CRD IV PILLAR 3 DISCLOSURES AS AT 31 DECEMBER 2015

OLD MUTUAL WEALTH CONSOLIDATION GROUP

Glossary

Term	Definition
CASS	Client Assets
CRD IV	Capital Requirements Directive IV
CRR	Capital Requirements Regulation
FCA	Financial Conduct Authority
GOM	Old Mutual plc Group Operating Manual
ICAAP	Internal Capital Adequacy Assessment Process
Intrinsic	Intrinsic Financial Services Group
IFPRU	FCA Prudential Sourcebook for Investment Firms
OMGI	Old Mutual Global Investors Group
OMW	Old Mutual Wealth (Business Unit of Old Mutual plc)
OMWL	Old Mutual Wealth Limited
OMWML	Old Mutual Wealth Management Limited (the sub-group holding company)
QC	Quilter Cheviot Group

Section A. Introduction and Purpose

A1 Name and legal form of the undertaking

The Old Mutual Wealth (OMW) Consolidation Group is made up of the following business within the Old Mutual Wealth Management Limited legal group.

- Old Mutual Wealth Limited (OMWL);
- Old Mutual Global Investors (OMGI), including holding companies within the OMGI group;
- Quilter Cheviot (QC), including holding companies within the QC group;
- Intrinsic Financial Services (Intrinsic), including all of the regulated entities and the holding company within this group.

The scope excludes insurance entities and other holding and service companies within the OMWML group.

All companies in the consolidation group are wholly owned subsidiaries of Old Mutual Wealth Holdings Limited which is itself a wholly owned subsidiary of Old Mutual Wealth Management Limited (OMWML) which is itself a wholly owned subsidiary of the ultimate holding company Old Mutual plc.

A2 Name and contact details of the supervisory authority

Financial Conduct Authority (FCA)
25 The North Colonnade
London
E14 5HS

A3 Name and contact details of the external auditor

KPMG LLP
Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

A4 Qualifying holdings in the undertaking

For every company referred to above, 100% of the voting rights were held by the immediate parent company throughout the relevant period of ownership.

A5 Background

The Capital Requirements Directive IV (CRD IV) is the EU implementation of Basel III which is a global Accord via the Basel Committee on Banking Supervision in response to the financial crisis. Basel III contains a package of proposals to increase the prudential soundness of Banks, and its implementation in the EU also covers certain Markets in Financial Instruments Directive (MiFID) Investment Firms.

Basel III has three pillars:

Pillar 1 The minimum capital requirements of firms to cover credit, market and operational risk;

Pillar 2 Designed to complement the existing Pillar 1 requirements by assessing the need to hold additional capital under a more risk based assessment called the Internal Capital Adequacy Assessment Process (ICAAP) which is confidential between the undertaking and the supervisory authority; and

Pillar 3 A set of disclosure requirements which enable the market to assess information on a firm's risks, capital and risk management procedures.

CRD IV entirely replaces previous Capital Requirements Directives and introduces entirely new prudential requirements. CRD IV increases the amount and quality of capital that firms are required to hold and imposes additional disclosure requirements. It also introduces a substantially revised EU wide liquidity regime.

The 'CRD IV Package' is comprised as:

- CRD IV (Directive 2013/36/EU)
- The Capital Requirements Regulation (Regulation (EU) No 575/2013).

The Capital Requirements Regulation (CRR) is directly binding on 'in scope' firms, and did not need to be implemented by the FCA (or via UK Regulation). However, the FCA transposed the Directive into the FCA Handbook via UK Regulation.

In addition to producing the OMW ICAAP for the above subset of businesses within OMW, we will also produce an OMW Own Risk and Solvency Assessment (ORSA) that will cover all businesses within OMW (for scenario testing and capital assessment purposes) with a focus on the insurance entities within OMW; the ORSA will be submitted to the Prudential Regulation Authority (PRA).

A6 Frequency

Pillar 3 disclosures will be made on an annual basis.

A7 Location

The Pillar 3 disclosure report is published on the Old Mutual Wealth (OMW) website (www.oldmutualwealth.co.uk).

A8 CRD IV reporting currency

The OMW consolidation group reports on a CRD IV basis in Great British Pounds (**GBP**).

A9 Reporting period

This report covers the financial position at **31 December 2015**.

