

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular have, where necessary, been used below.

If you are in any doubt as to what action you should take in relation to this Circular, please consult your broker, CSDP Participant, banker, attorney, accountant or other professional advisor immediately.

Action required

If you have disposed of all of your Ordinary Shares, please forward this Circular to the purchaser of such Ordinary Shares or to the broker, CSDP Participant, banker, attorney, accountant, professional advisor or other agent through whom the disposal was effected.

Members are referred to page 1 of this Circular which sets out the action required by them.



NEDBANK
GROUP

Nedbank Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1966/010630/06)

Share code JSE: NED NSX: NBK ISIN: ZAE000004875

("Nedbank Group" or the "Company")

Circular to members of Nedbank Group

regarding:

amendments to the 2005 Share Incentive Scheme;

and incorporating:

- **a notice convening a general meeting; and**
 - **a form of proxy (for use by certificated members and dematerialised members with "own-name" registration only).**
-

Corporate advisor, investment bank and joint sponsor



Attorneys



Lead sponsor in South Africa



Sponsor in Namibia



Date of issue: 11 April 2011

CORPORATE INFORMATION AND ADVISORS

Secretary and registered office

Company Secretary: G S Nienaber
Ground Floor
Block A
Nedbank Group Limited
(Registration number 1966/010630/06)
135 Rivonia Road
Sandown, Sandton, 2196
(PO Box 1144, Johannesburg, 2000)

Corporate advisor, investment bank and joint sponsor

Nedbank Capital, a division of Nedbank Limited
(Registration number 1951/000009/06)
135 Rivonia Road
Sandown, Sandton, 2196
(PO Box 1144, Johannesburg, 2000)

Transfer secretaries to Nedbank Group in South Africa

Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Attorneys

Edward Nathan Sonnenbergs Inc
(Registration number 2006/018200/21)
150 West Street
Sandown, Sandton, 2196
(PO Box 783347, Sandton, 2146)

Lead sponsor in South Africa

Merrill Lynch South Africa (Proprietary) Limited,
a member of the Merrill Lynch Group
(Registration number 1995/001805/07)
138 West Street
Sandown, Sandton, 2196
(PO Box 651987, Benmore, 2010)

Sponsor in Namibia

Old Mutual Investment Services (Namibia)
(Proprietary) Limited
5th Floor, Mutual Platz
Post Street Mall, Windhoek
Namibia
(PO Box 25549, Windhoek, Namibia)

Transfer secretaries to Nedbank Group in Namibia

Transfer Secretaries (Proprietary) Limited
(Registration number 93/713)
Shop 8, Kaiserkrone Centre
Post Street Mall
Windhoek
Namibia
(PO Box 2401, Windhoek, Namibia)

ACTION REQUIRED BY MEMBERS

The definitions and interpretations commencing on page 4 of this Circular have, where necessary, been used below.

Please take careful note of the following provisions regarding the action required by members:

1. If you are in any doubt as to what action you should take in relation to this Circular, please consult your broker, CSDP Participant, banker, attorney, accountant or other professional advisor immediately.
2. If you have disposed of all of your Ordinary Shares, please forward this Circular to the purchaser of such Ordinary Shares or to the broker, CSDP Participant, banker, attorney, accountant, professional advisor or other agent through whom the disposal was effected.
3. This Circular contains information relating to Amendments to the 2005 Share Incentive Scheme. You should read this Circular carefully and decide how you wish to vote on the resolutions to be proposed at the general meeting (as set out and described in this Circular).
4. The general meeting, to be convened in terms of the notice incorporated in this Circular, will be held immediately after the AGM scheduled to begin at 9:00 South African time on Friday, 6 May 2011, in the Auditorium, Retail Place West, Nedbank Sandton, 135 Rivonia Road, Sandown, Sandton, 2196.

5. IF YOU HOLD DEMATERIALISED SHARES:

5.1 Own-name registration:

You are entitled to attend in person, or be represented by proxy, at the general meeting.

If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or by the transfer secretaries in Namibia, Transfer Secretaries (Proprietary) Limited, Shop 8, Kaiserkrone Centre, Post Street Mall, Windhoek, Namibia (PO Box 2401, Windhoek, Namibia) by no later than 9:00 South African time on Thursday, 5 May 2011 (or 24 hours before any adjourned meeting of which the date, if necessary, will be released on SENS and published in the South African press).

5.2 Other than own-name registration:

You are entitled to attend in person, or be represented by proxy, at the general meeting. If you do wish to attend or be represented at the general meeting, your CSDP Participant or broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the general meeting. You must **not** however complete the attached form of proxy. You must advise your CSDP Participant or broker timeously if you wish to attend, or be represented at the general meeting.

If your CSDP Participant or broker does not contact you, you are advised to contact your CSDP Participant or broker and provide them with your voting instructions. If your CSDP Participant or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.

6. IF YOU HOLD CERTIFICATED SHARES:

You are entitled to attend, or be represented by proxy, at the general meeting.

If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or by the transfer secretaries in Namibia, Transfer Secretaries (Proprietary) Limited, Shop 8, Kaiserkrone Centre, Post Street Mall, Windhoek, Namibia (PO Box 2401, Windhoek, Namibia) by no later than 9:00 South African time on Thursday, 5 May 2011 (or 24 hours before any adjourned meeting of which the date, if necessary, will be released on SENS and published in the South African press).

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SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this Circular have, where necessary, been used below.

2011

Circular posted to members on	Monday, 11 April
Forms of proxy for the general meeting to be received by 9:00 South African time on	Thursday, 5 May
General meeting of members to be held immediately after the AGM scheduled to begin at 9:00 South African time on	Friday, 6 May
Results of the general meeting to be released on SENS on	Friday, 6 May
Results of the general meeting to be published in the South African press on	Monday, 9 May

Notes:

1. The above dates and times are South African dates and times and are subject to amendment. Any such amendment will be released on SENS and published in the South African press.
2. Copies of this Circular, in English only, may be obtained at Nedbank Group's registered office, the details of which are set out in the Corporate Information and Advisors section of this Circular, during normal business hours from Monday, 11 April 2011 until Friday, 6 May 2011.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless otherwise stated or the context otherwise indicates, the words in the first column shall have the meanings stated opposite them in the second column and words in the singular shall include the plural and *vice versa*, words importing natural persons shall include corporations and associations of persons and an expression denoting any gender shall include the other genders.

"2005 Share Incentive Scheme" or "the Scheme"	the Nedbank Group (2005) Share Option, Matched Share and Restricted Share Scheme including the Scheme Rules adopted by the Company with effect from 4 May 2005, as amended from time to time;
"AGM"	the annual general meeting of the Company to be held at 9:00 South African time on Friday, 6 May 2011, in the Auditorium Retail Place West, Nedbank Sandton, 135 Rivonia Road, Sandown, Sandton, 2196;
"Amendments" or "Amendments to the 2005 Share Incentive Scheme"	the amendments to be made to the 2005 Share Incentive Scheme which the members are required to approve and/or which the Board and the Trustees have resolved to amend;
"Annual Financial Statements"	Annual Financial Statements of the Company;
"Auditors"	the auditors for the time being of the Company;
"Awards"	Retention Awards and Performance Awards;
"Board"	the board of directors for the time being of the Company acting either through itself or through any committee constituted from time to time (including the Remuneration Committee) and appointed by the board of directors of the Company, for the purpose of administering the Scheme;
"Bonus Shares"	the Compulsory Bonus Shares and/or the Voluntary Bonus Shares;
"Bonus Threshold"	for purposes of the Voluntary Bonus Share Scheme, the minimum amount of annual after tax bonus required to be receivable by an Employee as determined by the Remuneration Committee from time to time, in order to render him/her an Eligible Employee for purposes of the Voluntary Bonus Share Scheme;
"business day"	a day other than a Saturday, Sunday or a public holiday in South Africa or Namibia, as the case may be;
"certificated member(s)"	member(s) who hold certificated share(s);
"certificated share(s)"	Ordinary Share(s) represented by certificate(s) or other physical document(s) of title, which have not been surrendered for dematerialisation in terms of the requirements of Strate;
"Circular"	this bound Circular, dated 11 April 2011, incorporating the notice of general meeting and form of proxy;
"Compulsory Bonus Contribution"	the contribution determined by the Board and/or Remuneration Committee which the Eligible Employee is obliged to make available from his/her after-tax bonus to acquire Compulsory Bonus Shares;
"Compulsory Bonus Shares"	the Shares acquired using the Compulsory Bonus Contributions, registered in the name of the Participant;
"Compulsory Bonus Share Scheme"	a sub-scheme of the Matched Share Scheme, the terms of which are contained in Part III of the Scheme Rules;

"Corporate Performance Target"	one or more objectively determined performance target/s pre-determined by the Remuneration Committee, having regard to targets appropriate to the Group, applying to a particular group of Performance Awards, and designated by the Remuneration Committee as a "corporate performance target", which may, at the discretion of the Remuneration Committee, be different for Options, Matched Awards and Restricted Awards and for different groups of Options or different groups of Matched Awards or different groups of Restricted Awards;
"Corporate Performance Target Vesting Percentage"	as regards any particular Performance Award which has not reached its Vesting Date, the percentage identified as such in the most recent minutes of the Remuneration Committee from time to time dealing with such percentages;
"CSDP Participant"	a participant appointed by individual shareholders for purposes of and in regard to dematerialisation, in terms of the Securities Services Act, No. 36 of 2004, as amended (previously known as a Central Securities Depository Participant);
"dematerialised share(s)"	those Ordinary Share(s) that have been incorporated into the Strate system and which are held on the Company's sub-ledger in electronic form in terms of the South African Securities Services Act, 2004 (Act 36 of 2004), as amended;
"Eligible Employee"	<p>in respect of the Option Scheme and the Restricted Share Scheme: any Employee approved by the Remuneration Committee;</p> <ul style="list-style-type: none"> • in respect of the Voluntary Bonus Share Scheme any Employee who will qualify in respect of the Bonus Threshold; and • in respect of the Compulsory Bonus Share Scheme, any Employee obliged to participate in the Compulsory Bonus Share Scheme, to the extent of the Compulsory Bonus Contribution, <p>it being recorded that no Trustee, or non-executive director at a time when he/she is already a non-executive director (but this shall not affect any Participation granted when he/she was an executive director), shall be eligible for participation in any Scheme;</p>
"Employee"	any person (including an executive director) in the full-time or part-time permanent employ of the Company or any of its Subsidiaries from time to time;
"Employer"	the company within the Group which is the employer of one or more Eligible Employees;
"Fault Termination"	<p>any Termination of a Participant's employment with any member of the Group:</p> <ol style="list-style-type: none"> (i) which does not constitute a No Fault Termination, provided that the Board and/or Remuneration Committee may in its sole discretion determine whether the termination of employment of an Employee is to be classified as a No Fault Termination: Other rather than a Fault Termination for the purposes of the Scheme Rules; (ii) which although when the Participant's employment terminated, was treated as a No Fault Termination, is recategorised as a Fault Termination by the Board and/or Remuneration Committee by reason of the Participant being guilty (prior to the termination of his/her employment) of conduct which would have entitled the Employer concerned, to terminate his/her employment on the grounds of his/her dishonest and/or fraudulent and/or grossly negligent conduct or any other similar ground;
"Galaxy Portfolio Services"	Galaxy Portfolio Services, an integrated investment product platform managed by Old Mutual Investment Group (South Africa) (Proprietary) Limited (Registration number 1993/003023/07) that invests in unit trusts and a selection of life funds;
"general meeting"	the general meeting of members to be held immediately after the AGM, in the Auditorium, Retail Place West, Nedbank Sandton, 135 Rivonia Road, Sandown, Sandton, 2196, to consider and, if deemed appropriate, approve the Amendments to the 2005 Share Incentive Scheme;

“Group”	the Company and its Subsidiaries;
“Inception Date”	for purposes of the Voluntary Bonus Share Scheme, in the event of a positive response by an Eligible Employee to an Invitation, the last day of March, in the relevant calendar year, save in respect of the first year of the Bonus Share Scheme, in which event the date shall be 2 June 2005; <ul style="list-style-type: none"> • for purposes of the Compulsory Bonus Share Scheme, the last day of March, in the relevant calendar year;
“Invitation”	the letters in terms of which the Trustees invite the Eligible Employees to participate in the Voluntary Bonus Share Scheme;
“the JSE”	JSE Limited (Registration number 2005/022939/06), a public company registered and incorporated in South Africa and licensed as an exchange under the South African Securities Services Act, 2004 (Act 36 of 2004);
“King Code”	King Code on Corporate Governance for South Africa, as amended or replaced from time to time;
“last practicable date”	the last practicable date prior to the finalisation of this Circular, being 4 April 2011;
“Listings Requirements”	the JSE Listings Requirements, as amended from time to time;
“Matched Awards”	the right granted to Participants to receive the grant, in terms of the Scheme Rules, of Matched Shares pursuant to the Matched Share Scheme;
“Matched Shares”	such number of Shares to which a Participant may become entitled under the Matched Share Scheme, the acquisition or issue of which Shares the Trust is obliged to procure either itself or using a contribution from the relevant Employer;
“Matched Investment Plan”	a sub-scheme of the Matched Share Scheme as contained in the Scheme Rules;
“Matched Share Scheme”	the scheme contained in Part III of the Scheme Rules which comprises the Compulsory Bonus Share Scheme and the Voluntary Bonus Share Scheme and prior to the Amendments, the Matched Investment Plan;
“members” or “shareholders”	holders of Ordinary Shares on the register of members of the Company;
“Maximum Contribution”	for purposes of the Matched Share Scheme, a maximum percentage of the short term incentive or a defined value, as determined by the Board and/or RemCo in their absolute discretion to acquire Bonus Shares;
“Minimum Contribution”	for purposes of the Matched Share Scheme, a minimum percentage of the short term incentive or a defined value, as determined by the Board and/or RemCo in their absolute discretion to acquire Bonus Shares;
“Nedbank”	Nedbank Limited (Registration number 1951/000009/06), a public company registered and incorporated in South Africa and a wholly-owned subsidiary of Nedbank Group, all the issued Preference Shares of which are listed on the JSE;
“Nedbank Capital”	Nedbank Capital, a division of Nedbank;
“Nedbank Group” or “the Company”	Nedbank Group Limited (Registration number 1966/010630/06), a public company registered and incorporated in South Africa, all the issued Ordinary Shares of which are listed on the JSE and the Namibian Stock Exchange;
“NedNamibia Scheme”	the NedNamibia Holdings Long-Term Incentive Scheme;
“NIB Scheme”	the Nedcor Investment Bank Employee Share Scheme;
“No Fault Termination”	any No Fault Termination:Death or No Fault Termination:Other;

"No Fault Termination: Death"	any Termination by reason of the Participant's death;
"No Fault Termination: Other"	any Termination by reason of the Participant's retirement, retrenchment or permanent disability or a Fault Termination which is reclassified by the Board and/or Remuneration Committee as a No Fault Termination;
"non-executive directors"	non-executive directors of the Company;
"Old Mutual Group"	Old Mutual plc and its subsidiaries from time to time, including the Company and Mutual & Federal Insurance Company Limited (Registration number 1970/006619/06) and their respective subsidiaries;
"Old Mutual plc"	Old Mutual plc (Registration number 03591559), a public company registered and incorporated in England and Wales, all the issued shares of which are listed on the London Stock Exchange and registered as an external company in each of South Africa (Registration number 1999/004855/10), Malawi (Registration number 5282), Namibia (Registration number F/3591559) and Zimbabwe (Registration number EI/99);
"Option"	an option granted to an Eligible Employee, in terms of clause 7 of the Scheme Rules, to acquire Shares in the Company from the Trust;
"Option Date"	the date on which an Option has been approved by the Board, which date shall be specified in the Option Letter;
"Option Letter"	the letter in terms of which the Trustees grant an Option to an Eligible Employee;
"Option Period"	the period from the Option Date until the fifth anniversary of such date;
"Option Scheme"	that portion of the Scheme contained in Part II of the Scheme Rules dealing with the grant of Options to Eligible Employees and the exercise of such Options by such Eligible Employees;
"Participant's Portfolio"	the Bonus Shares acquired and allocated to a Participant as contemplated in clause 17.1.2 or the Bonus Shares contributed by the Participant, where the Shares acquired using or comprising the Compulsory Bonus Contribution are the Compulsory Bonus Shares, and the Shares acquired using or comprising the Voluntary Bonus Contribution are the Voluntary Bonus Shares;
"Participant"	an Eligible Employee to whom an Option Letter has been issued in terms of the Option Scheme; or to whom a Restricted Award has been made in terms of the Restricted Share Scheme or to whom an Invitation has been issued and accepted in terms of the Voluntary Bonus Share Scheme or who is obliged to participate in the Compulsory Bonus Share Scheme;
"Participation"	the participation by any Participant in any Option Scheme, Matched Share Scheme and/or any Restricted Share Scheme;
"Performance Awards"	any Options, Matched Awards or Restricted Awards which are subject to Corporate Performance Targets as well as the requirement that the Participant is an Employee at the Vesting Date;
"Preference Shares"	non-redeemable, non-cumulative, non-participating perpetual preference shares of 0.01 cent (one-hundredth of a cent) each in the issued share capital of Nedbank;
"Purchase Price"	for purposes of the Option Scheme, the weighted average (by volume) closing market price of an ordinary share in the Company (as shown by the official trading price list published by the JSE) over the three most recent trading days on the JSE immediately preceding the Option Date;
"Register"	the register of holders of Ordinary Shares in the Company;

