director effective 1 January 2018. She is a chartered accountant and was recently the Head of Finance and the Shareholder Segment CFO at MMI Holdings Limited. She is a dynamic and seasoned leader whose experience at companies such as Deloitte has contributed to her rapid career progression. She has a proven track record in driving strategy, good financial management and operational excellence, which will hold her in good stead in her new role as Financial Director.

Gary Palsler (61), Independent Non-executive Director – appointed 1 March 2014

BBusSc (Hons), FIA, FILPA, FASSA

Gary has been in the Old Mutual Group for 34 years, having joined the company in 1980. After completing his actuarial exams with the Institute of Actuaries in 1982 he was admitted as a Fellow of the Institute of Actuaries in 1984 after completing the necessary experience requirements. His vast experience in the Old Mutual Group includes working full time on the demutualization project. Gary has held several senior positions within the Old Mutual Group, such as chief actuary for Old Mutual SA and culminating in him being appointed as the risk and actuarial director for OML.

Paul Truyens (71), Independent Non-executive Director – appointed 26 July 2010

BA, BA (Hons), BSc, FIA

Paul was a senior manager with PwC in the Netherlands from 2002 to 2007. Prior to that, he enjoyed a 20-year actuarial career with Southern Life in Cape Town, ending as chief actuary and CFO, and a member of the executive directors' committee. Paul served on the Boards of Old Mutual South Africa and Old Mutual Emerging Markets until 2017. He currently serves on the Boards of Old Mutual Kenya and UAP Holdings Kenya.

Pieter Rörich (49), Independent Non-executive Director – appointed 1 September 2015

Pieter has a strong business and financial education complemented by broad work experience of more than 20 years in corporate finance, investment banking and investments as an adviser; a principal investor and as an operational business leader. He is a qualified Chartered Accountant and has read for an executive MBA from Saïd Business School, Oxford, which he passed with distinction. Pieter's extensive corporate experience included his role as Acting CEO of MB Technologies, one of the largest IT distributors in Southern Africa and Head of Investments at Royal Bafokeng Holdings. Pieter's corporate experience spans various industries, including financial services, mining and professional services companies.

Thandeka Zondi (37), Independent Non-executive Director – appointed 1 June 2018

Thandeka joined OM Insure as an independent non-executive director on 1 June 2018, serving on the Board and as a member of the Audit and Risk and Compliance Committees.

Thandeka is a qualified Chartered Accountant, Entrepreneur and seasoned Executive and

Non-Executive Director. She is currently the CEO of MoneyWorks Financial Services, a Digital Supply Chain and Asset Rental Financing Fund and Platform. Thandeka is a thought-leader and speaker on strategy, technology, innovation and leadership with her unique focus on the importance of your business and/or personal value proposition to others to continue to grow in the midst of the massive changes that faces everyone every day in a business and personal context. Thandeka has also taken up Independent Non- Executive Director roles on the Boards of Old Mutual SuperFund Defined Contribution Umbrella Retirement Fund, Jasco Group Ltd, Resultant Finance (Pty)(Ltd), the South African Institute of Chartered Accountants, and the Gauteng Growth and Development Agency. On all the Boards she is or has participated as a member of the Audit and Risk Committee on all of them and the Chair of the Audit Committee on some. Thandeka is also a past 1st Vice President of ABASA as well as board member.

The following appointments are pending approval from the Prudential Authority:

Lead independent director

OM Insure has appointed a lead independent director in accordance with the requirements of the Group Governance Framework, Board Charter and Governance and Operational Standards for Insurers. This is an acting role pending the appointment of an additional independent director to this position.

Company Secretary

The company secretary of OM Insure is Old Mutual Life Assurance Company (South Africa) Limited. .

