

Confidential
The Land and Agricultural Development Bank of South Africa
P O Box 375 Pretoria 0001
Block D Eco Glades 2 Office Park, 420 Witch Hazel Avenue Eco Park
CENTURION



Registered credit provider: Reg number NCRCP18

HUMAN RESOURCE COMMITTEE CHARTER

2020-2021



**LAND AND AGRICULTURAL DEVELOPMENT BANK OF SOUTH AFRICA
(LAND BANK)**

HUMAN RESOURCES COMMITTEE CHARTER

1. OBJECTIVE

- 1.1. The objective of the Human Resources Committee is to assist the Board of Directors (the "Board") of the Land and Agricultural Development Bank of South Africa (the "Land Bank") in discharging its duty to oversee the establishment of appropriate human resources policies and strategies that provide the Land Bank with the capability to achieve its short and long term business objectives.

2. AUTHORITY

- 2.1. The Human Resources Committee ("the Committee") is constituted as a Committee of the Land and Agricultural Bank of South Africa (Land Bank) in terms of section 15 of the Land and Agricultural Development Bank Act (Act 15 of 2002), and a committee of the Board of Directors of Land Bank (the "Board") in respect of all other duties assigned to it by the Board;
- 2.2. The Committee's functions and powers are set out in this Charter or otherwise delegated to it by the Board, in accordance with the Land Bank Act and the approved Delegations of Power (DOP);
- 2.3. The Board has delegated certain matters to the Committee, however it is not divested of a function conferred and delegated to the Committee. The Board retains full responsibility for the Land Bank's human resources strategy;
- 2.4. The Committee acts independently of management in accordance with its mandate and the delegated authority of the Board as recorded in this Charter.

3. COMPOSITION

- 3.1. The Committee shall consist of a minimum of three (3) but not more than six (6) independent non-executive Directors, 'hereinafter referred to as Members' appointed by the Land Bank Board;
- 3.2. The Land Bank Board shall appoint the Committee Chairperson from the non-executive Directors of the Committee;
- 3.3. The Chief Executive Officer (CEO) shall attend the meetings as a non-voting member of the Committee;
- 3.4. The Chief Financial Officer (CFO) shall attend the meetings as a non-voting member of the Committee;
- 3.5. The term of office of each member shall be aligned to their tenure as a Director of the Board of the Land Bank;

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- 3.6. The remuneration of the members of the Committee shall be determined by the Minister of Finance as per section 14 of the Land Bank Act;
- 3.7. The Board has the power to at any time remove member(s), dissolve and reconstitute the Committee. If a member of the Committee ceases to be an employee of the Land Bank or a member of the Land Bank Board, such a member automatically ceases to be a member of the Human Resources Committee.
- 3.8. Vacancies arising from the Committee shall be filled within forty (40) working days after the vacancy arises.

4. DUTIES AND RESPONSIBILITIES

4.1. Human Capital Management

The Human Resources Committee is responsible for overseeing the overall human resources strategy for the Land Bank, which is designed to provide:

- a rich supply of high calibre talent with the capability to lead the Bank now and into the future;
- diversity of employees to reflect the available talent in the market place and consumer demographics;
- training and development that will equip employees with the skills and knowledge to perform their duties and achieve their individual level of potential;
- a high performance culture and employee engagement that will drive organisational success;
- a level and mix of reward and recognition that:
 - will attract and, retain employees with the requisite skills and expertise and motivate high performance;
 - provides strong linkages between Bank's and individual performance;
 - maintains the integrity of the Land Bank's remuneration principles, strategies and practices; and
 - aligns shareholder and employee interests;
- a level of remuneration for executive directors that is sufficient to ensure that the Land Bank is able to appoint and retain executive directors with appropriate skills, expertise and experience; and
- a robust and disciplined approach to reward that:
 - provides a framework for undertaking reviews of remuneration proposals; and

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- is compliant with current governance and legislative requirements related to remuneration practices.

4.2 Talent Management

- The Committee will oversee the annual talent review process for Executives, senior management, and the development of succession plans for Executives and key senior management to foster an appropriate balance of skills, experience, and expertise to support the ongoing successful management of the Land Bank.