A10 Verification

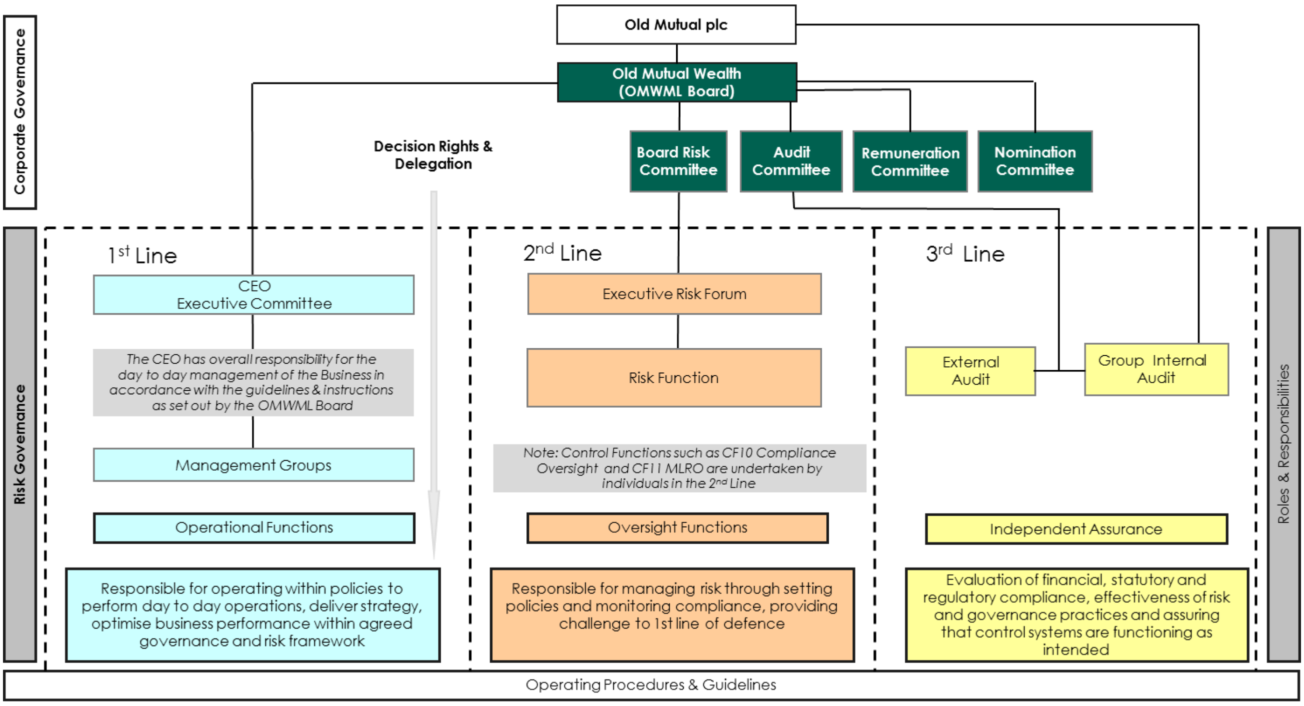
The disclosures are unaudited but have been reviewed internally. To the extent that the disclosures have been made in the Report and Financial Statements of the OMW Consolidation Group have been subject to external verification. These disclosures explain how capital requirements have been determined for the OMW Consolidation Group and information about risk management and remuneration. They do not constitute financial statements and should not be relied upon in making judgements about the OMW Consolidation Group or for any other purpose than that for which they are intended.

Section B. Governance & Risk Management

B1 Governance Framework

B1.1 OMW

The OMW Business Unit of Old Mutual plc is a management construct used to describe a sub-group of Old Mutual group companies in the UK, Isle of Man, Ireland and Italy managed by the OMW executive team. OMW is comprised primarily of the OMWML legal group of subsidiary companies. As a collection of entities within the OMWML legal group, the OMW consolidation group is subject to the delegated authorities given by the Board of Old Mutual plc under the Group Operating Manual (GOM) and as reflected in the OMWML System of Governance (see below):



The system of governance will be reviewed on an annual basis, or whenever there is a material change in the business which requires a change to the system of governance as determined by the OMWML Board.

B1.2 Roles and duties of the OMWML Board

The role of the Board of Directors of OMWML, in respect of the OMW consolidated group, is as follows:

- To oversee the long term prosperity of OMW by providing independent input, review and constructive challenge in relation to the OMW consolidation group entities.
- To constructively challenge and help develop proposals on the OMW consolidation group entities' strategy in the context of OMW strategy.
- To monitor the progress of the OMW consolidation group entities in development and implementation of strategic plans and material policies.
- To generally oversee the OMW consolidation group entities to ensure maintenance of sound risk controls and governance systems, integrity of financial information, regulatory

compliance and sound planning, performance and overall management, either directly or via delegation to its Committees.

