



SRI LANKA TELECOM PLC

POLICY ON BOARD COMMITTEES

Approver

Board of Directors of Sri Lanka Telecom PLC

Owner

Group Company Secretary

Revision History

Version	Approval Date	Author	Description
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1. PURPOSE

In order to carry out its mandate, the Board of Directors of Sri Lanka Telecom PLC (“SLT”) may establish and seek guidance from Committees of the Board as it deems necessary. The use of committees allows for issues to be studied in greater depth, the involvement of members not on the Board in the study of those issues, and the preparation of recommendations to the Board that enable the Board to operate effectively and efficiently.

The purpose of this policy is to outline roles, responsibilities, and procedures related to Committees of the Board and will apply to standing committees and ad hoc committees.

2. SCOPE

The Board shall clearly define the Terms of Reference of each committee, including their membership, roles, procedures and functions, and the boundaries of their authority.

In terms of Section 186 of the Companies Act No. 7 of 2007, the Board may delegate to a Committee of Directors, a Director or employee of the Company or any other person, any one or more of its power other than the powers vested with Board of Directors under the following provisions:

Section 51	-	Issue of Shares
Section 52	-	Consideration for Issue of Shares
Section 56	-	Distributions
Section 58 (2) & (3)	-	Stated Capital
Section 59 (4)	-	Reduction of stated capital
Section 64	-	Purchase of own shares
Section 67	-	Redemption option of Company
Section 70	-	Restrictions on giving financial assistance
Section 114	-	Change of Registered Office
Section 241	-	Approval of amalgamation proposal
Section 242	-	Short Form Amalgamation
Section 401	-	Power of Board to appoint administrator
Section 415	-	Vacancy in office of administrator

The Board has currently appointed following sub-committees namely:

- Audit Committee (“AC”)
 - Responsible for overseeing the integrity of the financial reporting process, internal controls and external audits.

- Related Party Transactions Review Committee (“RPTRC”)
 - Responsible to ensure that the Company does not engage in transactions with “related parties” in a manner that would grant such parties “more favourable treatment” than that accorded to third parties in the normal course of business of the entity.
- Nominations & Governance Committee (“NGC”)
 - Identifies and nominates qualified candidates for board membership, sub-committees ensures board effectiveness through self-assessment and oversees corporate governance practices.
- Remuneration Committee (“RC”)
 - Sets executive compensation packages, considering factors like performance, industry standards and shareholder interests.
- Senior Tender Board (“STB”)
 - Assist in the evaluation process, ensures the maintenance of appropriate controls and governance over procurement activities within the Company
- Technology Sub-Committee (“TSC”)
 - Constantly evaluate business opportunities through technological advancements and ensure that the current platforms support the Company’s business objectives and strategies.

The Board may also from time to time establish ad hoc committees to undertake specific and ad hoc tasks and responsibilities as may be required by the Board.

Unless explicitly empowered by the full Board, committees cannot make binding Board decisions. For the most part, the function of committees is to solve problems for and/or make recommendations to the Board on which the latter has the power to make decisions or policy. Even where power is delegated, the Board still bears responsibility.

Each Committee has its Terms of Reference which clearly articulate its responsibilities and delegated authority.

3. MEMBERSHIP

Committee members and Chairs are appointed by the Board on the recommendation of the Nomination and Governance Committee and in compliance with the CSE Listing Rules and other best practices

The Chairperson of the Board of Directors of SLT shall not be the Chairperson of the Board Committees.

Unless the Board determines otherwise, the CEO shall be invited to all Board committees.

4. PROCEDURE

A sufficient interval should be allowed between Committee meetings and Board meetings to allow any work arising from the Committee meetings to be performed and reported to the Board. All findings and decisions taken at sub-committees are considered sub-committee recommendations for

discussion, approval and action of the Board of Directors.

Members of the Senior Management Team will attend Committee meetings where appropriate.

The Secretary of the Committee will ensure support to each Committee and ensure minutes of the Committee meetings are taken.

The Company Secretary is responsible for keeping records of Terms of Reference of Board committees and for ensuring that committee minutes are submitted to the Board for their ratification/information.

In order to facilitate communication between the Board and its Committees, each Chair shall provide a report to the Board on material matters considered by the Committee at the next practicable Board meeting after each meeting of the Committee.

5. REVIEW OF THE TERMS OF REFERENCES

All committees of the Board shall review their terms of reference annually or as may be required and recommend same for the approval of the Board.

All ad hoc committees shall be dissolved by Board resolution once they have completed their work and, if requested, have provided a written report to the Board.