

QUESTIONS

A QUESTIONS TO THE CHAIRPERSON OF A BANK

(To be answered in addition to the Questions to Non-executive Directors of the Bank)

1. Are you an employee of the bank, any of the subsidiaries of the bank, the controlling company of the bank or any subsidiary of the controlling company?
2. Are you a member of the Audit Committee of the bank or the controlling company of the bank?
3. If you are the Chairperson of the board of directors of a controlling company, are you an employee of the controlling company or any bank in respect of which that company is registered as a controlling company?
4. Are you a member of the Audit Committee of the controlling company or any bank in respect of which that company is registered as a controlling company?
5. Do you offer firm and objective leadership which brings out the best in each director on the board?
6. The chairperson of the board of directors of a bank is required to confirm, terms of a declaration attached to form DI 020 which is signed by each new director of a bank ("the deponent"), that he/she has carefully studied all information supplied in the statement by the deponent, and that after discussion with the deponent and all other members of the board, and after having taken into account any other information at his/her disposal or that has come to his/her attention, that he/she is of the opinion that the deponent is fit and proper to take up office in the bank.
  - a) What steps did you take to satisfy yourself that each director on the board is fit and proper?
  - b) What steps did you take to ensure that each director on the board has correctly and truthfully answered questions 37 and 39 of form DI 020?
  - c) In retrospect, and based upon your assessment of the performance of each respective director, do you still believe that all directors on the board are fit and proper, with specific reference to the steps referred to in paragraphs a) and b) above?
7. What do you see as your primary function as Chairperson?

8. Do you always preside over meetings of the board of directors and ensure the smooth functioning of the board in the interest of good governance?
9. Do you usually also preside over the company's shareowner meetings?
10. Which issues and considerations influence your role and function as chairperson of the bank?
11. What influence does the size of the particular circumstances of your bank, the complexity of its operations, the qualities of the CEO, the management team and the skills and experience of each board member have on your role and function as chairperson?
12. What do you consider to be the common, core functions to be performed by the chairperson?
13. Do they include:
  - a) Providing overall leaderships to the board without limiting the principle of collective responsibility of board decisions?
  - b) Actively participating in the selection of board members as well as overseeing a formal succession plan for the board, CEO and senior management?
  - c) Arranging for new directors appointed to the board to be properly inducted and oriented, and monitoring and evaluating board and director appraisals?
  - d) Determining, normally in conjunction with the CEO and the company secretary, the formulation of an annual work plan for the board against agreed objectives and goals as well as playing an active part in setting the agenda for board meetings?
  - e) Acting as the main informal link between the board and management, and particularly between the board and the CEO?
  - f) Maintaining relations with the company's shareowners and, perhaps, some of its important stakeholders, although the latter may be more in the nature of an operational issue to be conducted by the CEO and the senior management team?
  - g) Ensuring that all directors play a full and constructive role in the affairs of the company, and taking a lead role in removing non-performing or unsuitable directors from the board?

- h) Ensuring that all the relevant information and facts, objectively speaking, are placed before the board to enable the directors to reach an informed decision?
14. Are the distinctive functions of chairperson and CEO kept separate in your bank?
  15. What are you primarily responsible for as Chairperson, in running the bank?
  16. Do you in any way share the CEO's tasks in running the business and implementing the policies and strategies adopted by the board?
  17. Is there a clearly accepted division of responsibilities at the head of the company to ensure a balance of power and authority, so that no one individual has unfettered powers of decision making?
  18. Are you an independent non-executive director, as defined in the King II Report?
  19. Does your board of directors appraise your performance as Chairperson on an annual or such other basis as it may determine?
  20. When were you appointed to the board of directors of the bank?
  21. When were you appointed chairperson of the board of directors of the bank?
  22. Did you serve in any executive position(s) with the bank before being appointed to the board of the bank? If so, in which position(s)?
  23. Did you hold any position(s) on any board committee before being appointed chairman on the board of the bank? If so, in which position(s)?
  24. Do you serve on any board committees (e.g. remuneration, audit, risk, credit, corporate governance) of the bank? If so, which meetings do you attend?
  25. Do you attend meetings of any board committees of the bank? If so, which meetings do you attend?
  26. Do you serve on the board of directors of the controlling company of the bank?
  27. Do you serve on the board of directors of any companies which are subsidiaries of the controlling company of the bank, the bank, or any companies that are part of the group of companies to which the major shareholder of the bank belongs?
  28. Are you a director of any other companies not related to the bank? If so, which companies?