- To consider and, if thought fit, approve matters escalated to it, including those escalated from the subsidiary boards under its supervision.
- To ensure the OMW Operating Units comply with the OMW Scheme of Delegation.
- To ratify, if thought fit, the appointment or removal of directors or FCA and/or Prudential Regulation Authority Control Functions of regulated companies within the OMW consolidation group entities.

B1.3 OMW Executive Responsibility

The OMW CEO has delegated responsibility, from the OMWML Board, for the day-to-day management of OMW, operating within the authorities granted through the GOM and the responsibilities articulated in the OMW CEO Role Profile.

To assist the OMW CEO in the discharge of those responsibilities an Executive Management team has been appointed. This team forms the OMW Executive Committee.

The OMW Executive Committee meets on a monthly basis, and also holds weekly update calls.

An Executive Risk Forum has also been established, consisting of certain members of the OMW Executive Committee, to assist the OMW CEO in the review and challenge of performance in the context of the risk appetite for OMW as set by the OMWML Board. The Executive Risk Forum also provides oversight, challenge and monitoring of the management of risk, including operational and regulatory risk, the adequacy of governance arrangements and the effectiveness of internal controls within OMW.

B1.4 OMWML Board of Directors

The table below sets out members of the OMWML Board and their date of joining or leaving the Board (where this took place during the year. The number of directorships held by each Board member is also included.

Name	Role	Start date	Number of directorships held
Bruce Hemphill	Chair	Joined November 2015	6
Ingrid Johnson	Group Non-Executive Director		4
Paul Feeney	Chief Executive Officer		11
Mark Satchel	Chief Financial Officer		10
Jane Hanson	Independent Non-Executive Director		5
Simon Davies	Independent Non-Executive Director		7
Charles Eppinger	Independent Non-Executive Director		2
Sandy Leitch	Independent Non-Executive Director		4
Andy Pomfret	Independent Non-Executive Director		8

An assessment is performed to determine that each member fulfils the following requirements:

- their professional qualifications, knowledge and experience is adequate to enable sound and prudent management (**fit**); and
- they are of good repute and integrity, have sufficient time to perform the role and are financially sound (**proper**); and
- that the qualifications, knowledge and relevant experience across the OMWML Board is appropriately diverse.

OMW's Equality & Diversity Principles which are summarised in the following statement:

OMW will create a working environment which is free from discrimination, victimisation and harassment and which respects the diverse backgrounds and beliefs of members of the Company.

No employee or prospective employee or other individual will receive less favourable treatment or be disadvantaged by any circumstances, conditions or requirements that cannot be justified.

Management will make every effort to ensure they will not unreasonably exclude any individual from access to any activities, facilities or services, or any employment opportunities that they offer.

OMW will treat all members of OMW and job applicants equally and fairly and not discriminate unlawfully against them. This will, for example, include arrangements for recruitment and selection, terms and conditions of employment, access to training opportunities, access to promotion and transfers, grievance and disciplinary processes, demotions, selection for redundancies, dress code, references, work allocation and any other employment related matters. Every employee is entitled to expect equality of opportunity in all aspects of their employment including its terms and conditions.

