

## Board Strategic Issues Committee Report

### Composition of the Strategic Issues Committee

The Board appointed Strategic Issues Committee comprised of five (5) Board members as set out below and the Chairman of the Committee is the Chairman of the Bank and is an Independent Director. Other Board Members and Management of the Bank may be present at the meetings by invitation. As at 31 December 2015 the Committee comprised of the following:

Name of the Board Sub Committee Member	Directorship Status	Membership Status
N G Wickremeratne	Independent	C
A K Pathirage	Non-Independent	M
T L F Jayasekera	Independent	M
Mrs. K Fernando	Independent	M
D S P Wikramanayake	Non-Independent	M
R Theagarajah	Non-Independent	I

C – Chairman, M – Member, I – by invitation

### Charter of the Strategic Issues Committee

With the formation of the Strategic Issues Committee as a Board sub committee, its Charter has been approved by the Board of Directors and is reviewed annually. Accordingly, the Committee reviewed the charter in August 2015 and there were no material changes made.

The Committee carries out the following duties and responsibilities:

1. Providing the strategic direction and strategic thinking of the Board to the management in the development and implementation of the Bank's strategic plan.
2. Developing the Bank's strategy and its implementation together with the management.

3. Reviewing and assessing the formulation and implementation of strategic plans developed by the management and approved by the Board.
4. Guiding and assisting the management in implementing strategic decisions taken by the Board.
5. Reviewing and evaluating strategic issues and plans of subsidiary companies of the NDB Group to ensure that the same are in line with the strategic initiatives and strategic direction of the Bank.

The Committee is responsible for determining the following decisions:

1. Approving of all strategic investments and divestments and recommending the same to the Board.
2. Approving the periodical strategic plan (covering 3-5 years or more) and recommending the same to the Board.
3. Approving any significant amendments to the existing strategic plan and recommending the same to the Board.

### Committee Guiding Principles

The main objectives of the Committee could be identified as the examination and comprehensive evaluation of strategic issues of a regular as well as of an ad hoc nature whilst also recommending any action required to be taken by the Board of Directors of the Bank.

The Committee serves as a catalyst as well as an observer of the development and implementation of Bank's business strategies and additionally assists the Board in maintaining a close nexus with the management in the strategic planning process which comprises of reviewing and assessing of the business strategy plans developed by the management and subsequently approved by the Board.

### Committee Meetings

The Committee held two (2) meetings during the year under review.

The attendance of Committee members at meetings is stated in the table on page 135. The quorum for a meeting is four (4) members.

The proceedings of the Committee meetings have been regularly reported to the Board of Directors.

### Methodology used by the Committee

The Committee meets as and when necessary and at least twice during the year in order to, *inter alia*, deliberate in detail on matters of strategic importance to the Bank and the Group so as to advise the Board in a timely manner. The Committee meets to examine and evaluate any strategic issues that may arise and further to evaluate any changes to strategic plans/decisions already in place, as well as to conduct such other affairs which the Charter of the Committee mandates the Committee to carry out.

### Summary of Activities

At the Committee meetings held during the year 2015 the Committee reviewed in detail the Strategic Plan 2014-2018 of the Bank, the Capital Plan 2015-2019 and several strategic initiatives for the year 2015/16 and recommended same to the Board of Directors of the Bank. The Committee/Board also reviews the implementation of the strategic initiatives arising out of the strategic plan every quarter so as to ensure full implementation, timely revision where needed and due focus of the management on the strategic plan of the Bank.

### Appreciation

The Committee wishes to convey its sincere gratitude to former Chairman S G Wijesinha and former members S Rajapakse and H A Siriwardena for their valuable contribution to the Committee over the years.



N G Wickremeratne  
**Chairman**

Strategic Issues Committee

12 February 2016  
Colombo