

Composition of the Nomination Committee of the Board

The Board appointed Nomination Committee comprised of five (5) Board members and the Chairman of the Committee is an Independent Director as set out below and the Chief Executive Officer (CEO) has been present at meetings only if invited by the Committee.

Chairman	Mr Sunil G Wijesinha
Members	Mr Ashok Pathirage, Mr Sujeewa Rajapakse, Mr Anura Siriwardena, Mr Trevine Jayasekera

Brief profiles of each member are given on pages 102 and 103.

Charter of the Nomination Committee

The Committee carries out the following duties and responsibilities:

1. Implements procedures to select/appoint new Directors, CEO and Key Management Personnel (KMPs).
2. Considers and recommends the re-election of current Directors, taking into account the performance and contribution made by the Director/s concerned towards the overall discharge of the Board's responsibilities.
3. Sets out the criteria such as qualifications, experience and key attributes required for eligibility to be considered for appointment or promotion to the post of CEO and the KMPs.
4. Ensures that Directors, CEO and KMPs are fit and proper persons to hold office as specified in the criteria given in Direction 3(3) and as set out in the Banking Act Direction No. 11 of 2007 on Corporate Governance for Licensed Commercial Banks
5. Implements procedure to set the criteria such as qualifications, experience and key attributes required for eligibility to be considered for appointment to select/appoint fit and proper persons as the Nominee Directors to the Boards of National Development Bank PLC (the Bank) Group Companies.
6. Considers and recommends from time to time, the requirements of additional/new expertise and the succession arrangements for retiring Directors and KMPs.

Committee Guiding Principles

The Nomination Committee is tasked with inter alia, identifying individuals qualified to become members of the Boards of the Bank and its Group Companies. The identification aforementioned is carried out by the Committee by determining the fit and proper nature of the Directors to be so appointed via the assessment of the experience, skills and expertise and competencies of such individuals being considered to be nominated against the needs of the Board/s and the relevant regulatory requirements and applicable statutes, if and when a vacancy exists and at such times the Committee considers appropriate.

Nomination Committee Meetings

The Committee held 4 meetings during the year under review.

Name of Board Committee Member	Directorship Status	Membership Status	Number of Meetings Attended
Sunil G Wijesinha	Non-Executive Independent	C	04/04
Ashok Pathirage	Non-Executive Non-Independent	M	03/04
Trevine Jayasekera	Non-Executive Independent	M	03/04
Anura Siriwardena	Non-Executive Independent	M	04/04
Sujeewa Rajapakse	Non-Executive Non-Independent	M	03/04

C - Chairman M - Member I - On invitation

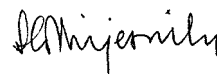
The proceedings of the Committee meetings have been regularly reported to the Board of Directors.

Methodology Used by the Committee

The Committee meets as and when necessary in order to, inter alia, assess the suitability of individuals for appointment as Directors and KMPs of the Bank and its subsidiaries in the manner aforementioned as well as to conduct such other affairs which the Charter of the Committee mandates the Committee to carry out.

Summary of Activities

During the year the Committee recommended to the Board the re-election of Directors retiring by rotation and offering themselves for re-election at the Annual General Meeting. Additionally, the Committee further reviewed the appointment of one KMP to a subsidiary of the Bank and further recommended to the Board, suitable persons to be appointed as Directors to the subsidiary companies of the Bank.



Sunil G Wijesinha
Chairman - Board Nomination Committee
Colombo

13 February 2015