4.3 Diversity

- The Committee is responsible for overseeing and ensuring that diversity remains a key component of the Land Bank's human resources strategy.
- The Committee is to oversee an appropriate Land Bank wide diversity policy and report to the Board at least annually on progress in achieving the objectives of that policy. This includes any analysis and reporting required under current legislation.
- The Committee is to satisfy itself that all legal and disclosure requirements in relation to diversity are satisfied.
- The Committee is to oversee management's preparation of the diversity and inclusion section in the Land Bank's Annual Report to ensure it is consistent with the information known to the Committee, and appropriately reflects the decisions of the Committee and the Board and the outcomes of those decisions.

4.4 Leadership development

- The Committee is to oversee programs for the induction and ongoing leadership and capability development of Executives and key senior management (and potential senior management, as identified through the talent management and succession planning processes).

4.5 Recruitment, retention and termination

- The Committee is to oversee the Land Bank's recruitment, retention and termination of Executives in order to ensure a market-competitive approach with the Land Bank sourcing and retaining the level of talent required.

4.6 Reward and remuneration

The Committee is to:

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- review regularly and recommend to the Board for approval the remuneration policy for Executives and senior management;
- review regularly and recommend to the Board for approval the remuneration arrangements of Executives including fixed and variable remuneration components, performance measures and targets for incentives, having regard to the outcome of the annual performance review of the Executives;
- review regularly and recommend to the Board for approval the terms and conditions of the Chief Executive Officer's employment contract;
- consider, and if deemed appropriate, approve the employment contract terms and remuneration arrangements of the Executives, as recommended by the Chief Executive Officer and with regard to the outcome of annual performance reviews; and
- delegate authority (as the Committee considers appropriate) to the Chief Executive Officer and the Executive Manager of Human Capital to approve the remuneration packages of employees outside of the Executives, within the remuneration policy and framework approved by the Committee.

4.7 Remuneration disclosures and approvals

The Committee is to:

- satisfy itself that all governance, accounting, legal, approval and disclosure requirements in relation to remuneration are complied with;
- satisfy itself that any new or varied contracts with the Chief Executive Officer are disclosed in accordance with any governance, accounting and legal requirements;
- oversee management's preparation of the Remuneration Report for inclusion in the Land Bank's Annual Report, review the Remuneration Report to ensure it is consistent with the information known to the Committee, and appropriately reflects the decisions of the Committee and the Board and the outcomes of those decisions, and recommend it to the Board for approval; and
- oversee the Land Bank's engagement and communications with key stakeholders in relation to the content of the Remuneration Report.

4.8 *Other matters*

The Committee is also responsible for reviewing the following matters:

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- staff resourcing trends and Human Resources metrics; and
- Board Special Projects as identified from time to time, or requested by the Board.

4.9 Nominations

The Committee shall:

- Process the applications for Nominee Directors into investee companies where the Land Bank has equity investments;
- regularly review the structure, size and composition (including the skills, knowledge, experience, independence and diversity) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- Identify the skills that are required on the Board of entities in which the Land Bank has an equity stake;
- give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Bank, and what skills and expertise are therefore needed on the Board in the future;
- keep up to date and fully informed about strategic issues and commercial changes affecting the Bank and its subsidiaries and the markets in which they operate;
- be responsible for identifying, developing and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- prepare a job specification for the appointment of a chairman of the Board including the time commitment expected;
- for any director appointment, the proposed appointee's other significant commitments and business interests that may result in a conflict of interest should be disclosed to the Board before recommending appointment and any changes to his or her commitments and/or relevant business interests should be reported to the Board as they arise;
- before making an appointment, evaluate the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
- in identifying suitable candidates:

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- use open advertising or the services of external advisers to facilitate the search;
- consider candidates from a wide range of backgrounds;
- consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
- keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- ensure each non-executive director shall receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;
- keep under review all legislative, regulatory and corporate governance developments that might affect the Bank's operations, striving to ensure that the Bank is at the forefront of best practice;
- ensure that the standards and disclosures required by the King Report on Corporate Governance for South Africa (2016) are observed and reflected in disclosures made in the Integrated Report; and
- review the results of the Board performance evaluation process;
- receive and consider reports on views expressed by Parliament, the shareholder and other interested parties in relation to corporate governance; and
- work and liaise as necessary with all other Board committees.