29. In which position or capacity do you serve on such other boards?
30. What is the nature and quantum of the remuneration you receive in respect of each such directorship you hold?
31. Do any of the other companies of which you are a director, have a legal, commercial or other relationship with the bank?
32. Do you comply with the criteria for independent non-executive directors, as set out in paragraph 7.3 of the King II Report? If not, with which criteria do you not comply?
33. Do the Heads of the bank's Internal Audit, Risk Management, and Compliance Departments, respectively, have direct access to you to discuss any matters they may wish to bring to your attention? If so, has any of the said officers approached you in this regard during the past three years?
34. Are you conversant with the provisions of the Banks Act, 1990 (Act No. 94 of 1990, hereinafter referred to as "the Act"), and the Regulations issued under the Act, specifically Regulations 38 and 39?
35. How do you approach issues or matters raised at the bank's board level which you suspect may create a conflict of interest for yourself?
36. Have you ever recused yourself from any board discussions or decisions?
37. What amount of time per month are you able to devote to your responsibilities as chairperson of the bank?
38. What is the nature and quantum of the remuneration you receive in respect of your position as chairperson of the bank and/or holding company?

**B QUESTIONS TO THE CHIEF EXECUTIVE OFFICER OF A BANK**

(To be answered in addition to the Questions to Executive Directors of a Bank)

1. How do you implement and fulfil the following functions of a Chief Executive Officer (“CEO”):
  - a) Develop and recommend to the board a long-term strategy and vision for the bank that will generate satisfactory levels of shareowner value, and positive reciprocal relations with relevant stakeholders?
  - b) Develop and recommend to the board annual business plans and budgets that support the bank’s long-term strategy?
  - c) Strive consistently to achieve the bank’s financial and operating goals and objectives, and ensure that the day-to-day business affairs of the company are appropriately monitored and managed?
  - d) Ensure continuous improvement in the quality and value of the products and services provided by the bank, and that the bank achieves and maintains a satisfactory competitive position within its industry?
  - e) Ensure that the bank has an effective management team and actively participate in the development of management and succession planning (including the CEO’s own position)?
  - f) Formulate and oversee the implementation of major corporate policies?
  - g) Serve as the chief spokesperson for the bank?
2. How do you maintain a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of top quality employees of all levels of the company?
3. How do you foster a corporate culture that promotes ethical practices, encourages individual integrity, and fulfils social responsibility objectives and imperatives?
4. Is your performance appraised by the chairperson, or a sub-committee appointed by your board?
5. Is this done on an annual basis?

6. Are the results of such an appraisal considered by the remuneration committee to guide it in its evaluation of the performance and remuneration of your position?
7. What is your operational relationship with:
  - a) The Chairperson of the board;
  - b) The Chairperson of the Audit Committee;
  - c) The head of the risk, internal audit and compliance function in the bank, respectively;
  - d) The bank's external auditors?

C QUESTIONS TO EXECUTIVE DIRECTORS OF A BANK

1. What management position do you hold in the bank, and what are your main responsibilities?
2. How are you involved in the day-to-day management of the bank and any of its subsidiaries, insofar as this would fall outside your main field of responsibilities?
3. Do you hold any other non-executive directorships, and if so, to what extent to these interfere with your immediate management responsibilities?
4. Who determines specific remuneration packages for each of the executive directors of the bank?
5. What do you understand to be your fiduciary relationship to the bank in terms of section 60(1) of the Banks Act, 1990?
6. How do you interpret the requirement to act honestly and in good faith, and, in particular, to exercise the powers you may have to manage and represent the bank exclusively in the best interest and for the benefit of the bank and its deposits?
7. Are you aware of the guidelines and requirements as prescribed under section 90(1)(b) of the Banks Act in the performance of your functions as director of the bank?
8. Does the composition of the board of directors of your bank comply with the requirements of section 60(3) of the Banks Act, in that not more than 49 per cent of the directors of the bank are employees of the bank, its subsidiaries or controlling company and the vote of the directors of the board who are employees together do not exceed 49 per cent of the total vote cast by the directors present and voting at the meeting?
9. Are you aware that every bank shall, at least 30 days prior to the appointment of a new director, in writing furnish the Registrar with the prescribed information in respect of a proposed new director in terms of section 60(5) of the Banks Act?
10. How many members of the board of directors of your bank have been appointed to form an audit committee in terms of section 64(1) of the Banks Act, are any of the members of the audit committee persons who are employees of the bank or any of its subsidiaries, its controlling company or any subsidiary of its controlling company?

