



Composition of the Corporate Governance and Legal Affairs Committee as at 31 December 2013

Ms K Fernando (Chairperson)
Ms C Ekanayake
Mr H A Siriwardena
Mr Rajendra Theagarajah
Mr N I R De Mel (Retired w.e.f. 23.08.2013)

The Corporate Governance and Legal Affairs Committee was formed in the year 2007. The principal purposes of the Committee are to assist the Board of Directors of the Bank in defining the Governance Role, improving Board processes and ensuring effective governance.

The Board of Directors has adopted the Charter for the Corporate Governance and Legal Affairs Committee which describes the Committee's composition, responsibilities and operations, as well as the manner in which the Committee would be carrying out its role.

Scope

The Committee is mandated with the task of assisting the Board in ensuring compliance with the Companies Act No. 07 of 2007, the Banking Act Directions on Corporate Governance, the Bank's internal Corporate Governance Code and all rules, regulations and guidelines issued by regulatory authorities relating to Corporate Governance for Licensed Commercial Banks and reviewing, on a regular basis, the overall corporate governance of the Bank including its Constitution, the CGLA Charter and the Corporate Governance Code and recommending improvements as appropriate.

Committee Meetings

The Committee held two meetings, during the year under review. The attendance of Committee Members at meetings is given in page 90 of the Annual Report.

Summary of Activities

The Committee has carried out the following activities in the year 2013:

Whilst endeavouring to ensure a solid corporate governance culture within the Bank, the Committee made significant improvements in several areas connected to corporate governance. During the year the Committee reviewed the Corporate Governance Code of the Bank and suggested necessary amendments to the Board. The Committee also recommended improvements to the monitoring of the related party transactions effected by all Directors and Key Management Personnel. On the suggestions made by the Committee, the Bank initiated an orientation program for the new Board Members. The Committee also reviewed and approved the amendments made to the Bank's Compliance Policy and Code of Conduct.



Kimarli Fernando

Chairperson - Corporate Governance & Legal Affairs Committee

13 February 2014