

# Nomination and Corporate Governance Committee Report

## Chairman's Statement

### Role of the Committee

The Nomination and Corporate Governance Committee is mainly responsible for the following:

- Implementing procedures to select/appoint the General Manager (GM) and Key Management Personnel (KMP).
- Setting the criteria such as qualifications, experience and key attributes for eligibility to be considered for appointment or promotion to the post of GM and the key management positions.
- Ensuring that GM and KMP are fit and proper persons to hold office as specified in the criteria given in Direction No. 3 (3) of the Banking Act Direction No. 11 of 2007 on Corporate Governance for Licensed Commercial Banks in Sri Lanka issued by the Central Bank of Sri Lanka.
- Considering and recommending, from time to time, the requirements of additional/new expertise and succession arrangements for KMP.
- Determining the methods and execution of the annual evaluations of the Board's and each Board Committee's effectiveness and supporting the annual performance evaluation process.
- Reviewing the Bank's Code of Ethics.
- Determining the level of compliance with the Corporate Governance principles.

### The Composition of the Committee

The members of the Committee during the year under review are as follows:

- **Mr Ronald C Perera PC**  
Chairman, Independent Non-Executive Director
- **Mr Sanjaya Padmaperuma**  
Member, Independent Non-Executive Director – served on the Committee until 30 June 2017.

- **Mr H P Ajith Gunawardana**  
Member, Independent Non-Executive Director
- **Mr Sajith R Attygalle**  
Member, Non-Independent Non-Executive Ex-Officio Director – serves on the Committee from 28 September 2017.

Brief profiles of the Directors who are members of this Committee are given on pages 35 to 37 of this Annual Report.

The General Manager attends the meetings by invitation. Other members of staff are invited to attend the meetings when the Committee requires their presence. The Secretary, Bank of Ceylon/ Secretary to the Board functions as the Secretary to the Committee.

### Meetings

The Committee met three times during the year under review. The attendance of the committee members at each of these meetings is given in the table on page 69 of this Annual Report.

### Reporting to the Board

All minutes of the Committee meetings are tabled and ratified at meetings of the Board and approval of the Board is thus obtained for implementation of the recommendations made by the Committee. Follow-up action is taken on outstanding matters.

### Appointments made to the Board

According to the aforesaid Banking Act Direction No. 11 of 2007, this Committee has to implement a procedure to select/appoint new Directors. However, in the case of Bank of Ceylon, which is fully-owned by the Government of Sri Lanka, the appointment of Directors is carried out by the Minister under whose purview the Bank falls, as provided in the Bank of Ceylon Ordinance No. 53 of 1938 and its amendments. As such this Committee does not play any role in connection with the appointment of Directors.

### Activities Performed during the Year Under Review

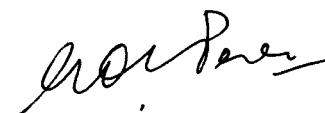
- Reviewed and recommended the following:
  - The Board Charter
  - The Code of Ethics for Directors
  - The Code of Ethics of the employees
  - The Communication Policy of the Bank
  - The Succession Plan for Corporate Management and Executive Management (KMP)
- Reviewed and recommended the adoption of the position descriptions of KMPs.
- Ensured that KMPs are fit and proper persons to hold their offices when officers were promoted or appointed as KMPs.
- Reviewed the process of self-evaluation carried out by the Directors.
- Evaluated the performance of the Committee.

### Conclusion

The Committee endeavours to maintain and enhance the good Corporate Governance practices of the Bank.

The Committee wishes to thank Mr Sanjaya Padmaperuma for the valuable contributions made by him as a Member of this Committee.

On behalf of the Nomination and Corporate Governance Committee,



**Ronald C Perera PC**  
Chairman  
Nomination and Corporate Governance Committee

27 March 2018  
Colombo