

Market Conduct Policy Executive Summary Extract



1 Why we need this policy

It is important for Nedbank Group (**we, us, our, the group**) to treat its **clients** fairly throughout its interaction with them, so that it complies with regulations and legislation aimed at protecting clients and so that it lives up to its values of integrity, respect, accountability, and being people-centred.

Achieving high standards of **market conduct** and ensuring fair client outcomes are a core priority for us. Therefore, this policy establishes the key principles aimed at ensuring that we:

- treat our clients fairly and that our clients are confident, informed and empowered in their dealings with us; and
- clearly understand the key components of market conduct risk and how these impact on our business strategy and decision-making.

2 Goal of this policy

The goal of this policy is to:

- define the principles that govern market conduct in alignment with the FSRA and TCF outcomes; and
- formalise the market conduct risk management approach to enable consistent risk identification, management and oversight of risks and issues that may arise from activities across the group;
- Promote financial inclusion by ensuring that products, services, and channels are accessible and appropriate for all client segments, including those historically excluded from the financial system; and
- Embed fairness into all stages of the client journey, from product design, distribution, marketing, sales through to servicing and after-sales support.

3 To whom this policy applies

This policy applies to all board members and employees of the group, including all subsidiaries and third parties.

4 Key principles

4.1 Fair client outcomes

We aim to achieve fair outcomes, in a manner which the client will be confident that:

- we have a culture of treating our clients fairly;
- the advice and information we give them about products and services:
 - is clear, sufficient, and suitable;
 - consider their circumstances;
 - relevant and tailored to their needs and situations; keep them informed before, during and after they have signed a contract with us; and
 - clearly disclose risks and cost associated with the product in a way that is easy to understand.
- products and services work as we have led the client to expect, and related services are of an acceptable standard.
- we price our products fairly and transparently, reflecting their value to the client.
- we follow a needs-based approach when we segment clients to ensure that we are targeting the right products and services to the right clients (to ensure product and service are suitable for targeted clients);
- there are no unreasonable post-sale barriers that will make it difficult for clients to change products or providers, submit a claim or make a complaint; and
- throughout our innovation, including digitisation, the client's needs come first and that we will offer new products and services that are easy to understand and use (our innovation including digital ensures that ...).

4.2 People and culture

The board and all employees are responsible for ensuring that clients are treated in line with this policy.

Ultimately, people and culture refers to the integration of Market Conduct outcomes as a key consideration of the employee journey, including appropriate training, remuneration, targets, incentives, conflict of interest manage and change management, and consequence management.

4.2.1 Board

The board, together with its committees and Group Executive Committee (Group Exco), must:

- monitor the establishment of a culture of fair treatment throughout the organisation; and
- ensure that:
 - strategic and business planning, business cases and/or project expenditure always considers market conduct principles, market conduct risk and the fair treatment of clients;
 - breaches of the **market conduct risk appetite** (statement) and market conduct risk tolerance are monitored to ensure mitigating controls are in place;
 - all breaches of market conduct are corrected; and
 - our remuneration strategy and remuneration policy focus on and rewards behaviours that support best-practice market conduct.

4.2.2 Employees

Employees must always know and understand what constitutes good market conduct, complete market conduct training and apply this policy, while understanding that market conduct is a key part of all relevant individual goal commitment contracts within the group, and these goal commitment contracts also set and measure key behavioural indicators.

4.3 Compliance with regulatory requirements

This policy must be applied in line with applicable consumer protection legislation and regulations, including the following:

- Financial Advisory Intermediary Services (FAIS) Act 37 of 2022.
- Long-term Insurance Act, 52 of 1998.
- Short-term Insurance Act, 53 of 1998.
- Policyholder Protection Rules.
- Consumer Protection Act, 68 of 2008.
- Protection of Personal Information Act (POPIA), 4 of 2013.
- National Credit Act (NCA), 34 of 2005, as amended.
- Financial Markets Act (FMA), 19 of 2012.
- Financial Institutions (Protection of Funds) Act, 28 of 2001.
- Collective Investments Schemes Control Act, 45 of 2002.
- Pension Funds Act, 24 of 1956.
- Financial Sector Regulation Act, 9 of 2017.
- Financial Sector Conduct Authority (FSCA) Conduct Standard, 3 of 2020 (Banks).
- FSCA FMA Conduct Standard 2 of 2018 for Authorised Over-The-Counter (OTC) Derivative Providers.
- Johannesburg Stock Exchange (JSE) Rules and Directives.
- Promotion of Equality and Prevention of Unfair Discrimination Act, 4 of 2000.
- Promotion of Access to Information Act, 2 of 2000.

Note: where other international jurisdictional requirements are higher, those requirements must be applied. The laws cited in this section are only for South Africa.

This serves as an extract of the Main Complaints Management policy.
Signed on behalf: D Beyers

Eleni Albanis: 