

Statement of Compliance

At Nations Trust Bank, we are committed to maintaining transparency and upholding the highest standards of corporate governance. In accordance with Rule 9.2.1 of the Listing Rules of the Colombo Stock Exchange (CSE), we have established and are diligently upholding the following key policies, which are essential to our governance and operational practices:

1. Board Charter

The Board Charter provides a comprehensive overview of the roles and responsibilities of the Board of Directors, along with the structure and processes necessary for effective governance. It delineated the separation of roles between the Board and Management in settling the direction, management and control of Nations Trust Bank. The Board Charter is aligned with the regulatory requirements of the Central Bank of Sri Lanka and the Listing Rules of the CSE, ensuring effective governance and addresses amongst others, the following areas:

(a) Matters Relating to the Board of Directors

Outlines the roles, responsibilities, and authority of the Board of Directors with a focus on strategic oversight, risk management, and ensuring the sustainable growth of the Bank.

(b) Board Committees

Defines the structure, purpose, and authority of the Board Sub-Committees including those mandated by regulations such as Board Audit Review Committee, Board Integrated Risk Management Committee, Human Resources and Remuneration Committee, Related Party Transaction Review Committee and Nominations and Governance Committee. These committees are essential to our governance framework, providing independent oversight on critical matters such as financial reporting, risk management, and internal controls.

(c) Corporate Governance, Nominations, and Re-election

Provides a robust framework for corporate governance. It includes the criteria for the appointment, nomination, and re-election of Directors, with a focus on ensuring a diverse and skilled Board.

2. Policy on Remuneration

Our Consolidated Human Resources Policy ensures a fair, transparent, and competitive compensation structure for the Board of Directors, senior management, and all employees. It aligns with the Bank's financial performance, long-term strategy, employee's performance and promotes sustainable banking practices while incentivizing high performance.

3. Policy on Internal Code of Business Conduct and Ethics

Our Codes of Professional Conduct establishes the ethical guidelines for all employees of the Bank and ensures that all stakeholders act with integrity and uphold the Bank's values at all times.

4. Policy on Risk Management and Internal Controls

The Bank has following policies in place covering this aspect:

1. Risk Management Framework Policy
2. Internal Audit Charter

These policies ensure that the Bank has a robust framework for identifying, monitoring, and mitigating risks associated with its operations, including credit, market, operational, technology and cyber security risks. These policies align with the regulations of Central Bank of Sri Lanka, ensuring that appropriate internal controls and audit mechanisms are in place to provide reasonable assurance on the control framework to safeguard the Bank's assets and financial stability.

5. Policy on Relations with Shareholders and Investors

This policy governs how we communicate and engage with our shareholders and investors. It includes transparent reporting mechanisms, regular updates on the Bank's performance, and measures to address shareholder concerns. The policy also ensures compliance with the Colombo Stock Exchange's disclosure requirements, fostering trust and confidence among our investors.

6. Policy on Sustainability

This policy outlines the Bank's commitment to environmental, social, and governance (ESG) principles, aligned with both global and local standards and frameworks. It emphasizes minimizing the environmental impact of our operations, promoting ethical governance practices, and upholding social responsibility, with a particular focus on advancing sustainable finance, fostering a responsible organization, and cultivating a culture of sustainability.

7. Policy on Control and Management of Company Assets and Shareholder Investments

The Bank has following policies in place covering these aspects:

1. Assets and Liability Management Policy
2. Property Maintenance Policy
3. Investment Policy

The above policies ensure the effective management and protection of the Bank's physical and financial assets, as well as the investments made by shareholders. These includes guidelines for the prudent management of resources, safeguarding shareholder interests, and ensuring the efficient allocation of capital in line with the Bank's strategic objectives and risk tolerance.

8. Policy on Corporate Disclosures

This policy ensures that the Bank provides timely, accurate, and complete disclosures to the public and regulatory authorities. It covers financial reporting, material changes in the Bank's operations, and other key information required by the Colombo Stock Exchange and the Central Bank of Sri Lanka, fostering transparency and regulatory compliance.

9. Policy on Whistleblowing

Our Speak-up Policy provides a safe and confidential channel for employees and stakeholders to report unethical practices, violations of rules and regulations, fraud, misconduct or unethical behavior within the Bank. It ensures protection from any form of reprisal against for those who use this channel, while promoting a culture of accountability and transparency, aligning with local banking regulations and international standards

10. Policy on Anti-Bribery and Corruption

This zero-tolerance policy towards bribery and corruption sets out clear guidelines for preventing, detecting, and responding to corrupt practices and issues that may arise in the course of business and to ensure that adequate procedures are implemented to prevent the occurrence of corrupt practices in the day to day operations of the Bank. It applies to all Directors, employees, and third-party associates of the Bank and complies with the Anti-Corruption Act, No. 9 of 2023.

Shareholders may request copies of any of the above policies by submitting a written request to the Company Secretary on any of the following;

Address: Millennium House, 46/58, Nawam Mawatha Colombo 02.

E mail address: Company.Secretary@nationstrust.com

Fax to No. +94 112307854

At Nations Trust Bank, we strive to uphold these governance standards in all aspects of our operations, reinforcing our commitment to our stakeholders and the broader financial community.