"Remuneration Committee"	the Nedbank Group Remuneration Committee, appointed as a committee of the Board, from time to time;
"Restricted Award"	the grant of Restricted Shares pursuant to the Restricted Share Scheme as determined by the Board and/or Remuneration Committee and implemented by the Trustees;
"Restricted Shares"	Shares awarded to Eligible Employees pursuant and subject to the restrictions contained in Part IV of the Scheme Rules;
"Restricted Share Scheme"	that portion of the Scheme contained in Part IV of the Scheme Rules dealing with the Restricted Award by the Trustees of Restricted Shares to Eligible Employees;
"Retention Award"	Options, Matched Awards or Restricted Awards all of which are subject to the requirement that the Participant is still in the employ of the Group at the Vesting Date but are not subject to Corporate Performance Targets;
"Scheme Rules"	the rules of the 2005 Share Incentive Scheme;
"Scheme Shares"	those Shares acquired by the Trust from the Company (by way of fresh issue) or from the market (by way of acquisition) in order to fulfil the Trust's obligations under the Option Scheme and/or the Matched Share Scheme and/or the Restricted Share Scheme and those shares delivered by the Trust (or in respect of which the Trust procures the delivery) directly to the Participants;
"SENS"	the Securities Exchange News Service of the JSE;
"Share" or "Ordinary Share"	an ordinary share with a par value of R1.00 (one Rand) each in the issued share capital of the Company;
"South Africa" or "SA"	the Republic of South Africa;
"Strate"	Strate Limited (Registration number 1998/022242/06), a public company registered and incorporated in South Africa and the electronic settlement system for transactions that take place on the JSE and off-market trades;
"Subsidiary"	any company which is a subsidiary of the Company within the meaning of the Companies Act, 1973, as amended, or any other Act which may replace the Companies Act of 1973;
"Termination"	any termination of a Participant's employment with an Employer (other than Temporary Disability or a transfer of employment from one Employer to another Employer, which shall not be treated as a cessation of employment for the purposes of the Scheme);
"Termination Date"	the date on which Termination occurs;
"Transfer secretaries"	Computershare Investor Services (Proprietary) Limited (Registration number 2004/003647/07), a private company registered and incorporated in South Africa and the transfer secretaries of the Company in South Africa;
"The 1994 Scheme"	the Nedcor Group (1994) Employee Share Incentive Scheme;
"the Trust"	the Nedbank Group (2005) Share Scheme Trust approved at the annual general meeting of the Company held on 4 May 2005 and as amended from time to time;
"the Trust Deed"	the trust deed with respect to the 2005 Share Incentive Scheme;
"the Trustees"	the Trustees for the time being of the Trust, it being recorded that no executive director may be appointed as a Trustee;
"Vesting Date"	in respect of the Option Scheme, the first day following the third anniversary of the Option Date or any accelerated Vesting Date as contemplated in the Scheme Rules which becomes applicable to that Option Scheme or any part thereof; or

- in respect of the Matched Share Scheme, the first day following the third anniversary of the Inception Date or any accelerated Vesting Date as contemplated in the Scheme Rules which becomes applicable to that Matched Share Scheme or any part thereof; or
- in respect of the Restricted Share Scheme, the first day following the third anniversary of the Restricted Award Date or any accelerated Vesting Date as contemplated in the Scheme Rules which becomes applicable to that Restricted Share Scheme or any part thereof;

"Voluntary Bonus Contribution"

the amount an Eligible Employee elects to make available from his/her after tax bonus to acquire Voluntary Bonus Shares, or the contribution of such equivalent number of Shares themselves, to the Voluntary Bonus Share Scheme;

"Voluntary Bonus Shares"

the Shares acquired in terms of the Voluntary Bonus Share Scheme using or comprising the Voluntary Bonus Contributions, registered in the name of the Participant; and

"Voluntary Bonus Share Scheme"

a sub-scheme of the Matched Share Scheme, the terms of which are contained in Part III of the Scheme Rules.



NEDBANK
GROUP

Nedbank Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1966/010630/06)

Share code JSE: NED NSX: NBK ISIN: ZAE000004875

("Nedbank Group" or the "Company")

Directors of Nedbank Group

R J Khoza* (*Chairman*)

M W T Brown† (*Chief Executive*)

C J W Ball#

T A Boardman*

T C P Chikane‡

G W Dempster† (*Chief Operating Officer*)

M A Enus-Brey*

B de L Figaji‡

D I Hope* (*New Zealand*)

A de V C Knott-Craig‡

W E Lucas-Bull‡

N P Mnxasana‡

R K Morathi† (*Chief Financial Officer*)

J K Netshitenzhe‡

J V F Roberts* (*British*)

G T Serobe*

M I Wyman* (*British*)

† Executive

* Non-executive

‡ Independent non-executive

Senior independent non-executive

CIRCULAR TO MEMBERS OF NEDBANK GROUP

1. INTRODUCTION AND RATIONALE

Nedbank Group proposes to amend the 2005 Share Incentive Scheme to:

- 1.1 align the termination clauses of the Option Scheme, the Restricted Share Scheme and the Matched Share Scheme so as to result in the consistent treatment across the schemes of Participants as a result of Termination;
- 1.2 amend the Matched Share Scheme to align this scheme with international trends for remuneration of senior executives, and to simplify the Scheme Rules and make the day-to-day administration more efficient, including:
 - 1.2.1 removing the Matched Investment Plan from the Scheme;
 - 1.2.2 amending the Matched Share Scheme to make provision for Eligible Employees to participate in the Compulsory Bonus Share Scheme, whereby these Employees are required to contribute a portion of their bonuses into the Matched Share Scheme; and

- 1.2.3 distinguishing Participants in the Matched Share Scheme between those who participate on a compulsory basis and those who participate on a voluntary basis. Prior to the Amendments, the Matched Share Scheme only catered for voluntary participation. Accordingly, following the incorporation of the Compulsory Bonus Share Scheme into the Scheme Rules, the Bonus Share Scheme will be renamed the Voluntary Bonus Share Scheme;
- 1.3 clarify and expand on the Scheme Rules, in the event of an offer by a third party, to shareholders of Nedbank Group for a portion or all of their Shares;
- 1.4 amend clauses 4.1 and 4.2 of the Scheme Rules to comply with Schedule 14 of the JSE Listings Requirements with respect to the required disclosure of the Shares available for the Scheme.

It is recognised that the 2005 Share Incentive Scheme plays an important role in both the retention and attraction of suitable employees to the Group, and the Amendments to the Scheme will continue to embody and enhance these objectives.

The directors of Nedbank Group may make certain amendments to the Scheme without prior shareholder approval to benefit the administration of the Scheme, to take into account any change in legislation or accounting practice or to obtain and maintain appropriate tax, exchange control or regulatory treatment, provided that the prior approval of the JSE is obtained to effect any such change, if and to the extent that such prior approval is required.

2. PURPOSE OF THE CIRCULAR

The Company wishes to effect the Amendments to the 2005 Share Incentive Scheme that are dealt with in detail below.

The purpose of this Circular is to provide members of Nedbank Group with relevant information relating to the Amendments to the 2005 Share Incentive Scheme, the implications thereof and to enable shareholders to make an informed decision as to whether or not they should vote in favour of the requisite resolutions necessary to give effect to the proposed Amendments.

The implementation of the Amendments to the Scheme as set out below is subject to the passing of the relevant ordinary resolutions set out in the notice of general meeting attached to this Circular by a 75% majority of members, present or represented by proxy, at the general meeting.

3. AMENDMENTS TO THE 2005 SHARE INCENTIVE SCHEME

The Amendments to the 2005 Share Incentive Scheme are as follows:

3.1 Proposal to amend the consequences of Termination

- 3.1.1 It is proposed that the treatment of No Fault Terminations under the Scheme be amended to ensure consistency in the treatment of all Participations under the Scheme, as follows:

- 3.1.1.1 No Fault Termination: Death:

In order to accommodate the winding up of deceased estates, the vesting of Awards is proposed to be treated as follows:

- 3.1.1.1.1 immediate vesting of all Retention Awards; and

- 3.1.1.1.2 vesting of a portion of Performance Awards, calculated by applying the Corporate Performance Target Vesting Percentage to the relevant number of Performance Awards outstanding. Performance Awards which do not vest will revert to the Trust.

- 3.1.1.2 No Fault Termination: Other:

It is proposed that the provisions of the Scheme Rules relating to No Fault Termination: Other be aligned, and that all Participations in the Scheme shall retain their respective rights in the event of a No Fault Termination: Other.

These amendments are contained in the new or revised clauses 12, 19A and 26.

- 3.1.2 Temporary disability is proposed to be explicitly treated as continuous employment to ensure that temporary disability does not result in the rights of the Participant being altered. This has been achieved by amending the definition of Termination and inserting definitions of temporary disability and permanent disability in the Scheme Rules.

The amendments to the treatment of Termination under the Scheme are, in the view of the Board, favourable to Participants across all Awards currently outstanding. Accordingly, the intention is to apply the amended Termination provisions to all current and future Participations .

Shareholders are referred to Appendix 2 which contains a summary of the Termination provisions.

3.2 Amendments to the Matched Share Scheme (Part III of the Scheme Rules)

The existing Matched Share Scheme contains two sub-schemes, namely the Bonus Share Scheme and Matched Investment Plan.

The following changes to the Matched Share Scheme are proposed:

- 3.2.1 The Matched Investment Plan is not significantly different to the Bonus Share Scheme. To date, no awards have been made in terms of the Matched Investment Plan. Accordingly, it is proposed that the Matched Investment Plan be removed from the Scheme, which will simplify the Scheme without detracting from its objectives. This will be achieved by removing all references to the Matched Investment Plan in the Scheme Rules. This Amendment does not require shareholder approval.
- 3.2.2 Participants currently have an option under the Matched Share Scheme to elect to receive Matched Shares in the form of Nedbank Group shares, Old Mutual plc shares or Galaxy Portfolio Services units. No Participants have made this election to date. So as to align the interests of Participants more closely with the Company, it is proposed that Participants will only be eligible to receive Matched Shares in the form of Nedbank Group shares. This will be achieved by amending clauses 14 and 18 and deleting relevant definitions.
- 3.2.3 It is proposed that the Bonus Share Scheme be renamed the Voluntary Bonus Share Scheme in order to distinguish this scheme from the Compulsory Bonus Share Scheme (which has been proposed in paragraph 3.2.4 of this Circular). The definitions and relevant wording in the Scheme Rules will be amended accordingly to reflect this change, but the provisions and rules of this scheme will otherwise remain unaltered, except insofar as they are amended by the proposals contained in paragraphs 3.1 and 3.3 of this Circular. This Amendment does not require shareholder approval.
- 3.2.4 In line with international trends regarding the remuneration of senior executives and the provisions of the King Code, certain Employees who are eligible to receive bonuses above a predetermined level (as determined by the Remuneration Committee from time to time) are obliged to defer a portion of their annual bonus. It is proposed to create a Compulsory Bonus Share Scheme, as a sub-scheme of the Matched Share Scheme, which will provide for these Employees to invest their deferred bonus into the scheme on terms that are similar to the Voluntary Bonus Share Scheme.

The Remuneration Committee will, on an annual basis, establish and apply objective criteria for determining which Employees are required to defer a portion of their annual bonus and the quantum thereof. These Employees may be offered or obliged to apply the amount so deferred to the Compulsory Bonus Share Scheme, in which case the amount so applied will be designated as the Compulsory Bonus Contribution. The Compulsory Bonus Contribution will be used to acquire Compulsory Bonus Shares, and these shares shall be the subject of a Matched Award. These Employees may, at the discretion of the Remuneration Committee, be provided with a deferred cash alternative, in which case they will not be Participants in the Compulsory Bonus Share Scheme and will not be eligible for a Matched Award.

There are common provisions in the Matched Share Scheme applying to both the Voluntary Bonus Share Scheme and the Compulsory Bonus Share Scheme, including the matching provisions relating to the Bonus Shares. Accordingly, the Compulsory Bonus Shares will be matched on a one-for-one basis, consistent with the matching of the Voluntary Bonus Shares, as follows:

- 3.2.4.1 the Participant must still be in the employ of the Group on the Vesting Date to receive 50% of the Matched Shares; and
- 3.2.4.2 Corporate Performance Targets must be met to in order for Participants to receive the remaining 50% of the Matched Shares.

Participants in the Compulsory Bonus Share Scheme will have substantially the same rights relating to Termination as those enjoyed by the Participants in the Voluntary Bonus Share Scheme. These rights are set out in detail in the Scheme Rules contained in Appendix 3, and also in Appendix 2 which deals with the Termination provisions.

The two primary differences between the Voluntary Bonus Share Scheme and Compulsory Bonus Share Scheme are as follows:

3.2.4.3 Eligibility:

- Voluntary Bonus Share Scheme: Eligible Employees are invited to participate in the scheme, based on the Bonus Threshold determined by the Remuneration Committee; and
- Compulsory Bonus Share Scheme: Eligible Employees are obliged or elect, as the case may be, to participate in the Compulsory Bonus Share Scheme, to the extent of the Compulsory Bonus Contribution.

3.2.4.4 Treatment of the Bonus Shares held in the Participant's Portfolio:

- Voluntary Bonus Share Scheme: Participants are entitled to encumber, dispose of or withdraw the Voluntary Bonus Shares at any time before the Vesting Date; and
- Compulsory Bonus Share Scheme: Participants are only permitted to encumber, dispose of or withdraw the Compulsory Bonus Shares before the Vesting Date on the terms specified by the Board or Remuneration Committee.

In both cases, the Bonus Shares encumbered, disposed of or withdrawn no longer constitute the Participant's Portfolio, and the Participant shall only be entitled to matching based on the number of Bonus Shares remaining in the Participant's Portfolio on the Vesting Date.

3.3 Proposals in relation to corporate actions such as offers, take-overs and mergers

The Board proposes that the provisions of the Scheme which deal with offers, takeovers and mergers be amended to clarify the intention of the Scheme and provide the Board with certain discretions in the event of an offer being made to shareholders by a third party, including an offer for a change of control, as follows:

- 3.3.1 subject to paragraphs 3.3.2 and 3.3.3 of this Circular, should an offeror make an offer to shareholders for the Shares in the Company, the terms of the Participations shall not be affected thereby. There would neither be an acceleration of any Vesting Date nor an amendment to Corporate Performance Targets;
- 3.3.2 if an offeror makes an offer to acquire 100% of the Company and the offeror wishes to vary the terms of the Participations so as to oblige, whether partially or fully, Participants with Options to exercise the Options, and in that case and the case of all other Participations to accept such an Offer in respect of their Scheme Shares, this offer would be binding on the Participants, if the Board resolves to support such offer;
- 3.3.3 other than an offer contemplated in Paragraph 3.3.2, if an offeror wishes to make an offer to any Participants in respect of their Participations which have future Vesting Dates which require the variation of their Participations, the Board shall be entitled to approve the variations in order to permit the offer to be made to the Participants.

In the case of an offer as contemplated in Paragraph 3.3.2 or 3.3.3 above, the Board:

- 3.3.4 is obliged to seek guidance from the Auditors as to whether the terms are not less favourable to Participants, which guidance the Board is not obliged to accept;
- 3.3.5 must resolve that the terms are not less favourable on an overall basis for Participants; and
- 3.3.6 must resolve that the variations in the terms are in the best interests of the Company.

Shareholders are referred to this new clause 35A in the Scheme Rules contained in Appendix 3, effective for all Participations on or after 1 February 2011.