The Committee shall also make recommendations to the Board concerning:

- plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive Officer;
- suitable candidates for the role of Senior Independent Director;
- membership of board committees in consultation with the chairmen of those committees;
- the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge skills and experience required;
- the re-election by the shareholder of any director having due regard to their performance and ability to continue to contribute to the Board in the light of the

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knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);

- any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and the director's service contract;
- the appointment of any director to executive or other office other than to the positions of Chief Executive Officer and Chief Financial Officer, the recommendation for which would be considered at a meeting of the full Board; and
- legislative, regulatory and corporate governance developments that might affect Bank's operations.

5. REPORTING

- 5.1. The Committee shall at such intervals as it may prescribe or on request, receive reports from Management and monitor timely resolution of human capital issues or concerns raised in line with the allocated responsibility as reflected in the DOP;
- 5.2. The Chairperson shall formally report to the Board at the Board meeting following each Committee meeting, on a quarterly basis, on all matters that should be brought to the attention of the Board and any recommendations requiring Board approval and/or action;
- 5.3. The Committee shall guide on the preferred structure for developing reports, ensuring that the necessary focus, depth, emphasis, detail of the reports are sufficient to enable the Committee to apply itself in decision making processes;
- 5.4. The Committee shall be furnished with the following mandatory reports on a quarterly basis, or at such intervals as it may prescribe, or on request:
 - i. People Management Report
 - ii. Risk Management Report
 - iii. Legal (Industrial/Labour Relations) Report
 - iv. Compliance Report
 - v. Internal Audit Report
 - vi. Report on Management Letter and Internal Audit Issues Action Plan and Report
 - vii. National Treasury Report (including Corporate Scorecard)

6. WORK PLAN

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- 6.1. The Chairperson of the Committee in consultation with the Company secretary and with inputs from divisional executives shall formulate an annual Workplan for the Committee against the agreed objectives and goals.

7. MEETINGS OF THE COMMITTEE

- 7.1. Meetings of the Committee shall be convened by the Chairperson of the Committee through the office of the Company Secretary.

8. FREQUENCY OF MEETINGS

- 8.1. The Committee will meet a minimum of four times per financial year. However, the Committee may hold such additional meetings as the Chairman of the Committee may decide are necessary for the Committee to fulfil its duties, taking into account requests from any Board or Committee member, the Chief Executive Officer, the Executive Manager of Human capital or the Company Secretary.

9. AGENDA

- 9.1. Each Committee meeting will have an agenda based on the Committee Workplan in the case of a scheduled meeting, and in the case of special or ad hoc committee meetings on the specific matter the special or ad hoc meeting was requested.
- 9.2. Additional items may be included in the agenda for a scheduled meeting by notice to the Company Secretary and with the consent of the Chairperson of the Committee.
- 9.3. The Chairperson will review the agenda for each meeting prior to its issue.
- 9.4. The agenda together with the meeting documents will be issued to the Committee members at least seven (7) calendar days prior each Committee meeting.

10. QUORUM

- 10.1. The quorum for Committee meetings shall be two thirds of the number of members of the Committee who must all be non-executive Directors.
- 10.2. A quorum is defined by the presence of two thirds of Committee members at a meeting, in person or via teleconference.
- 10.3. Each member of the Committee has 1 (one) vote on a matter before the Committee and a majority of the votes cast on a resolution at a Committee meeting is sufficient to approve that resolution.
- 10.4. No decisions shall be taken at a committee meeting without the presence of a quorum.

