

Report of the Related Party Transactions Review Committee

The Composition

The Related Party Transactions Review Committee appointed by the Board of Directors, presently consists of three Non-Executive Directors and the Chief Executive Officer. T Dharmarajah an Independent Director is the Chairman of the Committee. C R Jansz, K P Cooray and L H A L Silva are the other members. A R Fernando functioned as a member of the Committee until his retirement in August 2017.

The Company Secretary functions and the Secretary of the Committee.

The Mandate

The Committee adopted as its mandate, the tasks specified in Section 9 of the Colombo Stock Exchange (CSE) Listing Rules. The Terms of Reference of the Committee has been formally adopted by the Board.

The primary purpose of the Committee is to evaluate and consider all transactions with related parties of the Bank except the exempted transactions as set out in Rule 9.5 of the Listing Rules of the CSE, in order to ensure that transactions with related parties are on normal commercial terms similar to those afforded to non-related parties.

The Procedure

The Committee meets as and when required and at least once in a calendar quarter and makes recommendations to the Board for consideration.

The Committee has put in place the necessary processes to identify, review, disclose and monitor related party transactions according to the provisions contained in the Board approved Related Party Transactions Policy of the Bank.

The Bank obtains on a quarterly basis, a declaration from all Key Management Personnel on a structured format to assist in the process of collating related party transactions. Relevant officers are informed of the applicable regulatory requirement relating to Related Party Transactions and have been advised to submit a report on the prescribed format for transactions that require a review by the Committee.

Meetings

The Committee held 12 meetings during the financial year to carry out its task. The attendance by members is given on page 113 of the Annual Report. The proceedings of the Committee meetings have been regularly reported to the Board of Directors.



T Dharmarajah

Chairman – Related Party Transactions Review Committee

19 February 2018