



Colombo Dockyard PLC

Ship Repairers, Ship Builders and Heavy Engineers

POLICY ON BOARD COMMITTEES	Document No.: DMD/LEG/CG/9.2.1(b)/2024
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1. Purpose

Company maintains a Policy on Board Committees for the Board to appoint Sub Committees to delegate certain responsibilities focusing on specific areas to assist the Board by making recommendations where necessary to take appropriate decisions by the Board to operate more efficiently.

2. Types of Sub Committees

- 2.1 Company maintains below Board Sub Committees at minimum at all the time in compliance with the Listing Rules of the Colombo Stock Exchange (Rules)
- Audit & Risk Management Committee
 - Remuneration Committee
 - Related Party Transaction Review Committee
 - Nominations & Governance Committee
- 2.2 In addition to above Committees, Board may appoint any other subcommittee(s) as required for more effective functions of the board.

3. Functions of Sub Committees

- 3.1 Board Sub Committees make sure that functions of each Sub Committee are duly complied with the requirements under the Rules.
- 3.2 **Audit & Risk Management Committee**
Oversees the company's financial reporting, internal controls, and compliance with legal and regulatory requirements and assess company's risk policies and makes recommendations to the board.
- 3.3 **Remuneration Committee**
Maintain a transparent procedure for remuneration for executive directors and fix remuneration package for individual directors.
- 3.4 **Nominating and Governance Committee**
Comply with the transparent process for nomination and appointment/re-election of directors and make recommendations to the Board and ensures compliance with the Rules.
- 3.5 **Related Party Transaction Review Committee**
Review Related Party Transactions to ensure that interests of shareholders as a whole are considered when making such transactions.
- 3.6 Sub Committees report their activities, findings, and recommendations to the Board regularly.

3.7 The Board shall appraise the findings and proposals of the sub committees (s) and review their performance annually or suitably.

4. Compositions of the Sub Committees

4.1 Members are appointed by the Board from time to time ensuring the Sub Committee compositions are in line with the Rules.

4.2 Company makes immediate market announcement in case of any change to the composition of the Board of Directors or Board Sub Committees.

4.3 Chairman of the Board shall not be the Chairman of any Sub Committee.

5. Meetings Procedure

5.1 Audit & Risk Management Committee Meeting – Quarterly (minimum) or as required
Remuneration Committee – Annually
Related Party Transaction Review Committee - Quarterly (minimum) or as required
Nominations & Governance Committee – As required

5.2 Quorum for meetings – 2 members

5.3 Secretary maintains minutes of the meetings and submit the confirmed minutes to the Board for necessary decision, implementation.

6. Terms of Reference

6.1 Each committee shall have a Terms of Reference approved by the Board setting out its purpose, composition, responsibilities, and any other matters as applicable.

6.2 The Committee Terms of Reference shall be reviewed annually and updated and finally approved by the Board.