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11. ROUND ROBIN PROCEDURE

- 11.1. The round robin resolution process shall only be instituted by the Committee Secretary from the office of the Company Secretary, in consultation with the Committee Chairperson.
- 11.2. Only matters of urgency shall be considered on a round robin basis, whereby the Committee Chairperson shall determine the urgency, complexity and materiality of the matter and decision to be taken.
- 11.3. A resolution in writing (round robin resolution) signed by a majority of the members of the Committee at the time when such a resolution is released for signature, shall be valid and effectual as if it has been passed at a duly constituted meeting of the Committee, provided that each member of the Committee shall have received notice of the matter to be decided and, thereby have been afforded reasonable opportunity to express an opinion on the matter to which such a resolution relates.
- 11.4. Reasonable time for conducting the round robin process shall be determined by the urgency of the matter being resolved on, ranging from 1 (one) to 5 (five) week days.
- 11.5. Any round robin resolution may be signed or accepted physically and hand delivered or in acceptable electronic form, such as SMS, Email; or fax.
- 11.6. Such resolutions taken shall be filled for safekeeping by the Secretary as part of the records of decision by the Committee.
- 11.7. All round robin resolutions should be tabled at the next Committee meeting for noting.

12. PRESIDING AT MEETINGS

- 12.1. The Chairperson of the Committee shall preside at Committee meetings. If the nominated Chairperson of the Committee is absent from a meeting, the members in attendance must elect one of the members present to preside as a Chairperson;

13. SECRETARY

- 13.1. The Company Secretary or his or her delegate will act as Secretary of the Committee.

14. MINUTES

- 14.1. Within ten (10) days of a Committee meeting, the Company Secretary shall prepare the draft minutes of a Committee meeting and submit them for review to the Chairperson of the Committee.

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- 14.2. The Chairperson of the Committee shall within two (2) days of receipt of the draft minutes review and approve them for circulation to all members of the Committee.
- 14.3. Minutes of meetings of the Committee will then be adopted at the next meeting of the Committee and signed by the Chairperson.

15. CONFLICT OF INTEREST

- 15.1. Committee members are bound by the provisions of the Land and Agricultural Development Bank of South Africa Director Conflict of interest Policy.

16. ACCESS TO MANAGEMENT AND STAFF

- 16.1. The Committee shall have such access to executive management and other members of staff as is provided for in the Board Charter (Governance Code).
- 16.2. The Committee shall have the right to seek explanations and additional information from management in writing or by oral representations in the same way and to the same extent as is provided for in the Board Charter (Governance Code).
- 16.3. Committee members must use proper judgement to ensure that their contact with the executive management and staff is for valid reasons only and does not amount to interference with, or detract from, the day-to-day operations of the Land Bank.
- 16.4. The Committee shall have unrestricted access to the company's records and resources necessary to discharge its duties and responsibilities.

17. SPECIALIST ADVISERS & CONSULTANTS

- 17.1. All Committee members have access to the advice and services of the Company Secretary and are entitled to seek independent professional advice about the affairs of the Committee at the expense of the Land Bank;
- 17.2. Before seeking such independent professional advice the Committee member concerned should discuss and clear the matter with the Chairperson of the Board and the Company Secretary, and such requests shall be subject to procurement processes
- 17.3. If approaching either of them is inappropriate in the circumstances of the matter, the Committee member must discuss and clear the matter with the Lead Independent Director;
- 17.4. If approaching the Lead Independent Director is also inappropriate in the circumstances of the matter, the Committee member must act with the best interests of the Land Bank being the guideline.

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18. DISPUTE RESOLUTION

- 18.1. Investigations
- 18.2. The Committee has authority to conduct or direct investigations into any matters within its terms of reference.
- 18.3. Dispute Resolution Mechanisms
- 18.4. The Committee members shall be bound by the provisions of the Code of Ethics and Governance Code when dealing with disputes from within the Committee Members;
- 18.5. Disputes pertaining to fact, decision making and business shall be escalated to the Board for consideration and guidance on resolution of the matter in dispute.

