

Policy on Board Committees

LOLC HOLDINGS PLC

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Policy on Board Committees

1. Purpose

The Board of Directors may form committees (from within the Board of Directors) it deems appropriate to assist in the discharge of its functions. The Board of Directors may also form Management Committees to report to the Board of Directors through the Managing Director/CEO. The Board of Directors may delegate some of its powers to its Committees.

The Board of Directors may, annually, review the terms of reference and performance of the committees formed, and may take necessary actions to ensure compliance.

The Policy on Board Committees (the ‘Policy’) is to ensure that LOLC Holdings PLC (the ‘Company’) comply with the organisation’s goals, collate and evaluate information, and recommend courses of action to the Board.

2. Board Committees

Company shall establish the following Board committees, subject to complying with directives & rules issued by Regulators and any amendments thereto:

2.1 Nominations & Governance Committee

The Company shall have a Nominations and Governance Committee that conforms to the requirements of Rule 9.11 of the Listing Rules of the Colombo Stock Exchange.

2.2 Talent Development & Remuneration Committee

The Company shall have a Talent Development & Remuneration Committee that conforms to the requirements of Rule 9.12 of the Listing Rules of the Colombo Stock Exchange.

2.3 Audit Committee

The Company shall have an Audit Committee that conforms to the requirements of Rule 9.13 of the Listing Rules of the Colombo Stock Exchange.

2.4 Related Party Transaction Review Committee

The Company shall have a Related Party Transactions Review Committee that conforms to the requirements of Rule 9.14 of the Listing Rules of the Colombo Stock Exchange.

2.5 Integrated Risk Management Committee

The Committee will assist the Board in performing its oversight function in relation to different types of risk faced by the Company in its business operations to ensure adequacy and effectiveness of the risk management framework of the Company.

3. Responsibilities of Committees

Board Committees shall;

- 1) have a written term of reference clearly defining the scope, authority and duties and matters pertaining to the quorum of the meeting (refer Committee TORs).
- 2) comply with the composition, responsibilities and disclosures required by the Colombo Stock Exchange.
- 3) comprise of a minimum of three (03) Directors of the Company, out of which a minimum of two (02) or more members shall be Independent Directors.
- 4) appoint an Independent Director as the Chairperson of the committee by the Board of Directors.
- 5) ensure that the Chairperson of the Board of Directors shall not be the Chairperson of the Board Committees.
- 6) consist at least three (03) board members and shall only consist of members of the Board, who have the skills, knowledge and experience relevant to the responsibilities of the Committee.
- 7) appoint a Secretary to arrange its meetings, maintain minutes & records and carryout other secretarial functions under the supervision of the Chairperson of the Board Committee.
- 8) consider rotation of members of the Board and of the Chairperson of the Board subcommittee, as to avoid undue concentration of power and promote new perspective.
- 9) present a report on the performance of duties & functions of each Board Committee, at the Annual General Meeting of the Company.
- 10) consider rotation of members and of the Chairperson of the Board Committees, as to avoid undue concentration of power and promote new perspective.