



Standard Bank Namibia Limited

Type:	Policy
Name:	SBN Holdings Board Nomination and Appointment of Directors and Board Evaluation Policy
Level:	SBN Holdings Limited and Standard Bank Namibia Board of Directors (The Company)
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Classification

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1. Policy Statement

- 1.1 The board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.
- 1.2 Procedures for the identification, nomination and appointment of directors should be formal, rigorous and transparent, and should be a matter reserved for the board, assisted by the Board HC Committee, subject to legislative and regulatory requirements and shareholder approval where appropriate.
- 1.3 The Board Nomination and Appointment Policy (the Policy) aims to comply with the relevant legislation and regulatory obligations, and best governance practices
- 1.4 The purpose of this Policy is to:
 - 1.4.1 Provide guidance on the nomination and appointment process of directors to the boards of the Company.
 - 1.4.2 Promote board continuity and ensure that the boards comprise individuals who possess the necessary skills, qualities and experience to collectively contribute to effective board governance.
 - 1.4.3 Provide guidance on the board evaluation process as prescribed in terms of clause 8.8 of the Board Mandate of the Company.

2. Applicability

- 2.1 This Policy shall apply to:
 - 2.2 The SBN Holdings Limited (SBNH) and its subsidiaries (“ The Company”).
 - 2.3 The Board HC Committee constituted as a sub-committee of the Board of Directors of the Company
- 2.4 This Policy shall exclude:
 - 2.4.1 The nomination and appointment of directors to group companies and/or any other entities for which the Company has the right to nominate and/or approve the appointment of directors.
 - 2.4.2 The nomination and appointment of executive management.

3. Minimum requirements to comply with this Policy

- 3.1 All nominations and appointments are to be made in compliance with all legislative and regulatory requirements, internal processes and procedures, and in the spirit of the values of the Company.
- 3.2 This Policy applies to all nominations and appointments of board directors, and all appointments are subject to the authorisation of the board of directors of the Company on recommendation of the Board HC Committee.

4. Roles and Responsibilities

The Board

4.1 Policy obligations on boards –

4.1.1 After considering recommended nominations made by the Board HC Committee, the board of the Company shall approve the composition of the following:

- Board of Directors;
- Board Audit Committee;
- Board Human Capital Committee;
- Board Information and Technology Committee;
- Board CSI Committee;
- Board Risk Committee
- Board Credit Committee.

4.1.2 The board in line with this policy and subject to regulatory requirements will appoint:

- The Chairman of the board;
- The lead independent director of the board;
- The Chairman of all board committees;
- Members of all the board committees; and
- consider the removal, resignation and retirement of directors.

4.1.3 Ensure the proper rotation of directors in line with the Memorandum of Incorporation of the Company, BID1, the Companies Act and, the Namcode and the King IV Code on Corporate Governance.

4.1.4 Ensure that the appointment of every board director is confirmed by shareholders at the next Annual General Meeting following their appointment to the board.

4.1.5 Directors have a responsibility to acquaint themselves with their fiduciary duties and responsibilities, as well as with matters pertaining to the operations and business environment of the group so that they are able to fulfil their obligations. To assist newly appointed directors, the board shall ensure that there is an adequate induction programme for new directors, a mentorship programme where appropriate, and ongoing briefings on relevant new laws and changing commercial risks.

4.1.6 Adhere to all legislative and regulatory requirements, including the requirements of the NSX and JSE Listings Requirements and Debt Listings Requirements (DLR).

4.1.7 Board Evaluations:

The Board shall:

4.1.7.1 Review and monitor the performance of the chief executive and executive team.

4.1.7.2 The board shall annually perform an evaluation of the board as a whole, its committees and the contribution of each individual director, the chairman and any executive directors and report results of the evaluations to the board. The board shall perform an independent evaluation of its performance at least every three years.

4.1.7.3 The evaluation should also identify training needs.

4.1.7.4 A director should not be nominated for re-appointment until there has been a evaluation of the performance and attendance of the director, particularly where the director has served for more than five years.

Board HC Committee

4.2 The Board HC Committee will:

4.2.1 Set the criteria in line with statutory requirements and governance best practice for the nomination of directors and committee members of the board. The selection process for directors should include reviewing whether candidates:

- possess the knowledge, skills, experience and, particularly in the case of non-executive directors, independence of mind given their responsibilities on the board and in the light of the Company's business and risk profile;
- have a record of integrity and good repute;
- can reasonably be expected to uphold the values of the group and the code of ethics;
- have sufficient time to fully carry out their responsibilities;
- have the ability to interact effectively with other board members; and
- promote diversity and inclusion in the composition of the board.

4.2.2 Establish and maintain a board directorship continuity programme which includes:

- a review of the performance of and planning for successors to executive directors;
- measures to ensure the continuity of non-executive directors;
- regular review of composition of skills, experience, geography, gender and race diversity and other qualities required for the effectiveness of the board; and
- an annual self-assessment of the board, the contribution of each individual director and living the values of the group.

4.2.3 Review and evaluate candidates for the chief executive and other executive director appointments, in terms of this Policy and make recommendations to the board for approval

4.2.4 Oversee that all board directors receive a formal letter of appointment setting out their roles and responsibilities, time commitments required to serve on the board and/or committee(s) and other outside commitments

4.2.5 Annually review the implementation of the promotion of race and gender diversity policy at board level, and report on the progress made in the corporate governance statement in line with the regulatory requirements including NSX and JSE Listings Requirements.