19. EVALUTATION OF COMMITTEE EFFECTIVENESS

- 19.1. In line with the approved Board Skills Matrix as well as principle 8 of the King IV, the members of the Committee must collectively have the sufficient knowledge, experience and qualifications required to fulfil their duties;
- 19.2. Members shall be knowledgeable about the affairs of the Land Bank its Governance framework;
- 19.3. New members should receive a complete induction that allows them to function effectively;
- 19.4. The Committee shall annually review and assess the adequacy of its mandate and its effectiveness in fulfilling its mandate.

20. REVIEW

The Committee's Charter will be reviewed annually and the Chairperson, following such review, will make recommendations to the Board in relation to the Committee's membership, responsibilities and functions or otherwise (and any amendments deemed desirable to the Charter).

APPROVAL OF THE CHARTER

This Charter was recommended by the Committee on **17 April 2020**

Chairperson:
Land Bank Human resources Committee

Date

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This Land Bank Human Resource Committee Charter was approved by Risk and Governance Committee on **29 April 2020**

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ANNEXURE 1 –RESPONSIBILITY RACI MATRIX

LEGEND

| | | | | |
|----------|--------------------|-----------------------|---|--|
| R | Responsible | "The Doer" | Committee working on the activity | This will refer to the committee that perform the actual work to achieve the task. |
| A | Accountable | "The buck stops here" | Committee with the final approval authority | The committee that is ultimately answerable for the correct and thorough completion of the deliverable or task, and the one who delegates the work to those responsible. In other words an accountable committee must sign off / approve work that the responsible committee recommends / provides. There must be only one accountable specified for each task or deliverable. |
| C | Consulted | "In the loop" | Committee to be consulted prior to decision or action | The committee whose opinions are sought by the responsible committee, typically subject matter experts (e.g. HR, Credit, |

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| | | | | |
|----------|-----------------|-----------------------|--|---|
| | | | | etc.); and with whom there is two-way communication. |
| I | Informed | "Keep in the picture" | Committee that needs to know of the decision or action | The committees that are kept up-to-date on progress, often only on completion of the task or deliverable; and with whom there is just one-way communication |

RACI MATRIX

| Risk Universe Category | HRC | Board | Comments |
|--|------------|--------------|--|
| INTERNAL PROCESSES | | | |
| Set and review of Risk Appetite. RGC is responsible for the overall risk management and appetite framework | | A | HRC to be consulted on parameters relating to people risk management. |
| Review Committee Charter | C | A | Committee to review its Charter and RGC will consult each committee on its own charter but ultimate responsibility for the governance of sub-committees lies with RGC. |

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| Risk Universe Category | HRC | Board | Comments |
|--|-----|-------|---|
| Ensure that a combined assurance model is applied and to provide a coordinated approach to all assurance activities | | A | RGC responsible for the effectiveness of the Combined Assurance model. |
| Review the integrated risk management philosophy, strategy and directives recommended by EXCO for use within Land Bank Group | | A | RGC is responsible |
| Review adequacy, independence and effectiveness of risk management processes | | A | RGC is responsible |
| Review and recommend Land Bank authority levels for approval by the Board | | A | RGC is responsible for the overall Delegation of Powers (DOP) framework |
| | | | CIC is to be consulted on credit risk related DOP parameters |
| Review and recommend Land Bank policies, standards, frameworks for approval by the Board | C | A | While RGC is responsible for ensuring that there are appropriate policies, standards and frameworks to govern the organisation, each subcommittee should be consulted with relation to matters that are subject specific, e.g. Human Resources, Ethics, Credit, Finance, etc. |

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| Risk Universe Category | HRC | Board | Comments |
|--|------------|--------------|---|
| Ensure that the operational risk assessment methodology is implemented, maintained and reported effectively throughout Land Bank | | A | RGC is responsible |
| Assess risks on an on-going basis and ensure that control activities are designed to respond to risks throughout Land Bank | | A | RGC is responsible |
| Ensure the use of the internal audit function or an independent, proficient third party to provide independent assurance on the robustness and effectiveness of risk management. | | A | RGC is responsible |
| Investigation and reporting of fraud (Section 5.2 of the DOP) | I | R | RGC is responsible |
| PEOPLE | | | |
| Annual HR KPI Finalisation | R | A | |
| Industrial Relations | R | A | Should be quarterly reporting as and when |
| Engagement/perception survey & change management initiatives | R | A | |

