

At Hemas Holdings PLC, sustainability embodies the creation of synergetic and supportable lives and futures for all our stakeholders, because we believe in enriching lives to help everyone reach their potential. We are firm in our belief that the enterprises that will endure are those that create real value for their stakeholders, through meaningful engagement and effective responses.

To deliver health and wellness and to empower communities across every sector of our business, we procure with integrity - minimizing any impact on the environment and nurture our resources for a sustainable future for every stakeholder.

Defining Our Stakeholders

The Hemas Holdings Group Sustainability Team leads the development of our corporate sustainability strategy and drives implementation of the Group's sustainability efforts. Our valued stakeholders across all categories including employees, customers, suppliers, business partners, regulators, shareholders and the environment are considered at every stage of our operations and planning, driven by the Group's Sustainability Strategy. We constantly seek feedback to learn and improve our systems and processes. In our inaugural Sustainability Report, due to be published in the 2nd quarter of 2015/16, we will detail our sustainability practices and accomplishments in compliance with the Global Reporting Initiative (GRI) G4 protocol. This section on sustainability in the 2014/15 Annual Report provides a snapshot of the momentum we have gained in 2014 with regard to conducting responsible and sustainable business.

In the past, the Group's sustainability team worked closely with Senior Management Teams of key business units to identify key stakeholders for each sector. Stakeholders were thereafter categorized and rated based on their degree of influence and importance on the business, in terms of sustainability. Information and opinions were then elicited from identified stakeholders via questionnaires and personal interviews. Their feedback gave us valuable insights into the level of empowerment we delivered and what remains to be done to get closer to our stakeholders.

Our Journey of Abhimana - Taking Pride in doing the right thing

The Group Sustainability Division launched Project 'Abhimana' to make sustainability a lifestyle throughout the Group, thereby incorporating responsibility and sustainability into every action. Hemas spearheaded this project as its Corporate Responsibility, taking it beyond the theoretical guidelines and policies to implementation. This initiative will henceforth instil in every employee a deep and intrinsic sense of dignity and pride that can only arise from a life responsibly lived.

As one of Sri Lanka's most respected corporate entities with a history of over 65 years, the vision of our founding fathers has endured; their cultures and values have played a significant role and shaped our journey so far. 'Abhimana' is a formal articulation of these values which are inherent to Hemas' core, enhancing the enriching experience of living and thriving together in a responsible and sustainable society.

'Abhimana' in Sanskrit translates as "Pride". The introduction of this project serves as a platform for the roll-out of sustainability policies and practices across the Group, focusing on employees at its outset, while simultaneously reinforcing our core values and guiding principles. We believe in living the 'Abhimana' values, which in turn will support the long-term sustainable growth of the Company, aligning our profitability to the prosperity of the community and environment where we do business.

Since its launch, we have focused on sharing this way of life with all our stakeholders and have generated interest and engagement on how this could be a truly collaborative and sustainable journey. The Hemas Abhimana Champions and Abhimana Volunteers in each sector inspire thoughts and actions along these principles, not only to engender a broader commitment but also to establish ethical and sustainable ways of doing business, inculcating responsibility towards the environment and the community we live in: the Triple Bottom Line.

Abhimana Health and Well-being Programme for the Hemas Group – conducted by Hemas Hospitals

Currently at its peak of demographic and epidemiological transitions, the Sri Lankan population is aging, and non-communicable diseases such as diabetes, heart disease, cancer together with smoking and alcohol addictions and substance abuse are growing rapidly.

In this backdrop, as an initiative under its Abhimana Sustainability platform, Hemas Hospitals launched the 'Employee Wellness Programme' to build awareness and mitigate unsafe health practices. The project is based on a 'wellness model' and transcends the traditional 'disease model' designed to promote healthy behaviour, and detect and reverse unhealthy practices amongst all employees.

The Employee Wellness Programme will combat heart disease and strokes, diabetes and hypertension amongst Hemas Employees, along with promoting a healthy lifestyle for their loved ones and families. Over, 1,000 employees have benefited from the programme across the Group.

The programme was designed with inputs from the World Health Organization Sri Lanka, which considered global trends and screening parameters, with an individual

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screening package valued at Rs. 1,000. To sensitize employees towards battling non-communicable diseases, preliminary awareness sessions were conducted at individual business units. A detailed description of the programme will be available in the Hemas Sustainability Report 2014.

