

Nelnet, Inc.
Risk and Finance Committee Charter
Last approved May 21, 2020

Organization

The Board of Directors (the “Board”) of Nelnet, Inc. (the “Company”) shall designate annually, based on the recommendation of the Nominating and Governance Committee of the Board, a Risk and Finance Committee (the “Committee”) comprised of three or more Directors, who may be removed by the Board in its discretion. A majority of the members of the Committee shall be “independent” Directors as determined in accordance with the rules and regulations of the New York Stock Exchange (the “NYSE”) and Securities and Exchange Commission (the “SEC”) and comply with and satisfy other applicable laws, rules, regulations and requirements. The Committee is a standing committee of the Board and shall report regularly to the Board.

A Chair (or co-Chairs) of the Committee shall be elected by the Board, based upon the recommendation of the Nominating and Governance Committee.

Purpose

The purpose of the Committee is to assist the Board in fulfilling its responsibility with respect to A) oversight of the Company’s enterprise-wide risk management framework, including the significant strategies, policies, procedures and systems used to identify, assess, measure and manage the major risks facing the Company and B) oversight of Company’s strategies, policies and practices relating to capital management, including material liquidity, financing, and investment activities.

Meetings

The Committee shall meet as often as it deems necessary or appropriate to carry out its responsibilities and may in its sole discretion, form and delegate authority to subcommittees (comprised only of Committee members) in furtherance of such responsibilities. Meetings of the Committee shall be called by the Chair (or any co-Chair) of the Committee, the Chair of the Board or the Chief Executive Officer of the Company. All such meetings shall be held pursuant to the By-laws of the Company with regard to notice and waiver thereof, and written minutes of each such meeting shall be duly filed in the Company’s records.

Powers and Responsibilities

The Committee’s role is one of oversight, recognizing that Company management is responsible for executing the Company’s risk and capital management policies and activities. While the Committee has the powers and responsibilities set forth in this Charter, management is responsible for designing, implementing and maintaining effective risk and capital management programs.

The Committee shall maintain free and open communication with Company management and is empowered to investigate any matter relating to the Company's risk and capital management practices brought to its attention.

The Committee shall have the following responsibilities, if the Board has not previously considered or acted upon these items:

A. Oversight of enterprise-wide risk management

1. Evaluate and approve applicable Risk Management policies
2. Review and evaluate the Company's risk philosophy and appetite.
3. Evaluate the Company's enterprise-wide risk management framework, structure and maturity.
4. Review and evaluate business segment risk assessments that identify strategic, emerging and third party risks that could adversely affect the achievement of Company and business segment objectives.
5. Discuss and evaluate the Company's major risk exposures, risk responses, controls, monitoring activities, key performance indicators and other relevant factors to ensure that Company and business segment risk tolerances are aligned with the Company's risk profile and appetite.
6. Review the sufficiency of Company risk management policies, personnel, systems, budgets, procedures, controls and other risk management capabilities.

B. Oversight of information security

1. Evaluate and approve the Security Policy and related exceptions and accepted risks.
2. Ensure that Company security awareness and training programs adequately address the risks of the Company and business segments.
3. Ensure business initiatives consider information security within their strategies, processes and systems and ensure the security programs support business segment objectives.
4. Ensure that the Company is focused on and mitigates risk, as appropriate, through oversight of security initiatives, system vulnerabilities, appropriate use of technologies and incident response plans.

C. Oversight of capital management

- 1) Evaluate and Approval of the Investment Management Policy and Trade Authorization.
- 2) Have principal oversight responsibility with respect to certain of the Company's material financial matters, including capital management, funding strategy, investments and acquisitions that are material to the Company's business. The Committee shall not have oversight responsibility with respect to the Company's financial reporting, which is the responsibility of the Audit Committee of the Board.
- 3) Periodically review the annual plan, financial results, asset quality, financing and capital management activity and liquidity position of the Company, review and approve the Company's dividend policy and recommend dividend actions to the Board, and review the Company's plans for equity and debt repurchase activities.
- 4) Have general oversight responsibility for the Company's treasury activities. In this connection, the Committee shall annually review the Company's principal commercial and investment banking relationships, including its banking and treasury authorizations, and material terms of the Company's credit facilities in light of the Company's operating strategy, risk exposures, financial policies and changes in applicable law or accounting requirements.
- 5) Review the financial terms of material acquisitions or other equity investments and divestitures of any material operations of the Company that will be submitted to the Board for approval under the Company's Corporate Governance Guidelines regarding Authorizations. The Committee may also approve the financial terms of transactions that have been approved in principle by the Board if delegated to do so by the Board.

Additional Powers and Responsibilities:

The Committee shall, on an annual basis review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval. The Committee will conduct an evaluation of the Committee's own performance during such past year.

The Committee shall have the authority to engage and obtain advice and assistance from independent or outside legal counsel and other advisors as it determines necessary or appropriate to carry out its duties. All related fees and expenses of such advisors, as determined by the Committee, shall be paid promptly by the Company in accordance with its normal business practices.