B2 Risk Management Framework

B2.1 Risk Management Framework Overview

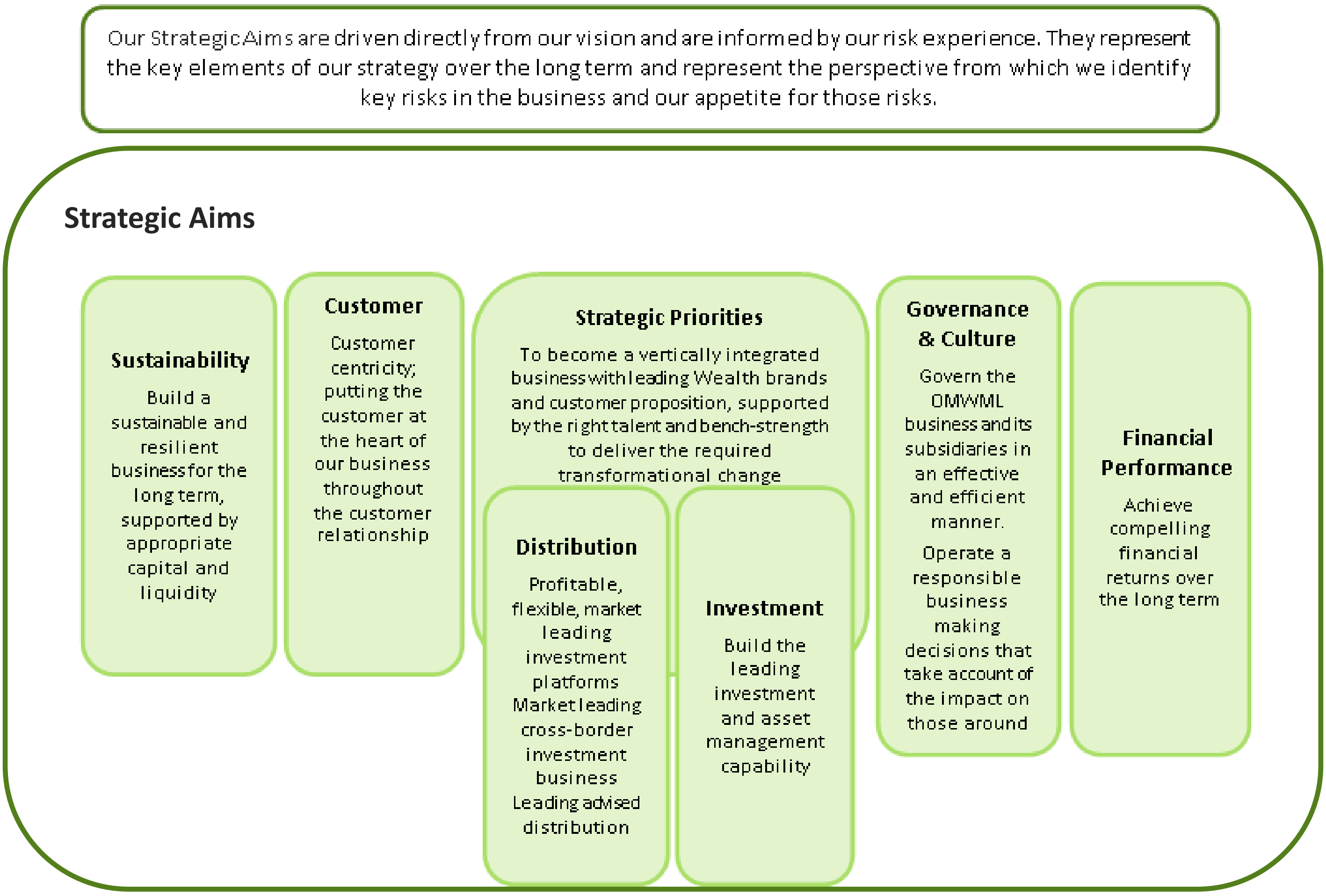
The requirements of the framework are set out in the OMW Enterprise Risk Management Policy which is approved by the OMWML Board. An overview of the approach taken to meet the requirements of the ERM Policy is set out below:

The key components of the framework are as follows.

B2.3 Risk Strategy, Appetite and Policy

The OMW risk strategy guides the way OMW takes on risk to achieve the business vision which is to "offer the best investment and protection products, available on the most flexible investment platforms, with unbeaten support for both advisers and customers, at great value".

To attain this, the following strategic aims have been identified, within which the appetite for risk has been articulated:



Risk Strategy and Appetite Statements

Our strategic priority is to build a vertically integrated business with leading Wealth brands and customer proposition, supported by the right talent and bench-strength to deliver the required transformational change.

In support of this strategy, Old Mutual Wealth has an appetite for the risks associated with wealth management business; in particular, secondary market risk exposure through asset based fees, investment performance risk, advice risk and business risks associated with building a Wealth Management business, including transformational change.