Hemas also marked World Diabetes Day in a unique manner – serving *kola kenda*, *kurakkan roti* and *tea sans sugar* to raise further awareness about following a healthy diet to prevent diabetes and stay healthy. Health and well-being are constantly promoted throughout the company and employees have access to a gymnasium, aerobics and yoga classes at the head office and at selected sector offices.

Sustainable Communities

Piyawara

The Hemas Outreach Foundation, the philanthropic arm of the group, directs community empowerment programmes across the enterprise. Piyawara is by far the most successful programme led by a private sector organisation to positively impact underprivileged children all over Sri Lanka. Launched in 2002, the Piyawara initiative is the flagship Corporate Social Responsibility (CSR) programme of Hemas Holdings PLC, in partnership with the Children's Secretariat of the Ministry of Child Development and Women's Affairs. The project adopts a holistic approach and focuses on promoting Early Childhood Care and Development (ECCD) through the establishment of child-friendly pre-schools across Sri Lanka. The Group's Piyawara journey began 12 years ago with two teachers and 20 children. Today, Piyawara has grown into a model community empowerment programme spread over 40 schools, employing over 100 teachers and serving 3,000 students - transforming their lives.



The opening of Piyawara Community Pre-School in Malhewa, Bibile in Monaragala.

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The 40th Piyawara preschool was ceremonially declared open on November 2014 in Malhawa, Monaragala, providing preschool education for 50 children. Previously, this preschool was operating in the community centre which was located in the village burial grounds. Piyawara also served to strengthen Parent-Teacher Associations during the year to ensure community engagement and child welfare. Over 40 such associations come under the purview of Hemas island-wide and are monitored continuously. The Company also hosted its annual teacher-training programme as a three-day residential course in Colombo in August 2014, in addition to the ECCD training workshops for teachers and parents. A separate three-day residential teacher training programme was held in December 2014 in Jaffna in partnership with the Northern Ministry of Education. Over 32 teachers of the Piyawara schools in the Northern Province attended the training. Piyawara went further by expanding its scope to include anti-child abuse initiatives together with local police stations and schools, hosting workshops and awareness programmes.

The Honorary Brand Ambassador of the Hemas Outreach Foundation, former Sri Lankan national cricketer turned reputed ICC Match Referee, Roshan Mahanama, has worked closely with us from the programme's inception to further the reach of Piyawara to every deserving child in Sri Lanka.

Piyawara won international and local recognition in the past and is aligned with one of the United Nations Millennium Development Goals to "Achieve Universal Primary Education". This flagship CSR initiative was hailed at the prestigious Asia Corporate Excellence and Sustainability Awards 2014 (ACES) Singapore, when it emerged the overall winner in two categories – 'Top Community Care Company of the Year in Asia 2014' and 'Best CSR Campaign - Community Care', beating numerous entries from over 11 Asian countries. The citation read the award was presented in recognition of Hemas Group's outstanding service to the children of the country overcoming all geographical and social boundaries through the Piyawara Early Childhood Development initiative.

Piyawara also won the overall Gold Award at the JASTECA CSR Awards 2014, organised by the Japan Sri Lanka Technical and Cultural Association. The JASTECA Awards are organised to encourage public and private sector

business entities to adopt and embed CSR as a part of their 'business policy', which goes beyond statutory and stakeholder obligations, further recognizing and rewarding them for their efforts and commitment.



The Big Heart Project

The Hemas Outreach Foundation also operates the Big Heart project, which works to safeguard the interests of children from Grades 1 to 5, by preventing them from dropping out of school due to financial constraints. The 'Big Heart' was launched in 2012 to mark 50 years of Hemas' flagship brand, Baby Cheramy. At present, the programme provides Rs. 2,000 per month to 219 children island-wide, of which Rs. 500 is mandatorily saved. A progress report of each child is supplied to the Foundation by the Ministry of Child Development and Women's Affairs, our partner in this venture.

Hemas Holding PLC also stepped forward to support families in the Polonnaruwa district affected by the drought in August 2014, in collaboration with the Disaster Management Centre of the Polonnaruwa district. The Company and its staff provided relief to villagers in Thamankaduwa, Dimbulagala, Hingurakgoda, Lankapura, Rathmalthenna and Elahera divisions, donating one hundred 1,000-litre water tanks to the Additional Secretary of the District Secretariat in Polonnaruwa. Further, company representatives visited villages and distributed water tanks among the communities to provide relief in the worst affected areas.

