

Selection of Executive, Non- Executive Director and Independent Directors

(a) Executive and Non-Executive Director

The Parent Bank, State Bank of India (SBI) nominates potential candidate for appointment as Executive and Non - Executive Director on the Board of Directors of SBIML subject to the approval of the Board. The selection and nomination criteria are based on SBI's internal selection processes to identify the best candidate. However, CGNCC will assess whether the candidate is a 'Fit and Proper Person' as per the criteria defined by the Bank of Mauritius Guideline on Fit and Proper Person Criteria as well as the Bank's Policy.

The Directors of CGNCC shall evaluate the fitness and propriety of each candidate for Directorship under three captions as provided in BOM Guideline on the Fit and Proper Person Criteria Policy of namely:

- Honesty, integrity, diligence, fairness, reputation and good character.
- Competence, and capability; and
- Financial soundness.

CGNCC will give its recommendation to the Board with regard to appointment or otherwise of the nominated candidate as Executive or Non-Executive Director.

(b) Independent Director

Selection process of Independent Director shall be carried out based on the provisions outlined in this policy.

(i) Selection criteria

- a) The CGNCC shall consider candidates who meet the Fit and Proper Person Criteria as defined by the Bank of Mauritius guideline on Fit and Proper Person Criteria.
- b) The candidate shall possess the specific skills, experience and expertise that will best complement the Board effectiveness at that time.
- c) In its evaluation and selection of potential candidates for the Board, the CGNCC should consider the following, including but not limited to:
 - i. Good communication and interpersonal skills
 - ii. Demonstrated high levels of personal and professional integrity
 - iii. Appropriate background, experience, Banking knowledge if any, professional skills and qualifications
 - iv. Demonstrated and recognized knowledge, experience and competence in business including financial literacy.
 - v. Ability to analyse information, think strategically and review and challenge management in order to make informed decisions.
 - vi. Ability to work harmoniously and in collaboration with fellow Directors and Management
 - vii. Willingness to devote the required time, by attending Board and Sub-Committee meetings regularly.
 - viii. Carry out verification checks on the candidate's character, experience, education and criminal record/ bankruptcy history, if any, among others.

(II) Selection and appointment process

The selection process consists of the following:

- a. The CGNCC reviews the current Board composition against the desired composition and future expectations of the Bank. The CGNCC shall prepare a set of specific selection criteria for the appointment of a new director for approval by the Board. With regard to replacement of an existing Director, the search will focus on the profile of the outgoing Director unless CGNCC decides otherwise.
- b. Once the CGNCC has finalized the profile of the candidate for directorship it shall commence the search for prospective candidates who may be identified from a number of sources, including but not limited to professional recruitment consultants, Management or Director's contact, Mauritius Institute of Directors or shareholder recommendations, bank applications on hand, open offer through Newspapers, among others.
- c. The Chairperson of the CGNCC or the Company Secretary shall brief the external search firm (**MIOD, etc**) on the selection criteria and request the firm to provide a list of potential candidates as may be required.
- d. The Directors of CGNCC shall evaluate the fitness and propriety of each candidate for Directorship under three captions as provided in BOM Guideline on the Fit and Proper Person Criteria Policy of namely:
 - Honesty, integrity, diligence, fairness, reputation and good character.
 - Competence, and capability; and
 - Financial soundness.
- e. After due consideration, at least two members from CGNCC shall conduct interview in coordination with the Company Secretary & **Vice President Accounts, Services and Human Resources** with selected candidate(s) to ascertain their suitability. Once the CGNCC has identified and shortlisted the preferred candidate (s), it shall provide the list of potential candidates for the Board to consider. The CGNCC may, if so required, arrange for a meeting with preferred candidate (s) and the Board members.
- f. Interviews will usually be conducted by the CGNCC's Chairperson, at least another member of the CGNCC in addition to MD & CEO.
- g. In accordance with the Bank's Constitution, Banking Act, Laws and Regulations, The Board shall **approve and recommend to Shareholders for appointment of** the best candidate as Director.
- h. A person who is appointed as Director shall hold office until the next Annual Meeting of Shareholders and is eligible for re-election at that meeting.