3.4 **Amendment to the disclosure of the Shares available for the Scheme to ensure compliance with Schedule 14 of the JSE Listings Requirements**

Amend clauses 4.1 and 4.2 of the Scheme Rules to comply with Schedule 14 of the JSE Listings Requirements:

- 3.4.1 by deleting the words "from time to time" in line 2 of clause 4.1;
- 3.4.2 by deleting from line 4 of clause 4.1 to the end of that clause, the words "equating to approximately 10% (ten percent) of the current issued Share capital of the Company. In the event of a discrepancy between the number of Shares and the percentage of issued Shares it represents, the number of Shares shall prevail over the stated percentage";
- 3.4.3 by deleting from line 8 of clause 4.2 to the end of that clause the words "representing approximately 0.5% (half a percent) of the current issued ordinary share capital of the Company. In the event of a discrepancy between the number of Shares and the percentage of issued Shares it represents, the number of Shares shall prevail over the stated percentage";

3.5 Other amendments to the Scheme (not requiring shareholder approval)

- 3.5.1 Definitions of Retention Awards and Performance Awards will be incorporated in the Scheme Rules in order to clearly distinguish between Options, Restricted Awards and Matched Awards with time-based vesting criteria only and those with both Corporate Performance Targets and time-based vesting criteria.

4. **JSE APPROVAL**

The 2005 Share Incentive Scheme has been approved by the JSE.

5. **OPINIONS AND RECOMMENDATIONS**

5.1 **Directors' recommendations**

The directors of Nedbank Group are of the opinion that the amendments to the 2005 Share Incentive Scheme will be beneficial to Nedbank Group and its shareholders. The Board recommends that members vote in favour of the ordinary resolutions to be proposed at the general meeting to be held to consider the Amendments to the 2005 Share Incentive Scheme. In respect of their personal holdings in Nedbank Group, the members of the Board intend to vote their Ordinary Shares in favour of the resolutions to be proposed at the aforementioned general meeting where permitted.

5.2 **Intention to vote by Old Mutual Group**

At the last practicable date, Old Mutual Group, for the benefit of its shareholder funds, beneficially held 51.4% of Nedbank Group. Old Mutual Group intends voting its Ordinary Shares in favour of the ordinary resolutions to be proposed at the general meeting.

6. **LITIGATION STATEMENT**

The directors of Nedbank Group are not aware of any legal or arbitration proceedings (including any such proceedings that are pending or threatened), which may have, or have had, a material effect on the Company's financial position or that of any of its subsidiaries during the 12 months preceding the last practicable date, other than those disclosed in the Annual Financial Statements.

7. **MATERIAL CHANGE STATEMENT**

There has been no material change in the financial or trading position of the Company and its Subsidiaries since the last financial period dated 31 December 2010 for which audited Annual Financial Statements have been published.

8. **DIRECTORS' RESPONSIBILITY STATEMENT**

The directors of Nedbank Group, whose names are set out on page 10 of this Circular:

- have considered all statements of fact and opinion in this Circular;
- collectively and individually, accept full responsibility for the accuracy of the information given;
- certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading;

- have made all reasonable enquiries in this regard; and
- certify that, to the best of their knowledge and belief, this Circular contains all information required by law and the Listings Requirements.

9. DISCLOSURE OF DIRECTORS' HOLDINGS WITH RESPECT TO RESTRICTED SHARES AND BONUS SHARES

9.1 Shares purchased/committed by executive directors and former executive directors of Nedbank Group under the Matched Share Scheme at the last practicable date:

Name	Number of shares	Inception date	Strike price* (R)
T A Boardman	21,100	31 March 2009	85.28
	4,351	31 March 2010	137.88
	16,318*	31 March 2010	137.88
M W T Brown	11,051	31 March 2009	85.28
	4,351	31 March 2010	137.88
	4,895*	31 March 2010	137.88
G W Dempster	2,721	31 March 2010	137.88
	4,351*	31 March 2010	137.88
R K Morathi	2,175	31 March 2010	137.88

* Participation in the Compulsory Bonus Share Scheme

9.2 Shares issued to executive directors and former executive directors of Nedbank Group under the Restricted Share Scheme at the last practicable date:

Name	Number of Restricted Shares	Date of issue	Issue Price (R)	Vesting Date
T A Boardman	99,340**	3 March 2009	75.74	3 March 2012
	92,208**	11 August 2009	108.45	11 August 2012
M W T Brown	52,812**	3 March 2009	75.74	3 March 2012
	66,015	3 March 2009	75.74	3 March 2012
	73,766	11 August 2009	108.45	11 August 2012
	43,360**	2 March 2010	121.08	2 March 2013
	43,360	3 March 2010	121.08	3 March 2013
	23,357**	7 March 2011	128.44	7 March 2014
	23,357	8 March 2011	128.44	8 March 2014
G W Dempster	52,812**	3 March 2009	75.74	3 March 2012
	52,812	3 March 2009	75.74	3 March 2012
	27,662	11 August 2009	108.45	11 August 2012
	20,647**	2 March 2010	121.08	2 March 2013
	20,647	3 March 2010	121.08	3 March 2013
	15,571**	7 March 2011	128.44	7 March 2014
	15,571	8 March 2011	128.44	8 March 2014
R K Morathi	35,736**	2 March 2010	121.08	2 March 2013
	35,736	3 March 2010	121.08	3 March 2013
	15,571**	7 March 2011	128.44	7 March 2014
	15,571	8 March 2011	128.44	8 March 2014

** Performance Awards
(Restricted Shares that are not marked ** relate to Retention Awards)

10. CORPORATE GOVERNANCE

The Board is of the opinion that Nedbank Group substantially complies with the significant principles of the King Code.

11. CONSENTS

Each of the corporate advisor, investment bank and joint sponsor, the lead sponsor, the attorneys, the sponsor in Namibia, the transfer secretaries and the transfer secretaries in Namibia have consented in writing to the inclusion of their names in this Circular in the context and form in which they appear and have not withdrawn their consent as at the date of this Circular.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours (excluding Saturdays, Sundays and public holidays) from 11 April 2011 up to and including 6 May 2011:

- the memorandum and articles of association of the Company;
- copies of this Circular dated 11 April 2011;
- a signed copy of this Circular;
- the original Scheme Rules, the amended agreement setting out the rules of the 2005 Share Incentive Scheme; and the addendum effecting the changes to the Scheme Rules; and
- the written consents of the corporate advisor, investment bank and joint sponsor, the attorneys, the lead sponsor, the transfer secretaries and the transfer secretaries in Namibia as set out in paragraph 11 of this Circular.

This Circular is signed at Sandton on behalf of all the directors of Nedbank Group in terms of the powers of attorney granted on or before 3 April 2011.

G S Nienaber

Company Secretary

11 April 2011

Registered office:

135 Rivonia Road
Sandown, Sandton, 2196
(PO Box 1144, Johannesburg, 2000)

SALIENT FEATURES OF THE 2005 SHARE INCENTIVE SCHEME

The 2005 Share Incentive Scheme has been established by the Company in terms of which Eligible Employees will receive long-term incentives in the form of Options, Restricted Shares and Matched Awards. A summary of the main terms of the 2005 Share Incentive Scheme is set out below:

1. GENERAL

1.1 Limits

The number of Shares which may be allocated in terms of the 2005 Share Incentive Scheme, The 1994 Scheme, the NIB Scheme and the NedNamibia Scheme shall not exceed 49,717,637 (forty nine million seven hundred and seventeen thousand six hundred and thirty-seven) Shares.

The maximum number of Shares which may, in aggregate, be granted to any one Participant pursuant to The 1994 Scheme, the NIB Scheme, the NedNamibia Scheme, the Matched Share Scheme and/or purchased by any one Participant pursuant to the exercise of an Option in terms of the Option Scheme by that Participant and/or granted to a Participant under the Restricted Share Scheme shall not exceed 2,485,882 (two million four hundred and eighty-five thousand eight hundred and eighty two) Shares.

1.2 Employees tax

The exercise of Options, issue of Matched Shares and grants of Restricted Awards as contemplated in the Scheme Rules shall be subject to the applicable provisions of the Income Tax Act, 58 of 1962, as amended, and no Participant shall have any claim against the Company, any company within the Group and/or the Trustees for any adverse financial implications to such Participant by virtue of the withholding of any applicable taxes.

1.3 Eligibility

Any Employee approved by the Remuneration Committee may participate in the Option Scheme and the Restricted Share Scheme.

With respect to the Voluntary Bonus Share Scheme, Employees who attain the Bonus Threshold are eligible to participate.

With respect to the Compulsory Bonus Share Scheme, the Remuneration Committee will, on an annual basis, establish and apply objective criteria for determining which Employees are required to defer a portion of their annual bonus and the quantum thereof. These Employees may be offered or obliged to apply the amount so deferred to the Compulsory Bonus Share Scheme, in which case the amount so applied will be designated as the Compulsory Bonus Contribution. The Compulsory Bonus Contribution will be used to acquire Compulsory Bonus Shares, and these Employees become Participants in the scheme.

No Trustee, or non-executive director serving on the Remuneration Committee, shall be eligible for participation in any scheme.

1.4 Take-overs and Mergers

Subject to paragraphs below, should an offeror make an offer to shareholders for the Shares in the Company, the terms of the Participations shall not be affected thereby (and in particular there would be no acceleration of any Vesting Date):

- If an offeror makes an offer to acquire 100% of the Company and the offeror wishes to vary the terms of the Participations so as to oblige, whether partially or fully, Participants with Options to exercise the Options and in that case and the case of all other Participations to accept such an Offer in respect of their Scheme Shares, this offer would be binding on the Participants, if the Board resolves to support such offer; and
- Other than an offer to acquire 100% of the Company, if an offeror wishes to make an offer to any Participants in respect of their Participations which have future Vesting Dates which require the variation of their Participations, the Board shall be entitled to approve the variations in order to permit the offer to be made to the Participants.

2. OPTION SCHEME

2.1 Eligible Employees receive Options on the following bases:

- Retention Awards: Options subject to time-based vesting criteria only; and
- Performance Awards: Options subject to time-based vesting criteria and Corporate Performance Targets to be met over a period of three years or by the end of the three-year period.

2.2 Grant of Options

The Trustees shall be obliged to grant Options to Eligible Employees, to acquire Shares at the Purchase Price, as directed by resolution of the Board.

The Board and/or Remuneration Committee shall be limited to directing the Trustees to grant Options not more than twice in any particular calendar year in order to ensure consistency of price and ease of administration except where business needs (as motivated by the Chief Executive Officer of the Company) dictate that an exception be made.

2.3 Performance Awards and Corporate Performance Targets

Corporate Performance Targets can, in the discretion of the Board and/or Remuneration Committee, be linked to the grant of the Options. Ratchet mechanisms can be attached to Corporate Performance Targets, i.e. lapsing of a portion of the Options in the event of underperformance and an ability to exercise a higher number of Options in the event of superior performance. Corporate Performance Targets shall apply equally to all Participants to whom Performance Awards are granted at the time in question, whether new joiners or existing employees.

2.4 Exercise

Options may be exercised by a Participant at any time from and including the Vesting Date to and including the last day of the Option Period and will lapse on the first day following the expiry of the Option Period.

2.5 Exercise price

The Option Scheme consists of a direct grant of Options by the Trustees to the Eligible Employees at the Purchase Price, which is equal to the volume-weighted 3-day average market value of the Shares to which an Option relates, immediately preceding the date on which the Options were approved by the Board.

2.6 Termination before the Vesting Date

If a Participant is granted Options in terms of the Option Scheme and before the Vesting Date, the Participant is no longer an Employee by reason of a:

2.6.1 No Fault Termination: Death, then as regards:

2.6.1.1 his/her Options which are the subject of a Retention Award, the Vesting Date for such Options shall be the Termination Date. Such Options shall be capable of being exercised within a further period of 12 months following the Termination Date, failing which such Options shall lapse and cease to have any further force or effect;

2.6.1.2 his/her Options which are the subject of a Performance Award to which the same Corporate Performance Targets apply:

- as regards the number of Options as is determined by applying the Corporate Performance Target Vesting Percentage to the number of Options granted under the Performance Awards, the Vesting Date shall be the Termination Date. Such Options shall be capable of being exercised within a further period of 12 months following the Termination Date, failing which such Options shall lapse and cease to have any further force or effect;
- the remainder of the Options not covered by paragraph 2.6.1.2 above, shall lapse and cease to have any further force or effect;

2.6.2 No Fault Termination: Other, then the Vesting Date in respect of his/her Options shall be unaffected and remain the first day following the third anniversary of the Inception Date;

2.6.3 Fault Termination, then his/her Options shall lapse and cease to have any further force or effect.

2.7 Termination after the Vesting Date

If the employment of a Participant terminates by reason of a Fault Termination at any stage after the Vesting Date but before the expiry of the Option Period, the Participant shall only have the lesser of 6 months following the Termination Date and the remaining period until the expiry of the Option Period in which to exercise the Option, failing which any unexercised Options shall lapse and cease to be of any further force or effect.

2.8 Dividends

In respect of the Option Scheme, no dividends shall be paid unless and until the Options are exercised by a Participant, the full Purchase Price paid therefor and the relevant Shares are issued.

3. MATCHED SHARE SCHEME

3.1 Introduction

The Matched Share Scheme will consist of two sub-schemes: the Voluntary Bonus Share Scheme, which is currently in operation, and the Compulsory Bonus Share Scheme, which would be incorporated into the Scheme Rules.

Bonus Shares (whether Compulsory Bonus Shares or Voluntary Bonus Shares) which comprise and remain in the Participant's portfolio after three years are matched by the Company as described under Conditions of Share Match below.

The two primary differences between the Voluntary Bonus Share Scheme and Compulsory Bonus Share Scheme are as follows:

- **Eligibility:**
 - Voluntary Bonus Share Scheme: Eligible Employees are invited to participate in the scheme, based on the Bonus Threshold determined by the Remuneration Committee; and
 - Compulsory Bonus Share Scheme: Eligible Employees are obliged or elect, as the case may be, to participate in the Compulsory Bonus Share Scheme, to the extent of the Compulsory Bonus Contribution.
- **Treatment of the Bonus Shares held in the Participant's Portfolio:**
 - Voluntary Bonus Share Scheme: Participants are entitled to encumber, dispose of or withdraw the Voluntary Bonus Shares at any time before the Vesting Date; and
 - Compulsory Bonus Share Scheme: Participants are only permitted to encumber, dispose of or withdraw the Compulsory Bonus Shares before the Vesting Date on the terms specified by the Board or Remuneration Committee.

In both cases, the Bonus Shares encumbered or disposed of or withdrawn no longer constitute the Participant's Portfolio, and the Participant shall only be entitled to matching based on the number of Bonus Shares remaining in the Participant's Portfolio on the Vesting Date.

3.2 Offers of Awards

Under the Voluntary Bonus Share Scheme, the Board/Remuneration Committee may resolve, on an annual basis, that the Trustees issue Invitations to all Eligible Employees.

In terms of the Compulsory Bonus Share Scheme, Eligible Employees are obliged to Participate to the extent of the Compulsory Bonus Contribution.

3.3 Performance Awards and Corporate Performance Targets

The Board and/or the Remuneration Committee shall, on an annual basis, determine appropriate Corporate Performance Targets as a condition for the delivery of the Matched Shares.

The Corporate Performance Targets shall apply equally to all Participants in a particular Matched Award.

Future vesting of the Matched Shares is contingent upon the continued employment of the Eligible Employee and partially contingent upon the achievement of the Corporate Performance Target.

3.4 **Minimum and maximum**

Investments in the Matched Share Scheme are subject to a minimum investment in any year of the Minimum Contribution and a maximum investment in any year of the Maximum Contribution.

3.5 **Termination before the Vesting Date**

3.5.1 If a Participant in the Matched Share Scheme is no longer an Employee before the Vesting Date by reason of a No Fault Termination: Death, then as regards:

3.5.1.1 his/her Participation in respect of a Retention Award, the Vesting Date for such Participation shall be the Termination Date;

3.5.1.2 his/her Participation on the same date in respect of a Performance Award to which the same Corporate Performance Targets apply:

3.5.1.2.1 as regards the number of Matched Shares as is determined by applying the Corporate Performance Target Vesting Percentage, the Vesting Date shall be the Termination Date;

3.5.1.2.2 all rights to the remainder of the Performance Awards shall lapse;

3.5.2 No Fault Termination: Other, then the Vesting Date in respect of his/her Participation in Retention and Performance Awards shall be unaffected and shall continue as if the No Fault Termination: Other had not occurred;

3.5.3 Fault Termination, all rights to such Performance Awards and Retention Awards shall lapse.

3.6 **Ability to deal in the Participant's portfolio**

The Participant shall at any time after the Inception Date be entitled to encumber, dispose of or withdraw his Voluntary Bonus Shares, subject to any relevant policies then in force dealing with the trading of shares by employees. To the extent that Voluntary Bonus Shares are withdrawn from the Voluntary Bonus Share Scheme prior to the Vesting Date, there will be no matching on these shares.

