

## Board Related Party Transactions Review Committee Report



**'This year's focus has been on ensuring that the Related Party Transactions Policy is relevant to the times, is properly communicated and implemented throughout the Bank.'**



### Composition

Board Related Party Transactions Review Committee (the BRPTRC) comprised following Executive and Independent Non-Executive Directors (as stipulated by the Code of Best Practices on related party transactions issued by the Securities and Exchange Commission of Sri Lanka), whose profiles are given on pages 11 to 13:

Mr. K.G.D.D. Dheerasinghe\* (*Chairman*)

Mr. J. Durairatnam  
(*Managing Director/CEO*)

Mr. S. Swarnajothi\* (*Director*)

Mr. S. Renganathan  
(*Director/Chief Operating Officer*)

Mr L.D. Niyangoda\* (*Director*)  
*Appointed w.e.f. September 30, 2016*

\**Independent Non-Executive Director*

Secretary: Mr. L.W.P. Indrajith  
(*Assistant General Manager – Finance*)

### Meetings

Name	Eligible to attend	Attended
Mr. K.G.D.D. Dheerasinghe	4	4
Mr. J. Durairatnam	4	4
Mr. S Swarnajothi	4	4
Mr. S. Renganathan	4	4
Mr. L.D. Niyangoda	2	2

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.

### 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 companies in the Group by early adopting the Code of Best Practice on Related Party Transactions (RPTs) as issued by the Securities and Exchange Commission of Sri Lanka (SEC) 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 RPTs Policy consistent with that proposed by the SEC.
- Updating the Board of Directors on the RPTs of each of the listed companies of the Group on a quarterly basis.
- Advising the Board in making immediate market disclosures on applicable RPTs as required by Section 9 of the Continuing Listing Requirements of the CSE.
- Advising the Board in making appropriate disclosures on RPTs in the Annual Report as required by Section 9 of the Continuing Listing Requirements of the CSE.

- Monitoring the systems in place to obtain confirmations on any new appointments accepted by Directors of the Bank in other entities as Key Management Personnel (KMPs) 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 RPTs which also includes information on KMPs and CFMs into the Bank's data collection system and the accuracy of such information.

### Activities in 2016

During 2016, the RPTs Policy was further reviewed, updated and the amended Policy was disseminated among relevant stakeholders after obtaining the approval of the Board of Directors. All officers concerned are kept informed and updated on the applicable regulatory requirements relating to the reporting of RPTs.

**K.G.D.D. Dheerasinghe**  
*Chairman – Board-Related Party Transactions Review Committee*

Colombo  
February 22, 2017

### 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 RPTs carried out by them or their Close Family Members (CFMs) or any changes to the position already disclosed.