POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS

Document Reference POL/2024/0020/ Version 1.0

Version	Issued Date	Documented by & Issued by	Description
1.0	25.04.2024	Documented by CSY Issued by CSY	1st version Effective from April 2024
Keywords	Policy on matters relating to the board of Directors – CSE Rule No.9.2.1(a) & 9.5		
Target Group	Board of Directors		
Distribution	Board of Directors		

1. INRODUCTION

The Board of Directors (the "Board") of Pan Asia Banking Corporation PLC (the "Bank") recognizes the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its shareholders and all other, stakeholders; and believes proceeding in accordance with good corporate governance and corporate social responsibility practices.

The Board shall conduct itself with the highest standard of ethics and proceed in accordance with the applicable laws and regulations, to add value to the shareholders and stakeholders.

As per section 9.2.1 (a) & 9.5 of the Colombo Stock Exchange Corporate Governance rules the listed entity shall establish and maintain a formal policy governing matters relating to the Board of Directors.

2. BALANCE OF REPRESENTATION BETWEEN EXECUTIVE AND NON- EXECUTIVE DIRECTORS

The Board recognize the need for a balance of representation between Executive and Non-Executive Directors and cover at minimum board composition, the roles and functions of the Chairperson and Chief Executive Officer or equivalent position (hereinafter commonly referred to as the CEO), Board balance and procedures for the appraisal of Board performance and the appraisal of the CEO.

3. BOARD COMPOSITION

The number of Directors on the Board shall not be less than 7 and not more than 13, subject to the statues.

Board of Directors and the CEO are appointed by the board, with the recommendation of the Board Nominations and Governance Committee, and with the relevant statutory approvals.

4. FREQUENCY OF BOARD MEETINGS

In Line with the Corporate Governance direction of CBSL the board shall meet regularly and board meetings shall be held at least twelve times a year at approximately monthly intervals. Such regular board meetings shall normally involve active participation in person of a majority of directors entitled to be present. Obtaining the board's consent through the circulation of written resolutions/papers shall be avoided as far as possible.

5. MAXIMUM NUMBER OF DIRECTORSHIPS IN LISTED COMPANIES

As per direction 3(3)(ii) of the CBSL Corporate Governance - A person shall not hold office as a director of more than 20 companies/entities/institutions inclusive of subsidiaries or associate companies of the bank.

6. REQUIREMENTS ON TRADING IN SECURITIES OF THE LISTED ENTITY AND ITS LISTED GROUP

Directors shall immediately inform the company secretary if they trade in securities of the listed entity.

Directors shall not trade in listed entities securities within the stipulated time frames, as per section 8.6 which is given below.

<u>Section 8.6 - Trading by connected parties</u>
Connected persons should not trade, borrow or lend on the basis of price sensitive information that has not been disclosed to the public. Moreover, connected persons shall not trade, borrow or lend the Securities of the Listed Entity even after release of the information to the Exchange for a period, which should not be less than two (02) Market Days after the release of the information to permit thorough public dissemination and evaluation thereof. In computing this period of two (02) Market Days, the day on which disclosure is made will be excluded. For the purposes of this Rule, an individual is connected with an Entity if, and only if:-

a. he is a director of that Entity or a related Entity or his spouse and children under 18 years of age;

or

b. he occupies a position as an officer (other than director) or employee of that Entity or a related Entity or a position involving a professional business relationship between himself (or his employer or an Entity of which he is a director) and the first Entity or a related Entity which in either case may reasonably be expected to give him access to information which, in relation to Listed Securities of either Entity, is unpublished price sensitive information and which it would be reasonable to expect (a person in his position not to disclose except) for the proper performance of his function.