Strategic aim	Risk strategy	Risk appetite statements
Sustainability	In building a sustainable and resilient business for the long term, we understand and carefully manage risks to capital and liquidity.	We aim to ensure all regulated entities hold sufficient capital to maintain solvency at or above target levels. The target solvency ratios are set to cater for the potential impact of severe but plausible scenarios. We ensure OMW has sufficient liquidity to withstand the impacts on operational cashflow of a 1-in-200 year event, enabling us to meet our obligations as they fall due.
Customer, Governance & Culture	We seek to ensure customers are treated fairly and do not suffer poor outcomes as a result of things we do/do not do. We seek to govern the business in a manner appropriate to the nature, size and complexity of the Group through embedding robust policies, structures and processes throughout the Group, meeting all relevant regulatory and legal corporate governance standards and requirements. We seek to establish, promote and maintain an effective, risk aware culture though all areas of the business.	We will ensure we have defined good customer outcomes, and ensure we put appropriate processes and standards in place to deliver to them. We have no appetite for material risks resulting in reputational damage, regulatory or legal censure or other material operational losses relating to the way in which we carry out our business. We ensure we govern our business in a robust and appropriate manner and act responsibly.
Financial Performance	We ensure we deliver the Return on Equity targets required by our shareholder and build compelling financial returns over the long-term.	In delivering compelling financial returns, we accept short-term volatility in earnings due to external market movements. We will keep our market and non-market Earnings at Risk exposure within defined limits as set by our Board.

Policy Suite

The OMW policy suite forms an integral part of the risk governance framework of OMW. The OMW policy suite consists of 47 policies and standards. These policies contain more granular risk appetite statements.

The OMW policies and standards have been approved and adopted by the OMWML Board and compliance against the policies is monitored by the business through a semi-annual process, and reported to Old Mutual plc through the CEO Letter of Representation.

B2.4 Risk Identification and Assessment

Risks to delivery of the business plan are identified through the strategic target setting process and business planning process. Risks to business processes are identified through the regular refresh of the Risk and Control Self-Assessment.

Risks and controls are assessed on a quarterly basis by first line management. Where controls are considered to be inadequate or ineffective, management actions are agreed to improve the level of control.

B2.5 Risk Management, Monitoring and Assurance

Risks are owned and managed on a day to day basis by first line risk owners. The second line Risk function provides advice to support the first line in managing risks.

Risk mitigation strategy planning is performed for some risks to ensure that risk mitigation plans are in place. An example of risk mitigation planning is the development of business continuity plans, which are defined at a functional level.

Corporate insurance is in place to mitigate some high impact, low frequency risks.

B2.6 Scenario Testing and Modelling

Scenario testing is performed to access the impact of plausible but severe events and to support management in developing plans to manage such events.

The scenario framework focusses on considering scenarios under the following headings:

- Macro-economic scenarios (the key focus area is our ability to withstand such events and our exposure relative to our peers);
- Sectoral risks (i.e. risks which could affect all, or a subset of firms in the financial services industry, such as tax, regulatory or political changes);
- Specific threats (i.e. risks which could cause a specific threat to [the consolidation group] but would not impact peer firms to the same extent); and
- Reverse stress testing (i.e. threats which could cause the business model to become unviable).

In addition, operational risk scenario testing is performed to assess potential plausible but extreme operational losses.

B2.7 Risk Reporting and Escalation

Risk reporting is performed by the Risk function. Risk reports are provided to each of OMWL, OMGI, QC, and Intrinsic Board Governance and Risk Committees and the OMWML Board Risk Committee on a quarterly basis, senior management on a monthly basis and the Operational Forum on a monthly basis.

Risk events with a financial impact of over £5,000 and risk events which have a non-financial impact such as impacts on customers and regulatory breaches are recorded by the function within which the risk event arose.

Risk events remain open until any management actions to manage the impacts or address the events have been performed.

First line management escalate risks and risk events in line with escalation guidelines which are defined by the Risk function.

B3 Risk Management Culture

Our risk culture is defined by the following principles:

- Responsibility and accountability for risk management is clearly assigned throughout the organisation with the aim of fostering an open and transparent organisational culture that encourages the right behaviours.
- we create a climate for our employees to voice genuine concerns about, and risks within, the business.
- a risk-aware culture is seen as an enabler for management to feel empowered to take risks in a manner that is transparent and that is in line with the business and risk strategy.
- good risk management practices are encouraged, such that our employees understand how to make educated risk-related decisions in their day to day roles.
- training and awareness programmes are in place to ensure that a risk aware culture is fostered and that employees understand the importance of good risk management.
- performance management encourages and incentivises good risk management practices.

B4 Risk Profile

B4.1 Credit risk

Credit and counterparty risk is the risk of default in respect of any balance sheet asset and also includes risk of default in respect of off balance sheet assets where this can lead to a loss to the company. Credit risks are assessed through analysis of the balance sheet of each of OMWL, OMGI, QC, and Intrinsic.

Principal assets include bank balances, cash and loans and other receivables, investment management fees due from funds it manages and management fees due from fellow group subsidiaries. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies.

Due diligence is also performed to monitor the capital position of banks which are used across OMW.