The address of the company secretary is:

6th Floor, K Block
Mutual Park, Jan Smuts Drive
Pinelands, 7405
Cape Town
Republic of South Africa

16. BLACK ECONOMIC EMPOWERMENT

Following the successful maturity of the initial black economic empowerment transactions in 2015, the OML group took a strategic decision not to introduce individual empowerment transactions at subsidiary level.

OML is proud of its credentials as a responsible business and corporate citizen of the territories it operates in. As such it fully subscribes to the principle of economic inclusion.

OM Insure is committed to its transformation initiatives and aims to maintain an empowerment rating supportive of its position in the South African economy and in support of its business.

17. CORPORATE GOVERNANCE AND REGULATORY FRAMEWORK

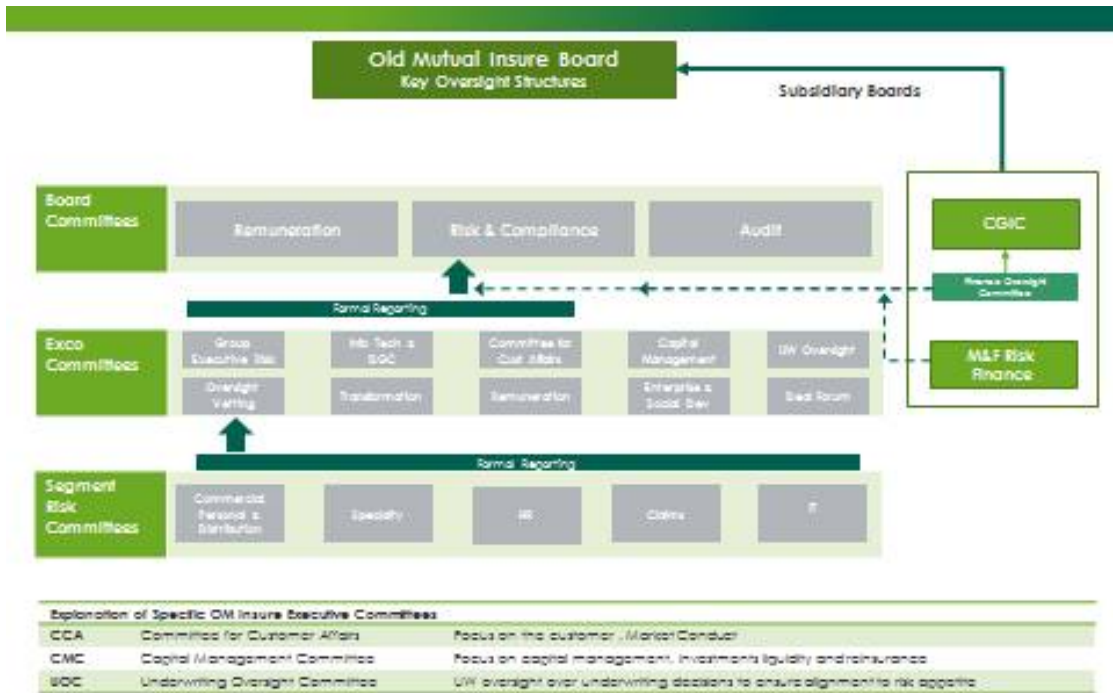
OM Insure has adopted the OML Group Governance Framework (**GGF**) and its principles, incorporating the three lines of assurance governance model. The three lines of assurance model are considered a fundamental governance design principle:

- The first line comprises line management, the executive and executive committees. The primary responsibility for managing risks remains with first line.
- The second line of assurance comprises enterprise risk management, compliance, forensics and the actuarial control function. The specialist risk functions sit within the

second line and their primary role is to provide the risk framework, risk management policies, support, guidance, education, challenge and oversight of first line activities.

- The third line of assurance comprises internal and external audit. The primary responsibility of the third line is to provide independent assurance of the effective and efficient use of the risk management process and frameworks to management and the board.

The GGF contains a suite of various enterprise wide risk policies that have been developed in line with the risk categorisation model. Each of these policies have been developed internally and approved by the board. Compliance to each of the risk policies is monitored on an on-going basis and is reported via the bi-annual letter of representation process.