11. Has your board of directors appointed any supporting committees to assist with its responsibilities with regard to ensuring that an adequate and effective process of corporate governance is established and maintained?
12. Is there an adequate and effective process of corporate governance in place in your bank, which is consistent with the nature, complexity and risk inherent in the bank's on-balance sheet and off-balance sheet activities and which responds to changes in the bank's environment and conditions?
13. Does the process of corporate governance include the maintenance of effective risk management by a bank?
14. Are you aware of the types of risks set out in regulation 38(3)(a) to (k)?
15. How is the overall effectiveness of corporate governance monitored on an on-going basis, by the board of directors or by a committee appointed by the board of directors?
16. How often does the board of directors of your bank meet in order to assess and document whether the process of corporate governance implemented by the bank, successfully achieves the objectives determined by the board?
17. Questions 37 and 39 of the form DI 020 which you signed as a director of your bank, respectively require from you to state whether you have a basic knowledge and understanding of the risks to which banks are exposed, and whether you have acquainted yourself with, and whether you understand, the extent of the rights and powers, as well as your responsibilities and duties as a director of the bank, as contained in the applicable law.
  - a) In retrospect, do you believe that you answered these questions accurately?
  - b) Today, would you still answer the questions in the affirmative?
18. Do you have a basic knowledge and understanding of the conduct of the business of a bank and of the laws and customs that govern the activities of the bank?
19. How did you acquire such knowledge and understanding?
20. Are you fully conversant with all aspects of the conduct of the business of the bank?
21. Is your competence as a director of the bank commensurable with the nature and scale of the business conducted by the bank, and in the case of being a director of the controlling company, is it commensurable with the nature and scale of the business conducted by the banks in the group?

22. Are you adequately qualified and experienced to perform your functions with diligence and care and with such a degree of competence as can reasonably be expected from persons with your knowledge and experience?
23. How do you interpret your duty to ensure that risks that are of necessity taken by a bank in the conduct of its business, are managed in a prudent manner?
24. How does your board of directors report to the Registrar of Banks on the issues set out in regulation 39(4)(a) to (c)?
25. How do you interpret your duty towards the bank to:
  - 25.1 Act *bona fide* for the benefit of the bank?
  - 25.2 Avoid any conflict between the bank's interests and your interests?
  - 25.3 Possess and maintain the knowledge and skill that may reasonably be expected from a person holding a similar appointment to yours and carrying out similar functions as are carried out by you?
  - 25.4 Exercise such care in the carrying out of your functions in relation to the bank as may reasonably be expected of a diligent person holding the same appointed under similar circumstances, and who possesses both the knowledge and skill mentioned in the previous question and any such additional knowledge and skill as you may have?
26. Do you agree with the view that powers should be granted to the Registrar of Banks to institute action in terms of section 424 of the Companies Act against any director, CEO or executive officer of the bank who was knowingly a party to the carrying on of business of a bank in the manner envisaged in section 424?
27. Has your board of directors appointed a risk committee consisting of at least three of its members, of which two members are non-executive?
28. Has your board of directors established a directors' affairs committee, the membership of which will consist only of the non-executive directors of the bank?
29. Are you aware of, and conversant with, the proposed definition of corporate governance, to be introduced into section 1 of the Banks Act?
30. How do you interpret the collective responsibility of the board of directors to provide effective corporate governance that involves a set of relationships between the company, its board, its shareowners and other relevant stakeholders?

31. Is your board of directors constituted in a manner that provides a balance between enterprise and control?
32. Does your board comprise a balance of executive and non-executive directors, preferably with majority of non-executive directors of whom sufficient should be independent of management, minority interests to be protected?
33. Is your board composed of individuals of integrity, who can bring a blend of knowledge, skills, objectivity, experience and commitment to the board under the firm objective leadership of a chairperson (preferably an independent non-executive director), who accepts the responsibilities and the duties it entails to provide a direction necessary for an effective board?
34. Is your board able to exercise objective judgement on the corporate affairs of the business enterprise, independent from management but with sufficient management information to enable proper and objective assessments to be made by the directors collectively?
35. Does your board have a charter setting out its responsibilities, and which is disclosed in its annual report? If so, what is the content of that charter?
36. Has your board determined the company's purpose, values and stakeholders relevant to the business of the bank and developed strategies combining all these elements?
37. Has your board put procedures in place to monitor and evaluate the implementation of its strategies, policies, senior management performance criteria and business plans?
38. In directing the bank, does your board exercise leadership, enterprise integrity and judgement based on fairness, accountability responsibility and transparency?
39. Does your board give strategic direction to the bank, appoint a CEO and ensure that succession is planned?
40. Does your board retain full and effective control over the company and monitor management in carrying out board plans and strategies?
41. What is the balance between executive and non-executive directors on your board?
42. How does your board ensure that the bank complies with all relevant laws, regulations and codes of best business practice, and that it communicates with its shareowners and relevant stakeholders (internal and external) openly and promptly and with substance prevailing over form?