B4.2 Market risk

Market risk is the risks that arise from fluctuations in values of, or income from, assets or in interest or exchange rates.

OMW has established a market risk policy which sets out the market risk management governance framework, permitted and prohibited market risk exposures, maximum limits on market risk exposures, management information and stress testing requirements.

The financial impact of potential plausible but severe market stresses is examined through stress tests carried out within the ICAAP. Market risk arises from exposure to movements in interest rates, equity and property values and foreign exchange rates.

B4.3 Liquidity risk

Liquidity risk is the risk that a firm does not have available sufficient financial resources to meet its obligations as they fall due, or can only secure these resources at excessive cost.

OMW has established a liquidity risk policy, which sets out the practices that each company must perform to manage exposure to liquidity risk.

B4.4 Operational risk

Operational risk is the risk of loss resulting from in inadequate or failed internal processes, people and systems or from external events, and includes legal risk.

In accordance with OMW policies, the management have primary responsibility for the identification, management and monitoring of risks, and escalation and reporting on issues to company executive management and to Group.

The company executive management have responsibility for implementing the OMW risk management methodologies and framework and for development and implementation of action plans to manage risk levels within acceptable tolerances and resolve issues.

B4.5 Investment contract risk

Investment contract risk arises through exposure to unfavourable operating experience in respect of factors such as persistency levels and management expenses relative to the company's expectations when pricing contracts, which may prevent the firm from achieving its profit objectives.

The financial impact of persistency and expense risks is examined through stress tests.

Persistency

Persistency risk is the risk that the rate at which customers surrender and cease paying regular premiums exceeds the expectation when preparing the business plan. Excessive surrenders and regular premium cessations can result in a reduction in profits in future years.

Persistency statistics are monitored monthly to identify emerging trends. Actions may be triggered as a result of higher than expected lapse rates.

In the short term, profit is not materially impacted by reasonably foreseeable changes in persistency experience.

Expenses
Expense risk is the risk that actual expenses exceed the expectation when preparing the business plan. This may result in emerging profit falling below the company's profit objectives.

Expense levels are monitored quarterly against budgets and forecasts. An activity based costing process is used to allocate costs relating to processes and activities to individual products.

B4.6 Pension obligation risk

QC operates two defined benefit pension schemes; the Quilter Cheviot Retirement Benefits Scheme and the Quilter Cheviot Channel Islands Retirement Benefits Scheme. Both schemes are closed to new members, and were closed to the accrual of future service benefits for in-service members as at 31 December 2014, such that all these members in this category become paid-up deferred members.

B4.7 Risk and capital management

The Capital Management Policy sets out the key considerations and restrictions with regard to the amounts of capital that is retained. The consolidation group retains sufficient resources to meet regulatory capital requirements and to maintain working capital to provide for fluctuations in experience. The regulatory capitals have been met throughout the year. The ICAAP is used to access the level of capital which should be retained by the company the ICAAP considers all the risks faced by the company and the degree to which risks have similar or related causes and could occur together.

The potential impacts on the capital resources and future profits of the company are assessed regularly. Market and investment contracts are assessed through stress tests applied to business plan financial projections by varying assumptions for future experience. Operational risks are assessed using scenario based risk assessments, constructed using expert judgement supplemented by review of the risk control processes in place, internal and external event data, key risk indicators and internal and external audit opinions. Credit risks are assessed by determining the financial exposure to material counterparties and the likelihood of default of these counterparties. Credit ratings are used to assess the likelihood of default.

The OMW Consolidation Group regards the regulatory statutory capital resources of £199.1 million as capital. The regulatory capital requirements have been met throughout the year.

Section C. Capital Resources

CI Regulatory Pillar I Capital Resources

The table below illustrates the elements of the OMW consolidated group's capital resources.

Own funds	£millions
Permanent share capital	132.2
Profit and loss account and other reserves	66.9
Interim net losses	-
Common equity tier 1 capital	**199.1**
Deductions	0.0
Own funds	**199.1**

C2 Reconciliation of Pillar I Basis to International Financial Reporting Standards Basis

Reconciliation to IFRS basis	£millions
Own funds	**199.1**
IFRS goodwill intangible asset	31.6
Deferred acquisition cost and deferred fee income intangible assets	4.0
Reclassifications (Liabilities/equity)	1.0
Total IFRS equity	**235.8**

Section D. Capital Requirements & Capital Adequacy

D1 Regulatory Pillar I Capital Requirement

The Pillar 1 capital requirement under CRD IV is based on the higher of the credit risk capital requirement plus the market risk capital requirement and the fixed overhead requirement. The table below gives a summary of the Pillar 1 capital requirement at 31 December 2015:

Pillar 1 capital requirement	£millions
Credit risk capital requirement	20.9
Market risk capital requirement	1.2
Total of credit and market risk	**22.1**
Fixed overhead requirement	65.6
Pillar 1 capital requirement	**65.6**

D1.1 Credit risk capital requirement

The OMW consolidation group has adopted the standardised approach to calculating relevant components of the credit risk capital requirement as 8% of total risk-weighted exposures.