Compulsory Bonus Shares cannot be encumbered, disposed of or withdrawn before the Vesting Date unless terms removing this restriction have been specified by the Board and the Remuneration Committee at the time of the Matched Award. To the extent that Compulsory Bonus Shares can be and are encumbered, disposed of or withdrawn from the Compulsory Bonus Share Scheme prior to the Vesting Date, there will be no matching on these shares.

3.7 **Conditions of Share Match**

The Trust's obligation to deliver or procure the delivery of the Matched Shares will be made on two conditions:

3.7.1 the Participant must still be in the employ of the Company on the Vesting Date to receive 50% of the Matched Shares; and

3.7.2 Corporate Performance Targets must be met in order for Participants to receive the remaining 50% of the Matched Shares.

3.8 **Dividends**

In respect of the Matched Share Scheme, dividends shall be paid on the Bonus Shares constituting the Participant's Portfolio but the right to dividends on Matched Shares shall only accrue to Participants once the requisite Matched Shares are delivered to the Participant.

4. **RESTRICTED SHARE SCHEME**

4.1 **Eligible Employees receive Restricted Awards on the following bases:**

- Retention Awards: Restricted Awards subject to time-based vesting criteria only; and
- Performance Awards: Restricted Awards subject to time-based vesting criteria and Corporate Performance Targets to be met over a period of three years or by the end of the three-year period.

The Trustees procure that the Shares subject to this scheme are issued or acquired on the Inception Date and registered in the name of the Participant. Dividends are paid to the Participants as shareholders from the Inception Date.

4.2 **Offers of Restricted Awards**

The Restricted Awards are made by the Trustees pursuant to a resolution of the Board and/or Remuneration Committee. The Board and/or Remuneration Committee shall be limited to directing the Trustees to grant Restricted Awards not more than twice in any particular calendar year other than in exceptional circumstances where business needs (as motivated by the Chief Executive Officer of the Company) dictate that an exception be made.

Restricted Awards shall be subject to terms and restrictions imposed by the Board and may not be encumbered, disposed of or withdrawn at any time up to but not including the Vesting Date.

4.3 **Performance Awards and Corporate Performance Targets**

The Board and/or the Remuneration Committee may apply appropriate Corporate Performance Targets to the grant of any Restricted Award, provided that such Corporate Performance Targets shall apply equally to all Participants to whom Performance Awards are granted at the time in question, whether new joiners or existing employees.

The Board and/or the Remuneration Committee has discretion in setting Corporate Performance Targets to a particular grant of Restricted Awards, such that, in the event of:

- under-performance in respect of the Corporate Performance Target, only a certain percentage of such Restricted Shares will vest; and the non-vesting Shares shall revert to the Trust;
- full performance in respect of the Corporate Performance Target, all Restricted Shares will vest; and
- superior performance in respect of the Corporate Performance Target, the Participant shall be deemed to have been granted such additional Restricted Shares as indicated in the Award Certificate.

4.4 **Termination before the Vesting Date**

If a Participant is granted a Restricted Award in terms of the Restricted Share Scheme and before the Vesting Date, the Participant is no longer an Employee by reason of a:

4.4.1 No Fault Termination: Death, then as regards:

4.4.1.1 his/her Retention Award, the Vesting Date for such Retention Award shall be the Termination Date;

4.4.1.2 his/her Performance Award to which the same Corporate Performance Targets apply:

- as regards the number of Restricted Shares as is determined by applying the Corporate Performance Target Vesting Percentage to the number of Restricted Shares granted under the Performance Award, the Vesting Date shall be the Termination Date;
- the remainder of the Restricted Shares granted under the Performance Award will revert to the Trust;

4.4.2 No Fault Termination: Other, then the Vesting Date in respect of his/her Restricted Shares shall be unaffected and remain the first day following the third anniversary of the Restricted Award Date;

4.4.3 Fault Termination, the Restricted Shares shall revert to the Trust.

4.5 **Dividends**

In respect of the Restricted Share Scheme, the Participant shall be entitled to those dividends paid on the Restricted Shares from the Restricted Award Date up to and including the Vesting Date which dividends shall be distributed, if required, by the Trustees to the Participants; and thereafter in the normal course after the restrictions have lifted.

SUMMARY OF TERMINATION PROVISIONS

Scheme	Termination provisions before Amendments		Termination provisions after Amendments	
	No Fault	Fault	No Fault: Other	No Fault: Death
Option Scheme¹	<ul style="list-style-type: none"> • Vesting of Options is accelerated 	<ul style="list-style-type: none"> • Options lapse 	<ul style="list-style-type: none"> • Vesting of Options is unaffected and Participation continues in accordance with Awards 	<ul style="list-style-type: none"> • Retention Awards: <ul style="list-style-type: none"> – vesting of Options is accelerated in full – can be exercised for a period of 12 months after the Termination Date • Performance Awards: <ul style="list-style-type: none"> – partial vesting of Options based on the Corporate Performance Target Vesting Percentage – can be exercised within 12 months of the Termination Date – the non-vesting Options lapse
Restricted Share Scheme	<ul style="list-style-type: none"> • Vesting of Restricted Shares is unaffected and Participation continues in accordance with Restricted Awards 	<ul style="list-style-type: none"> • Restricted Shares revert to the Trust 	<ul style="list-style-type: none"> • Vesting Date for Restricted Shares is unaffected and Participation continues in accordance with Restricted Awards 	<ul style="list-style-type: none"> • Retention Awards: <ul style="list-style-type: none"> – Vesting of Restricted Shares is accelerated in full • Performance Award: <ul style="list-style-type: none"> – a portion of Restricted Shares vest – partial vesting of Restricted Shares is based on the Corporate Performance Target Vesting Percentage – the non-vesting Restricted Shares revert to the Trust

¹ The Option Scheme is inactive and there are no Options outstanding

Scheme	Termination provisions before Amendments			Termination provisions after Amendments		
	No Fault	Fault	No Fault: Other	No Fault: Death	Fault	
Matched Share Scheme: Voluntary Bonus Share Scheme	<ul style="list-style-type: none"> Voluntary Bonus Shares are contributed voluntarily by the Participant and can be sold or returned to the Participant on Termination 	<ul style="list-style-type: none"> Voluntary Bonus Shares are contributed voluntarily by the Participant and can be sold or returned to the Participant on Termination The right to receive Matched Shares lapses 	<ul style="list-style-type: none"> Voluntary Bonus Shares are contributed voluntarily by the Participant and can be sold or returned to the Participant on Termination Rights under Matched Awards are unchanged and the remaining Voluntary Bonus Shares in the Participant's Portfolio will be matched in accordance with the provisions of the Matched Awards 	<ul style="list-style-type: none"> Voluntary Bonus Shares are contributed voluntarily by the Participant and can be sold or returned to the Participant on Termination Retention Awards: <ul style="list-style-type: none"> all Matched Shares are awarded on the Termination Date Performance Awards: <ul style="list-style-type: none"> partial matching based on the Corporate Performance Target Vesting Percentage 	<ul style="list-style-type: none"> Voluntary Bonus Shares are contributed voluntarily by the Participant and can be sold or returned to the Participant on Termination The right to receive Matched Shares lapses 	
Matched Share Scheme: Compulsory Bonus Share Scheme	<ul style="list-style-type: none"> N/a 	<ul style="list-style-type: none"> N/a 	<ul style="list-style-type: none"> Participants cannot encumber, dispose of or withdraw Compulsory Bonus Shares unless the Board or the Remuneration Committee has specified terms which allow these shares to be released from this restriction The portion of Compulsory Bonus Shares, if any, that are no longer subject to this restriction can be sold by or returned to the Participant on Termination Rights under Matched Awards are unchanged and the remaining Compulsory Bonus Shares in the Participant's Portfolio will be matched in accordance with the provisions of the Matched Awards 	<ul style="list-style-type: none"> Participants are released from the restriction on encumbering, disposing of or withdrawing Compulsory Bonus Shares Compulsory Bonus Shares can be sold by or returned to the estate of the Participant on Termination Retention Awards: <ul style="list-style-type: none"> all Matched Shares are awarded on the Termination Date Performance Awards: <ul style="list-style-type: none"> partial matching based on the Corporate Performance Target Vesting Percentage 	<ul style="list-style-type: none"> Participants cannot encumber, dispose of or withdraw Compulsory Bonus Shares unless the Board or the Remuneration Committee has specified terms which allow these shares to be released from this restriction 	

Scheme	Termination provisions before Amendments		Termination provisions after Amendments		
	No Fault	Fault	No Fault: Other	No Fault: Death	Fault
					<ul style="list-style-type: none"> The portion of Compulsory Bonus Shares, if any, that are no longer subject to this restriction can be sold by or returned to the Participant on Termination, and the remaining Compulsory Bonus Shares revert to the Trust The right to receive Matched Shares lapses

SCHEME RULES

[amended May 2011 and, save for clause 35A which shall apply as specified in that clause, the amendments shall apply to all Options, Matched Awards and Restricted Awards which had not yet reached their respective Vesting Dates by 1 February 2011, whether such Options were granted or such awards were made before or after the amendments took effect]

**RULES FOR THE NEDBANK GROUP (2005)
SHARE OPTION, MATCHED SHARE AND RESTRICTED SHARE SCHEME**

**THE NEDBANK GROUP (2005) SHARE OPTION, MATCHED SHARE AND RESTRICTED SHARE SCHEME
ADOPTED BY**

Nedbank Group Limited

Registration number 1966/010630/06

pursuant to the approval of the Shareholders of Nedcor Limited at the annual general meeting held on 4 May 2005

and

NEDBANK LIMITED

Registration number 1951/000009/06

and

the **TRUSTEES** for the time being of **THE NEDBANK GROUP (2005) SHARE SCHEME TRUST**

PART I – INTRODUCTION

1. INTERPRETATION

1.1 In these Rules the following terms shall have the meanings assigned to them hereunder, namely:

the Act	the Companies Act, 1973, as amended, or any other act which may in future replace the Companies Act of 1973;
Auditors	the auditors for the time being of the Company;
Award Certificate	for purposes of the Restricted Share Scheme, the certificate contemplated in clause 22;
Board	the board of directors for the time being of the Company acting either through itself or through any committee constituted from time to time (including the RemCo) and appointed by the board of directors of the Company, for the purpose of administering the Scheme;
Bonus Shares	the Compulsory Bonus Shares and/or the Voluntary Bonus Shares;
Bonus Threshold	for purposes of the Voluntary Bonus Share Scheme, the minimum amount of annual after tax bonus required to be receivable by an Employee as determined by the RemCo from time to time, in order to render him/her an Eligible Employee for purposes of the Voluntary Bonus Share Scheme;
Broker	the JSE authorised party selected by the Trustees from time to time to transact in the Shares, subject to the Scheme, it being recorded that first such party shall be BoE Stockbrokers;
Capitalisation Issue	Shares in the Company allotted and issued by way of a capitalisation of profits, share premium or reserves to a Participant in respect of Shares acquired by him/her pursuant to the Scheme;
Company	Nedbank Group Limited, Registration Number 1966/010630/06;
Compulsory Bonus Contribution	the contribution determined by the Board and/or RemCo which the Eligible Employee is obliged to make available from his/her after tax bonus to acquire Compulsory Bonus Shares;
Compulsory Bonus Shares	the Shares acquired using the Compulsory Bonus Contributions, registered in the name of the Participant;
Compulsory Bonus Share Scheme	a sub-scheme of the Matched Share Scheme, the terms of which are contained in Part III of these Rules;
Corporate Performance Target	one or more objectively determined performance target/s pre-determined by the RemCo, having regard to targets appropriate to the Group, applying to a particular group of Performance Awards, and designated by the RemCo as a "corporate performance target", which may, at the discretion of the RemCo, be different for Options, Matched Awards and Restricted Awards and for different groups of Options or different groups of Matched Awards or different groups of Restricted Awards;
Corporate Performance Target Vesting Percentage	as regards any particular Performance Award which has not reached its Vesting Date, the percentage identified as such in the most recent minutes of the RemCo from time to time dealing with such percentages;

Eligible Employee	<p>in respect of the Option Scheme and the Restricted Share Scheme: any Employee approved by the RemCo;</p> <ul style="list-style-type: none"> • in respect of the Voluntary Bonus Share Scheme any Employee who will qualify in respect of the Bonus Threshold; and • in respect of the Compulsory Bonus Share Scheme, an Employee obliged to participate in the Compulsory Bonus Share Scheme, to the extent of the Compulsory Bonus Contribution, <p>it being recorded that no Trustee, or non-executive director at a time when he/she is already a non-executive director (but this shall not affect any Participation granted when he/she was an executive director), shall be eligible for Participation in any Scheme;</p>
Employee	any person (including an executive director) in the full-time or part-time permanent employ of the Company or any of its Subsidiaries from time to time;
Employer	the company within the Group which is the employer of one or more Eligible Employees;
Fault Termination	<p>any Termination of a Participant's employment with any member of the Group:</p> <ul style="list-style-type: none"> • which does not constitute No Fault Termination, provided that the Board and/or RemCo may in its sole discretion determine whether the termination of employment of an Employee is to be classified as a No Fault Termination: Other rather than a Fault Termination for the purposes of these Rules; • which although when the Participant's employment terminated, was treated as a No Fault Termination, is recategorised as a Fault Termination by the Board and/or RemCo by reason of the Participant being guilty (prior to the termination of his/her employment) of conduct which would have entitled the Employer concerned, to terminate his/her employment on the grounds of his/her dishonest and/or fraudulent and/or grossly negligent conduct or any other similar ground;
Group	the Company and its Subsidiaries;
Inception Date	<p>for purposes of the Voluntary Bonus Share Scheme, in the event of a positive response by an Eligible Employee to an Invitation, the last day of March, in the relevant calendar year, save in respect of the first year of the Matched Share Scheme, in which event the date shall be 2 June 2005;</p> <ul style="list-style-type: none"> • for purposes of the Compulsory Bonus Share Scheme, the last day of March, in the relevant calendar year;
Invitation	the letters in terms of which the Trustees invite the Eligible Employees to participate in the Voluntary Bonus Share Scheme;
the JSE	JSE Limited (Registration number 2005/022939/06), a public company registered and incorporated in South Africa and licensed as an exchange under the South African Securities Services Act, 2004 (Act 36 of 2004), as amended;
Matched Awards	the right granted to Participants to receive the grant in terms of these Rules, of Matched Shares pursuant to the Matched Share Scheme;

Matched Shares	such number of Shares to which a Participant may become entitled under the Matched Share Scheme, the acquisition or issue of which Shares the Trust is obliged to procure either itself or using a contribution from the relevant Employer;
Matched Share Scheme	the scheme contained in Part III of these Rules which comprises the Compulsory Bonus Share Scheme and the Voluntary Bonus Share Scheme;
Maximum Contribution	for purposes of the Matched Share Scheme, a maximum percentage of the short-term incentive or a defined value, as determined by the Board and/or RemCo in their absolute discretion to acquire Bonus Shares;
Minimum Contribution	for purposes of the Matched Share Scheme, a minimum percentage of the short-term incentive or a defined value, as determined by the Board and/or RemCo in their absolute discretion to acquire Bonus Shares;
NedNamibia Scheme	the NedNamibia Holdings Long-Term Incentive Scheme;
NIB Scheme	the Nedcor Investment Bank Employee Share Scheme;
No Fault Termination	any No Fault Termination: Death or No Fault Termination: Other;
No Fault Termination: Death	any Termination by reason of the Participant's death;
No Fault Termination: Other	any Termination by reason of the Participant's retirement, retrenchment or Permanent Disability or a Fault Termination which is reclassified by the Board and/or RemCo as a No Fault Termination;
Option	an option granted to an Eligible Employee in terms of clause 7 to acquire Shares in the Company from the Trust;
Option Date	the date on which an Option has been approved by the Board, which date shall be specified in the Option Letter;
Option Letter	the letter in terms of which the Trustees grant an Option to an Eligible Employee;
Option Period	the period from the Option Date until the fifth anniversary of such date;
Option Scheme	that portion of the Scheme contained in Part II of these Rules dealing with the grant of Options to Eligible Employees and the exercise of such Options by such Eligible Employees;
Participant	an Eligible Employee to whom an Option Letter has been issued in terms of the Option Scheme; or to whom a Restricted Award has been made in terms of the Restricted Share Scheme or to whom an Invitation has been issued and accepted in terms of the Voluntary Bonus Share Scheme or who is obliged to participate in the Compulsory Bonus Share Scheme;
Participants' Contributions	the Voluntary Bonus Contributions and the Compulsory Bonus Contributions;
Participant's Portfolio	the Bonus Shares acquired and allocated to a Participant as contemplated in clause 17.1.2 or the Bonus Shares contributed by the Participant, where the Shares acquired using or comprising the Compulsory Bonus Contribution are the Compulsory Bonus Shares, and the Shares acquired using or comprising the Voluntary Bonus Contribution are the Voluntary Bonus Shares;