43. How often does your board review processes and procedures to ensure the effectiveness of the company's internal systems of control, so that its decision-making capability and the accuracy of its reporting are maintained at a high level at all level?
44. How often does your board meet?
45. Does it disclose in the annual report the number of board and committee meetings held in the year and the details of attendance of each director, as applicable?
46. Has your board defined levels of materiality reserving specific powers to itself and delegating other matters with the necessary written authority to management?
47. Are these matters monitored and evaluated on a regular basis?
48. Does your board have unrestricted access to all company information, records, and documents in property?
49. Are the information needs of the board well defined and regularly monitored?
50. Has your board developed a corporate code of conduct that addresses conflicts of interest particularly relating to directors and management, and is this regularly reviewed and updated as necessary?
51. Does the board have an agreed procedure whereby directors may, if necessary, take independent provision advise at the company's expense?
52. Have efficient and timely methods been determined for informing and briefing board members prior to meetings while each board member is responsible for being satisfied that, objectively, they have been furnished with all the relevant information and facts before making a decision?
53. What procedures are in place, and what steps are taken, to ensure that full, comprehensive and accurate information, including all existing and potential positive and negative facts pertaining to the matter in question, is provided by management of the bank to the board of directors to enable the board to make an informed decision, based on all known and relevant considerations?
54. Are the size, diversity and demographics of your board such that it operates effectively?
55. Do non-executive directors have access to management, and do they meet separately with management, without the attendance of executive directors?

56. Does your board ensure that each item of special business included in the notice of the annual general meeting, or any other shareholders' meeting, is accompanied by a full explanation of the effects of any proposed resolutions?
57. Has the board identified key risk areas and key performance indicators of the bank?
58. Are these regularly monitored, with particular attention given to technology and systems?
59. Has the board identified and does it monitor the non-financial aspects relevant to the business of the bank?
60. Does the board record the facts and assumptions on which it relies to conclude that the business will continue as a going concern in the financial year ahead or why it will not, and in that case, the steps the board is taking?
61. How does the board ensure that the correct balance is found between conforming with governance constraints and performing in an entrepreneurial way?
62. Have you been employed by the bank or the group of which it currently forms part, in an executive capacity for the preceding three financial years?
63. Are you a member of the immediate family of an individual who is, or has been, in any of the past three financial years, employed by the company or the group in an executive capacity?
64. Are you a professional advisor to the bank or the group other than in a directive capacity?
65. Are you a significant supplier to or customer of the bank or group?
66. Do you have significant contractual relationships with the bank or the group?
67. Are you free from any business or any relationship which could be seen to materially interfere with your capacity to act in an independent manner?
68. Do you serve on a remuneration committee or such other appropriate board committee appointed by the board of directors?
69. How many independent non-executive directors sit on that committee?
70. Who chairs that committee?

71. Does the CEO attend meetings of that committee by invitation?
72. Does the bank provide full disclosure of director remuneration on individual basis, giving details of earnings, share options, restraint payments and all other benefits?
73. Have you been granted share options?
74. Did the share owners give prior approval to the granting of such share options?
75. Have you received shares rather than share options?
76. How is your participation in share options schemes or receiving shares disclosed to share owners?
77. When were you appointed to the board of directors of the bank?
78. Did you serve in any executive position(s) with the bank before being appointed to the board of the bank? If so, in which position(s)?
79. Do you serve on any specific board committees (e.g. remuneration, audit, risk, credit, corporate governance) of the bank?
80. Do you attend meetings of any other board committees of the bank?
81. Do you serve on the board of directors of the controlling company of the bank?
82. Do you serve on the board of directors of any companies which are subsidiaries of the controlling company of the bank, the bank, or any companies that are part of the group of companies to which the major shareholder of XYZ Bank belongs?
83. Are you a director of any companies not related to the bank?
84. In which position or capacity do you serve on such other boards?
85. What is the nature and quantum of the remuneration you receive in respect of each such directorship you hold?
86. Do any of the other companies of which you are a director, have a legal, commercial or other relationship with the bank?
87. How do you approach issues or matters raised at the bank's board level which you suspect may create a conflict of interest for yourself?
88. Have you ever recused yourself from any board discussions or decisions?

