

Amana Bank PLC is resolutely dedicated to upholding the highest level of corporate governance and transparency, meticulously aligning our practices with the regulatory frameworks established by various regulators, primarily, the Central Bank of Sri Lanka (CBSL) as a licensed banking institution and the Colombo Stock Exchange (CSE) as a publicly listed entity. This disclosure statement establishes the comprehensive policies instituted by the bank, reflecting our unwavering commitment to exemplary governance standards and ethical conduct. The policies mentioned herein have received approval from the Board of Directors of Amana Bank and have been fully implemented and operational as of 30<sup>th</sup> September 2024.

## **1. Policy on Matters Relating to the Board of Directors**

Amana Bank has instituted an intricate policy framework that governs the composition, roles, and responsibilities of its Board of Directors. This framework is designed to ensure that the board operates with optimal efficiency, emphasizing strategic oversight, accountability, and rigorous compliance with prevailing regulatory mandates. The policy encompasses the board's responsibilities on strategic objectives, the implementation and review of appropriate systems, policies, evaluation processes, thereby fostering a board that is both diverse and competent.

## **2. Policy on Board Committees**

The bank has established a comprehensive Policy outlining the scope of the specialized board committees, including but not limited to the Board Audit Committee, Board Risk Management Committee, Board Related Party Transaction Review Committee, Board Human Resources and Remuneration Committee and Board Nomination and Governance Committee. Each committee functions under carefully crafted terms of reference (TOR) that introduces their specific responsibilities, authority, and procedural guidelines. This structure is vital in ensuring effective governance and facilitates focused oversight on critical areas of bank operations.

## **3. Policy on Corporate Governance, Nominations and Re-election**

Our corporate governance framework prioritizes transparency, integrity, and ethical conduct across the organization. By strictly adhering to best practices and regulatory requirements, we demonstrate our commitment to stakeholder engagement and accountability. A key component is our director nomination process, which emphasizes meritocracy and diversity. A clear criterion ensures the selection and re-election of board members with proven expertise and integrity. This approach enhances board effectiveness while reflecting diverse perspectives, aligning with our mission to uphold the highest standards of corporate responsibility.

## **4. Policy on Remuneration**

Amana Bank's remuneration policy is intricately aligned with executive performance metrics and long-term shareholder interests. It incorporates provisions for periodic reviews to ensure competitive compensation packages while maintaining fiscal prudence. This alignment fosters a culture of accountability where executive success is directly linked to organizational performance.

### **6.4 Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities**

We uphold a stringent internal code of conduct applicable to all directors and employees, which establishes clear guidelines regarding ethical behavior, legal compliance, and trading in the bank's listed securities. This code serves as a foundational document aimed at preventing conflicts of interest and fostering an organizational culture rooted in integrity. A separate policy in the name

of 'Policy on investment and trading in equity and unit trust' is available in the Bank. This policy covers investments and trading in listed shares (equity) and unit trusts for proprietary trading and investment by the Bank.

#### **5. Policy on Risk Management and Internal Controls**

The bank employs a comprehensive risk management framework designed to identify, assess, and mitigate risks inherent in its operations. Internal controls are subject to regular reviews to ensure their effectiveness in safeguarding assets while ensuring compliance with regulatory requirements. This proactive approach enables us to navigate complexities within the financial landscape effectively.

#### **6. Policy on Relations with Shareholders and Investors**

Amana Bank is committed to fostering transparent communication channels with shareholders and investors alike. We provide timely disclosures regarding financial performance, strategic initiatives, and other material information through multiple platforms. This commitment enhances stakeholder confidence and promotes informed decision-making.

#### **7. Policy on Environmental, Social, and Governance (ESG) Sustainability**

Our dedication to sustainability is underscored by our Environmental, Social, and Governance (ESG) policies that guide our operational practices towards environmentally responsible methodologies while actively promoting social welfare within our communities. These policies reflect our recognition of the bank's role in contributing positively to society.

#### **8. Policy on Control and Management of Company Assets and Shareholder Investments**

The bank has instituted a robust policy that governs the prudent management of company assets and shareholder investments aimed at maximizing value while ensuring strict adherence to regulatory requirements. This proactive management approach safeguards stakeholder interests.

#### **9. Policy on Corporate Disclosures**

Amana Bank adheres strictly to the corporate disclosure policy that mandate timely and accurate dissemination of all material information in accordance with CSE regulations. This commitment ensures transparency in our operations and enhances stakeholder trust.

#### **10. Policy on Whistleblowing**

We cultivate a culture that encourages openness where employees can report unethical behavior or misconduct without fear of retaliation. Our whistleblowing policy establishes clear procedures for confidential reporting of concerns, thereby reinforcing our commitment to ethical conduct.

#### **11. Policy on Anti-Bribery and Corruption**

The bank enforces a zero-tolerance stance towards bribery and corruption through a comprehensive policy that includes training programs aimed at equipping employees with the knowledge necessary to recognize and prevent corrupt practices in all business dealings.

This disclosure statement epitomizes Amana Bank's steadfast commitment to maintaining exemplary standards of corporate governance as we endeavor to serve our stakeholders responsibly while making meaningful contributions to society at large. For further inquiries or

detailed information regarding these policies, we invite you to contact our relevant department via our official website.