Participation	the Participation by any Participant in any Option Scheme, Matched Share Scheme and/or any Restricted Share Scheme;
Performance Awards	any Options, Matched Awards or Restricted Awards which are subject to Corporate Performance Targets as well as the requirement that the Participant is an Employee at the Vesting Date;
Permanent Disability	as regards a Participant, a person who ceases to be an Employee by reason of becoming disabled;
Prohibited Period	any date on which dealings in securities of the Company is prohibited in terms of the JSE Listing Requirements (as recommended from time to time), meaning: <ul style="list-style-type: none"> • a closed period; • any period when there exists any matter, which constitutes unpublished price sensitive information in relation to the relevant listed security (whether or not the director/participant has knowledge of such matter), as defined in the Listings Requirements of the JSE Limited;
Purchase Price	for purposes of the Option Scheme, the weighted average (by volume) closing market price of an ordinary share in the Company (as shown by the official trading price list published by the JSE) over the three most recent trading days on the JSE immediately preceding the Option Date;
RemCo	the remuneration committee of the Board;
Restricted Award	the grant of Restricted Shares pursuant to the Restricted Share Scheme as determined by the Board and/or RemCo and implemented by the Trustees;
Restricted Award Date	the date designated as such in the Award Certificate issued by the Trustees to an Eligible Employee;
Restricted Shares	Shares awarded to Eligible Employees pursuant, and subject to the restrictions contained in Part IV of these Rules;
Restricted Share Scheme	that portion of the Scheme contained in Part IV of these Rules dealing with the Restricted Award by the Trustees of Restricted Shares to Eligible Employees;
Retention Award	Options, Matched Awards or Restricted Awards all of which are subject to the requirement that the Participant is still in the employ of the Group at the Vesting Date but are not subject to Corporate Performance Targets;
Rights Issue	an offer by the Company to all shareholders (including the Participants where they are shareholders) to take up rights to freshly issued Shares;
Rules	these rules from time to time;
Scheme	collectively, the Option Scheme, the Matched Share Scheme and the Restricted Share Scheme, the terms of which are embodied in these Rules;
Scheme Shares	those Shares acquired by the Trust from the Company (by way of fresh issue) or from the market (by way of acquisition) in order to fulfil the Trust's obligations under the Option Scheme and/or the Matched Share Scheme and/or the Restricted Share Scheme and those shares delivered by the Trust (or in respect of which the Trust procures the delivery) directly to the Participants;

Share	an ordinary share in the issued share capital of the Company;
Subsidiary	any company which is a subsidiary of the Company within the meaning of the Act;
Temporary Disability	any disability which is not a Permanent Disability;
Termination	any termination of a Participant's employment with an Employer, (other than Temporary Disability or a transfer of employment from one Employer to another Employer which shall not be treated as a cessation of employment for the purposes of the Scheme);
Termination Date	the date on which Termination occurs;
The 1994 Scheme	the Nedcor Group (1994) Employee Share Incentive Scheme;
the Trust	the Nedbank Group (2005) Share Scheme Trust approved at the annual general meeting of the Company held on 4 May 2005 and as amended from time to time;
the Trustees	the Trustees for the time being of the Trust, it being recorded that no executive director may be appointed as a Trustee;
Vesting Date	in respect of the Option Scheme, the first day following the third anniversary of the Option Date or any accelerated Vesting Date as contemplated in these Rules which becomes applicable to that Option Scheme or any part thereof; or <ul style="list-style-type: none"> • in respect of the Matched Share Scheme, the first day following the third anniversary of the Inception Date or any accelerated Vesting Date as contemplated in these Rules which becomes applicable to that Matched Share Scheme or any part thereof; or • in respect of the Restricted Share Scheme, the first day following the third anniversary of the Restricted Award Date or any accelerated Vesting Date as contemplated in these Rules which becomes applicable to that Restricted Share Scheme or any part thereof;
Voluntary Bonus Contribution	the amount an Eligible Employee elects to make available from his/her after tax bonus to acquire Voluntary Bonus Shares, or the contribution of such equivalent number of Shares themselves, to the Voluntary Bonus Share Scheme;
Voluntary Bonus Shares	the Shares acquired in terms of the Voluntary Bonus Share Scheme using or comprising the Voluntary Bonus Contributions, registered in the name of the Participant;
Voluntary Bonus Share Scheme	a sub-scheme of the Matched Share Scheme, the terms of which are contained in Part III of these Rules; and
ZAR	South African Rand.

1.2 Expressions which denote:

- 1.2.1 any gender include the other genders;
- 1.2.2 the singular include the plural and *vice versa*;
- 1.2.3 natural persons include created entities and *vice versa*.

- 1.3 When any number of days is prescribed in these Rules, they shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday.
- 1.4 The provisions of these Rules shall be binding on the estates, heirs, executors, administrators, curators, liquidators, trustees, successors-in-title or assignees of the parties and any Participant as fully and effectually as if they had signed these Rules in the first instance, and any reference in these Rules to any party or any Participant shall be deemed to include such party's or such Participant's estates, heirs, executors, administrators, curators, liquidators, trustees, successors-in-title or assigns, as the case may be.
- 1.5 Any determination, decision, opinion or certification by the Auditors in terms of these Rules shall be given by the Auditors as experts and not as arbitrators and shall be final and binding on all persons affected thereby unless expressly stated to the contrary in these Rules.
- 1.6 Any reference to the "discretion", "determination", "decision", "election", "approval", "stipulation" or "instruction" of the Trustees or the Board or the RemCo shall mean the sole, absolute and unfettered discretion, determination, decision, election, approval, stipulation or instruction of the Trustees or the Board or the RemCo, as the case may be, and any exercise of such discretion or any decision, determination, election, approval, stipulation or instruction made by either of them pursuant to the provisions of these Rules shall be unchallengeable by any Participant, Eligible Employee or any other person and shall be final and binding on them, unless expressly stated to the contrary in these Rules.

2. NAME OF SCHEME

The name of the Scheme is the Nedbank Group (2005) Share Option, Matched Share, and Restricted Share Scheme.

3. OBJECT OF THE SCHEME

The object and purpose of the Scheme is to enable the Employer to provide an incentive to Eligible Employees to promote the continued growth of the Group by granting Options, awarding Restricted Shares and inviting Participation by Employees in the Voluntary Bonus Share Scheme or requiring Participation in the Compulsory Bonus Share Scheme to enable them to acquire an interest in the Company and to attract and retain suitably skilled and competent personnel in the manner and on the terms and conditions set out in these Rules.

4. SHARES AVAILABLE FOR THE SCHEME

- 4.1 Subject to the provisions of clauses 4.5 and 4.6, the number of Shares which may be allocated in terms of this Scheme, The 1994 Scheme, the NIB Scheme and the NedNamibia Scheme shall not exceed 49,717,637 (forty-nine million seven hundred and seventeen thousand six hundred and thirty-seven) Shares.
- 4.2 Subject to the provisions of clauses 4.5 and 4.6 the maximum number of shares which may, in aggregate, be allocated to any one Participant pursuant to The 1994 Scheme, the NIB Scheme, the NedNamibia Scheme, the Matched Share Scheme and/or purchased by any one Participant pursuant to the exercise of an Option in terms of the Option Scheme by that Participant and/or awarded to a Participant under the Restricted Share Scheme shall not exceed 2,485,882 (two million four hundred and eighty-five thousand eight hundred and eighty-two) Shares.
- 4.3 The limit referred to in clause 2 shall include new Shares allotted and issued by the Company in settlement of this Scheme, The 1994 Scheme, the NIB Scheme and the NedNamibia Scheme.
- 4.4 The aggregate result of clauses 2 and 4.3 shall exclude the following:
 - 4.4.1 Shares purchased in the market in settlement of this Scheme, The 1994 Scheme, the NIB Scheme and the NedNamibia Scheme; and
 - 4.4.2 Shares in respect of grants and awards under this Scheme, The 1994 Scheme, the NIB Scheme and the NedNamibia Scheme which are not subsequently settled to a Participant as a result of the forfeiture thereof.

- 4.5 The limits referred to in clauses 2 and 4.2 shall be adjusted in such manner as the Board shall determine (and which the Auditors shall confirm in writing to be in their opinion fair and reasonable) following the sub-division or consolidation of the Shares, reduction of share capital or the issue of additional Shares whether by way of a capitalisation of the Company's profits and reserves (including the share premium account and the capital redemption reserve fund), or a Rights Issue.
- 4.6 Subject always to the provisions of the Act, the members of the Company may from time to time, in general meeting, reserve unissued shares under the control of the Board for the purpose of the Scheme.

5. ACQUISITION BY THE TRUST OF SHARES

- 5.1 Subject to the provisions of Schedule 14 of the JSE Listings Requirements, the Board shall from time to time offer such number of Shares to the Trustees and grant such number of Options to purchase Shares to the Trustees, as are necessary to enable the Trustees to give effect to and implement the Restricted Awards as contemplated in clause 22, the delivery of Matched Shares in terms of clause 18, or the exercise of Options granted in terms of clauses 7 and 8, due regard being had to the provisions of clause 2. The Shares so acquired by the Trust will rank *pari passu* with the existing Shares in the issued ordinary share capital of the Company.
- 5.2 The Board shall, on a subscription for Shares in accordance with clause 5, arrange for the allotment and issue of such Shares to the Trustees or their nominee (provided that such nominee shall be the relevant Participant) at a price per share to be determined by the Board which price shall not exceed the closing price of each Share as quoted by the JSE on the day preceding the date of allotment and issue by the Company of the Scheme Shares, and such amount shall be payable in full on allotment.
- 5.3 The Company shall at all times reserve and keep available, free from pre-emptive rights, out of its authorised but unissued share capital, such number of Shares as shall then be issuable upon the exercise of all the Options to subscribe for unissued Shares and the award of Restricted Shares then outstanding less the number of Shares held by the Trust and set aside by it for the purpose of satisfying the exercise of any Options or the award of Restricted Shares and the delivery of the Matched Shares at the applicable Vesting Date.
- 5.4 Any offer of Shares to the Trustees or any Option to purchase Shares granted to the Trustees in terms of clause 5 shall be in writing and shall be accompanied by a certified copy of the resolution referred to in clauses 6.2, 16.1, 16A.2 or 21.2, as the case may be, and the Trustees shall forthwith grant the Options or award the Restricted Shares or issue the Invitations or confirm Participation in the Compulsory Bonus Share Scheme referred to in such resolutions to the Eligible Employees named or referred to in such resolutions.
- 5.5 The Trustees will, if so instructed by the Board, incur an expense by acquiring, or procuring the acquisition through an agent, for cash by purchase on the market the required number of Shares to enable the Trustees to give effect to and implement the Restricted Awards as contemplated in clause 22, the delivery of Matched Shares in terms of clause 18 or the exercise of Options granted in terms of clauses 7 and 8.
- 5.6 The Employer shall, on the acquisition of the Scheme Shares by the Trust, be liable to pay on demand to the Trust:
- 5.6.1 in the case of an Option, an amount equal to the difference between the issue price and the Purchase Price;
 - 5.6.2 in the case of a Restricted Share or a Matched Share, an amount equal to the consideration paid by the Trust; and
 - 5.6.3 in the event of the Trust purchasing Shares on the market, an amount equal to the purchase consideration paid by the Trust.
- 5.7 Shares held in the Trust may only be sold or used for the proposed Participation of another Eligible Employee by the Trust:
- 5.7.1 as regards any Shares to which a Participant has forfeited his/her rights; or
 - 5.7.2 on behalf of a Participant, once the rights of ownership of the Participant has vested in terms of the provisions of the Scheme.

PART II – THE OPTION SCHEME

6. ELIGIBILITY TO PARTICIPATE IN THE SCHEME

- 6.1 The persons eligible for Participation in the Option Scheme shall be the Eligible Employees.
- 6.2 The Board and/or RemCo may in its discretion, but subject to the provisions of the Act and these Rules, from time to time by resolution direct the Trustees to grant Options to Eligible Employees. Such resolution shall specify:
 - 6.2.1 the name of the Eligible Employee;
 - 6.2.2 the number of Shares which may be purchased pursuant to the exercise of the Option;
 - 6.2.3 the sum, if any, per Share to be paid by the Eligible Employees on the exercise of the Option;
 - 6.2.4 that the remaining terms of the Option shall be in accordance with the terms set out in these Rules; and
 - 6.2.5 Corporate Performance Targets, if any, attaching to the Options.

7. OPTIONS

- 7.1 The Trustees shall be obliged to grant Options to Eligible Employees as directed by resolution of the Board contemplated in clause 6.2 to acquire Shares at the Purchase Price.
- 7.2 An Option granted in terms of clause 7.1:
 - 7.2.1 shall be in the form from time to time prescribed by the Trustees; and
 - 7.2.2 shall be made for a specified number of Shares at the Purchase Price and on the terms as stipulated in the resolution of the Board contemplated in clause 6.2.
- 7.3 Without detracting from any other terms and conditions of the Scheme as set out in these Rules, the terms and conditions applicable to an Option granted to an Eligible Employee are set out in this Part II of these Rules.

8. TERMS AND CONDITIONS APPLICABLE TO OPTIONS

- 8.1 Options may be exercised by a Participant at any time from and including the Vesting Date to and including the last day of the Option Period and will lapse on the first day following the expiry of the Option Period, unless clause 10.2.1 applies, in which case the Options that do not vest will lapse at the Vesting Date.
- 8.2 An Option:
 - 8.2.1 shall be personal to and only capable of being exercised by the Participant to whom it is granted (or the executor of the deceased estate of the Participant concerned) subject to the provisions of clause 12;
 - 8.2.2 shall, unless otherwise specified in it, be exercised by a notice in writing in such form as the Trustees may stipulate, and shall be delivered to the Trustees within the Option Period (due regard being had to the provisions of clause 8.1), and for a valid exercise shall be accompanied by an amount per share, if any, stipulated in the Option Letter, for the number of Shares in respect of which the Option is being exercised;
 - 8.2.3 may be exercised in part or in full, as the Participant may elect, due regard being had to the provisions of clause 8.1.

9. PAYMENT OF PURCHASE PRICE ON EXERCISE OF AN OPTION

The full Purchase Price of the Shares which the Participant has elected to acquire pursuant to the exercise of the Option, together with any stamp duty and brokerage charges thereon shall become due and payable by the Participant to the Trustees as and when the Option is exercised; provided that, in the sole discretion of the Trustees, and on the specific terms determined by them, the Participant shall be entitled to exercise his/her Options and simultaneously

instruct the Trustees to sell so many of the Shares to which the Options relate as is sufficient to pay the Purchase Price in respect thereon and any applicable costs and taxes; or alternatively to sell all the Shares to which the Options relate and to remit the cash balance (after deducting applicable costs and taxes) to the Participant.

10. CORPORATE PERFORMANCE TARGETS

10.1 It is recorded that the Board and/or the RemCo may, in its discretion, determine appropriate Corporate Performance Targets, to the grant of any Options, provided that such Corporate Performance Targets shall:

10.1.1 be clearly stipulated and communicated in the relevant Option Letters;

10.1.2 be capable of objective measurement and determination; and

10.1.3 apply equally to all Participants to whom Options are granted at the time in question, whether new joiners or existing employees (subject to a threshold of a certain number of Options per Eligible Employee to which the Corporate Performance Targets may, at the discretion of the Board and/or RemCo, not apply).

10.2 It is recorded further that the Board and/or the RemCo may in its discretion in determining Corporate Performance Targets to a particular grant of Options, determine that in the event of:

10.2.1 under-performance in respect of the Corporate Performance Target, only a certain percentage (as determined by the Board and/or RemCo) of such Options will vest and the Participant shall be limited to exercising (at any time between the Vesting Date and the expiry of the Option Period) that portion of his Options as indicated in the Option Letter as relates to that percentage (as communicated by the Board prior to the Vesting Date);

10.2.2 full performance in respect of the Corporate Performance Targets, (ie attainment of 100% of target) the Participant shall be entitled to exercise all of his Options as indicated in the Option letter (as communicated by the Board prior to the Vesting Date);

10.2.3 superior performance in respect of the Corporate Performance Targets (i.e. the attainment of significantly in excess of 100% of target), the Participant shall be deemed to have been granted such additional Options as indicated in the Option Letter (and as communicated by the Board prior to the Vesting Date), at the original Purchase Price pertaining to the Options granted in his Option Letter, and shall accordingly be entitled also to exercise such additional Options in the manner as contemplated in clause 9. It is recorded for the sake of clarity that the Board/RemCo shall be entitled, prior to the grant of any Performance Awards relating to Options, to determine whether superior Group performance (as measured by the Corporate Performance Target set in relation to that particular tranche of Options) is to be rewarded through additional Options. If such determination is made, the extent of the grant of additional Options shall be in the discretion of the RemCo and shall be clearly set out in the Option Letter and shall be equally applicable to each Participant.

