

SINGER FINANCE

POLICY ON CORPORATE GOVERNANCE NOMINATIONS AND RE-ELECTION

In Compliance with CSE Listing Rule 9.2.1 (c)

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1. PURPOSE

The primary purpose for this policy is to encapsulate in brevity the Corporate Governance requirements, Nominations and Election of Non-Executive and Executive Directors to the Board of the Company in accordance with the section 9.2.1 C of the listing rules of the Colombo Stock Exchange (CSE). As Singer Finance is a registered finance company of the Central Bank of Sri Lanka (CBSL), the guidelines and rules of the CBSL, Finance Business Act – Direction No-05 of 2021, Direction No-06 of 2021 are incorporated and read in conjunction with this policy. The core requirements of the CSE, CBSL, Finance Business Act, and the Companies Act No.07 of 2007 do not compromise each other; however, in the event there is a situation where a distinction prevails, the regulatory requirement will take precedence over the rest. If there is such a distinction, this policy will clearly mention such distinction in the relevant section

For the purposes of this policy the term “Company” is defined to mean Singer Finance (Lanka)PLC-(SFL)

2. NAME AND DISTINCTIONS BETWEEN CBSL AND CSE

There is a distinction between the names of two committees as per CBSL and CSE as given below. SFL will use the terminology as per CBSL guidelines in day-to-day operations.

As per Central Bank of Sri Lanka	As per Colombo Stock Exchange
Nomination Committee	Nominations and Governance Committee
Human Resources and Remuneration Committee	Remuneration Committee

3. CORPORATE GOVERNANCE

The organization must comply with the provisions outlined in listing rule no. 9 of the Colombo Stock Exchange and Central Bank of Sri Lanka - Finance Business Act Direction - No. 05 of 2021 (Corporate Governance). This document will outline the responsibilities for following these regulations. The specific details of these provisions are extensive and not included in this policy.

4. RESPONSIBILITY

The Board of Directors, in conjunction with the subcommittee chairs, is responsible for ensuring the company's compliance with the corporate governance requirements set forth by the CSE and the CBSL. The Chief Executive Officer, in collaboration with the respective Divisional Heads, is accountable for executing and adhering to these requirements at an operational level. The Key areas to comply on Corporate Governance as per the CSE listing rules are listed in the table below, along with the respective responsibilities:

Function	Chair Responsible	Divisional Head Responsible	Name of Sub Committee responsible or whether Board is Responsible
Disclose the specified policies on the company's website and in the Annual Report.	Chairman	Company Secretary	BOD
Formation of Board Committees	Chairman	Company Secretary	BOD
Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders	Chairman	Company Secretary	BOD
Duties of the Senior Independent Director	Senior Independent Director	N/A	BOD
Fitness of Directors and CEOs	Each Board Director	N/A	Nominations and Governance Committee
Board Composition	Chairman	Company Secretary	BOD
Annual Declaration of each Director's	Each Board Director	Each Board Director	Each Board Director

Function	Chair Responsible	Divisional Head Responsible	Name of Sub Committee responsible or whether Board is Responsible
“Independence” or “Non-Independence”			
Disclosures relating to Directors	Each Board Director	Company Secretary	BOD
Composition, Functions and Disclosures of the Nominations and Governance Committee	Chairperson of the Nominations and Governance Committee	Company Secretary	Members of the Nominations and Governance Committee
Composition, Functions and Disclosures of the Remuneration Committee	Chairperson of the Remuneration Committee	Company Secretary	Members of the Remuneration Committee
Composition, Functions and Disclosures of the Audit Committee	Chairperson of the Audit Committee	Company Secretary	Members of the Audit Committee
Composition, Functions including review of Related Party Transactions and Disclosures of the Related Party Transactions Review Committee	Chairperson of the Related Party Transactions Review Committee	Company Secretary	Members of the Related Party Transactions Review Committee
Declarations by the BODs in the Annual Report	Chairman	Company Secretary	BOD

5. NOMINATIONS AND RE-ELECTION

5.1. SCOPE, AUTHORITY & FUNCTIONS

- The Nominations and Governance Committee (N&GC) is responsible for identifying, evaluating, and recommending personnel for Board positions. Therefore, the N&GC shall establish and maintain a formal and transparent procedure to evaluate, select and appoint /re-appoint Directors of the listed entity.
- The N&GC shall take necessary steps to ensure that Directors and CEO are fit and proper persons to hold office as specified in the regulations.
- Evaluate the appointment of Directors to the Board and Board committees.
- Review the structure, size and the composition of the Board and Board committees with regard to effective discharge of duties and responsibilities.

5.2 Re-election of Directors (Re appointment)

- The N&GC shall consider and recommend (or not recommend) the re-election of current directors, taking into account the performance and contribution made by the director concerned towards the overall discharge of the board's responsibilities.
- When incumbent directors come up for re-election to ensure that such proposed appointees are fit and proper, to continue as directors.
- All directors should be required to submit themselves for re – election at regular intervals and at least once in every three years.

5.3 Board Evaluations

Regularly assessing the performance of individual board members, as well as the overall effectiveness of the board, falls within the committee's purview. This process helps identify areas for improvement and enhance board accountability.

5.4 Other functions

- Appointment of advisors / consultants to the Company.
- Review and recommend HR policies related to recruitment and succession.
- Recommendation of the KMP structure and selection criteria of CEO & KMP's.

5.5 CEO & Key Management personal

- The N&GC shall implement a procedure to select/appoint, CEO and key management personnel.
- The N&GC shall ensure that, CEO and key management personnel and officers in the immediate two layers below the level of CEO in the organizational structure are fit and proper persons to hold office as specified in the criteria as set out in the Statutes.
- Appointment of officers performing executive functions (KMP).

5.6 Conflict of Interest

Managing and addressing conflicts of interest among board members is essential to maintain transparency and trust within the Board. A member of the Nominations and Governance Committee shall not participate in decisions relating to his/her own appointment.



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