89. What is the nature and quantum of the remuneration you receive in respect of your executive directorship of the bank?
90. Are details of the remuneration decisions of the Remuneration Committee of the Board published?

D QUESTIONS TO NON-EXECUTIVE DIRECTORS OF THE BANK

1. What do you understand to be your fiduciary relationship to the bank in terms of section 60(1) of the Banks Act, 1990?
2. How do you interpret the requirement to act honestly and in good faith, and, in particular, to exercise the powers you may have to manage and represent the bank exclusively in the best interest and for the benefit of the bank and its deposits?
3. Are you aware of the guidelines and requirements as prescribed under section 90(1)(b) of the Banks Act in the performance of your functions as director of the bank?
4. Does the composition of the board of directors of your bank comply with the requirements of section 60(3) of the Banks Act, in that not more than 49 per cent of the directors of the bank are employees of the bank, its subsidiaries or controlling company and the vote of the directors of the board who are employees together do not exceed 49 per cent of the total vote cast by the directors present and voting at the meeting?
5. Are you aware that every bank shall, at least 30 days prior to the appointment of a new director, in writing furnish the Registrar with the prescribed information in respect of a proposed new director in terms of section 60(5) of the Banks Act?
6. How many members of the board of directors of your bank have been appointed to form an audit committee in terms of section 64(1) of the Banks Act, are any of the members of the audit committee persons who are employees of the bank or any of its subsidiaries, its controlling company or any subsidiary of its controlling company?
7. Has your board of directors appointed any supporting committees to assist with its responsibilities with regard to ensuring that an adequate and effective process of corporate governance is established and maintained?
8. Is there an adequate and effective process of corporate governance in place in your bank, which is consistent with the nature, complexity and risk inherent in the bank's on-balance sheet and off-balance sheet activities and which responds to changes in the bank's environment and conditions?
9. Does the process of corporate governance include the maintenance of effective risk management by a bank?

10. Are you aware of the types of risks set out in regulation 38(3)(a) to (k)?
11. How is the overall effectiveness of corporate governance monitored on an ongoing basis, by the board of directors or by a committee appointed by the board of directors?
12. How often does the board of directors of your bank meet in order to assess and document whether the process of corporate governance implemented by the bank, successfully achieves the objectives determined by the board?
13. Questions 37 and 39 of the form DI 020 which you signed as a director of your bank, respectively require from you to state whether you have a basic knowledge and understanding of the risks to which banks are exposed, and whether you have acquainted yourself with, and whether you understand, the extent of the rights and powers, as well as your responsibilities and duties as a director of the bank, as contained in the applicable law.
  - a) In retrospect, do you believe that you answered these questions correctly?
  - b) Today, would you still answer the questions in the affirmative?
14. Do you have a basic knowledge and understanding of the conduct of the business of a bank and of the laws and customs that govern the activities of the bank?
15. How did you acquire such knowledge and understanding?
16. Are you fully conversant with all aspects of the conduct of the business of the bank?
17. Is your competence as a director of the bank commensurable with the nature and scale of the business conducted by the bank, and in the case of being a director of the controlling company, is it commensurable with the nature and scale of the business conducted by the banks in the group?
18. Are you adequately qualified and experienced to perform your functions with diligence and care and with such a degree of competence as can reasonably be expected from persons with your knowledge and experience?
19. How do you interpret your duty to ensure that risks that are of necessity taken by a bank in the conduct of its business, are managed in a prudent manner?
20. How does your board of directors report to the Registrar of Banks on the issues set out in regulation 39(4)(a) to (c)?
21. How do you interpret your duty towards the bank to:

- a) Act *bona fide* for the benefit of the bank?
  - b) Avoid any conflict between the bank's interests and your interests?
  - c) Possess and maintain the knowledge and skill that may reasonably be expected from a person holding a similar appointment to yours and carrying out similar functions as are carried out by you?
  - d) Exercise such care in the carrying out of your functions in relation to the bank as may reasonably be expected of a diligent person holding the same appointed under similar circumstances, and who possesses both the knowledge and skill mentioned in the previous question and any such additional knowledge and skill as you may have?
22. Do you agree with the view that powers should be granted to the Registrar of Banks to institute action in terms of section 424 of the Companies Act against any director, CEO or executive officer of the bank who was knowingly a party to the carrying on of business of a bank in the manner envisaged in section 424?
23. Has your board of directors appointed a risk committee consisting of at least three of its members, of which two members are non-executive?
24. Has your board of directors established a directors' affairs committee, the membership of which will consist only of the non-executive directors of the bank?
25. Are you aware of, and conversant with, the proposed definition of corporate governance, to be introduced into section 1 of the Banks Act?
26. How do you interpret the collective responsibility of the board of directors to provide effective corporate governance that involves a set of relationships between the company, its board, its shareowners and other relevant stakeholders?
27. Is your board of directors constituted in a manner that provides a balance between enterprise and control?
28. Does your board comprise a balance of executive and non-executive directors, preferably with majority of non-executive directors of whom sufficient should be independent of management, minority interests to be protected?
29. Is your board composed of individuals of integrity, who can bring a blend of knowledge, skills, objectivity, experience and commitment to the board under the firm objective leadership of a chairperson (preferably an independent non-

