POLICY ON BOARD COMMITTEES

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This policy is drafted as per the Colombo Stock Exchange Corporate Governance rule 9.2.1 (b) & 9.3.

Board Committees are the Management framework that facilities the Board of Directors of the Bank to discharge their responsibilities, and will formulate appropriate checks and balances to ensure that the Corporate Governance process is upheld at all times through the Board committees.

1. CBSL corporate governance rule No. 3(6) on Board Committees.

   3 (6) (i) – Each bank shall have at least four board committees as set out in Directions 3(6)(ii) – Audit Committee, 3(6)(iii) – Human Resources and Remuneration Committee, 3(6)(iv) – Nomination Committee and 3(6)(v) – Integrated Risk Management Committee of these Directions. Each committee shall report directly to the board. All Committees shall appoint a secretary to arrange the meetings and maintain minutes, records, etc., under the supervision of the Chairman of the committee. The board shall present a report of the performance on each committee, on their duties and roles at the annual general meeting.

2. As per CSE rule No. 9.2 (1) (b) & 9.3.1 on Corporate Governance Board shall ensure that the following Board Committees are established and maintained at a minimum and are functioning effectively. The said Board Committees at minimum shall include:

- Nominations & Governance Committee
- Remuneration Committee
- Audit Committee
- Related Party Transaction Review Committee

Entity shall comply with the composition, responsibilities and disclosures required in respect of the above Board committees as set out in the CSE rules. The composition and Terms of Reference will be drafted by each committee secretary as per the CBSL & CSE rules on committees and recommended by the committee and approved by the Board.

The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred above.

3. Following non mandatory Committees are formulated to further broaden the governance practices.

- Credit Committee
- Strategic Planning Committee
- Recoveries Committee
- IT Steering Committee
- Expenditure Rationalisation Committee

Terms of Reference will be drafted by each committee secretary of the relevant committees and with the Committee recommendation board will approve same.