POLICY ON CORPORATE GOVERNANCE, NOMINATIONS AND RE-ELECTION

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Target Group	Board of Directors – As per CSE rule No.9.2.1 (c)	

1. <u>SCOPE , AUTHORITY & FUNCTIONS</u>

a. Directors

- The committee is responsible for identifying evaluating and recommending personnel for Board positions. Therefore the committee shall establish and maintain a formal and transparent procedure to evaluate, select and appoint /re-appoint Directors of the listed entity.
- The Committee shall take necessary steps to ensure that Directors and CEO are fit and proper persons to hold office as specified in the regulations. In evaluating fitness and propriety of the persons referred to shall utilize the fit and proper assessment criteria set out in Rule 9.7.3 in the listing rules.
- Evaluate the appointment of Directors to the Board and Board committees.
- Review the structure, size and the composition of the Board and Board committees with regard to effective discharge of duties and responsibilities.

Re-election of Directors (Re appointment)

- The committee shall consider and recommend (or not recommend) the re-election of current directors, taking into account the performance and contribution made by the director concerned towards the overall discharge of the board's responsibilities.
- When incumbent directors come up for re-election to ensure that such proposed appointees are fit and proper, to continue as directors.
- All directors should be required to submit themselves for re – election at regular intervals and at least once in every three years.

Board Evaluations

- Regularly assessing the performance of individual board members, as well as the overall effectiveness of the board, falls within the committee's purview. This process helps identify areas for improvement and enhance board accountability.

b. Other functions

- Appointment of advisors / consultants to the Board / Bank.
- Review and recommend HR policies related to recruitment and succession.
- Recommendation of the KMP structure and selection criteria of CEO & KMP's.

c. CEO & Key Management personal

- The committee shall implement a procedure to select/appoint, CEO and key management personnel.
- The committee shall ensure that, CEO and key management personnel and officers in the immediate two layers below the level of CEO in the organizational structure are fit and proper persons to hold office as specified in the criteria as set out in the Statutes.
- Appointment of officers performing executive functions (KMP).

d. Conflict of Interest

Managing and addressing conflicts of interest among board members is essential to maintain transparency and trust within the Board.

A member of the Nominations and Governance Committee shall not participate in decisions relating to his/her own appointment.

Shareholder Engagement

The committee may engage with shareholders to ensure their concerns are considered.

2. GOVERNANCE

- Periodically review and update the corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice.
- Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.
- Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices.

3. COMPOSITION

- The Committee shall be chaired by an Independent Director and preferably be constituted with a majority of Independent Directors.
- Minimum No of Directors in the committee to be 03 and the maximum 05; will not comprise of executive Directors.
- The CEO may be present at meetings by invitation.
- Quorum for the meetings to be 02 directors with a majority of Independent Directors.
- Meetings to be held as and when required for the consideration of the key functions.