

## **BPPL Holdings PLC – Policy on Board Committees**

### **1. General Purpose**

The committees of the Board of Directors (the “Board”) are mechanisms that allow more in-depth examination of the major governance areas and functions for which the Board is responsible for.

Board has delegated certain of its functions to sub-committees comprising members of the Board. This enables the Board to allocate adequate time to matters within its sphere. The Committee mandates are periodically reviewed in line with the developments in the regulatory and governance framework.

Each committee is responsible for fulfilling the duties entrusted to it in accordance with its respective mandate, to take action, monitor, and advice and make recommendations to the Board. The Committee Chairpersons report to the Board on the activities of the respective Committees at Board meetings and are accountable for the effective functioning of the Committees.

The current standing committees of the Board are:

- a) Audit Committee
- b) Related Party Transactions Review Committee
- c) Remuneration Committee and
- d) Nomination and Governance Committee

The Board will periodically review and establish other committees as deemed necessary in accordance with any new CSE listing rules.

The composition, structure and mandates of the individual committees will be in alignment to the requirements of the listing rules of the Colombo Stock Exchange (CSE) and will be updated from time to time to reflect the changing listing rules. As a policy, all of the sub-committees of BPPL Holdings PLC will be chaired by Independent Directors.

#### ***a) Appointment of Committee Members.***

The Nominations and Governance Committee will recommend to the Board for its approval, Directors to serve as members and chairs of each standing committee.

***b) Committee Charters.***

Each Committee will have a charter, approved by the Board of Directors, which will act as the terms of reference for the committee to function effectively, and will set out its mandate / objectives and the form of functioning of the Committee.

***c) Committee Meetings.***

Committee chairs, in consultation with other committee members and appropriate management personnel, will determine the frequency, length and agendas of meetings consistent with the committee's charter, and will communicate agendas and meeting dates to the other members as far in advance of the meetings as practicable. The chair of each committee will report on committee matters to the full Board and the minutes of each committee meeting shall be tabled at Board Meetings

***d) Frequency Of the meetings.***

Audit Committee - Meets on a quarterly basis

Related Party Transaction Review Meetings - Meets on a quarterly basis

Nomination and Governance Committee - Meets on a semi-annual basis

Remuneration committee - Meets on a semi-annual basis

**2. Committees*****a) Audit Committee***

The Committee is responsible for effective supervision of the Company's financial reporting process by providing direction to the audit function and monitoring the scope and quality of internal and statutory audits, and ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

***b) Remuneration Committee***

The Remuneration committee is primarily responsible to review and approve the Company's overall remuneration policy, and to ensure its' alignment to the Company's objectives considering the relevant internal and external factors, in order to attract and retain a team of qualified and experienced management and staff.



The Remuneration Committee will review and approve the annual performance appraisal process for the senior management and staff, and the key parameters for evaluating and incentivizing inclusive of annual bonuses and performance related pay schemes.

The Remuneration Committee will also be responsible to review and recommend fees to non-executive Directors taking into account market rates commensurate to the role and involvement of the Directors.

### ***c) Nomination & Governance Committee***

The role of the Committee is to lead the process for appointments to the Board and make recommendations as appropriate; to ensure plans are in place for orderly succession to both the Board and senior management positions, and oversee the development of a diverse pipeline for succession. The Committee also has a role to ensure that the Company is managed to high standards of corporate governance.

In addition to the approved Charter for the Committee, an internal guideline has been developed for reference in selecting, nominating, appointing and on-boarding executive and non-executive Directors.

### ***d) Related Party Transactions Review Committee***

The Related Party Transactions Review Committee is responsible to review and ensure all transactions between related parties are carried out at arm's length, is reported transparently and is in line with the requirements of the CSE listing rules.

## **3. Committee Secretary**

The respective Sub Committee Secretary shall minute the proceedings of the sub committees. Sub Committee meeting minutes are circulated to the Directors for comments before the minutes are finalized and confirmed. The Chairperson of the meeting at which the proceedings were held shall sign such minutes.