Group Model Risk Oversight Committee Charter

1. Introduction

a. The Group Model Risk Oversight Committee (GMROC) is appointed and authorized by the Nedbank Group Limited Board of Directors ("board") to perform the functions set out in this charter.

2. Objectives

a. The objectives of the Committee is to act as a dedicated governance mechanism to enable the Board to achieve its responsibilities in relation to the following:

   i. Identification, assessment, control, management, reporting and remediation of all categories of model risks,

   ii. Adherence to internal risk governance frameworks, policies, procedures, processes and practices in relation to the Group's models and model risk,

   iii. Provision of board-level oversight of model risk across the Nedbank Group, ensuring compliance with regulatory requirements.

3. Delegation and Authority

a. The board delegates its responsibility and authority, but not accountability, for model risk and governance oversight to the GMROC in terms of section 72(1)(b) of the Companies Act, 71 of 2008, noting the GMROC's mandate to support compliance with the Banks Act and related regulations.

b. The GMROC is specifically delegated by the board to oversee all governance and assurance activities relating to model risk. The GMROC's responsibilities encompass all matters pertaining to the oversight, management, and governance of model risk within the Group. The approval and authorisation of model outputs for their respective applications within the Group remain the responsibility of the Group Credit Committee (GCC), Group Audit Committee (GAC), and Group Risk and Capital Management Committee (GRCMC), as appropriate. This ensures that model risk governance is centralized under the GMROC, while existing board committees continue to exercise their mandates for the use of model outputs in accordance with their respective areas of responsibility.

c. The GMROC's scope and authority extend to all activities in the Group where there is model risk, and it may rely, without abrogating its responsibilities, on the work and reporting of management committees and assurance providers, including the Model Risk Committee (MRC), Executive Credit Committee (ECC), Assets and Liabilities Committee (Alco), Group Finance Forum, Group Operational Risk Committee (GORC), Group Risk Analytics (GRA), Group Credit Risk (GCR), Credit Model Validation Unit (CMVU), Group Market Risk (GMR), Group Internal Audit (GIA), and the Group's external auditors.

d. The GMROC shall be a subcommittee of the Group's Main Board.

4. Scope

a. With regard to the identification, assessment and management of model risks, the GMROC shall monitor all model risks related activities in the group including, but not limited to:

   i. Credit, Market, operational and strategic risk models;

   ii. Internal Capital Adequacy Assessment Process (ICAAP)/Internal Liquidity Adequacy Assessment

   iii. Process (ILAAP) and economic capital models;

   iv. Material and high-risk Artificial Intelligence and Machine Learning models.

5. Roles and Responsibilities

a. The GMROC provides enhanced board-level oversight of model risk, assurance outcomes, and strategic modelling initiatives.

b. It oversees governance and strategic programmes across Group functions to ensure appropriate modelling capabilities are maintained and to meet Board and regulatory expectations.

c. Review of the Group's material models, as required by the Prudential Authority (PA) and in accordance with Nedbank's SARB PA Advanced Internal Ratings Based (AIRB) Communication Policy.

d. It monitors material model-related issues, assurance findings, and remediation progress, including regulatory commitments, and ensures the adequacy, independence, and resourcing of model risk management functions or practices.

e. The GMROC assures the Board of the effectiveness of model risk governance across the Group, informed by regular updates on the model landscape, governance structures, oversight responsibilities, and enhancement initiatives.

6. Membership

a. The GMROC should consist of at least seven members.

b. Membership shall include **four designated Non-Executive Directors (NEDs)** of the Board, alongside key executive board members and other executives, as detailed below:

   i. **Chairperson**: Chair of the Group Credit Committee (GCC)

   ii. **Alternate Chairperson**: Chair of the Group Risk and Capital Management Committee (GRCMC)

   iii. Chair of the Group Audit Committee (GAC)

   iv. One other non-executive director

   v. Group Chief Executive (CE)

   vi. The Group Chief Financial Officer (CFO)

   vii. The Group Chief Risk Officer (CRO)

viii. The Managing Executives (MEs) of frontline clusters: PPB, BCB, and CIB – supported by the Cluster Executive Heads of Risk, who serve as alternates for MEs and will be invitees.

c. A quorum for GMROC meetings shall consist of any two of the four appointed NEDs.

d. In the event of changes to Board composition, or the retirement or resignation of any designated member, the Board shall retain discretion to revise the Committee's membership to ensure continued effectiveness and alignment with its governance objectives.

7. Document Control

Date	Description	Reference
31/10/ 2025	Approved of the charter by the Board	Main Board