



## CORPORATE GOVERNANCE GUIDELINES

The following **Corporate Governance Guidelines** have been established by the Board of Directors (the “**Board**”) of **SVB Financial Group** (the “**Company**”) through its Governance Committee. These guidelines provide a structure within which directors and management may effectively operate and pursue the Company’s objectives for the benefit of the Company’s stockholders. They are intended to be guidelines adopted in accordance with applicable laws and regulations, subject to periodic review (on at least an annual basis) and approval of any material changes by the Board’s Governance Committee.

### I. PRINCIPAL FUNCTIONS OF THE BOARD OF DIRECTORS

The principal functions of the Board are as follows:

#### *To Review and Approve the Company’s Strategic Direction and Annual Operating Plan and Monitor the Company’s Performance:*

The fundamental role of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders. It is the duty of the Board to oversee the Chief Executive Officer and other senior management in the competent and ethical operation of the Company on a day-to-day basis.

The Board meets at least twice a quarter, including a Board meeting at which major strategies are discussed in greater depth. The Board reviews and approves annual corporate goals and operating plans as required for the Company. On an ongoing basis during the year, the Board and its standing committees (each, a “**Committee**”) monitor the Company’s performance against such goals and operating plans.

The Board stays abreast of applicable industry, market, competitive, political, regulatory and economic trends and developments that may impact the Company’s strategic direction.

#### *To Oversee the Company’s Risk Management, including its Risk Appetite Statement:*

The Board is responsible for the oversight of risks to the Company. The Board, as a whole and through its Risk Committee and other Committees and management, oversees the management of risks that impact the Company’s business and operations, and seeks to ensure that risks are appropriately identified, measured, monitored and addressed. In addition, the Board and its Risk Committee oversee the risk appetite framework of the Company, as set forth in its Risk Appetite Statement.

The Company focuses on key risks that may impact its business, operations and financial condition, including, among others, credit risks, market risks, capital and liquidity risks, operational risks, legal and compliance risks, strategic risks, and reputational risks. Managing risk is crucial to the continuity of the Company’s operations, as well as the protection of resources, stockholder value, assets and reputation. As such, the Board is committed to sound oversight, ethical business principles and compliance with the letter and spirit of the law.

The Company’s Risk Appetite Statement sets forth guidance and limits to key types of risk the Company is prepared to accept in pursuit of its business and strategic objectives. It further sets forth a governance

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framework, including the oversight role of the Board and its Risk Committee, management's risk management responsibilities, and an escalation and reporting process in the event of any non-compliance with a risk limit.

Additionally, the Risk Committee of the Board oversees the enterprise-wide risk management policies and framework of the Company, as well as the Company's compliance with its Risk Appetite Statement. The Risk Committee also monitors changes to the Company's risk profile and escalates any matters of concern to the Board for discussion and potential action.

#### *To Evaluate the Performance of the Chief Executive Officer:*

Each year, the Compensation Committee, in consultation with the Board Chair and the Board, determines the annual performance goals of the Chief Executive Officer. After year-end, the Board collectively evaluates the performance of the Chief Executive Officer, both generally and against those goals, through an evaluation process determined by the Governance Committee.

#### *To Oversee Compensation Matters:*

The Compensation Committee of the Board oversees the compensation strategies, plans, policies and programs for officers (as that term is defined in Rule 16a-1 promulgated under the Securities Exchange Act of 1934, as amended, the "**Officers**") and other employees to ensure they are appropriate and competitive, and properly reflect the Company's objectives and performance.

The Compensation Committee recommends the compensation for the Chief Executive Officer, which is approved by at least a majority of the independent directors of the Board. Additionally, the Compensation Committee approves the compensation for all other Officers, as well as for members of the Board.

#### *To Plan Management Succession:*

The Board plans for succession to the position of Chief Executive Officer, and monitors management's succession planning for other senior management positions.

#### *To Advise and Counsel Management:*

Advice and counsel to management occurs both formally, in Board and Committee meetings, and informally, through contact and communication between individual directors and members of management.

The information needed for the Board's decision-making generally will be found within the Company, and Board members have full access to management and other employees as well as to the Company's records and documents. The Board may also seek legal or other expert advice from a source independent of management.

#### *To Monitor and Manage Potential Conflicts of Interests of Management, Board Members and Stockholders:*

Through the monitoring and management efforts of its Audit Committee, the Board oversees potential conflicts of interests of management, Board members and stockholders, to ensure that there are no abuses of corporate assets or inappropriate related party transactions. Pursuant to the Company's Related Party Transactions Policy, the Audit Committee reviews and approves, where necessary, transactions involving the Company and certain "related" parties (such as directors, management members and certain stockholders), as

required under applicable securities laws and the rules of The NASDAQ Stock Market LLC (“**NASDAQ**”). Any loan transactions with related parties or interests are also subject to the review and approval of the Audit Committee and the Board, to the extent required under the Federal Reserve’s Regulation O.