11. FREQUENCY OF GRANT

11.1 The Board and/or RemCo shall be limited to directing the Trustees to grant Options not more than twice in any particular calendar year in order to ensure consistency of price and ease of administration.

11.2 Notwithstanding provisions of clause 11.1, the Board and/or the RemCo shall be entitled to approve the grant of Options on an exceptional basis over and above the semi-annual grant of Options in any particular year, where business needs (as motivated by the Chief Executive Officer) dictate that an exception be made.

12. TERMINATION OF EMPLOYMENT

Termination before the Vesting Date

12.1 If a Participant is granted Options in terms of the Option Scheme and before the Vesting Date, the Participant is no longer an Employee by reason of a:

12.1.1 No Fault Termination: Death, then as regards:

12.1.1.1 his/her Options which are Retention Awards, the Vesting Date for such Options shall not be the first day following the third anniversary of the Inception Date, but the Termination Date. Such Options shall be capable of being exercised by the executor of the deceased estate within a period of 12 months following the Termination Date, failing which such Options shall lapse and cease to have any further force or effect;

12.1.1.2 his/her Options which are Performance Awards to which the same Corporate Performance Targets apply:

12.1.1.2.1 the number of Options as is determined by applying the Corporate Performance Target Vesting Percentage to the number of Options granted under the Performance Awards, the Vesting Date shall not be the first day following the third anniversary of the Inception Date, but the Termination Date. Such Options shall be capable of being exercised by the executor of the deceased estate within a period of 12 months following the Termination Date, failing which such Options shall lapse and cease to have any further force or effect;

12.1.1.2.2 the remainder of the Options not covered by clause 12.1.1.2.1, shall lapse and cease to have any further force or effect;

12.1.2 Fault Termination, then his/her Options shall lapse and cease to have any further force or effect;

12.1.3 by reason of a No Fault Termination: Other, then the Vesting Date in respect of his/her Options shall be unaffected and remain the first day following the third anniversary of the Inception Date.

Termination after the Vesting Date

12.2 If the employment of a Participant terminates by reason of a Termination at any stage after the Vesting Date but before the expiry of the Option Period, the Participant shall be entitled (but not obliged) to exercise his/her unexercised Options as contemplated in clauses 8 and 9 provided that in the case of:

12.2.1 a Fault Termination, the Participant shall only have the lesser of 6 months following the Termination Date and the remaining period until the expiry of the Option Period;

12.2.2 a no Fault Termination, the Participant shall only have the lesser of 12 months following the Termination Date and the remaining period until the expiry of the Option Period,

in which to exercise his/her Options, failing which any unexercised Options shall lapse and cease to be of any further force or effect.

13. REGISTRATION OF OWNERSHIP

If the Participant has exercised an Option and paid the Purchase Price in full (together with all applicable costs and stamp duties), the Trustees will procure that the Participant's name is entered into the appropriate register as the beneficial owner of the Shares to which the Option/s relate, as contemplated in section 91A of the Act within 30 days after the exercise of such Option. It is recorded that the Shares shall, upon release to the Participants as contemplated in this clause 13, rank *pari passu* in all respects which the existing issued Shares of the Company.

PART III – THE MATCHED SHARE SCHEME

14. INTRODUCTION

14.1 The Board wishes to encourage (and in certain cases to oblige) the Group's Employees to hold Shares and remain in the employ of the Group for the long-term. It has accordingly approved the implementation of the Matched Share Scheme, detailed in Part III of these Rules. The Matched Share Scheme consists of two sub-schemes ie the Compulsory Bonus Share Scheme and the Voluntary Bonus Share Scheme.

14.2 The main features of the Matched Share Scheme are:

- the Eligible Employees elect, or are obliged, to contribute a portion of their after tax bonuses to acquire shares in the Matched Share Scheme which could in the case of the Voluntary Bonus Share Scheme be an amount or contribution of Shares already beneficially held by the Participant;
- Bonus Shares (whether Compulsory Bonus Shares or Voluntary Bonus Shares) which comprise and remain in the Participant's Portfolio at the Vesting Date are matched by the Company and his/her Matched Shares are then delivered to him/her;
- the delivery of Matched Shares is partially contingent upon the achievement of Corporate Performance Targets;
- the Corporate Performance Targets are set annually by the RemCo;
- Bonus Shares encumbered or disposed of or withdrawn no longer constitute the Participant's Portfolio, and the Participant shall only be entitled to matching based on the number of Bonus Shares remaining in the Participant's Portfolio on the Vesting Date.

14.3 The primary differences between the Voluntary Bonus Share Scheme and the Compulsory Bonus Share Scheme are as follows:

14.3.1 Eligibility:

14.3.1.1 Voluntary Bonus Share Scheme – Eligible Employees are invited to Participate in the Scheme, based on the Bonus Threshold determined by the Board and/or Remco; and

14.3.1.2 Compulsory Bonus Share Scheme – Eligible Employees are obliged to Participate in the Compulsory Bonus Share Scheme, to the extent of the Compulsory Bonus Contribution.

14.3.2 Treatment of the Bonus Shares held in the Participant's Portfolio:

14.3.2.1 Voluntary Bonus Share Scheme – Participants are entitled to encumber, dispose of or withdraw the Voluntary Bonus Shares at any time before the Vesting date; and

14.3.2.2 Compulsory Bonus Share Scheme – Participants are only permitted to encumber, dispose of or withdraw the Compulsory Bonus Shares before the Vesting Date on the terms specified by the Board and/or Remco. The Board and/or Remco is not obliged to provide such terms.

15. MINIMUM AND MAXIMUM

15.1 The Eligible Employees for purposes of the Voluntary Bonus Share Scheme shall be all Employees who attain, in any particular year, the Bonus Threshold. Under the Voluntary Bonus Share Scheme, the Eligible Employees shall be entitled but not obliged to elect what portion of their bonus to invest in Voluntary Bonus Shares in terms of the Voluntary Bonus Share Scheme, subject to a minimum investment in any year of the Minimum Contribution reduced by the Compulsory Bonus Contribution, if any, and a maximum investment in any year of the Maximum Contribution reduced by the Compulsory Bonus Contribution, if any. In the event that an Eligible Employee wishes to contribute Shares rather than cash for purposes of the Voluntary Bonus Share Scheme, he shall nevertheless also be required to notionally elect the portion of his/her bonus to be invested in the Voluntary Bonus Share Scheme, subject to the Minimum Contribution reduced by the Compulsory Bonus Contribution, if any and the Maximum Contribution reduced by the Compulsory Bonus Contribution, if any described in this clause 15.

15.2 The Eligible Employees for the purposes of the Compulsory Bonus Share Scheme are obliged to invest their respective Compulsory Bonus Contributions.

16. INVITATIONS TO PARTICIPATE IN THE VOLUNTARY BONUS SHARE SCHEME

- 16.1 The Board and/or RemCo may resolve, on an annual basis, that the Trustees issue Invitations to participate in the Voluntary Bonus Scheme to all Eligible Employees, if any.
- 16.2 The Trustees shall, pursuant to the receipt of such Board and/or RemCo resolution, forthwith issue the Invitations contemplated therein. Each Invitation shall be in the form prescribed from time to time by the Trustees and shall specify:
- the name of the Eligible Employee to whom the Invitation is addressed;
 - the applicable Minimum Contribution for the Matched Share Scheme, if any;
 - the applicable Maximum Contribution for the Matched Share Scheme, if any;
 - that it is possible to elect to contribute existing beneficially owned and unencumbered Shares rather than cash to the Voluntary Bonus Share Scheme;
 - the time within which the Invitation must be accepted; and
 - the detailed Corporate Performance Targets as contemplated in clause 19 below.

16A PARTICIPATION IN THE COMPULSORY BONUS SHARE SCHEME

- 16A.1 The provisions of this clause 16A and clause 20.2 shall apply to the Compulsory Bonus Share Scheme instead of the provisions of clauses 16, 17.1.1 (other than clause 17.1.1.2), 17.4, 17.5 and 20.1.
- 16A.2 Each Eligible Employee shall be obliged, to the extent of the Compulsory Bonus Contribution as reflected in the relevant resolution of the Board and/or RemCo, to apply it to the Compulsory Bonus Share Scheme and become a Participant under that Scheme. The Employer shall pay over the Compulsory Bonus Contribution to the Broker for the purposes of acquiring Compulsory Bonus Shares within 14 days of the next succeeding 31 March. The Participant shall be deemed irrevocably to have mandated the Broker to pool his/her Compulsory Bonus Contribution with all other Participants' Contributions received in terms of this clause and in terms of clause 17.1.1.2, in the month in question in order to purchase Compulsory Bonus Shares as contemplated in clause 17.1.1.2.
- 16A.3 In addition to the forfeiture provisions in clause 19A, if any term providing for forfeiture which the Board and/or RemCo may impose in connection with the Participation of any Participant in respect of the Compulsory Bonus Share Scheme, is triggered, whether by the Participant or for any other reason, the Board and/or RemCo shall determine in its sole discretion the appropriate course of action to be taken in order to implement the forfeiture of the Compulsory Bonus Shares, if applicable, and the Matched Shares.

17. ACCEPTANCE OF INVITATION

17.1 Matched Share Scheme

- 17.1.1 Each Eligible Employee who is in receipt of an Invitation and who has made the election to participate in the Voluntary Bonus Share Scheme, shall be entitled but not obliged to accept such Invitation within 10 working days of the date thereof. Such acceptance, subject to the provisions of clause 17.4 shall take the prescribed form of a written mandate signed by the Eligible Employee instructing and authorising the Trustees to:
- 17.1.1.1 pay over the relevant Participant's Contribution to the Broker for purposes of acquiring Voluntary Bonus Shares within 14 days of the Inception Date; and
 - 17.1.1.2 irrevocably mandate the Broker to pool all Participants' Contributions so received in the month in question in order to purchase Bonus Shares at the actual market price on the JSE at time of the particular transactions.
- 17.1.2 Such number of Bonus Shares shall be allocated to the Participant's Portfolio as may be determined in the sole discretion of the Trustees by calculating the proportion which the Voluntary Bonus Contribution or the Compulsory Bonus Contribution contemplated in clause 16.A.2, as the case may be, bears to the total of all Participants' Contributions received by the Broker in that month, to the number of Bonus Shares actually acquired by the Broker within the 14-day period.

- 17.2 It is recorded that the Broker's costs, fees and all related stamp duties and the like shall be paid from the Participants' Contributions.
- 17.3 If and to the extent that the Participant's Contribution exceeds the actual amount determined to have been due having regard to the actual acquisition cost of the Bonus Shares attributed to his/her Participant's Portfolio (together with all attendant duties and fees), and such amount exceeds R20, the Trustees shall, within 60 days of the Inception Date, procure the refund of such amount to the Participant concerned. Any amounts of R20 or less shall be forfeited by the Participant to the Trust.
- 17.4 In the event that the Participant under the Voluntary Bonus Share Scheme does not wish to contribute the requisite portion of his/her bonus to the Voluntary Bonus Share Scheme, but rather to contribute the equivalent number of unencumbered and beneficially owned Shares to the Voluntary Bonus Share Scheme, he/she will indicate this in his/her acceptance of the Invitation. The Trustees shall thereafter be obliged, once the number of the Shares actually acquired by the Broker has been determined pursuant to the provisions of clause 17.1 and the average actual market price of the acquisition of such Shares has been calculated accordingly, to inform such Participant of the number of unencumbered and beneficially owned Shares which he/she must contribute (being the requisite portion of his/her bonus divided by the average actual market price per Share referred to above).
- 17.5 Within 14 days of receipt of an appropriate notification from the Trustees as to the Shares contemplated in clause 17.4, the affected Participants shall be obliged to procure the transfer, to the Broker, of the Shares contemplated in clause 17.4. All costs in procuring such transfer shall be for the Participant's account. Such Shares contemplated in clause 17.4 shall thereafter constitute the Participant's Portfolio, and shall accordingly be subject to the provisions of clauses 18 to 20, as applicable.

18. CONDITIONS FOR THE SHARE MATCH

18.1 Matched Share Scheme

- 18.1.1 Subject to the provisions of this clause, the Trust shall be obliged to deliver or procure the delivery of Matched Shares, within 30 days of the Vesting Date, in order to match, on a one-for-one basis, the number of Bonus Shares constituting the Participant's Portfolio at the Vesting Date; provided that:
- 18.1.1.1 such Participant is still in the employ of an Employer as at the Vesting Date; and
- 18.1.1.2 the Corporate Performance Target contemplated in clause 19 is attained and a certificate to this effect is issued by the Auditors.
- 18.2 The Trust shall be entitled, at its election, in order to comply with its obligations in terms of clause 18.1 to subscribe for a fresh issue of Shares either to use its own resources, or to procure a contribution from the relevant Employer.
- 18.3 It is recorded that the Shares shall, upon release to the Participants as contemplated in clause 18.2, rank *pari passu* in all respects with the existing issued Shares of the Company.
- 18.4 In the event that the Corporate Performance Target is not attained as contemplated in clause 18.1.1.2 but the Participant is in the employ of an Employer as contemplated in clause 18.1.1.1, the Trust shall be obliged to match the Participant's Portfolio on a one-for-two basis i.e. make delivery or procure the delivery of one Matched Share for every two Bonus Shares in the Participant's Portfolio at the Vesting Date.
- 18.5 The decision of the Auditors as to the attainment of the Corporate Performance Target and/or the decision of the Board and/or RemCo as to whether or not a Participant is in the employ of an Employer shall be final and binding on the parties to any related dispute.
- 18.6 Any Matched Award shall be personal to and only capable of being acquired by the Participant to whom it is granted (or the executor of the deceased estate of the Participant concerned) subject to the provisions of clause 19A.

19. CORPORATE PERFORMANCE TARGETS

- 19.1 The Board and/or the RemCo shall, on an annual basis, prior to the distribution of the Invitations, determine an appropriate Corporate Performance Target, as a condition for the delivery of the Matched Shares by or on behalf of the Trust which shall be clearly stipulated and communicated to Participants in the Invitation.
- 19.2 The Corporate Performance Target shall apply equally to all Participants in a particular Matched Award.

19A TERMINATION OF EMPLOYMENT

If a Participant in the Matched Share Scheme is no longer an Employee before the Vesting Date by reason of a:

19A.1 No Fault Termination: Death, then as regards:

19A.1.1 his/her Compulsory Bonus Shares, they shall immediately be free of any restrictions of the type contemplated in clause 20.2. Any Bonus Shares may be withdrawn immediately from the Scheme without affecting the right to the Retention Awards or Performance Awards as referred to in clauses 19A.1.2 and 19A.1.3.1;

19A.1.2 his/her Participation in respect of Retention Awards, the Vesting Date for such Participation shall not be the first day following the third anniversary of the Inception Date, but the Termination Date;

19A.1.3 his/her Participation on the same date in respect of Performance Awards to which the same Corporate Performance Targets apply:

19A.1.3.1 the Vesting Date for such percentage of such Performance Awards as is determined by applying the Corporate Performance Target Vesting Percentage, shall not be the first day following the third anniversary of the Inception Date, but the Termination Date;

19A.1.3.2 the remainder of the Performance Awards not covered by clause 19A.1.3.1, the Participant shall forfeit all rights to such Performance Awards to the Trust;

19A.2 No Fault Termination: Other, then the Vesting Date and all other terms in respect of his/her Participation in Retention Awards and Performance Awards shall be unaffected and shall continue as if the No Fault Termination: Other had not occurred;

19A.3 Fault Termination, then the Participant shall forfeit all rights to such Performance Awards and Retention Awards and any Compulsory Bonus Shares which are still subject to any restrictions contemplated in clause 20.2, to the Trust.

20. ABILITY TO DEAL IN THE PARTICIPANT'S PORTFOLIO

20.1 Voluntary Bonus Shares

The Participant shall at any time after the Inception Date be entitled to sell or otherwise encumber his Voluntary Bonus Shares, subject to any relevant policies then in force dealing with the trading of shares by employees; provided that:

20.1.1 all dealings in the Voluntary Bonus Shares comprising the Participant's Portfolio must be made through the Broker. The Participant shall be entitled to instruct the Broker in writing (with a copy to the Trustees) to sell any or all of the Voluntary Bonus Shares constituting the Participant's Portfolio on such terms as may be agreed between himself and the Broker and the Voluntary Bonus Shares so sold shall no longer constitute his Participant's Portfolio;

20.1.2 in the event that the Participant needs to encumber his Participant's Portfolio he shall be entitled to do so provided that to the extent that he is required to transfer rights in and to his Voluntary Bonus Shares or any part thereof to a third party, the Voluntary Bonus Shares so encumbered shall no longer constitute his Participant's Portfolio; and

20.1.3 notwithstanding anything to the contrary contained in these Rules, the Participant shall on the Vesting Date only be entitled to a matching on the basis of the number of Voluntary Bonus Shares as then remains in his/her Participant's Portfolio. The Participant shall be entitled to deal freely with such Matched Shares after the Vesting Date.