4.2.6 Annually review the structure, size and composition of the board taking into account the requirements of board committees to ensure size, demographics and diversity make it effective, and make recommendations to the board regarding any changes required.

4.2.7 Review and make recommendations on the re-election of directors retiring by rotation in terms of the Memorandum of Incorporation, BID1, the Companies Act, Namcode and the King IV Code on Corporate Governance and where applicable continuing service as a director after having reached the retirement age having due regard to factors including performance.

- 4.2.8 Assist the board in determining whether the services of any director should be terminated.
- 4.2.9 The group secretary shall assist the Board HC Committee to execute its responsibilities in terms of this Policy by:
- Ensuring that the procedure for the appointment of directors is properly carried out;
 - assisting in the induction, orientation, ongoing training and education of directors, including assessing the specific training needs of directors and executive management in their fiduciary and other governance responsibilities;
 - providing guidance and advice to the board on matters of good governance and changes in legislation;
 - providing comprehensive practical support and guidance to directors, with particular emphasis on supporting the non-executive directors, the chairmen of the board and board committees.

Other Specific requirements:

- 4.3 The chairperson of the board and board subcommittees shall be independent non-executive directors.
- 4.4 For the purposes of classifying non-executive directors as independent, the board shall also consider the BID1, Namcode and King IV criteria for independence.
- 4.5 Independent non-executive directors should, at their first board meeting, and thereafter at the first meeting of the board in every financial year or whenever there is any change in the circumstances which may affect their status as an independent director, make a declaration that they meet the board-specified criteria of independence
- 4.6 When making new appointments, the board should take into account other demands on directors' time. Prior to appointment, significant commitments should be disclosed with an indication of the time involved. Additional appointments of non-executive directors should not be undertaken without prior approval of the Board HC Committee. Non-executive directors are encouraged to limit the number of board appointments to a maximum 2 directorships on listed entities
- 4.7 Cross-directorships in entities not related to the group is limited to a maximum number of two directors per entity.
- 4.8 The following persons shall not be appointed as non-executive directors if in the preceding twelve (12) months the person held any of the following positions in the Company:
- Executive director,
 - Chief Executive of the company,
 - Executive Officer as defined in the Banking Institutions Act,
 - designated external auditor directly or indirectly responsible for performing statutory audit or key member of the external audit team directly or indirectly responsible for performing the statutory audit, and
 - any other person the board deems relevant.
- 4.9 For the purposes of classifying persons mentioned in 4.8 above or any other person that previously served on the board as an independent non-executive director, a minimum period of three (3) years, together with the objective and baseline independence test should be considered when assessing non-executive director independence classification on appointment.
- 4.10 Full disclosure of the nature of a director's interest on any matter before the board is required. A register of declarations of interest shall be kept. At the start of every

meeting, directors should declare if they have any conflict of interests in respect of matters on the agenda.

- 4.11 The Regulator has the right to object to the appointment of a director, or to terminate the service of an existing director if the Regulator believes that they are not fit and proper persons or are not acting in the public interest.
- 4.12 The board undertakes to ensure that all legislative and regulatory requirements are fulfilled prior to director appointments and that the necessary notifications (NENSE/SENS) are issued where applicable.
- 4.13 In line with Regulatory Requirements, this Policy shall be published online on the group's website. Any amendments to this Policy shall be announced on SENS. In instances of any deviation from the Policy, such deviation shall be announced on SENS together with reasons for the deviation.

5 Related policies and procedures

5.1 This Policy should be read together with:

5.1.1 Companies Act 28 of 2004;

5.1.2 The Banking Institutions Act 2 of 1998;

5.1.3 The NSE/JSE Listing Requirements, including the Debt Listings Requirements;

5.1.4 The Namcode and King IV Report on Corporate Governance;

5.1.5 SBNH /SBN Memorandum of Incorporation;

5.1.6 SBNH/SBN Board Mandate;

5.1.7 the Board HC Committee Mandate;

5.1.9 The Company's Values and Code of Ethics

5.1.10 Human Capital policies in place from time to time; and

5.1.12 Any other relevant policy from time to time.

6. Definition

<i>Board</i>	<i>Refers to the board of SBN Holdings Limited and/or The Standard Bank Namibia Limited board.</i>
<i>Director</i>	<i>A member of the board of a company, as contemplated in the Companies Act 28 of 2004, or an alternate director of a company and includes any person occupying the position of a director or alternate director, by whatever name designated. For purposes of this policy a director includes an Executive and Non-Executive Director</i>
<i>Executive Director</i>	<i>Means a director who is involved in the day-to-day management of the company or being in the full-time salaried employment of the company.</i>
<i>Executive Officer</i>	<i>In relation to a bank, means an employee who is a director or who is in charge of a risk management function of the bank, the compliance officer, the secretary of the company or any manager of the bank who is responsible, or reports directly to the chief executive officer of the bank.</i>
<i>Non-Executive Director</i>	<i>Means a director who is not involved in the day to day management of the company.</i>
<i>Independent non-executive Director</i>	<i>Means Independent non-executive director as defined in clause 4.7 of the Determination of the Appointment, Duties and Responsibilities of Directors, Principal Officers and Executive Officers of Banking Institutions and Controlling Companies (BID1) issued under the Banking Institutions Act, 1998 (Act 2 of 1998) as amended.</i>
<i>Nominator</i>	<i>The person or forum nominating a candidate for purposes of being considered for appointment as a Director or Executive Management.</i>

7. Policy Administration

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