

BOARD NOMINATION COMMITTEE REPORT



Ashane Jayasekara

Chairman – Board Nomination Committee

Provided a steady hand and a guiding voice to the management team, ensuring that financial reporting processes remain effective and reliable even in times of uncertainty and instability and the committee’s oversight and guidance helped to safeguard the interests of all stakeholders, promoting transparency, accountability, and good corporate governance within the LB Finance PLC.

COMPOSITION OF THE COMMITTEE

Committee member	Status
Mr. Ashane Jayasekara	Chairman/ Independent Non-Executive Director
Mr. G A R D Prasanna	Non-Executive Director
Mrs. Ashwini Natesan	Independent Non-Executive Director

ATTENDANCE AT MEETINGS HELD DURING THE YEAR

Committee member	Attendance
Mr. Ashane Jayasekara	5/5
Mr. G A R D Prasanna	5/5
Mrs. Ashwini Natesan	5/5

The Company Secretary functions as the Secretary to the Committee.

REGULATIONS/RULES RELEVANT TO THE FUNCTIONS OF THE COMMITTEE

The Nomination Committee was formed in line with the Best Practices on Corporate Governance and the present composition of the Committee is in line with Section 10.4 of Finance Business Act Directions No.05 of 2021.

FUNCTIONS

The functions of the Nomination Committee include:

- » To regularly review the structure, size, composition and competencies of the Board, the requirement of additional/ new expertise and the succession arrangements for retiring Directors and make recommendations to the Board with regard to any structural changes in the Board.

- » To consider the making of any appointments to the Board and to provide advice and recommendations and key responsible persons to the Board on such appointments;
- » To ensure that Directors are fit and proper persons to hold office as per the criteria set out in the Directions issued by the Central Bank of Sri Lanka and the relevant Statutes;
- » To evaluate and recommend the appointment, promotion, extension, transfer and re-designation of the Managing Director and Executive Directors and key management personnel.
- » To evaluate and recommend (where appropriate) the re-election of Directors who are retiring by rotation to be placed before the shareholders, for re-election.
- » To oversee and review the Board’s succession plan together with the Succession plan for key responsible persons.
- » To consider and examine such matters as it considers appropriate.
- » To make recommendations on other related matters referred to the Committee by the Board of Directors.

ACTIVITIES DURING THE YEAR

The Committee met five times during the year to deliberate on re-election of Directors retiring at the Annual General Meeting, recommendation on seeking an extension of period of office of the Managing Director beyond the age limit of 70 years in terms of the Finance Business Act Directions 05 of 2021, succession planning for key management personnel, to review and make its recommendations on a revised organizational chart, appointment of two Directors and recommendations for the appointment of Chairman and Senior Director. The Committee’s deliberations on the appointment of a Senior Director due to the non-independence of the Chairman designate and the decision thereon,

was reached, without the participation of Mr Ashane Jayasekara, the Chairman of the Committee.

Additionally, the Committee reviewed the structure and composition of the Board and recommended the requirement of additional/ new expertise on the Board and also discussed the succession arrangements for retiring Directors

Based on the Committee’s recommendations, extension of the period of office of the Managing Director, review of KRP succession plan and organisational structure and the appointment of Chairman and Senior Director were approved by the Board subject to the requisite regulatory approvals. Further the Board also approved revised organisational structure as recommended by the Committee.

POLICIES AND PROCEDURES

The Nomination Committee operates within the terms of reference as approved by the Board. As per the said terms of reference, the Committee shall be constituted with Non-Executive Directors, majority of whom may preferably be Independent Non-Executive Directors.

The Committee shall meet at least twice in a financial year and additional meetings may be called at any time at the Chairman’s discretion or by a member in consultation with the Chairman.

As required by the said terms of reference, the Committee reviewed the revised terms of reference in May 2022, incorporating the changes necessitated by Direction No.10.4 of Finance Business Act Directions 05 of 2021.

Ashane Jayasekara
Chairman - Board Nomination Committee

5 June 2023