

## Board Nomination Committee Report



### Composition of the Committee

The Board Nomination Committee (the BNC) consists of the following members whose profiles are given on pages 62 to 67.

**Board members**

- Mr K G D D Dheerasinghe\* (Chairman)
- Mr M P Jayawardena\* (Director)
- Mr S Swarnajothi\* (Director)
- Mr G S Jadeja  
(Resigned w.e.f. March 28, 2019)

**Regular attendee by invitation**

- Mr S Renganathan  
(Managing Director/Chief Executive Officer)

#### Secretary to the Committee

Mr R A P Rajapaksha  
(Company Secretary)

\*Independent Non-Executive Director

### Attendance at Meetings

Name	Eligible to attend/ Attended
Mr K G D D Dheerasinghe	2/2
Mr M P Jayawardena	2/2
Mr S Swarnajothi	2/2
Mr G S Jadeja	1/1
Mr S Renganathan	2/2

**The Committee reviewed its Terms of Reference in November 2019 and a revised version was introduced with a broader scope and outlook.**

### Terms of reference of the Committee

The Board Nomination Committee was established by the Board of Directors in compliance with the Section 3 (6) (iv) of Banking Act Direction No. 11 of 2007 on "Corporate Governance for Licensed Commercial Banks in Sri Lanka" issued by the Monetary Board of the Central Bank of Sri Lanka (CBSL) under powers vested in the Monetary Board in terms of Section 46 (1) of the Banking Act No. 30 of 1988, as amended. The Committee was established to ensure Board's oversight and control over selection of Directors, Chief Executive Officer and Key Management Personnel.

The Composition and the scope of work of the Committee are in line with the same as set out in the Terms of Reference.

### Charter of the Committee

The Committee shall;

- review the structure, size and composition of the Board and make recommendations to the Board with regard to any change.
- review the leadership needs of the organisation, both executive and non-executive with a view to ensure long term sustainability of the organisation to compete effectively in the market place.
- implement a procedure for the appointment and re-appointment of Directors to the Board taking into account factors such as fitness, propriety including qualifications, competencies, independence and relevant statutory provisions and regulations.
- implement a procedure for the selection/ appointment of Managing Director/Chief Executive Officer, Chief Operating Officer and other Key Management Personnel.

- set the criteria such as qualifications, competencies, experience, independence, conflict of interest and other key attributes required for the eligibility to be considered for the appointment or promotion to the position of Managing Director/Chief Executive Officer, Chief Operating Officer and Key Management Personnel.
- prior to any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board and in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.
- consider in respect of the Executive Directors and Key Management Personnel proposal for their appointment or promotion and any proposal for their dismissal or any substantial change in their duties or responsibilities or the term of their appointment.
- prior to the appointment of a Director ensure that the proposed appointee would disclose any other business interests that may result in a conflict of interest and report any future business interests that could result in a conflict of interest.
- consider and recommend from time to time, the requirements of additional/ new expertise for Directors and other Key Management Personnel.
- propose the maximum number of listed Company Board representations which any Director may hold in accordance with relevant statutory provisions and regulations.
- peruse duly completed Affidavits and Declarations of all Directors and Key Management Personnel and recommend same for approval of the Board.
- formulate plans for succession for Key Management Personnel, Executive and Non-Executive Directors in the Board and in particular for the key roles of Chairman and Chief Executive Officer and Chief Operating Officer taking into account challenges and opportunities facing the Company and skills needed in the future.

- monitor the progress of any relevant Corporate Governance or Regulatory Developments, that may impact the Committee and recommend any actions or changes it considers necessary for Board approval and ensure compliance with existing Laws and regulations.
- be authorised to discuss issues under its purview and report back to the Board with recommendations, enabling the Board to take a final decision on the matter.
- be authorised to express their independent views when making decisions.
- be authorised by the Board to obtain, at the Bank's expense, outside legal or other professional advice on any matters within its Terms of Reference.
- make recommendations to the Board concerning an indemnity and insurance cover to be taken in respect of all Directors and Key Management Personnel in accordance with the Articles of Association, relevant statutory provisions and regulations.
- invite any member of the Corporate Management, any member of the Bank staff or any external advisers to attend meetings as and when appropriate and necessary.

Two (02) Committee meetings were held during the year under review. The proceedings of the Committee meetings are regularly reported to Board of Directors.

The Committee recommended the election/ re-election of Directors, taking into account the performance and contribution made by them towards the overall discharge of the Board's responsibilities.

The Committee continued to work closely with the Board of Directors on matters assigned to the Committee and reported back to the Board of Directors with its recommendations.



**K G D Dheerasinghe**  
*Chairman*  
*Board Nomination Committee*

Colombo  
February 20, 2020

### Activities in 2019

The Terms of Reference were reviewed by the Committee in November 2019 and a revised version was introduced with a broader scope and outlook. The Revised version of Terms of Reference clearly sets out the membership of the Committee, duties of the secretary, quorum, attendance, frequency, notice and minutes of meetings, duties of the Committee, succession planning, regulatory developments, performance appraisal, review and reporting procedures, resources and training and authority of the Committee.