***To Provide Oversight in Maintaining the Integrity of Financial Information:***

The Audit Committee of the Board oversees the integrity of the Company's accounting and financial reporting systems, including the independent audit of the Company's financial statements. The Audit Committee oversees management efforts to put in place and maintain appropriate systems of control, in particular systems for monitoring financial risks, internal controls over financial reporting, and compliance with applicable laws. The Audit Committee reports to the Board on a regular basis and the Board, upon the recommendation of the Audit Committee, takes such actions as it believes are necessary to ensure the integrity of the Company's accounting and financial reporting systems and that appropriate controls are in place. In addition, the Audit Committee oversees the Company's engagement of its independent registered public accounting firm.

***To Monitor the Effectiveness of the Governance Practices under which the Board Operates and Make Changes as Needed, and to Oversee Environmental, Social, Governance and Political Practices:***

The Governance Committee of the Board periodically reviews and evaluates the effectiveness of the governance practices under which the Board operates and makes changes to such practices as needed. The Governance Committee also oversees the Company's environmental, social, governance and political practices.

## **II. BOARD STRUCTURE AND COMPOSITION**

### **Number of Directors**

The Company's Bylaws provide for a range of eight (8) to thirteen (13) authorized directors and permit the exact number to be fixed by the Board of Directors. The Governance Committee and the Board periodically review the appropriateness of the size of the Board, and may from time to time increase or decrease its size in accordance with the needs of the Company.

### **Director Independence**

The Board will have at least a majority of directors who meet the criteria for independence established by the applicable rules and regulations of the Securities and Exchange Commission and NASDAQ.

### **Selection and Evaluation of Board Candidates**

The Governance Committee identifies candidates for membership on the Board and recommends such candidates' nomination to the Board based on their skills, character, judgment, and business experience, as well as their ability to diversify and add to the Board's existing strengths. The Governance Committee typically seeks individuals with diverse backgrounds and skills complementary to the Company's business and strategic direction, which includes: areas of expertise in industries important to the Company; functional expertise; and an assessment of an individual's abilities to work constructively with the existing Board and management, as well as of such individual's compliance with applicable law, rules, regulations and regulatory guidance, all in the context of an assessment of the perceived needs of the Board at that point in time. Additionally, pursuant to the Bylaws, stockholders may nominate directors for consideration at an annual stockholder meeting.

The Governance Committee nominates and recommends the slate of directors to be recommended by the Board to the Company's stockholders.

In addition, the Governance Committee is responsible for implementing and overseeing the Board's succession planning process for the position of the Chair of the Board. The initial nomination of the Chair of the Board for his or her first year (or for any subsequent year as determined by the Board) shall be determined by the full Board; in all other years, the Governance Committee shall recommend the Chair of the Board for Board approval.

### **Separate Roles of Chair and Chief Executive Officer**

The Board believes that the roles of the Chair of the Board and Chief Executive Officer should be separate. The Board believes that having an outside, independent director serve as Chair is the most appropriate leadership for the Board, as it enhances the Board's independent oversight of management and its strategic planning, reinforces the Board's ability to exercise its independent judgment to represent stockholder interests, and strengthens the objectivity and integrity of the Board. As such, the position of the Chair of the Board is held by an outside, independent director.

### **Annual Director Term**

Each director is elected for a one-year term (and until his or her successor is elected) at an annual meeting of stockholders of the Company.

### **Advisory Directors**

From time to time, the Board may in its discretion appoint one or more advisory directors to serve in an advisory capacity. Such advisory directors do not have any voting or decision-making authority and are not elected by the stockholders.

## **III. DIRECTORSHIP MATTERS**

### **Majority Voting for Directors and Post-Election Director Resignation Policy**

Our Bylaws provide for a majority vote standard for director elections. Under this standard, any director nominee who, in an uncontested election, fails to receive the vote of a majority of the votes cast or who, in a contested election, fails to be elected by a plurality of the votes cast (as required, in each circumstance, under the Company's Bylaws), shall promptly following certification of the stockholder vote, offer his or her resignation to the Board for consideration. The Governance Committee will act within 90 days after certification of the stockholder vote to determine whether to accept the director's resignation, and thereafter, will submit such resignation and its recommendation to the Board for consideration at its next scheduled meeting, unless the failure to act sooner would cause the Company to not comply with any requirement of NASDAQ or any rule or regulation promulgated under the Securities Exchange Act of 1934, in which event the Governance Committee and the Board shall take action as promptly as is practicable. The director whose resignation is under consideration shall abstain from participating in any decision or deliberation regarding that resignation. Following the Board's decision, the Company shall publicly disclose in a periodic or current report filed with the Securities and Exchange Commission the decision made with respect to the resignation.

