

Stakeholder Announcement

18 March 2020

Statement by Capricorn Group on its response to the COVID-19 Pandemic

Capricorn Group is a regional financial services group with operations in Namibia, Botswana, Zambia and South Africa. We are very aware that as a regional group, the COVID-19 pandemic can have a severe impact on our operations if we do not proactively and responsibly manage potential and existing risks related to the outbreak. On 17 March the President of Namibia declared a National State of Emergency in response to the public health emergency created by the outbreak of the COVID-19 virus in Namibia.

The Group is continuously monitoring directives from the governments in the countries where we operate to ensure that our response plans are in line with and in support of government directives to curb the spread of the disease, such as banning and restricting gatherings, closing educational facilities and encouraging social distancing. These measures have been put in place to ensure global healthcare systems are not overwhelmed and that those who need it most can get the care they need.

Capricorn Group's response to the Covid-19 pandemic

In response to COVID-19 the focus of the Group is two-fold: Firstly to address staff and customer safety through preventative measures and secondly, to assess and plan for the most likely impact on our business.

A dedicated response team has been put in place in each of our group entities. All entities in the Group have tested and updated their business continuity plans (BCP's) and have developed comprehensive action plans around the health and safety of our employees and customers, business continuity in general, financial risk and communication. There is a sharp focus on supply chain management to ensure that we have sufficient inventory of critical supplies and/or that our supply lines will be able to deliver when supplies are needed.

In principle, any measures that represent a significant departure from our Group's standard business practices as a result of the pandemic will be time bound. The current timeframe for measures is two weeks even though it is difficult to predict how long it will place pressure on people and the economy. This will allow our teams to take deliberate and decisive steps while allowing flexibility to adjust to circumstances as they unfold.

Employee and Customer Health and Safety

Capricorn Group support the principle of social distancing as a critical measure to slow down the spread of the virus. The Group has implemented the comprehensive guidelines on personal and workplace hygiene and sanitation of the World Health Organisation and the Centre for Disease Control.

There is recognition that we can not only focus our efforts and attention to the wellbeing of our employees but that we should have specific initiatives for our customers.

In this regard the specific actions that the Group has since undertaken include:

- **Travel:** A Group-wide travel ban for all business travel of employees for the next two weeks (16 to 30 March) has been implemented. This includes business travel internationally, regionally and domestically. Personal travel has been discouraged given the risks associated with travel.
- **Events and Meetings:** A principle was adopted that no large face-to-face business meetings and gatherings will be permitted until further notice. Person to person contact both internally and with clients should be avoided and the use of technology to conduct virtual meetings should be encouraged and used as far as possible.
- **Health and Safety:** We constantly monitor the guidance provided by the authorities in all territories we are present. We keep abreast of all official advice and directives and mould our internal guidelines accordingly. We have taken advice from medical experts on Covid-19 and will continue to consult with these experts.

Impact on Business

The outbreak is having a material effect on the global economy and an extreme impact on the global financial markets. The real cost to the global economies is still unknown, and the future effects cannot be accurately determined as the situation is still developing. All major stock markets across the globe are experiencing a significant sell-off. Although most major central banks are expected to implement rate cuts and other measurements to stimulate their economies, the negative economic effects will remain evident for some time to come. This increases the fear of a global recession.

Capricorn Group has done a comprehensive financial risk assessment and specific actions will be implemented to mitigate and manage the risk. The declaration of a National State of Emergency will ensure that the pandemic will receive proper focus and resources from both the public and private sector who needs to join hands in fighting this public health emergency. Our priority is to ensure that our business provides continuity to our stakeholders even when our teams are working outside the office. We are ensuring our IT systems can support this enhanced flexibility.

This statement will be updated as new developments arise and the situation unfolds.