The components of the credit risk capital requirement at 31 December 2015 are set out in the following table:

	Exposure (£millions)	Average risk weight	Risk weighted exposure (£millions)	Risk weighted exposure at 8% (£millions)
Debtors	274.1	66%	181.5	14.5
Cash	230.6	20%	46.1	3.7
Fixed Assets	13.8	100%	13.8	1.1
Other	19.6	100%	19.6	1.6
Total	**538.1**		**261.0**	**20.9**

D1.2 Market risk capital requirement

The OMW Consolidation Group has minor market risk exposures since company money is generally in bank deposits and the Group has little exposure to foreign currency exchange rates. The market risk capital requirement is determined as £1.2 million.

D1.3 Fixed overhead requirement

The fixed overhead requirement is determined as 25% of the fixed expenditure of the OMW Consolidation Group, based upon the latest audited statutory accounts of the entities which make up the OMW Consolidation Group. The fixed overhead requirement for the OMW Consolidation Group has been determined as £65.6 million.

D2 Regulatory Pillar I Capital Adequacy

£000s	£millions
Pillar I capital resources	199.1
Less: Pillar I capital requirement	(65.6)
Capital surplus	133.5

D3 Regulatory Pillar II Capital Adequacy

Under Pillar II investment firms are required by the FCA to carry out an assessment of the adequacy of their capital resources based on its own assessment of the risks that they face rather than the regulatory prescribed calculation under Pillar I. This assessment is presented within the ICAAP. The ICAAP is an internal report which is shared with the FCA and is subject to supervisory review and evaluation by the FCA every two years.

Section E. Remuneration Policy and Practices

E1 Introduction

Certain rules apply to the remuneration policy and practice for staff whose professional activities have a material impact on the risk profile of OMW's regulated entities to which Remuneration Codes apply. These employees are referred to as Remuneration Code Staff or Material Risk Takers ("MRTs"). MRTs comprise categories of staff including senior management, risk takers, staff in control functions and those individuals whose remuneration exceeds certain quantitative criteria.

Across the business we have identified 63 MRTs for 2015. The aggregate quantitative information on remuneration shown below relates to our MRTs for performance year ending 31 December 2015.

E2 Decision making process

Remuneration for all staff, including MRTs, is governed by the Old Mutual Group remuneration policy. The policy has been designed to discourage risk taking outside of Old Mutual Group's risk appetite, be supportive to the Group's strategy, objectives and values and to align the interests of employees, shareholders and customers.

The policy is overseen across the Old Mutual Group by the Old Mutual plc Remuneration Committee and within Old Mutual Wealth Management Limited ("OMWML") by the Old Mutual Wealth Remuneration Committee (the "RemCo"). OMWML is a holding company and the regulated entities to which Remuneration Codes apply sit within the OMWML management structure.

The RemCo is appointed by the OMWML Board and consists of non-executive directors of OMWML and a director of Old Mutual plc, which enables it to exercise independent competent judgement in remuneration matters in the context of managing risk, value and capital in line with shareholders' expectations. This includes the remuneration process, structure and operation which are actively monitored as an integral part of their oversight. The RemCo met 6 times in 2015.

E3 Link between pay and performance

Remuneration for MRTs is made up of fixed compensation (salary and benefits) and variable performance-related pay (short-term and long-term incentives). The long-term nature of the businesses in which we operate is reflected in our remuneration structures both to support the creation and preservation of value in the Group for the benefit of all shareholders and to align interests with customers. Variable incentive plans include mechanisms such as risk adjustment and deferral and holding periods in order to underpin these aims.

Short-term incentives

Short-term incentives are structured to incentivise the achievement of annual performance objectives and to align senior management reward to customer and shareholder outcomes. Business plans against which performance objectives are set and measured are market appropriate. Awards for MRTs include an element of deferral into either Old Mutual plc restricted shares or OMGI fund units. The deferred portion is designed to further align staff, customer and shareholder interests and to support employee retention. The vesting period is 3 years with awards vesting annually in equal instalments.