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| Risk Universe Category | HRC | Board | Comments |
|--|------------|--------------|---|
| Wellness Report | R | A | |
| Salary Increase Mandate & Trend Report | R | A | |
| Succession Planning | R | A | |
| Recruitment & Selection (appointments & Terminations) | R | A | Should be quarterly reporting as and when, including impact on EE |
| Organisational Performance Report | R | A | |
| Bonus Declaration | R | A | |
| Exec Salary Benchmarking | R | A | |
| Revised Salary Scale Report | R | A | |
| HR Annual Strategic Review | R | A | |
| Learning & Development Report | R | A | |
| SYSTEMS - IT RISK | | | |
| Ensure that IT is aligned with the performance and sustainability objectives of the Bank | | A | RGC is responsible |
| Monitor and evaluate significant IT investment and expenditure | | A | RGC is responsible |

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| Risk Universe Category | HRC | Board | Comments |
|--|-----|-------|--|
| Monitor IT Governance implementation | | | RGC is accountable |
| COMPLIANCE | | | |
| Legislative compliance monitoring | | A | RGC to focus on legal compliance risks, including impact of new or changed legislation. RGC to be consulted on Ethics Risks |
| | | | RGC responsible for risk, AFC to be informed to assess impact on Financials. |
| Review impact of pending litigation | | A | RGC to focus on legal risks impact of pending litigation actions. |
| | | | AFC to be informed for consideration of financial implication and disclosure. |
| EXTERNAL EVENTS | | | |
| Monitoring of Risk Registers (operational and emerging risks) including ensuring management considers and implements appropriate risk responses. | R | A | RGC responsibility includes monitoring external events & environmental scanning for impact on Land Bank. All subcommittees have responsibility to highlight to the risk |

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| Risk Universe Category | HRC | Board | Comments |
|--|-----|-------|---|
| | | | committee any items identified as part of their committee activities. |
| STRATEGY | | | |
| Provide Strategic Direction to the Bank | C | R | The board is overall responsible for providing the strategic direction to the bank, while each committee should then ensure that the strategy is implemented. |
| Set values and Code of Ethics and Business Conduct | | A | Responsibility of SEC |
| Evaluate Committee and individual performance | | A | Responsibility of SEC |
| Monitor the management of stakeholder relationships | | A | Responsibility of SEC |
| Annual Review of Strategic Risks | | A | RGC is responsible |
| ENVIRONMENTAL, SOCIAL & ETHICS | | | |
| Monitor the Social and Environmental impact of the Bank's activities, having regard to any relevant legislation or legal requirements or prevailing code of best practice. | | A | SEC responsible for monitoring social, ethical, reputational and environmental risks and their impact, while keeping Risk Committee informed of any resultant risks identified. |

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| Risk Universe Category | HRC | Board | Comments |
|---|------------|--------------|-----------------------|
| Set social responsibility agenda for the bank and monitor implementation and impact | | A | Responsibility of SEC |
| Monitoring the ethical risk profile of the bank | | A | Inform RGC |
| Review and promotion of an ethical culture | R | A | Inform RGC |
| REPUTATION | | | |
| Ensure that there is a process in place enabling complete, timely, relevant, accurate and accessible risk identification, management and disclosure to stakeholders | | A | Responsibility of SEC |
| Review and approval (acceptance) of reputational risks associated with a credit applications where Politically Exposed Persons (PEPs) / Politically Influential Persons (PIPs) are involved in the transaction or the clients have a very high Anti-money Laundering risk rating. | | A | Responsibility of SEC |
| TRANSFORMATION | | | |
| Employment Equity Reporting | I | A | |

