
SANASA GENERAL INSURANCE COMPANY LIMITED

POLICY ON BOARD COMMITTEES

1. OVERVIEW

The Board of Directors of the Company have adopted this Policy on Board committees to serve as a framework to the committees appointed by the Board in performing its duties with integrity, honesty and in a professional manner in accordance with the Companies Act, the Listing Rules and the Company's articles of association and other internal policies and procedures.

2. DEFINITIONS

The following words and expressions shall have the respective meanings given against each such word unless such meanings are inconsistent with or repugnant to the subject or context:

“**Articles**” the articles of association of the Company;

“**Board**” means the board of Directors of the Company;

“**CEO**” means an employee of the Company performing the functions of the chief executive officer of the Company and called by whichever name;

“**Company**” shall mean Sanasa General Insurance Company Limited;

“**Companies Act**” means the Companies Act No. 07 of 2007 as amended from time to time;

“**Directors**” means the directors presently serving on the Board of the Company, and includes alternate directors appointed in accordance with the Articles.

“**Listing Rules**” means the Listing Rules of the Colombo Stock Exchange;

“**Policy**” means this policy on board committees;

3. PURPOSE

The purpose of this Policy is to establish criteria and guidelines in respect of Board committees, procedure to convene and conduct meetings and other relevant policies to ensure that the Board committees effectively discharge their duties and functions delegated by the Board.

This Policy shall be disclosed on the website of the Company in terms of Rule 9.2.1 of the Listing Rules.

4. SCOPE

This Policy applies to the Company, its Board and Board committees, senior management and other employees of the Company, to the extent applicable.

5. BOARD COMMITTEES

5.1 The Board delegates its powers and authority to sub-committees in order to ensure greater effectiveness and efficiency in the discharge of its functions. In accordance with the requirements set out in the Listing Rules, the following committees have been constituted at present:

- (i) Nomination and Governance Committee;
- (ii) Audit Committee;
- (iii) Risk Management Committee;
- (iv) Human Resource and Remuneration Committee;
- (v) Related Party Transactions and Review Committee;
- (vi) Investment Committee;
- (vii) Research and Business Development Committee; and
- (viii) IT Steering Committee.

5.2 Directors shall be appointed as members to each committee in accordance with the Listing Rules and the terms of reference of the relevant committee. Members so appointed shall continue to serve in the Board committee until he/she ceases to be a Director of the Company in terms of the Articles and/or the Companies Act or resigns from his/her membership in accordance with this Policy.

5.3 Members of Board committees may resign from a committee with prior written notice to the Board.

5.4 The Board shall, in a timely manner, appoint another candidate to fill any vacancy created by resignation, retirement, removal, death or otherwise, in a Board Committee.

5.5 The chairperson of each Board committee shall be an independent, non-executive director appointed by the Board. Chairpersons of the Board's committees, or in his/her absence another member of the committee shall attend the annual general meeting to address any concerns/ requests for clarifications raised by shareholders.

5.6 The chairperson of the Board shall not serve as chairperson of a Board committee.

5.7 The company secretary of the Board shall serve as the secretary of all Board committees.

6. PROCEEDINGS OF MEETINGS

6.1 The proceedings of the meetings of Board committees shall be governed by the Articles which regulate the meetings of the Board. Additionally, Board committees shall regulate its meetings in accordance with this Policy and its terms of reference.

6.2 A member of the Committee may participate in a meeting by means of a telephone conference or video conference or any other means of audio-visual communications, ensuring confidentiality and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

6.3 The chairperson shall lead and maintain control at meetings of the Board committee and provide reasonable time for deliberations of matters under consideration to ensure that committee decisions are taken in the Company's best interests. Where necessary, such matters shall be escalated for consideration and determination by the Board .

6.4 Questions arising at any meeting of Board committees shall be decided by a majority of votes. Each member of the committee shall have one (1) vote and in the event, there arises a case of equality of votes, the chairperson shall have the casting vote.

6.5 The chairperson shall report to the Board on any matter that should be brought to the Board's attention and provide the recommendations of the Committee that require the Board's approval at the Board meeting.

6.6 Board committees may request other Directors/management when applicable and necessary to participate in the meetings, to assist in carrying out the committee's responsibilities, provided however, that no Director shall be entitled to vote at such meetings or be counted as part of the quorum for any meeting of the Committee unless he or she is a member of the committee.

6.7 Board committees shall have authority to seek external independent professional advice on matters, which will assist it with its duties and may invite professional advisers or others with relevant experience to assist and to attend meetings while ensuring strict confidentiality. This will involve the directors obtaining professional and expert advice from an appropriately qualified advisor as the case may be.

6.8 A member of the Board committee shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her. Where this causes a lack of quorum, the committee shall appoint another candidate(s) who meets the membership criteria as a member of the relevant committee.

- 6.9 The secretary to the relevant Board committee shall ensure that the material containing information of matters to be discussed at a meeting are circulated prior to such meeting and that the recorded minutes of meetings accurately reflect the deliberations and decisions of the Board, including details of whether any member abstained from voting or discussing on a matter. Minutes of the meeting shall be circulated by the secretary in a prompt and timely manner upon conclusion of the meeting.
- 6.10 A resolution in writing signed by all the members of the committee for the time being shall be valid and effectual as if it had been passed at a meeting of the committee. All such resolutions shall be forwarded or otherwise delivered to the company secretary without delay and shall be recorded by the company secretary in the minutes book. Any such resolution may consist of several documents in the like form, each signed by one (1) or more members. The expressions “in writing” or “signed” include approval by legible confirmed transmission by facsimile or other forms of electronic communication.

7. REVIEW AND MONITORING

- 7.1 The Nominations and Governance Committee of the Company will from time to time review this Policy, monitor its implementation to ensure continued effectiveness and compliance with regulatory requirements and good corporate governance practice and shall make recommendations on any proposed revisions as may be required to the Board for its review and final approval.
- 7.2 Upon the Board’s approval, the said revision or amendment shall be deemed to be effective and form part of this Policy.
- 7.3 This Policy is to be read in conjunction with the Articles and other relevant Company policies, including:
- (i) Policy on Corporate Governance, Nominations and Re-election;
 - (ii) Policy on Internal Code of Business Conduct and Ethics for all Directors and Employees (including policies on trading in the Company’s listed securities);
 - (iii) Policy on Remuneration; and
 - (iv) Policy on Corporate Disclosures.

Date of Approval: 24th September 2024