Long-term incentives

Long-term Incentive awards align key senior management remuneration with the success of the Company in achieving its strategic priorities and growing the value of the business through quality and sustainable earnings. The award is in the form of equity interest and the vesting period is three years from the date of grant. The Old Mutual plc Remuneration Committee may reduce the extent to which an award vests if it considers that undue risks were taken which could adversely impact future business earnings, operations or the reputation of the company. After vesting, a portion of the shares will be subject to a further 12-month restricted period during which the shares may not be sold and clawback provisions apply.

E4 Determining bonus pools for variable pay awards

The way that bonus pools are determined ensures that the outcome is aligned to specific, measurable and relevant business results in a transparent manner with full consideration of the risk performance of the business. Pool structures are intended to share a portion of the value created with the employees of that business. This includes pools for:

- investment professionals where bonuses are linked to a combination of investment desk profitability, investment performance and non-financial performance metrics;
- sales professionals where bonuses are allocated to individuals based on the achievement of pre-agreed performance objectives – both financial and non-financial – and the overall performance of the business; and
- general staff where bonuses are allocated based on individual performance and the overall performance of the business.

Pool outcomes are based on agreed business plans and economic and market assumptions set at the start of each year. Profit is used as a primary measure in determining the size of the pools; however other factors aligned to the business strategy such as net client cash flow, investment performance and progress against strategic projects also determine pool outcomes.

The RemCo exercises its judgement and discretion to adjust pool outcomes at the end of the year in order to ensure that actual remuneration reflects all performance-related and risk-adjusted factors. Factors that they may take into account include, but are not limited to:

- quality of earnings/results;
- risk management performance;
- economic and market factors not anticipated at the start of the year;
- performance relative to competitors; and
- competitive market remuneration.

E5 Share related awards and link to performance

Deferred share awards are subject to malus during the deferral period. Malus may be applied if, in the opinion of the Old Mutual plc Remuneration Committee, any of the following circumstances apply:

1) if the results or accounts or consolidated accounts of any company, business or undertaking in which the participant worked or works or for which he was or is directly or indirectly responsible are found to have been materially incorrect or misleading;

2) if the company, business or undertaking in which the participant worked or works or for which he was or is directly or indirectly responsible subsequently makes a loss out of business written due to poor risk management; and

3) if the performance of the company, business or undertaking in which the participant worked or works or for which he was or is directly or indirectly responsible and upon which the Old Mutual plc Remuneration Committee relied in making its determination to grant an award to the participant and/or the size of such award is found to have been based upon any material misrepresentation.

Share Plan rules require that awards may not be hedged in any manner (such as by the participant ceding or assigning rights to a third party).

The exit conditions to be applied to share awards will be determined by the share award scheme rules. Any request for non-standard treatment must be escalated for approval via the Group's Remuneration Governance process.

E6 Material Risk Taker remuneration

During 2015, the following amounts were paid in fixed and variable remuneration to material risk takers (MRTs). Fixed remuneration includes base salary and benefits received between 1 January 2015 and 31 December 2015. Variable remuneration includes 2015 annual bonus awards made in March 2016 and the unrestricted market value of long term incentive awards granted in 2015.

The individual regulated entities to which CRD III/IV rules apply complete their own Pillar III disclosures, which are set out below (note some employees may be MRTs for more than one entity):

Old Mutual Wealth Limited

	2015 Senior Management (rounded to nearest £thousand)	2015 Other MRTs (rounded to nearest £thousand)
Number of MRTs	4	14
Fixed Remuneration (£)	1,704,000	3,334,000
Variable Remuneration (£)	3,260,000	3,402,000
Total (£)	4,964,000	6,736,000

Quilter Cheviot Limited

	2015 Senior Management (rounded to nearest £thousand)	2015 Other MRTs (rounded to nearest £thousand)
Number of MRTs	4	26
Fixed Remuneration (£)	982,000	4,785,000
Variable Remuneration (£)	1,564,000	10,626,000
Total (£)	2,546,000	15,411,000

Old Mutual Global Investors (UK) Limited

	2015 Senior Management (rounded to nearest £thousand)	2015 Other MRTs (rounded to nearest £thousand)
Number of MRTs	8	7
Fixed Remuneration (£)	2,183,000	1,220,000
Variable Remuneration (£)	7,436,000	4,741,000
Total (£)	9,619,000	5,961,000