The following view summarises the risk governance structures that currently exist within the business:

18. BOARD COMMITTEES

In terms of King IV, the Board of the Holding Company should assume responsibility for governance across the Group, by setting the direction for how the relationships and exercise of power within the Group should be approached and conducted.

The board delegates functions to committees to assist the board in meeting its mandated responsibilities. Formal terms of references exist for each committee.

19. REMUNERATION COMMITTEE

The remuneration committee functions for OM Insure are performed by the OML Remuneration Committee as required by the GGF requirements. This arrangement has been approved by the Prudential Authority as required by the Governance and Operational Standards for Insurers.

The OML Remuneration Committee is established to independently review and monitor the integrity of OML's remuneration policies and implementation thereof, ensuring fair, responsible

and transparent remuneration practices within the OML Group. The committee has oversight and ensures that OML and its subsidiary companies comply with all remuneration and risk related principles as set out in the GGF.

20. **RISK AND COMPLIANCE COMMITTEE**

The Risk Committee is a committee of the Board, established to independently review, on behalf of the Board, management's recommendations on risk management, particularly in relation to the structure and implementation of the risk strategy, system of governance, risk management framework, any internal capital model, the quality and effectiveness of the related internal controls and reporting processes, risk appetite limits and exposures, and the overall risk profile of the business.

The risk committee has oversight of and ensures that the company and its subsidiary companies comply with all risk related principles as set out in the GGF. The committee acts independently (with accountability to the board) and does not assume the functions of management, which remain the responsibility of the executive directors of the company, prescribed officers and other members of senior management.

An assessment of the performance of the Committee and its members is conducted on an annual basis.

21. **AUDIT COMMITTEE**

In line with section 94 of the Companies Act, 71 of 2008, as amended (**Companies Act**), read together with the Companies Regulations, 2011 (**Regulations**), Insurance Act 18 of 2017 and the King IV Report on Corporate Governance for South Africa, 2016 (**King Code**), the Audit Committee is constituted as a statutory committee of the Company to carry out the duties as set out in section 94(7) of the Companies Act.

The audit committee mandate primarily concerns the effectiveness of the company's internal system of control to ensure the integrity of internal and external financial reporting. It reviews the accounting policies and judgments used to prepare financial statements for compliance with the identified financial reporting framework (**IFRS**), legal requirements (Companies Act) and where relevant group accounting standards.

The committee oversees and directs the work of internal audit and considers findings by the function and holds management accountable to address these. The appointment and remuneration of external audit is mandated to the audit committee and part of its responsibility is to assess the independence of the function.

The audit committee is also established to provide independent oversight of, amongst others, the effectiveness of the company's assurance function and services, with particular focus on combined assurance arrangements, including external assurance service providers, internal audit and the financial function, in order to enable an effective control environment within the company, and that the company's assurance function and services support the integrity of information for internal decision-making and of the Company's external reports.

22. **SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE (SETCO)**

The social, ethics and transformation committee functions for OM Insure are performed by the OML Responsible Business (incorporating Social and Ethics) Committee (OML RB Committee).

The OML RB Committee is constituted to, among other things, assist the OML Board in ensuring that the company and the other entities in the Old Mutual Group of companies are and remain committed, socially responsible corporate citizens by creating a sustainable business and having regard to the company's economic, social and environmental impact on the communities in which it operates. The committee has oversight and ensures that OML and its subsidiary companies comply with all activities related to social and economic development,

good corporate citizenship, and the environment, public health, and safety principles as set out in the adopted GGF.

SIGNED at _____ on this the _____ day of _____ 2019.

For and on behalf of

OLD MUTUAL INSURE LIMITED

Name:

Capacity: Director

Who warrants his/her authority hereto

Name:

Capacity: Director

Who warrants his/her authority hereto

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