

Nedbank Group Directors' Affairs Committee (DAC or the Committee) Charter



Secretary: Jackie Katzin

Addendum C

INTRODUCTION AND OBJECTIVES

The DAC is appointed by the Nedbank Group Limited board to perform the functions set out in this Charter to enable the board to achieve its responsibilities in relation to matters arising from and associated with:

- Section 60A and Regulation 49 of the Banks Act (Compliance Function);
- Section 60B and Regulation 39 of the Banks Act (Corporate Governance); and
- any corporate governance requirements that need to be considered in order for it to discharge its mandate.

The Committee shall also:

- fulfil the responsibilities of a Nomination Committee, as guided by King IV;
- monitor the corporate governance requirements of King IV; and
- consider the following key risks as listed and defined in the Group's Enterprise-wide Risk Management Framework (ERMF):
 - ad hoc strategic risk matters;
 - reputational risk;
 - compliance risk; and
 - corporate governance risk.

General Note:

The DAC is appointed and authorised by the board in terms of Section 72(1)(b) of the Companies Act and is required to discharge all the functions set out in Section 64B of the Banks Act and the regulations thereto.

ROLES & RESPONSIBILITIES

The Committee has a monitoring, oversight, and decision-making responsibility. The functions listed below shall be the common recurring activities of the Committee in discharging its mandate. This charter serves as a guide and does not prevent the Committee from carrying out such additional functions and adopt such additional measures as may be appropriate in the light of changing business, regulatory, strategic, risk or other conditions.

The roles and responsibilities of the committee are as follows:

- monitor progress with implementation and achievement of the board's corporate governance objectives, such as the principles and practices as articulated in King IV;
- determine and evaluate the adequacy, efficiency and appropriateness of the corporate governance structure and practices of the group;

- aside from the Group's annual strategic planning process, overall strategic objectives and resultant business plans, which are the responsibility of the full board, the DAC may assist, evaluate and advise the board on any specific and significant ad hoc strategic risk issues (issues), in need;
- act as a sounding board for issues proposed by management that are material to the group's strategies and objectives;
- regularly assess the conduct and competence of directors and board committees and assist the board in determining whether the services of any director should be terminated;
- assist the board in ensuring that the group is at all times in compliance with all applicable laws, regulations and codes of conduct and practices;
- make recommendations generally to the Nedbank Group Board on the appointment of new executive and non-executive directors and its composition generally, and on the appropriate distribution of members in terms of executive and non-executive directors and independent non-executive directors, and on the diversity of the board;
- conduct and facilitate succession planning for the Chair of the Board, Lead Independent Director, the Chief Executive (CE) and executive directors, subject to Board involvement and final approval;
- establish and maintain a board directorship continuity programme (which is incorporated in the policy on nominations and appointment of directors), in line with the requirements of the Banks Act and King IV, entailing:
 - a review of the performance of, and planning for successors to, the executive directors;
 - the review of succession plans for Nedbank Group Executive Committee members to ensure that a management succession plan is in place;
 - measures to ensure continuity of non-executive directors;
 - a regular review of the composition of knowledge, skills and experience, diversity and other qualities required for the effectiveness of the board;
 - annual evaluation of the effectiveness of the board, and periodic peer reviews to assess the contribution of each individual director (which assessment shall be co-ordinated by the Group Secretary);

- ensure that all directors are made aware of significant changes in the economic, political, social and legal climate and consider relevant in-house and external training to assist all directors to keep abreast of any significant changes and trends in these areas;
- regularly review the implementation of board governance practices for all (main and subsidiary) boards, including but not limited to board composition, attendance at meetings, board succession planning, board induction and ongoing education, and ensure an appropriate distribution of members is maintained in respect of board and committees;
- ensure that the bank maintains an independent and effective compliance function as part of its risk management framework. In this regard, the Group Chief Compliance Officer (GCCO) shall:
 - have senior executive status;
 - function independently from functions such as internal audit and shall be demonstrably independent;
 - report to the CE and have unfettered access to the Chairman of the Board and the Board.
- receive reports from the GCCO on the level of compliance with laws and regulations or supervisory requirements by the bank;
- oversee the adoption of best practice in compliance risk management to ensure that compliance risk is properly identified, evaluated/measured, managed and monitored on an ongoing basis;
- receive reports from the Group Reputational Risk Committee (GRRC) on decisions and key discussions of the GRRC on material reputational risk related matters;
- approve decisions of the GRRC that are escalated to the DAC for approval in accordance with the 4-Tier Framework for clients and the 4-Tier Framework for suppliers; and
- perform such further functions as may be prescribed by the board, or the Prudential Authority from time to time in the Banks Act and/or Regulations relating to Banks.