20.2 **Compulsory Bonus Shares**

The Board and/or RemCo may specify (but is not obliged to, in which case the Compulsory Bonus Shares may not be sold or pledged until the Vesting Date) at the time of the Matched Award the terms on which the Compulsory Bonus Shares may be encumbered or sold by the Participant before the Vesting Date. For example, the Board and/or RemCo may specify terms that allow 50% of the Compulsory Bonus Shares to be sold or pledged at the election of the Participant 18 months after the Inception Date. If the Participant is permitted by the terms of the Matched Award to elect to sell and/or pledge any of his/her Compulsory Bonus Shares before the Vesting Date and the Participant makes any such election:

20.2.1 those Compulsory Bonus Shares sold or pledged shall no longer constitute his/her Participant's Portfolio and the Participant shall on the Vesting Date only be entitled to a matching on the basis of the number of Compulsory Bonus Shares as then remains in his/her Participant's Portfolio;

20.2.2 any such sale or pledge shall be subject to any relevant Group policies then in force dealing with the trading of shares by employees; all sales must be made through the Broker, on such terms as the Participant shall instruct in writing (with a copy to the Trustees).

20.3 A Participant shall have no shareholder or other rights in respect of the Matched Shares before the Vesting Date.

PART IV – RESTRICTED SHARE SCHEME

21. ELIGIBILITY TO PARTICIPATE IN THE SCHEME

- 21.1 The persons eligible for Participation in the Restricted Share Scheme shall be the Eligible Employees.
- 21.2 The Board may in its discretion, but subject to the provisions of the Act and these Rules, from time to time by resolution direct the Trustees to make Restricted Awards of Restricted Shares to Eligible Employees. Such resolution shall specify:
- 21.2.1 the name of the Eligible Employee;
 - 21.2.2 the number of Performance Awards and/or Retention Awards;
 - 21.2.3 the Corporate Performance Target applicable to the particular Restricted Award, if any;
 - 21.2.4 that no price shall be payable in respect of the acquisition of the Restricted Shares unless specified to the contrary;
 - 21.2.5 that the remaining terms of the Restricted Award shall be in accordance with the terms set out in these Rules.

22. RESTRICTED AWARDS

- 22.1 The Trustees shall be obliged to grant Restricted Awards to Eligible Employees as directed by resolution of the Board contemplated in clause 21.2.
- 22.2 A Restricted Award granted in terms of clause 22.1:
- 22.2.1 shall be in the form of an Award Certificate from time to time prescribed by the Trustees; and
 - 22.2.2 shall be made for a specified number of Shares and on the terms as stipulated in the resolution of the Board contemplated in clause 21.2.
- 22.3 Without detracting from any other terms and conditions of the Scheme as set out in these Rules, the terms and conditions applicable to a Restricted Award granted to an Eligible Employee are set out in this Part IV of these Rules.

23. TERMS AND CONDITIONS APPLICABLE TO RESTRICTED AWARDS

- 23.1 Restricted Awards shall be subject to the restriction that the Shares to which such Restricted Awards relate may not be disposed of or otherwise encumbered at any time up to but not including the Vesting Date and shall be subject at all times to the control of the Board and/or RemCo. These restrictions will lapse on the Vesting Date.
- 23.2 Notwithstanding anything to the contrary contained in clause 23.1, the Board and/or RemCo may if it considers that there are special circumstances relating to a particular Participant, permit the disposal or encumbrance of Restricted Shares prior to the Vesting Date on such basis as it considers appropriate in the circumstances.
- 23.3 A Restricted Award:
- 23.3.1 shall be personal to and only capable of being acquired by the Participant to whom it is granted (or the executor of the deceased estate of the Participant concerned) subject to the provisions of clause 26;
 - 23.3.2 shall, unless otherwise specified, not be required to be accepted by notice in writing.

24. CORPORATE PERFORMANCE TARGETS

- 24.1 The Board and/or the RemCo shall apply appropriate Corporate Performance Targets to the grant of any Performance Award relating to Restricted Shares provided that such Corporate Performance Targets shall:
- 24.1.1 be clearly stipulated and communicated in the relevant Performance Award;
 - 24.1.2 be capable of objective measurement and determination;
 - 24.1.3 apply equally to all Participants to whom Performance Awards relating to Restricted Shares are granted at the same time, whether new joiners or existing employees.
- 24.2 In the event that the Corporate Performance Targets are not met, the Restricted Award shall be and is hereby deemed to have been cancelled in respect of so many of the Restricted Shares as correlates to the degree of under-performance as contemplated in clause 24.3.1 with effect from the date immediately prior to the Vesting

Date and the Participants shall have no claim against the Trustees, the Company or any other member of the Group, for delivery of or any rights in respect of the Restricted Shares, other than a claim for arrear dividends as contemplated in clause 28.3. The full beneficial ownership of the Shares constituting that part of the Restricted Award which has been partially cancelled as contemplated above shall forthwith revert and/or be transferred to the Trust (as applicable).

24.3 It is recorded further that the Board and/or the RemCo may in its discretion in determining Corporate Performance Targets to a particular grant of Restricted Awards, determine that in the event of:

24.3.1 under-performance in respect of the Corporate Performance Target, only a certain percentage of such Restricted Shares will vest and the Participant shall be limited to taking delivery, on an unrestricted basis on the Vesting Date of that portion of the Shares (as is indicated in the Award Certificate) as correlates to the relative degree of under-performance (as communicated by the Board prior to the Vesting Date);

24.3.2 full performance in respect of the Corporate Performance Target, (ie attainment of 100% of target) the Participant shall be entitled to take delivery, on an unrestricted basis, of the Shares indicated in the Award Certificate (as communicated by the Board prior to the Vesting Date);

24.3.3 superior performance in respect of the Corporate Performance Target (ie the attainment of significantly in excess of 100% of target), the Participant shall be deemed to have been granted such additional Restricted Shares as indicated in the Award Certificate (and as communicated by the Board prior to the Vesting Date) and shall accordingly be entitled to take delivery, on an unrestricted basis of all such Shares on the Vesting Date.

25. FREQUENCY OF GRANT OF RESTRICTED SHARES

25.1 Subject to clause 25.2 the Board and/or RemCo shall be limited to directing the Trustees to grant Restricted Awards not more than twice in any particular calendar year in order to ensure consistency and ease of administration.

25.2 Notwithstanding provisions of clause 25.1, the Board and/or RemCo shall be entitled to approve the grant of Restricted Awards on an exceptional basis further to the semi-annual grant of Restricted Awards in any particular year, where business needs (as motivated by the Chief Executive Officer) dictate that an exception be made.

26. TERMINATION OF EMPLOYMENT

If a Participant is granted a Restricted Award, and before the Vesting Date, the Participant is no longer employed by any member of the Group by reason of a:

26.1 No Fault Termination: Death, then as regards:

26.1.1 his/her Retention Award in respect of Restricted Shares, the Vesting Date for such Retention Award shall not be the first day following the third anniversary of the Restricted Award Date, but the Termination Date;

26.1.2 his/her Performance Award made on the same date in respect of Restricted Shares which are all subject to the same Corporate Performance Targets:

26.1.2.1 the Vesting Date for that percentage of such Performance Awards as is determined by applying the Corporate Performance Target Vesting Percentage, shall not be the first day following the third anniversary of the Restricted Award Date, but the Termination Date;

26.1.2.2 the remainder of the Performance Awards not covered by clause 26.1.2.1, the Participant shall forfeit all rights to such Performance Awards to the Trust;

26.2 No Fault Termination: Other, then the Vesting Date in respect of his/her Restricted Award shall be unaffected and remain the first day following the third anniversary of the Restricted Award Date;

26.3 Fault Termination, then the Participant shall forfeit all rights to such Restricted Shares to the Trust.

27. REGISTRATION OF OWNERSHIP IN RESPECT OF RESTRICTED SHARES

The Trustees will procure that the Participants are entered into the appropriate register as the beneficial owners of the Shares as contemplated in section 91A of the Act within 30 days after the Restricted Award Date. Such registration shall be endorsed as being on a restricted basis, with the Shares being subject to the control of Trustees from the date of their issue to and including the Vesting Date whereafter the Trustees, subject to the provisions of clauses 24 and 26, shall procure the unrestricted delivery of such Shares to the Participant and shall procure the deletion of the endorsement accordingly. It is recorded that the Shares shall, upon release to the Participants as contemplated in this clause 27, rank *pari passu* in all respects which the existing issued Shares of the Company.

PART V – GENERAL

28. DIVIDENDS

For the sake of clarity it is recorded that:

- 28.1 in respect of the Option Scheme, no dividends shall be paid unless and until the Options are exercised by a Participant, the full Purchase Price paid therefor and the relevant Shares issued;
- 28.2 in respect of the Matched Share Scheme, dividends shall be paid on the Bonus Shares constituting the Participant's Portfolio but no right to dividends shall accrue to Participants in respect of the Matched Shares unless and until the requisite Matched Shares are delivered to the Participant; and
- 28.3 in respect of the Restricted Share Scheme, the Participant shall be entitled to those dividends paid on the Restricted Shares from the Restricted Award Date up to and including the Vesting Date which dividends shall be distributed, if required, by the Trustees to the Participants; and thereafter in the normal course after the restrictions have lifted.

29. VOTES AT ANNUAL GENERAL MEETING

The votes of Scheme Shares held by the Trust will not be taken into account for Listings Requirements of the JSE resolution approval purposes at general or annual meetings. Such Shares shall also not be taken into account for purposes of determining categorisations as detailed in Section 9 of the JSE Listings Requirements.

29A PROHIBITED PERIODS

Should the Option Period in respect of any Option, issued to an Eligible Employee in terms of the Option Scheme, expire during a Prohibited Period, such Option Period shall be extended by so many days as is required for the last day of the Option Period to be 14 days after the end of the Prohibited Period.

29B ASSIGNMENT OF RIGHTS OR OBLIGATIONS

No Participant shall be entitled to cede any of his/her rights and/or delegate any of his/her obligations in respect of an Option, Matched Shares or Restricted Shares or in respect of the purchase of Shares arising pursuant to the exercise of such Option.

30. AMENDMENT TO THE SCHEME

- 30.1 The Scheme and these Rules may be amended from time to time by the Board and the Trustees; provided that:
 - 30.1.1 no amendment shall be made to the Scheme or these Rules without the prior approval of the JSE, if required;
 - 30.1.2 the terms or conditions applicable to any Option which has already been exercised by a Participant may not be altered without such consent on the part of the Participant's concerned (treated as a separate class) as would be required under the Company's articles of association for variation or cancellation of the rights attached to those Shares;
 - 30.1.3 no amendment in respect of the matters set out below shall operate unless such amendment has first been approved by the JSE and an ordinary resolution of 75% (seventy five percent) of the Shareholders of the Company in general meeting:
 - 30.1.3.1 the persons who may become Participants under the Scheme;
 - 30.1.3.2 the voting, dividend, transfer and other rights (including those arising in the event of the curatorship of the Company, a reorganisation of the Company as envisaged in clause 34 or a take-over or merger as envisaged in clauses 35 and/or 35A) attaching to the Shares;
 - 30.1.3.3 the total number of shares which may be utilised for the purposes of the Scheme;
 - 30.1.3.4 a fixed maximum entitlement for any one Participant;
 - 30.1.3.5 the amount, if any, payable on the acceptance of an offer or the exercise of an Option;
 - 30.1.3.6 the basis for determining the Purchase Price in respect of any Option;
 - 30.1.3.7 the procedure to be adopted on termination of employment of an Employee who is a Participant under the Scheme;
 - 30.1.3.8 any amendment of this clause 30.1.3.

30.2 Subject to the provisions of clause 30.1, if the implementation of any provision of this Scheme or these Rules is rendered impossible or impracticable by reason of any change in law at any time after the signing of these Rules, the Board shall have the power, with the approval of the Trustees, to amend the Scheme in such manner as will result in it being capable of practical implementation in terms of the law then in force so as to result in the Trust, the Group and the Participants enjoying such rights as confer, in the opinion of the Auditors for the time being of the Company, substantially the same degree of benefit (to the extent possible) on them as would have been enjoyed by them but for such amendments and change in law.

31. DISCLOSURE IN ANNUAL FINANCIAL STATEMENTS

The Company and its Subsidiaries shall disclose in its annual financial statements:

- 31.1 the number of Shares in respect of which Options have been granted to Participants;
- 31.2 the number of Shares in respect of which Restricted Shares have been made available to Participants;
- 31.3 the maximum exposure to the Group in respect of the potential Matched Shares;
- 31.4 such other disclosures as may be required in terms of the rules of the JSE from time to time.

32. DEALINGS IN SECURITIES

The Company will ensure compliance with paragraphs 3.63 to 3.74 (director dealings) of the JSE Listings Requirements JSE in terms of share dealings by the Company relating to the Scheme.

33. DISPUTES

Any disputes arising out of or in connection with the Scheme or its implementation shall be referred for decision to the Auditors who shall act as experts and not as arbitrators and whose decision shall be final and binding upon the parties to the dispute.

34. REORGANISATION OF THE COMPANY (INCLUDING RIGHTS ISSUES AND CAPITALISATION ISSUES)

34.1 If the Company at any time:

- 34.1.1 is put into liquidation for purposes of reorganisation;
- 34.1.2 is party to a scheme of arrangement affecting the structuring of its share capital, save as envisaged in clause 12.3;
- 34.1.3 reduces its share capital;
- 34.1.4 sub-divides or consolidates its shares;
- 34.1.5 makes an offer for the subscription of shares by way of rights to the Company's shareholders;
- 34.1.6 issues further share capital by way of a capitalisation of profits, reserves or share premium, save where such capitalisation is made by the Company *in lieu* of a cash dividend; or
- 34.1.7 is subject to any other event which, in the sole discretion of the Board (after having regard to the applicable provisions of the JSE Listings Requirements), necessitates an adjustment in the nature contemplated below,

such adjustments shall be made to the Purchase Price and/or the number of shares over which an Option is granted, but not yet exercised, as the Board shall determine (and which the auditors shall confirm in writing as being fair in the circumstances) subject (when necessary) to the sanction of the Court.

- 34.2 The Board may take such steps as it consider necessary to notify the participants of any adjustments made under clause 31 and otherwise to implement the provisions thereof When any adjustments in terms of this clause 34 are finalised, the Auditors or other independent advisors acceptable to the JSE shall confirm to the JSE in writing that these are calculated in accordance with the provisions of this Scheme.
- 34.3 Any adjustments made in terms of this clause 34 will be reported on the Company's annual financial statements in the year during which the adjustment is made.
- 34.4 The issue of equity securities as consideration for an acquisition, the issue of securities for cash and the issue of equity securities or a vendor consideration placing will not be regarded as a circumstance requiring adjustment in terms of this clause 34.

