

Composition of the Nominations Committee of the Board

The Board appointed Nominations Committee comprised of 5 Board members and the Chairman of the Committee was an Independent Director as set out below and the Chief Executive Officer (CEO) has been present at meetings only if invited by the Committee.

Chairman	Mr Hemaka Amarasuriya was the Chairman of the Committee until his retirement on 30 November 2013
Present Chairman	Mr Sunil G Wijesinha
Members	Mr Ashok Pathirage, Mr Sujeewa Rajapakse, Mr Anura Siriwardena, Mr Trevine Jayasekara

Brief profiles of each member are given on pages 79 to 81.

Charter of the Board Nominations Committee

The Committee carries out the following duties and responsibilities:

1. Implements procedures to select/appoint new Directors, CEO and Key Management Personnel (KMPs).
2. Considers and recommends the re-election of current Directors, taking into account the performance and contribution made by the Director/s concerned towards the overall discharge of the Board's responsibilities.
3. Sets out the criteria such as qualifications, experience and key attributes required for eligibility to be considered for appointment or promotion to the post of CEO and the KMPs.
4. Ensures that Directors, CEO and KMPs are fit and proper persons to hold office as specified in the criteria given in Direction 3(3) and as set out in the Banking Act Direction No. 11 of 2007 on Corporate Governance for Licensed Commercial Banks
5. Implements procedure to set the criteria such as qualifications, experience and key attributes required for eligibility to be considered for appointment to select/appoint fit and proper persons as the Nominee Directors to the Boards of the Bank's Group Companies.
6. Considers and recommends from time to time, the requirements of additional/new expertise and the succession arrangements for retiring Directors and KMPs.

The primary purpose of the Committee is to identify individuals qualified to become members of the Boards of the Bank and its Group companies. The Committee ascertains the fit and proper nature of the Directors to be so appointed by taking into account the relevant regulatory requirements and the applicable statutes. The Nominations Committee is expected to recommend individuals that they consider may make valuable members of the Board/s taking into consideration the experience, skills and expertise and competencies of such individuals and the needs of the Board/s, if and when a vacancy exists. The Nominations Committee is further expected to ascertain periodically and determine if there is a specific requirement for a Director with particular skills.

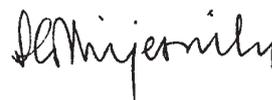
The procedure which the Committee adheres to in the selection of suitable candidates to fill casual vacancies is depicted below:

- 1) Determining the skills and experience appropriate and necessary for the role of the Director/s to be appointed.
- 2) Evaluating and deducing a timetable for the appointment of the Director and/or Directors.
- 3) Analyzing the skills and expertise of the nominated individual/s.
- 4) The preparation of a short-list of candidates.
- 5) The potential candidates so identified are then approached in order to determine their interest and willingness to join the Board pursuant to explaining to the said candidates the responsibilities such an appointment would entail as well as the terms and conditions of the appointment, including the level of time commitment, remuneration etc.
- 6) Once a potential candidate has been identified that candidate is expected to provide a copy of his/her résumé detailing their skills, expertise and experience. The Committee thereafter may interview the candidate and explain details of the Bank, its operations, policies and expectations whilst simultaneously, further assessing the suitability of the said candidate.
- 7) When considering a candidate the Committee makes their assessment bearing in mind the following guidelines:
 - a) competencies and qualifications;
 - b) independence/connections with the Bank and related parties;
 - c) other Directorships held (previously and currently);
 - d) time availability;
 - e) contribution to the overall balance of the composition of the Board;
 - f) depth of understanding of the role and legal obligations of a Director.
- 8) Upon assessing the aforementioned the Committee then accordingly makes a recommendation to this effect to the Board of Directors of the Bank.
- 9) The said recommendation will be submitted for approval to the Board of Directors of the Bank subject to obtaining necessary regulatory approval for the same

Board Nominations Committee Meetings

The Committee held seven meetings during the year under review. The attendance of committee members at meetings is stated in the table on page 90. The quorum for a meeting is three (3) members.

The proceedings of the Committee meetings have been regularly reported to the Board of Directors.



Sunil G Wijesinha

Chairman - Board Nominations Committee

13 February 2014