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| Risk Universe Category | HRC | Board | Comments |
|---|-----|-------|---|
| Monitor and oversee the implementation of B-BBEE | | A | CIC monitors BEE in lending portfolio RGC to be consulted |
| CREDIT EVALUATION | | | |
| Assess, approve/recommend applications for credit | | A | Responsible for credit evaluations as defined in the DOP levels of authority. |
| Review and recommend credit model methodology (including pricing) | | A | RGC Consider appropriateness of credit models developed and report to RGC any identified or resultant risks. |
| CREDIT CONCENTRATION | | | |
| Review trends in asset and portfolio composition, quality and growth, non-performing loans, and concentration risk prudential limits and the Watch List (incl. workout & restructuring exposures), Large Exposures and any other emerging risk and direct management action where deemed necessary. | | A | CIC has responsibility for the review of the quality of the asset and investment portfolio RGC to be kept informed |
| | | | AFC is responsible for evaluating the financial statement impact of the asset and investment portfolio |
| Identify the build-up of concentration risk, as well as reputational, technological, legal and product risks. | | A | CIC looks at concentration risk in the lending and investment space, while reporting this to the RGC to |

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| Risk Universe Category | HRC | Board | Comments |
|---|-----|-------|--|
| | | | ensure no breaches in Risk Appetite parameters |
| CREDIT DEFAULT | | | |
| Ensure the quality of Land Bank's credit portfolio is in accordance with these requirements by monitoring credit risk information | | A | RGC to be kept informed |
| INVESTMENT RISK | | | |
| Consideration and evaluation of Investment decisions | | A | |
| EXTERNAL RATING | | | |
| Ensure that the bank maintains a credible external rating with an accredited External Rating Agency | | A | RGC to be kept informed |
| Risks relating to the impact of External Rating Agencies on the Land Bank and its environment | | A | RGC responsible |
| ACCOUNTING, AUDIT & TAX | | | |
| Recommend approval of the Budget to Board | | A | |

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| Risk Universe Category | HRC | Board | Comments |
|--|------------|--------------|---|
| Review of the quarterly financial statements | | A | Quarterly reports tabled at AFC. |
| Review Financial Statements for release to the AG | | A | |
| Review audited Annual Report and recommend to Board for approval | | A | RGC consulted |
| Review the expertise, resources and experience of the company's finance function, and disclose the results of the review in the integrated report. | | A | Not formally done |
| Review the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information | | A | Focus areas: AFC - Financial disclosure |
| | | | RGC - Risk impact |
| Review and recommend risk management information for inclusion in the Annual Report | | A | RGC responsible |
| | | A | Details to be tabled at AFC |

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| Risk Universe Category | HRC | Board | Comments |
|--|------------|--------------|--|
| Review audit findings and action plans of management | | | RGC looks at impact of findings on Risk. |
| Recommend the approval of the Internal Audit Plan | | | RGC to be consulted in order to ensure that significant risk are addressed in the plan. |
| Review the adequacy, efficiency and independence of Internal Audit | | A | |
| Review External Audit, Independence Strategy and Approve External Audit Fees | | A | |
| MARKET RISK- INTEREST RATE, TRADING & INVESTMENT RISK | | | |
| Trading – Interest Rate, Trading & Investment risk | | A | Market risk management strategies and reporting matters to be handled at AFC (e.g. interest rate management, etc.) |
| | | | Risk assessment matters to be handled at RGC while reporting matters to be handled at AFC |
| LIQUIDITY& REFINANCING RISK | | | |
| Liquidity & Refinancing Management | | A | Liquidity management strategies and reporting matters to be handled at AFC |

**LAND AND AGRICULTURAL DEVELOPMENT BANK OF SOUTH AFRICA
(LAND BANK)**

HUMAN RESOURCES COMMITTEE CHARTER

| Risk Universe Category | HRC | Board | Comments |
|--|-----|-------|---|
| | | | Overall risk assessment matters to be addressed at RGC, in line with Risk Appetite Parameters |
| CAPITAL ADEQUACY | | | |
| Monitoring the parameters of a risk sensitive Capital Adequacy Ratio | | A | Ratio calculation and reporting matters to be addressed at AFC |
| | | | Overall risk assessment matters to be handled at RGC in line with Risk Appetite Parameters |