35. TAKE-OVERS AND MERGERS

- 35.1 Should an offer be made to the members of the Company or a scheme of arrangement between the Company and its members (or any class of them) be proposed, by virtue of which control of the Company would pass to another person or company ("the offeror"), the Board will use its best endeavours to procure, insofar as they are able, that the same or a similar offer be made or scheme of arrangement proposed, as the case may be, to all Participants in respect of all Options, Matched Shares and Restricted Shares and all Capitalisation Issues and Rights Issues linked thereto.
- 35.2 Should control of the Company pass to an offeror as a result of a take-over or amalgamation or reconstruction or scheme of arrangement which makes provision for Participants:
- 35.2.1 in respect of whom Restricted Shares have been awarded, and the Shares forming the subject matter of such Restricted Award have not ceased to be Scheme Shares in terms of these Rules, to receive shares issued by such other person or in such other company on terms, in the opinion of the Auditors, not less favourable than those on which those Participants are entitled to Shares and Capitalisation Issues (if any), they shall be obliged to accept such shares in such other company on such terms;
- 35.2.2 who hold Participants' Portfolios, but who have not yet received their Matched Shares in respect of such Participants' Portfolios, to receive shares issued by such other person or such other company on terms, in the opinion of the Auditors, are not less favourable than those on which those Participants are entitled to Matched Shares and Capitalisation Issues (if any), they shall be obliged to accept such shares in such other company on such terms;
- 35.2.3 in respect of whom Options have been granted but not exercised, to be granted an Option in respect of shares to be issued by such offeror or in such other company on terms in the opinion of the Auditors, are not less favourable than those on which the Participants are entitled to acquire Shares and Capitalisation Issues (if any) in terms of such Options, they shall be deemed to have been granted such Options to acquire such shares in such other companies on such terms and the original Options shall *ipso facto* lapse.
- 35.3 Where an offer or scheme of arrangement is proposed in respect of the Company which does not provide for the substitution of new Options or offers for sale of new shares or awards of shares in the acquiring company for those Options already granted or Shares awarded by the Company or future entitlements to Matched Shares by the Trust, as at the relevant date of such offer or scheme of arrangement or, where a substitution does take place but the terms, in the opinion of the Auditors, place a Participant in a worse position than that in which he is under these Rules, any Participant shall, notwithstanding anything to the contrary contained in these Rules or the terms upon which an Option was granted to him/her or the terms of any Restricted Award of Restricted Shares to him/her, be entitled to exercise all Options granted to him/her under this Scheme and to accelerate the date for delivery, on an unrestricted basis, of the Matched Shares and the Restricted Shares within 10 days of the date upon which the transaction has become unconditional, provided that if the exercise by the Participants of their rights within this timeframe will give rise to impossibility of performance due to the Shares no longer being capable of delivery or the like, the Board shall in its sole discretion determine an alternative date for the exercise by the Participants of their rights which date shall fall after the date upon which the relevant transaction is first announced but prior to the date upon which the transaction becomes unconditional; and:
- 35.3.1 each Participant shall be obliged and entitled to dispose of all Shares owned by him on the terms and conditions of the scheme of arrangement, disposal or offer and to the extent necessary and irrevocably authorises the Trustees to sign any share transfer declaration or other document which may require signature in order to implement any such disposal;
- 35.3.2 to the extent that any Option is not exercised or any delivery of the Matched Shares and/or the Restricted Shares is not accelerated upon the expiry of the said period of 10 days the Option shall lapse or the right of acceleration shall be cancelled, as the case may be, unless the Trustees otherwise determine.
- 35.4 Notwithstanding anything to the contrary herein contained, no term shall be implied to prevent the Company from disposing of any of its Subsidiaries or losing control thereof, or any of the Company or the Subsidiaries from disposing of their businesses at any time and each Participant waives any claims he/she may have as a result thereof including under the provisions of the Labour Relations Act, 1995, provided that any such waiver is permissible under the said Labour Relations Act, 1995.

35A TAKE-OVERS AND MERGERS REGARDING PARTICIPATIONS ON OR AFTER 1 FEBRUARY 2011

- 35A.1 The provisions of clause 35 will continue to apply to Participations prior to 1 February 2011, but the remainder of this clause 35A read with clause 35.4, will apply instead of clauses 35.1, 35.2 and 35.3 to Participations on or after 1 February 2011.
- 35A.2 Subject to clause 35A.3 or clause 35A.4, should an offeror give notice that it intends to make or propose an offer ("the Offeror") as a result of which Shares held by shareholders in the Company are intended to be acquired if the offer is accepted ("Offer"), the terms of the Participations shall not be affected thereby (and in particular there shall be no acceleration of any vesting or Vesting Date).
- 35A.3 If an Offeror intends to make an Offer to acquire 100% (one hundred per cent) of the Company and accordingly if the Offeror wishes to vary the terms of Participations with future Vesting Dates, *inter alia*, to accelerate the Vesting Dates in respect of:
- 35A.3.1 all such Participations; or
- 35A.3.2 as regards each Participant, some of his/her Participations with the balance lapsing without any compensation, and to oblige the Participants with Options with such accelerated Vesting Date to exercise the Options and in that case and the case of all other Participations to accept such an Offer in respect of their Scheme Shares ("the Terms"), the Terms shall override the provisions of Part II, III or IV, to the extent necessary or in the case of conflict, and shall be binding on the Participants, if the Board (having first sought guidance from the Auditors as to whether the Terms are not less favourable on an overall basis to the Participants in a particular category of Options, Matched Award or Restricted Award, which guidance the Board may or may not accept) has resolved that the Participations as varied in accordance with the Terms are not less favourable on an overall basis to the relevant categories of Options, Matched Award or Restricted Award and that such variation is in the best interests of the Company. The provisions of clause 1.5 shall not apply to this clause 35A.3.
- 35A.4 If an Offeror wishes to make an Offer (other than one contemplated in clause 35A.3) to any Participants in respect of their Participations which have future Vesting Dates which require the variation of their Participations ("the Variations"), the Board (having first sought guidance from the Auditors as to whether the Variations are not less favourable on an overall basis to the Participants in a particular category of Options, Matched Award or Restricted Award, which guidance the Board may or may not accept) shall be entitled without the necessity to obtain approval from the Shareholders, to approve the Variations in order to permit the Offer to be made to the Participants if the Board considers the Variations as being not less favourable on an overall basis to the relevant categories of Options, Matched Award or Restricted Award and in the best interests of the Company. The provisions of clause 1.5 shall not apply to this clause 35A.4.

36. TAXATION

All Participations as contemplated in these Rules shall be subject to the applicable provisions of the Income Tax Act, 58 of 1962 as amended and no Participant shall have any claim against the Company, any company within the Group and/or the Trustees for any adverse financial implications to such Participant by virtue of the withholding of any applicable taxes.

37. COSTS

The costs of the preparation of these Rules and all matters incidental thereto shall be borne by the Group.

All administration, secretarial, accounting and similar services required by the Trust and any duties payable upon the issue or transfer of Shares to Participants shall be funded out of the Trust's own resources. To the extent that the Trust does not have sufficient resources available to cover such costs, such costs shall be borne by the Group, either by way of loans to the Trust, or such other way as the Board may determine.

Signed at _____ on _____ 2011

As Witnesses:

1. _____

2. _____

for: NEDBANK GROUP LIMITED

Signed at _____ on _____ 2011

As Witnesses:

1. _____

2. _____

for: NEDBANK LIMITED

Signed at _____ on _____ 2011

As Witnesses:

1. _____

2. _____

**for: The TRUSTEES for the time being of the
Nedbank Group (2005) Share Scheme Trust**



NEDBANK
GROUP

Nedbank Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1966/010630/06)

Share code JSE: NED NSX: NBK ISIN: ZAE000004875

("Nedbank Group" or the "Company")

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of members of the Company will be held immediately after the AGM scheduled to begin at 9:00 South African time on Friday, 6 May 2011 in the Auditorium, Retail Place West, Nedbank Sandton, 135 Rivonia Road, Sandown, Sandton, for the purpose of considering and, if deemed fit, passing with or without modification (which modification is capable of being substantive in nature and provided that any such substantive modification made shall not have the effect of diminishing the rights that accrue to members holding Ordinary Shares as envisaged in the ordinary resolutions set out in this notice of general meeting), such ordinary resolutions as set out in this notice of general meeting.

ORDINARY RESOLUTION NUMBER 1

"RESOLVED THAT the necessary amendments to the Scheme Rules for The Nedbank Group (2005) Share Option, Matched Share and Restricted Share Scheme adopted by the Company with effect from 4 May 2005, as amended from time to time, to:

1. incorporate the Compulsory Bonus Share Scheme, namely the insertion of new definitions of "Compulsory Bonus Contribution", "Compulsory Bonus Shares", "Compulsory Bonus Share Scheme", and the insertion of references thereto into the definitions of "Bonus Shares", "Bonus Share Scheme", "Eligible Employee", "Inception Date", "Matched Share Scheme", "Participant", "Participants' Contributions", "Participants' Portfolio" and in clauses 3, 5.4, 14 (first paragraph), 15.1, 15.2 and 17.1.2, and the insertion of the new clauses 16A and 20.2;
2. change the provisions relating to the termination of employment, namely the insertion of the new definitions of "No Fault Termination", "No Fault Termination: Death" and "No Fault Termination: Other", and the insertion of the new clauses 12.1, 19A and 26;
3. insert the new clause 35A applicable to those who participate in the Scheme after 1 February 2011 instead of clause 35;
4. delete the existing definitions of "Galaxy Portfolio Services Platform" and "Old Mutual shares" and to replace the definition of "Matched Instruments" with the new definition of "Matched Shares", and to delete the references to "Galaxy Portfolio Services Platform" and "Old Mutual shares" in clauses 14, 16.2 and 18.2, as highlighted in Appendix 3, be approved; and
5. delete in clause 4.1 the reference to the words "from time to time" and delete in clauses 4.1 and 4.2 the references to the percentages to which the number of Shares allocated under the Scheme and the maximum number of Shares which may be awarded to or purchased by any one Participant, respectively, equate to in the issued share capital of the Company.

In terms of the Listings Requirements, the approval of a 75% majority of the votes cast by shareholders present or represented by proxy and entitled to vote at the annual general meeting, is required for this Ordinary Resolution Number 1 to become effective, but excluding the votes attaching to all Shares subject to the Schemes under the Scheme Rules.

ORDINARY RESOLUTION NUMBER 2

"RESOLVED THAT any director of the Company or the company secretary, while acting as such, be authorised to do all things and sign all documents which may be or become necessary to carry into effect the ordinary resolution number 1."

Voting and proxies

Members who hold Ordinary Shares are entitled to attend and vote at the general meeting, or may appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. On a show of hands a member present in person or by proxy is entitled to one vote irrespective of the number of Ordinary Shares he/she holds or represents, provided that a proxy will only have one vote irrespective of the number of members he/she represents.

On a poll, a member present in person or by proxy is entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the Ordinary Shares held by him/her bears to the aggregate amount of the nominal value of all the Ordinary Shares issued by the Company and carrying the right to vote.

A proxy may delegate the authority granted to him/her/it as proxy, subject to any restriction contained in the form of proxy.

A holder of dematerialised shares should furnish his/her CSDP Participant or broker with his/her instructions for voting at the general meeting. If a CSDP Participant or broker does not obtain instructions from members, they will be obliged to act in terms of the mandate furnished to them. A holder of dematerialised shares, other than an "own-name" holder of dematerialised shares must **NOT** complete the attached form of proxy. Unless holders of dematerialised shares advise their CSDP Participant or broker in the manner and time stipulated in the agreement between them and their CSDP Participant or broker that they wish to attend the general meeting or send a proxy, the CSDP Participant or broker will assume that they do not wish to attend the general meeting or send a proxy. If holders of dematerialised shares wish to attend the general meeting, they are required to request that their CSDP Participant or broker issue the necessary letter of representation to them to enable them to attend and vote at the general meeting.

For purposes of Section 63(1) of the Companies Act, 2008, any person attending or participating at the general meeting is required to present reasonably satisfactory identification to the satisfaction of the presiding chairperson.

Members holding dematerialised shares in their "own-name", or certificated members, who are unable to attend the general meeting and wish to be represented thereat, must complete the attached form of proxy in accordance with the instructions therein and lodge it with or post it to the transfer secretaries:

Hand deliveries in South Africa to:

Computershare Investor Services (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001

Postal deliveries in South Africa to:

Computershare Investor Services (Proprietary) Limited
PO Box 61051
Marshalltown, 2107

Hand deliveries in Namibia to:

Transfer Secretaries (Proprietary) Limited
Shop 8, Kaiserkrone Centre
Post Street Mall
Windhoek
Namibia

Postal deliveries in Namibia to:

Transfer Secretaries (Proprietary) Limited
PO Box 2401
Windhoek
Namibia

to be received by no later than 9:00 South African time on Thursday, 5 May 2011 (or 24 hours before any adjourned meeting of which the date, if necessary, will be released on SENS and published in the South African press).

By order of the Board

G S Nienaber

Company Secretary

Nedbank Group Limited

Registration number 1966/010630/06

Registered Office:

135 Rivonia Road
Sandown, Sandton, 2196
South Africa
(PO Box 1144, Johannesburg, 2000)
Telephone +27(0) 11 294 9106



NEDBANK
GROUP

Nedbank Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 1966/010630/06)

Share code JSE: NED NSX: NBK ISIN: ZAE000004875

("Nedbank Group" or the "Company")

FORM OF PROXY

For use by certificated members or dematerialised members registered with "own-name" registration only, at the general meeting of members to be held immediately after the AGM scheduled to begin at 9:00 South African time on Friday, 6 May 2011 in the Auditorium, Retail Place West, Nedbank Sandton, 135 Rivonia Road, Sandown, Sandton ("general meeting").

Dematerialised members who are not "own-name" registered members, must inform their CSDP Participant or broker of their intention to attend the general meeting and request their CSDP Participant or broker to issue them with the necessary documentation to attend the general meeting in person and vote or provide their CSDP Participant or broker with their voting instructions should they not wish to attend the general meeting in person. Dematerialised members who are not "own-name" registered members should not use this form of proxy, but must contact their CSDP Participant or broker as the Company will take no responsibility for members who do not contact their CSDP Participant or broker timeously.

I/We (full name/s in BLOCK LETTERS)

of (address)

being the holders of Ordinary Shares in the capital of the Company:

do hereby appoint

(see note):

_____ or failing him/her,

_____ or failing him/her,

the chairman of the general meeting,

as my/our proxy to act for me/us at the general meeting for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed thereat and at each adjournment thereof; and to abstain from voting for and/or against such resolutions in respect of the Ordinary Shares registered in my/our name in accordance with the following instructions:

Resolutions	For	Against	Abstain
Ordinary Resolution Number 1 (Amendments to the Scheme Rules for The Nedbank Group (2005) Share Option, Matched Share and Restricted Share Scheme)			
Ordinary Resolution Number 2 (General authority of the directors of Nedbank Group to act)			

Signed at _____ on _____ 2011

Signature _____

Assisted by (where applicable) _____

Each member is entitled to appoint one or more proxies (who need not be a member) to attend, speak and vote in place of that member in the Company at the general meeting.

Please read the notes on the reverse hereof.

Notes to form of proxy:

1. Each certificated member and "own-name" registered dematerialised member is entitled to appoint one or more proxies (who need not be certificated members or "own-name" registered dematerialised members) to attend, speak and vote in place of member at the general meeting.
2. A certificated member and an "own-name" registered dematerialised member may insert the name of a proxy or the names of two alternative proxies of the certificated member and "own-name" registered dematerialised member's choice in the space provided, with or without deleting the chairman of the general meeting. The person whose name stands first on the form of proxy and who is present at the general meeting shall be entitled to act as proxy to the exclusion of the persons whose names follow.
3. A certificated member and "own-name" registered dematerialised member's instructions to the proxy have to be indicated by the insertion of the relevant number of votes exercisable by that certificated member and "own-name" registered dematerialised member in the appropriate box provided. Failure to comply with this shall be deemed to authorise the chairman of the general meeting, if the chairman is the authorised proxy, to vote in favour of the ordinary resolutions at the general meeting or the appointed proxy to vote or to abstain from voting at the general meeting, as he/she deems fit, in respect of all the certificated member and "own-name" registered certificated member's votes exercisable thereat.
4. A certificated member and "own-name" registered dematerialised member or his/her proxy is not obliged to vote in respect of all the Ordinary Shares held by such certificated member and "own-name" registered dematerialised member or represented by such proxy, but the total number of votes for or against the ordinary resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the certificated member and "own-name" registered dematerialised member or his/her proxy is entitled.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity has to be attached to this form of proxy, unless previously recorded by the transfer secretaries or waived by the chairman of the general meeting.
6. The chairman of the general meeting may reject or accept any form of proxy that is completed and/or received, other than in compliance with these notes.
7. Any alterations or corrections to this form of proxy shall be initialled by the signatory(ies).
8. The completion and lodging of this form of proxy shall not preclude the relevant certificated member and "own-name" registered dematerialised member from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such certificated member and "own-name" registered dematerialised member wish to do so.
9. Forms of proxy have to be lodged with or posted to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or the transfer secretaries in Namibia, Transfer Secretaries (Proprietary) Limited, Shop 8, Kaiserkrone Centre, Post Street Mall, Windhoek, Namibia (PO Box 2401, Windhoek, Namibia) to be received by no later than 9:00 South African time on Thursday, 5 May 2011 or 24 hours before any adjourned meeting of which the date, if necessary, will be released on SENS and published in the South African press). This form of proxy is to be completed only by those certificated members and "own-name" registered dematerialised members who are:
 - holding Ordinary Shares in certificated form; or
 - recorded in the sub-register in dematerialised electronic form in their own name.

Holders of Ordinary Shares (whether certificated or dematerialised) through a nominee should timeously make the necessary arrangements with that nominee or, if applicable, CSDP Participant or broker (as the case may be) on how they wish their votes to be cast at the general meeting on their behalf. As far as holdings in a CSDP Participant are concerned, this will be guided by the terms of the agreement entered into with the CSDP Participant.