

# POLICY ON BOARD SUB COMMITTEES



Effective Date: 27.02.2024

## **Contents**

1. Introduction .....	3
2. Purpose of Board Sub Committees .....	3
3. Authority .....	3
4. Formation of Board Sub Committee .....	3
5. Sub Committee Responsibilities .....	4
6. Reporting.....	4
7. Accountability & Transparency .....	4
8. Amendments/ Review.....	4

## **1. Introduction**

This document outlines the policy and guidelines for the establishment, operation, constitution/re constitution of Board Sub Committees within Peoples Leasing & Finance PLC.

## **2. Purpose of Board Sub Committees**

The purpose of Board Sub Committees is to assist the Board of Directors in effectively carrying out its responsibilities by providing recommendations.

## **3. Authority**

- 3.1** Board Subcommittees derive their authority from the Board of Directors.
- 3.2** The Board retains the right to establish, modify, or re-constitute the subcommittees as needed in line with the regulatory requirements.
- 3.3** The Board shall not delegate any matters to a Board Sub - Committee to an extent that such delegation would significantly hinder or reduce the ability of the Board as a whole to discharge its functions

## **4. Formation of Board Sub Committees**

- 4.1** In terms of CBSL Corporate Governance requirements and CES listing Rules, the Entities shall ensure that the following Board Sub committees are established and maintained at a minimum.
  - 4.1.1 Nomination and Governance Committee
  - 4.1.2 HR & Remuneration Committee (HR & REMCO)
  - 4.1.3 Board Audit Committee (BAC)
  - 4.1.4 Related Party Transaction Review Committee (RPT)
  - 4.1.5 Board Integrated Risk Management Committee ( BIRMC)
- 4.2** In addition to the above Sub committees the Company has voluntarily established the following sub committees for better governance practices
  - 4.2.1 Board Credit Committee
  - 4.2.2 Board Investment Committee
- 4.3** All the Committees shall have Board approved written Terms of References (TOR) clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.
- 4.4** The Meetings shall be held at least once in two months for BAC and BIRMC. Other Committees shall meet at quarterly basis or as determined by its TOR
- 4.5** The Chairperson for the Board of Directors of the Listed Entity shall not be the Chairperson of the Sub Board Committees
- 4.6** Each Subcommittee shall consist of at least three Board Members comprising of both Non-Executive Independent and non-Independent Directors who possess necessary skills, knowledge and experience relevant to the responsibilities of the committee.
- 4.7** The Board shall consider rotation of members and of the Chairperson of Board Sub Committees

regularly, as to avoid undue concentration of power and promote new perspectives.

- 4.8** In the absence of any of the Sub Committees above, the Board shall ensure the functions stipulated under such committee shall be carried out by the Board itself.

## **5. Sub Committee Responsibility**

- 5.1** The Board shall appoint members to each subcommittee, designating a chairperson with relevant qualification and expertise, responsible for leading the subcommittee's activities.
- 5.2** Each Sub Committee shall appoint a Secretary to arrange its meetings, maintain minutes, voice or video recordings, maintenance of records and carry out such other secretarial functions under the supervision of the Chairperson of the Committee.
- 5.3** The Sub Committees shall operate within the scope defined by the TOR of the respective Committee.
- 5.4** The Sub Committees may request to conduct/submit research, analysis, and other relevant information to provide recommendations to the Board.
- 5.5** The Sub Committees may engage any external consultant or expertise that may be considered necessary
- 5.6** The Sub Committees shall communicate regularly with the Board, providing updates and seeking guidance as necessary.

## **6. Reporting**

- 6.1** Sub Committees will submit regular written reports/Minutes to the Board summarizing their activities, findings, and recommendations.
- 6.2** The respective Chairman of the Sub Committee is responsible for reporting the matters to the Board
- 6.3** The Board shall present a report on the performance of duties and functions of each Sub Committee, at the Annual General Meeting of the entity

## **7. Accountability & Transparency**

- 7.1** Sub Committees shall operate transparently, keeping accurate records of meetings, decisions, and activities and shall be accountable to the Board of its recommendations made.

## **8. Amendments/Review**

This policy will be reviewed annually or amended as and when required in response to the significant changes in the regulatory requirements or the Board structure.

### **Approval:**

This policy was approved by the Board of Directors on 27<sup>th</sup> February 2024.