executive director), who accepts the responsibilities and the duties it entails to provide a direction necessary for an effective board?

30. Is your board able to exercise objective judgement on the corporate affairs of the business enterprise, independent from management but with sufficient management information to enable proper and objective assessments to be made by the directors collectively?
31. Does your board have a charter setting out its responsibilities, and which is disclosed in its annual report? If so, what is the content of that charter?
32. Has your board determined the company's purpose, values and stakeholders relevant to the business of the bank and developed strategies combining all these elements?
33. Has your board put procedures in place to monitor and evaluate the implementation of its strategies, policies, senior management performance criteria and business plans?
34. In directing the bank, does your board exercise leadership, enterprise integrity and judgement based on fairness, accountability responsibility and transparency?
35. Does your board give strategic direction to the bank, appoint a CEO and ensure that succession is planned?
36. Does your board retain full and effective control over the company and monitor management in carrying out board plans and strategies?
37. What is the balance between executive and non-executive directors on your board?
38. How does your board ensure that the bank complies with all relevant laws, regulations and codes of best business practice, and that it communicates with its shareowners and relevant stakeholders (internal and external) openly and promptly and with substance prevailing over form?
39. How often does your board review processes and procedures to ensure the effectiveness of the company's internal systems of control, so that its decision-making capability and the accuracy of its reporting are maintained at a high level at all level?
40. How often does your board meet?

41. Does it disclose in the annual report the number of board and committee meetings held in the year and the details of attendance of each director, as applicable?
42. Has your board defined levels of materiality reserving specific powers to itself and delegating other matters with the necessary written authority to management?
43. Are these matters monitored and evaluated on a regular basis?
44. Does your board have unrestricted access to all company information, records, and documents in property?
45. Are the information needs of the board well defined and regularly monitored?
46. Has your board developed a corporate code of conduct that addresses conflicts of interest particularly relating to directors and management, and is this regularly reviewed and updated as necessary?
47. Does the board have an agreed procedure whereby directors may, if necessary, take independent provision advise at the company's expense?
48. Have efficient and timely methods been determined for informing and briefing board members prior to meetings while each board member is responsible for being satisfied that, objectively, they have been furnished with all the relevant information and facts before making a decision?
49. What procedures are in place, and what steps are taken, to ensure that full, comprehensive and accurate information, including all existing and potential positive and negative facts pertaining to the matter in question, is provided by management of the bank to the board of directors to enable the board to make an informed decision, based on all known and relevant considerations?
50. Are the size, diversity and demographics of your board such that it operates effectively?
51. Do non-executive directors have access to management, and do they meet separately with management, without the attendance of executive directors?
52. Does your board ensure that each item of special business included in the notice of the annual general meeting, or any other shareowners' meeting, is accompanied by a full explanation of the effects of any proposed resolutions?
53. Has the board identified key risk areas and key performance indicators of the bank?

54. Are these regularly monitored, with particular attention given to technology and systems?
55. Has the board identified and does it monitor the non-financial aspects relevant to the business of the bank?
56. Does the board record the facts and assumptions on which it relies to conclude that the business will continue as a going concern in the financial year ahead or why it will not, and in that case, the steps the board is taking?
57. How does the board ensure that the correct balance is found between conforming with governance constraints and performing in an entrepreneurial way?
58. Are you an independent non-executive director as defined in the King II Report?
59. How do you assess yourself with regard to the requirement contained in the King II Report with regard to non-executive directors being individuals of calibre and credibility, having the necessary skill and experience to bring judgement to bear independent of management, on issues of strategy, performance, resources, transformation, diversity and employment equity, standards of conduct, and evaluation of performance?
60. Are you involved in the day-to-day management of the bank?
61. Are you a full-time salary employee of the bank or any of its subsidiaries?
62. Are you a representative of a shareowner who has the ability to control significantly influenced management?
63. Have you been employed by the bank or the group of which it currently forms part, in an executive capacity for the preceding three financial years?
64. Are you a member of the immediate family of an individual who is, or has been, in any of the past three financial years, employed by the company or the group in an executive capacity?
65. Are you a professional advisor to the bank or the group other than in a directive capacity?
66. Are you a significant supplier to or customer of the bank or group?
67. Do you have significant contractual relationships with the bank or the group?
68. Are you free from any business or any relationship which could be seen to materially interfere with your capacity to act in an independent manner?

