

# Board Related Party Transactions Review Committee Report



## Composition of the Committee

Board-Related Party Transactions Review Committee (the BRPTRC) comprised following Independent Non-Executive Directors (in line with the requirements of the Code of Best Practice on Corporate Governance issued by CA Sri Lanka which was issued in December 2017), whose profiles are given on 14 to 19.

- |                                 |   |   |
|---------------------------------|---|---|
| Board members                   | { | Justice K Sripavan* (Chairman)<br><i>Appointed as Chairman w.e.f. March 28, 2018</i>                    |
|                                 |   | Mr S Swarnajothi* (Director)  |
|                                 |   | Mr L D Niyangoda* (Director)  |
|                                 |   | Mr K G D D Dheerasinghe*<br><i>(Former Chairman of the BRPTRC)<br/>Resigned w.e.f. March 28, 2018</i>   |
| Regular attendees by invitation | { | Mr S Renganathan<br><i>(Managing Director/Chief Executive Officer)</i>                                  |
|                                 |   | Mr J Durairatnam<br><i>(Managing Director/Chief Executive Officer)<br/>Retired w.e.f. July 26, 2018</i> |
|                                 |   | Mr S C U Manatunge<br><i>(Director/Chief Operating Officer) –<br/>Appointed w.e.f. July 30, 2018</i>    |
|                                 |   | <b>Secretary to the Committee</b><br>Mr L W P Indrajith<br><i>(Assistant General Manager – Finance)</i> |

\*Independent Non-Executive Director

## Attendance at Meetings

Name	Eligible to attend/ Attended
Justice K Sripavan	04/04
Mr S Swarnajothi	04/04
Mr L D Niyangoda	04/03
Mr K G D D Dheerasinghe	01/01
Mr S Renganathan	04/04
Mr J Durairatnam	02/02
Mr S C U Manatunge	02/02

The Committee held four (4) meetings during the year under review. The proceedings of the Committee meetings which mainly included activities under its Terms of Reference were regularly reported to the Board of Directors.

*The RPT policy was reviewed, updated and communicated to those who are responsible for adherence after obtaining the approval of the Board of Directors.*

## Charter of the Committee

This Committee was formed by the Board at the end of 2014 to assist the Board in reviewing all related party transactions carried out by the Bank and its listed subsidiaries in the Group by early adoption of the Code of Best Practice on Related Party Transactions (RPT) as issued by SEC of Sri Lanka which became mandatory from January 01, 2016.

The mandate of the Committee includes *inter alia* the following:

- Developing, updating and recommending for adoption by the Board of Directors of the Bank and its listed subsidiaries, a RPT Policy consistent with that proposed by the SEC.
- Updating the Board of Directors on the RPT of each of the related companies of the Group on a quarterly basis.
- Advising the Board in making immediate market disclosures on applicable RPT as required by Section 9 of the Continuing Listing Requirements of the CSE.
- Advising the Board in making appropriate disclosures on RPT in the Annual Report as required by Section 9 of the Continuing Listing Requirements of the CSE.

## Methodology adopted by the Committee

- Monitoring the systems in place to obtain declarations from all Directors (at the time of joining the Board and annually thereafter) informing the Company Secretary, the primary contact point for Directors, of any existing or potential RPT carried out by them or their Close Family Members (CFM) or any changes to the position already disclosed.

- Monitoring the systems in place to obtain confirmations on any new appointments accepted by Directors of the Bank in other entities as KMP informing the Company Secretary to identify and capture such transactions carried out by the Bank with such entities which need to be disclosed under "Directors Interest in Contracts with the Bank" in the Annual Report.
- Monitoring the systems in place to capture and feed relevant information on RPT which also includes information on KMP and CFM into the Bank's data collection system and the accuracy of such information.

## Activities in 2018

During 2018, the RPT Policy was further reviewed and updated. The amended Policy was submitted to the Board and the approval of the Board of Directors was obtained in November 2018. Arrangements were made to disseminate the amended RPTs Policy among relevant stakeholders and also to obtain their acknowledgement that they have understood the applicable regulatory requirements relating to the capturing and reporting of RPT.

**Justice K Sripavan**  
Chairman – Board-Related Party Transactions Review Committee

Colombo  
February 22, 2019