



REPUBLIC OF NAMIBIA

MINISTRY OF PUBLIC ENTERPRISES

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**To: Board Chairpersons
Company Secretaries**

All Public Enterprises

RE: DIRECTORS LIABILITY INSURANCE

This Ministry has been approached by several Public Enterprises requesting the shareholder to make provision for Director's liability insurance for Board members.

The Ministry fully shares and supports the view that it is important for Board Directors to be insured in the execution of their fiduciary duties and it is advisable that they take out Director's liability insurance cover.

Having said the above, it is also important to indicate that legally and procedurally the shareholder is not allowed to provide indemnity to the Boards it has appointed. In light of the foregoing, the shareholder cannot therefore grant such requests and individual Board members are hereby encouraged to take out their own Director's liability insurance which is readily available at a nominal fee.

Yours sincerely

**Leon Jooste
(Minister)**