69. Do you serve on a remuneration committee or such other appropriate board committee appointed by the board of directors?
70. How many independent non-executive directors sit on that committee?
71. Who chairs that committee?
72. Does the CEO attend meetings of that committee by invitation?
73. Does the bank provide full disclosure of director remuneration on individual basis, giving details of earnings, share options, restraint payments and all other benefits?
74. Have you been granted share options?
75. Did the share owners give prior approval to the granting of such share options?
76. Have you received shares rather than share options?
77. How is your participation in share options schemes or receiving shares disclosed to share owners?
78. When were you appointed to the board of directors of the bank?
79. Did you serve in any executive position(s) with the bank before being appointed to the board of the bank? If so, in which position(s)?
80. Do you serve on any specific board committees (e.g. remuneration, audit, risk, credit, corporate governance) of the bank?
81. Do you attend meetings of any other board committees of the bank?
82. Do you serve on the board of directors of the controlling company of the bank?
83. Do you serve on the board of directors of any companies which are subsidiaries of the controlling company of the bank, the bank, or any companies that are part of the group of companies to which the major shareholder of XYZ Bank belongs?
84. Are you a director of any companies not related to the bank?
85. In which position or capacity do you serve on such other boards?

86. What is the nature and quantum of the remuneration you receive in respect of each such directorship you hold?
87. Do any of the other companies of which you are a director, have a legal, commercial or other relationship with the bank?
88. How do you approach issues or matters raised at the bank's board level which you suspect may create a conflict of interest for yourself?
89. Have you ever recused yourself from any board discussions or decisions?
90. Do you and the other non-executive directors of the bank meet separately from the executive directors, either before or after board meetings, in order to discuss matters raised or to be raised at board meetings?
91. Have you ever taken up any issue pertaining to the operational management of the bank, with the CEO or management?
92. What amount of time per month are you able to devote to your responsibilities as a director of the bank?
93. What is the nature and quantum of the remuneration you receive in respect of your directorship of the bank?
94. Are details of the remuneration decisions of the Remuneration Committee of the Board published?

E QUESTIONS TO THE HEAD: COMPLIANCE OF THE BANK

1. What are your academic and other qualifications?
2. When were you appointed to the bank?
3. In which capacity have you worked within the bank?
4. Who is your immediate superior?
5. To whom do you report in the bank apart from your immediate superior?
6. Do you have unfettered access to the CEO of the bank?
7. Do you have unfettered access to the Chairperson of the Audit Committee?
8. Do you have unfettered access to the Chairperson of the Board of Directors?
9. If the answer to any of questions 6 to 9 is negative, what are the procedures and reporting lines you have to follow in order to gain access to the respective persons?
10. Do you have sufficient financial and other reserves and staff to perform your functions properly?
11. Are you and your staff adequately remunerated?
12. Do you have responsibility for the compliance function in any offshore subsidiaries of the bank, if any?
13. If not, who is responsible for the compliance function in respect of those subsidiaries?
14. Do you attend executive meetings of the bank?
15. Do you attend audit committee meetings of the bank?
16. Do you attend board meetings of the bank?
17. Are you involved in the process of corporate governance for which the board of directors is responsible in terms of regulation 38?
18. Are you involved in any training or induction of new directors of the bank?

19. Are you conversant with the provisions of regulation 47 of the Regulations pertaining to the compliance function?
20. Do you and/or your function enjoy the powers, status, independence and means to execute and comply with the requirements contained in regulation 47(4)?
21. If not, how can such deficiencies be rectified and addressed?

