



POLICY ON MATTERS RELATING TO THE BOARD/APPOINTMENT OF DIRECTORS – SEYLAN BANK (‘THE BANK’)

1. SCOPE

This Policy applies to the Board of the company.

2. POLICY STATEMENT

- i. The primary duty of the Board of Directors (the “Board”) is to promote the best interests of the company through overseeing the management of Bank’s business and affairs. In doing so, the directors would also need to consider the interest of all stakeholders of the Bank.
- ii. The Board assumes the overall responsibility and accountability for the management of the Bank. This includes approving the Bank’s strategic objectives, risk management strategies, internal control systems, governance practices, structure of management, extent of delegation and ensuring the effectiveness of key management personnel and understanding the regulatory environment.
- iii. The Bank recognizes the need for a balance of representation between Executive and Non Executive Directors and the Chairperson functions in a non-executive capacity.
- iv. The Bank recognizes that the Board composition should have diversity and the directors are comprised of a healthy mix of persons with a range of experience skills and competencies and also has diversity in terms of age and gender. The Board of Directors determines the Board structure by taking into account applicable provisions of the CSE Listing Rules, Regulations/Directions issued by the Central Bank of Sri Lanka and the Bank’s Articles of Association.
- v. The Directors shall not be less than seven (07) and not more than thirteen (13) in number. The Board ensures that the Board consists of required number of Independent Directors in keeping with the requirements of the CSE Listing Rules and the Corporate Governance requirements as set out in applicable Banking Act Directions.
- vi. The Board would be kept abreast of the listing rules and ongoing compliance requirements by the company secretary in a periodic basis.
- vii. The Board meets regularly at Board Meetings which are held at least twelve times a year at approximately monthly intervals. Special and/or emergency meetings are also held to take decision on important and urgent matters. Requirements to monitor the Directors attend specified minimum number of meetings, in numbers and % in order to ensure their consistent attendance at Board meetings and to avoid being deemed to vacate such position, are emphasised.

- viii. The Board members should not hold directorships in more than twenty (20) companies. The Bank has set out requirements relating to trading in shares and securities of the Bank and disclosures arising therefrom.
- ix. The Board in discharging their obligations are entitled to rely on the honesty and integrity of the Bank's senior officials, and its outside advisors and auditors. Board members are expected to review meeting materials in advance, to attend and participate in all Board meetings and meetings of Board committees on which they serve and to devote the time necessary to discharge their responsibilities appropriately.
- x. The Board would principally exercise its oversight function through regular Board meetings which would have an active participation of its members. The Board may choose to hold its meetings as physical meetings where members are present in person or as virtual meetings where members decide to join the meeting remotely, or, are present both in person as well as remotely (hybrid meetings). Virtual meetings and hybrid meetings include connecting virtually via telephone conferencing or via audio-visual mechanisms/applications.
- xi. Any conflicts of interest or directors interest in contracts with the company should be appropriately disclosed and recorded.

3. POLICY IMPLEMENTATION

The responsibility for implementing this Policy lies with the Board.

4. POLICY REVIEW

This Policy will be reviewed periodically to ensure its effectiveness, alignment with industry best practices, and compliance with relevant laws and regulations. Any updates or changes to this Policy will be communicated to all relevant stakeholders as necessary.

End

01.10.2024