## **New Director Orientation**

New directors joining the Board shall participate in the director orientation program, which involves a variety of informational sessions and materials for review about our business, strategy and governance with Board members and members of executive and senior management designed to familiarize new directors with the Company's strategic plans, significant financial, accounting and risk management issues, legal and regulatory landscape and other topics identified by the Board and management. The program also includes the participation of new directors to observe as guests at the meetings of the various Board committee meetings.

## **Directors Continuing Education**

The Board believes that ongoing education is important for maintaining a current and effective Board. Accordingly, the Board encourages directors to be continually educated on matters pertinent to his or her service on the Board. It is the Board's view that continuing education may be achieved in various ways as appropriate for each individual director, including, among other things, participation in formal education programs, conferences or seminars (the reasonable expenses of which are reimbursable by the Company) or through independent study or outside reading. In addition, from time to time, management may also bring education opportunities to the Board through management presentations, additional education materials or outside speakers.

## **Changes in Director's Principal Occupation**

The Board asks that each non-employee director who materially changes his or her principal occupation (or ceases to be engaged in the principal professional activity in which he or she was engaged at the time of joining the Board) notify the Governance Committee of such change within a reasonable amount of time. While it is not the sense of the Board that such change should necessarily result in a director's departure from the Board, the Governance Committee will consider the impact of any reported change and make any recommendations to the Board, as it deems appropriate.

## **Director Compensation**

The form and amount of director compensation is annually reviewed and approved by the Compensation Committee in accordance with its charter. Only non-employee directors receive payment for their service as directors.

## **Outside Directorships**

All directors are encouraged to carefully consider the number of other boards on which they serve, taking into account the time required for board attendance, participation and effectiveness on these boards. Directors should notify the Governance Committee in advance of accepting any invitation to serve on another public company board.

# **IV. MEETINGS**

## **Board Meetings**

The full Board meets whenever necessary, but at least twice a quarter through in-person and telephonic meetings. The Board also conducts an extended strategy session annually. Items on the agenda are typically

determined by the Chair and the Chief Executive Officer, in consultation with the Board and management. Any director may request that an item be included on the agenda.

Generally, Board members receive information in advance of Board and Committee meetings so they have an opportunity to prepare for discussion of the items at the meeting. Information may include summaries, reports and other materials prepared by management and/or third parties.

Board members are expected to prepare for and participate in all Board and applicable Committee meetings. Each Board member is expected to ensure that other commitments do not materially interfere with the member's service as a director. To facilitate participation, directors may attend in person, via telephone conference or via video-conference.

### **Executive Sessions**

The Board's policy is to have separate meeting times for the independent directors. As such, executive sessions to accommodate such meeting times are regularly scheduled during Board and Committee meetings, as well as on an as-needed basis.

### **Stockholder Meetings**

It is the Board's policy that each director uses his or her best efforts to attend each of the Company's annual stockholder meetings.

## **V. COMMITTEES**

### **Types of Committees**

The Board has the following six standing Committees:

- Audit Committee
- Compensation Committee
- Credit Committee
- Finance Committee
- Governance Committee
- Risk Committee

The Board may, from time to time, form new committees, as it deems appropriate. Additionally, the Board may designate directors to serve on special task forces, with or without members of management, to oversee specific corporate initiatives.

## Committee Membership

All of the members of the Audit, Compensation and Governance Committees must meet the criteria for independence established by applicable law, including the rules and regulations of the Securities and Exchange Commission, and NASDAQ. The Risk Committee must also meet the membership requirements pursuant to the Dodd-Frank Wall Street Reform and Consumer Act and its implementing regulations. In addition, the members of all the Committees must meet any other membership criteria specified in the respective charters of such Committees. Committee members are nominated by the Governance Committee and approved by the Board.

## Committee Charters

Each Committee has its own charter. The charters set forth the policies and responsibilities of the Committees (including membership qualification requirements), and are typically reviewed and modified, as necessary, by the Board on an annual basis. Copies of the charters are available on the Company's website at [www.svb.com](http://www.svb.com) under "Corporate Governance."

## Committee Meetings

Each Committee meets at least four times a year. The Chairs of each Committee, in consultation with appropriate Committee members and members of management, and in accordance with the Committee's charter, determine the frequency and length of Committee meetings and develop the Committee's meeting agendas.

## Committee Reports

The Chairs of each Committee report on the actions taken and matters discussed at their respective committee meetings to the full Board on a regular basis.