F QUESTIONS TO THE HEAD: INTERNAL AUDIT OF A BANK

1. Is the internal audit function in your bank independent, objective, and does it provide assurance in consulting activity designed to add value and improve the bank's operations?
2. How does it help the bank to accomplish its objectives in bringing a systematic, disciplined approach to evaluate and approve the effectiveness of risk management, control and governance processes?
3. How does the internal audit function provide:
  - a) Assurance that the management processes are adequate to identify and monitor significant risks?
  - b) Confirmation of the effective operation of the established internal control systems?
  - c) Credible processes for feedback on risk management and assurance?
  - d) Objective confirmation that the board receives the right quality of assurance and information from management and that this information is reliable?
4. Does the internal audit function in the bank have the respect and cooperation of both the board of directors and management?
5. Is the purpose, authority and responsibility of the internal audit activity formally defined in an internal audit charter approved by the board, consistent with the institute of internal auditors' definition of internal auditing?
6. Does the internal audit function report at a level within the bank that allows it fully to accomplish its responsibilities?
7. Do you report administratively to the CEO?
8. Do you have ready and regular access to the chairperson of the bank and the chairperson of the audit committee?
9. Do you report at all audit committee meetings?
10. Is the appointment or dismissal of the head of internal audit done with the concurrence of the audit committee?

11. What is the relationship between the internal audit function and the compliance function of the bank?
12. Do you have sufficient financial and other resources and staff to perform your actions properly?
13. Are you and your staff adequately remunerated?
14. Is the dialogue and coordination between the external auditors and the internal audit function formalised by an audit “partnership”?
15. Is there adequate coordination with the internal audit functions in other subsidiaries of the bank and its controlling company?
16. Do you report to a group internal audit function of the bank?

## G QUESTIONS TO EXTERNAL AUDITOR OF A BANK

1. Have you had occasion to inform the Registrar of Banks of an irregularity or suspected irregularity in the conduct of the affairs of the bank for which you have been appointed as auditor?
2. Have you had occasion to inform the Registrar of Banks of any matter relating to the affairs of the bank which, in your opinion, might have endangered the bank's ability to continue as a going concern or may have impaired the protection of the bank's depositors or may have been contrary to the principles of sound management (including risk management) or amounts to inadequate maintenance of internal controls, in terms of section 63(1) of the Banks Act, 1990?
3. Do you annually review the process followed by the board of directors in assessing the corporate governance arrangements including the management of risk?
4. How do you review such process?
5. Have you reported to the Registrar of Banks whether any matters have come to your attention which suggests that they do not concur with the findings reported by the board of directors?
6. Have you provided reasons for not concurring with the findings of the board of directors to the Registrar of Banks?
7. On which basis, and using which criteria, do you annually report to the Registrar of Banks whether or not you concur with the report submitted by the directors of the bank to the Registrar of Banks in terms of regulation 39(4)(a) and (b), namely:
  - a) whether or not:
    - the bank's internal controls provide reasonable assurance as to the integrity and reliability of the financial statements and safeguard, verify and maintain accountability of the bank's assets;
    - the internal controls are based on established policies and procedures and are implemented by trained, skilled personnel, whose duties have been segregated appropriately;
    - adherence to the implemented internal controls as continuously monitored by the bank;

- all bank employees are required to maintain high ethical standards, thereby ensuring that the bank's business practices are conducted in a manner that is above reproach;
  - anything has come to the directors' attention to indicate that any material malfunction, as defined and documented by the board of directors, in the functioning of controls, procedures and systems has occurred during the period under review; and
- b) whether there is reason to believe that the bank will not be a going concern in the year ahead and should there be a reason to believe so, having disclosed and explained such reason?
8. On which basis, and using which criteria, do you furnish to the Registrar of Banks in terms of regulation 45, various reports:
- on the bank's financial position and the results of its operations;
  - whether, in your opinion, the information contained in the returns at year end in all material respects were complete or accurate or in accordance with the directives and instructions of the Banks Act and the Regulations;
  - on any significant weaknesses in the system of internal controls relating to financial regulatory reporting and compliance with the Banks Act and the Regulations;
  - on any significant weaknesses in the system of internal controls that came to your attention while performing the necessary auditing procedures as regards the policies, practices and procedures of a bank relating to the granting of loans, making of investments, ongoing management of the loan and investment portfolios, and loan provisions and reserves?
9. How do you ensure that you provide an independent and objective check on the way in which the financial statements of the bank had been prepared and presented by the directors when exercising their stewardship to the stakeholders?
10. How do you interpret your accountability to the share owners of the bank?
11. How are differences of opinion between yourself and the management of the bank aired, discussed and overcome?
12. Are you able to turn to the non-executive directors in regard to any concerns you may have about the company or its business?

13. What impact do you have on the quality of the internal control system, and what leverage do you have in recommending improving internal controls?
14. What is the relationship between yourself and the internal audit function?
15. Is the dialogue and coordination between the external auditors and the internal audit function formalised by an audit “partnership”?
16. What is your opinion of the extent to which the bank and/or holding comply with the principles of corporate governance set out inter alia in the accompanying memorandum: “Some corporate governance principles”?