CGF2 - THE POLICY ON BOARD SUB COMMITTEES

SUB POLICY OF THE PMF'S CORPORATE GOVERNANCE FRAMEWORK

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POLICY STATEMENT

This document outlines the policy and guidelines for the establishment, operation, Constitution/re constitution of Board Sub Committees within PMF Finance PLC.

1. PURPOSE OF BOARD SUB COMMITTEES

The purpose of Board Sub Committees is to assist the Board of Directors in effectively carrying out its responsibilities by providing recommendations.

2. AUTHORITY

2.1. Board Subcommittees derive their authority from the Board of Directors.

2.2. The Board retains the right to establish, modify, or re constitute the subcommittees as needed in line with the regulatory requirements.

2.3 The Board shall not delegate any matters to a board sub – committee to an extent that such delegation would significantly hinder or reduce the ability of the Board as a whole to discharge its functions

3. FORMATION OF BOARD SUB COMMITTEES

3.1 In terms of CBSL corporate Governance requirements and CSE listing Rules, the Entities shall ensure that the following Board Sub committees are established and maintained at a minimum.

1. Nomination and Governance Committee
2. HR & Remuneration Committee (HR & REMCO)
3. Board Audit Committee (BAC)
4. Related Party Transactions Review Committee (RPT)
5. Board Integrated Risk Management Committee (BIRMC)

In addition to the above Sub committees the Company has voluntarily established the following sub committees for better governance practices

1. Board Credit Committee
2. Board Procurement Committee

3.2. All the Committees shall have Board Approved written Terms of References (TOR) clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.

3.3 The Meetings shall be held at least once in two months for BAC and BIRMC. Other Committees shall meet at quarterly basis or as determined by its TOR

3.4. The Chairperson for the Board of Directors of the Listed Entity shall not be the Chairperson of the statutory Board Sub Committees

3.5. Each Subcommittee shall consist of at least three Board Members comprising of both Non-Executive Independent and non-Independent Directors who possess necessary skills, knowledge and experience relevant to the responsibilities of the committee.

3.6. The Board shall consider rotation of members and of the Chairperson of Board Sub Committees regularly, as to avoid undue concentration of power and promote new perspectives.

3.7. In the absence of any of the Sub Committees above, the Board shall ensure the functions stipulated under such committee shall be carried out by the Board itself.

4. SUBCOMMITTEE RESPONSIBILITIES

4.1. The Board shall appoint members to each subcommittee, designating a chairperson with relevant qualification and expertise, responsible for leading the subcommittee's activities.

4.2. Each Sub Committee shall appoint a Secretary to arrange its meetings, maintain minutes, voice or video recordings, maintenance of records and carry out such other secretarial functions under the supervision of the Chairperson of the Committee.

4.3. The Sub Committees shall operate within the scope defined by the TOR of the respective Committee.

4.4. The Sub Committees may request to conduct/submit research, analysis, and other relevant information to provide recommendations to the Board.

4.5 The Sub Committees may engage any external consultant or expertise that may be considered necessary

4.6. The Sub Committees shall communicate regularly with the Board, providing updates and seeking guidance as necessary.

5. REPORTING

5.1. Sub Committees will submit regular written reports/Minutes to the Board summarizing their activities, findings, and recommendations.

5.2. The respective Chairman of the Sub Committee is responsible for reporting the matters to the Board

5.2 The Board shall present a report on the performance of duties and functions of each Sub Committee, at the Annual General Meeting of the entity

6. ACCOUNTABILITY AND TRANSPARENCY

6.1. Sub Committees shall operate transparently, keeping accurate records of meetings, decisions, and activities and shall be accountable to the Board of its recommendations made.

7. AMENDMENTS/ REVIEW

This policy will be reviewed annually or amended as and when required in response to the significant changes in the regulatory requirements or the Board structure.