## **VI. BOARD EVALUATION AND SUCCESSION PLANNING; BOARD ACCESS TO MANAGEMENT AND ADVISERS; INTERACTION WITH OTHER PARTIES; CONFIDENTIALITY**

### Annual Board and Committee Evaluations

The Board conducts an annual evaluation and review of its performance and effectiveness, pursuant to a process as determined by the Governance Committee. The Board may be evaluated as a whole and/or as the Governance Committee determines, on an individual director basis. The evaluation process may involve written surveys or outside consultants or advisers, and include a review of various aspects of the Board, such as Board size, meeting frequency, quality and timing of information provided to the Board, director communication, director education, director skills and qualifications, director independence or other matters. The results of the evaluation are discussed with the full Board.

Additionally, the Governance Committee implements and develops appropriate processes to conduct annual evaluations of Board Committee performance and effectiveness. The evaluation process includes a review of various aspects of the Board committees, such as committee size, committee composition, committee performance, committee coordination with one another or committee involvement of the full Board. The results of the Committee evaluations are reviewed by each respective committee, as well as by the Governance Committee, and discussed with the full Board.

## **Board Succession Planning**

The Board's succession planning of its members is primarily overseen by the Governance Committee. Such planning takes into account the balancing of the appropriate representation and diversity of backgrounds, experience and skills on the Board, with the importance of Board refreshment. The Committee reports to and discusses any succession planning with the full Board.

## **Board Access to Management**

Board members have complete access to the Company's management and employees. Furthermore, the Board encourages management to, from time to time and as appropriate, bring managers into Board and Committee meetings who: (i) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (ii) are managers with future potential that senior management believes should be given exposure to the Board.

## **Board Access to Advisers**

The Board and each Committee have the authority to obtain advice, reports or opinions from internal and external counsel and expert advisers and have the power to hire independent legal, financial and other advisers at the Company's expense as they may deem necessary, without consulting with, or obtaining approval from, management of the Company in advance.

## **Board Interaction with Other Parties**

The Board believes that management speaks for the Company.

Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company but it is expected that Board members would do this with the knowledge of the Chair, and in most instances, at the request of the Board or senior management.

Stockholders may communicate with the Board directly by sending an e-mail to our Board at [bod@svb.com](mailto:bod@svb.com). Board-related communications are reviewed by the Chair and shared with the full Board as appropriate.

## **Confidentiality**

The Board believes maintaining confidentiality is an imperative to facilitate open discussions, proceedings and deliberations. Each director is therefore required to maintain confidentiality of information received in connection with his or her service as a director.

## **VII. EQUITY OWNERSHIP GUIDELINES**

To align the economic interests of the members of our Board and executive management with the stockholders of the Company, the Compensation Committee of our Board recommends that each such member holds shares of the Company's common stock and has adopted the following equity ownership guidelines:



## Executive Equity Ownership

Equity ownership guidelines for executive officers are established based on the value of the Company's common stock as a percentage of annual base salary as follows:

|  | Stock Value as Percentage of Annual Base Salary |
|--|---|
| <b>Chief Executive Officer</b>   | 600%  |
| <b>President of Silicon Valley Bank</b>  | 400%  |
| <b>Chief Financial Officer</b><br><b>Chief Operations Officer</b><br><b>Chief Risk Officer</b><br><b>Chief Credit Officer</b><br><b>President of SVB Capital</b> | 300%  |
| <b>Chief Human Resources Officer</b><br><b>Chief Marketing Officer</b><br><b>General Counsel</b>   | 200%  |

\* Stock value is based on the average daily closing price of the Company's common stock for the prior 12-month period. Guidelines are updated annually to reflect changes in the stock price.

In evaluating whether executives are meeting the ownership guidelines, the Governance Committee will consider the following as shares owned: (i) shares actually held, (ii) shares owned through investment in the Company's stock fund in the SVB Financial Group 401(k) and Employee Stock Ownership Plan, and (iii) earned but unvested awards of restricted stock awards and restricted stock units (subject to either time-based or performance-based vesting). Neither vested nor unvested stock options count towards the ownership guidelines.

## Director Equity Ownership

Each non-employee member of the Board of Directors is expected to hold shares of the Company's common stock that have a minimum value equivalent to 600% of his or her annual cash retainer.

## Compliance

All members of executive management and the Board of Directors have five years from the date he or she becomes subject to the equity ownership guidelines to meet his or her minimum requirement.

The Governance Committee of our Board will monitor compliance with these guidelines, including ensuring that individuals are making sufficient progress, as the Committee deems appropriate, towards achieving their minimum levels of ownership. The Governance Committee may also at its discretion grant waivers and make exceptions to the equity ownership guidelines based on individual circumstances.

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