Environment

As a responsible corporate entity, our journey to enrich lives and add value to stakeholders places environment conservation at the centre of our agenda. The Group's Environmental Policy spells out our ethos for sustainable practice, or Green Business, and is mandated to operations across all sectors. All our operating units monitor and report on their environment footprint which includes energy, water and waste, whilst a number of sector-level initiatives have been launched to reduce our impact on the

environment. To further embed environment conservation and sustainability, Hemas launched the Hemas Green Club to inspire and engage our employees to think green at all sector levels.

The Hemas Green Club is the Company's voluntary environmental conservation group, which has now grown to a membership of 87 from across the Group, including 16 honorary members. The Green Club converges for the common cause to 'Protect Mother Nature', and launched a string of initiatives during 2014 to increase environmental awareness and reduce the carbon footprint of the organisation. These included ground initiatives, internal e-based campaigns and quarterly forums featuring guest speakers on the subject of environment conservation.

Some of the activities commenced by the Green Club also included an excursion to a tropical rainforest and lectures by prominent environmentalists to create awareness, which also spurs debate and discussion amongst employees on an environment related topic, which has engendered genuine concern for the planet. Green Club volunteers are tasked with bringing about the required behavioural change among all staff members across the Hemas Group.

Hemas Employees at the FMCG Dankotuwa factory initiated an herbal garden on the premises, whilst the Hemas Green Club embarked on many new projects such as to recycle used CFL and florescent bulbs, composting food waste at the cafeterias and so on, whilst recycling electronic waste in partnership with the 'Think Green Company'. In order to encourage nature lovers at Hemas, a photographic exhibition was held in December 2014, where we received over 1000 applications demonstrating excellent talent within the organization

The Green Club also launched a programme to clean-up the Wellawatta beach, drawing volunteers from across the group to remove waste from the stretch of coastline. As demonstrated during this initiative, both Senior



'Beach clean-up programme' - Our Group CEO and the Green Club volunteers cleaning up the Kinross beach in Wellawatta

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Management and employees from across the Group showed ample interest and participated in the clean-up, showing their commitment to the environmental cause.

The conservation of water is also an area that is receiving the attention of the Hemas Green Club Volunteers, a movement which aptly demonstrates the power and positive outcomes of empowering effective volunteerism in organisation. To protect the environment, Hemas pursues innovative ways to lower the consumption of water and energy to reduce its carbon footprint.

Challenges such as water scarcity, depleting natural resources, and climate change are real threats and Hemas will do everything in its power together with its stakeholders to stem this tide. We are firm in our belief that enterprises must incorporate environmental sustainability into their business and functional plans. The newly-launched Abhimana policy has helped us articulate our key environmental objective.

Our People

Our people are at the heart of Hemas and they are our pride. Hemas Holdings PLC is privileged to employ some of the brightest talent in the country.

We provide a culture of equality and diversity, which lends us the dynamism we are renowned for as it engenders multiple perspectives and skills to perform at our best. Hemas believes in continuous learning and takes pride and interest in the professional and personal development of our employees.

Our Human Resource agenda evolves with global best practices to hone our abilities to develop human resources that strengthen the strategic position amongst our competitors. It is our intention to maintain this recognition and status, and the Company has put in place intensive talent management processes that builds human capital for today's requirements and future growth.

Strategic Recruitment

Our recruitment strategy is a direct link to our vision. We believe in hiring the right people at the right time. From the outset, hiring managers and recruiters strategize to find the right fit and level of competence. We are moving towards competency-based hiring and the strategy has proven to be successful. From on-boarding to job specific orientation, we focus on assisting our new recruits to gain experience that is meaningful and help them to succeed in their jobs.

Our aim is to engage potential employees with the brand and its values in different means, so that they are passionate about the Hemas brand. For example, in keeping with the rapidly advancing digital era, recently

Our employment contract is simply not one on paper, but one that is psychological; it binds us as one family that is loyal, trusting and diverse. Our people are at the heart of Hemas!

the Hemas Group adopted a novel and innovative approach by gamifying the initial screening process. The online game helped us keep potential candidates engaged, whilst enabling us to screen them on different behavioural aspects and their knowledge on a given area of expertise. We adopted this methodology for the first time for 'Hemas Digital Innovators' which proved a huge success. More recently, we employed this method for 'The Hemas Hotshot Season 1', which is an innovative online game that was built and launched to attract the next batch of Management Trainees. This serves as a classic example of how technology and innovation are used to improve traditional methodology.

Training and Development

We are committed to train and develop our people. They are the most important asset we have, and refreshing their knowledge and skills are vital to our progress. The training and development initiatives across the Group are budgeted annually. We maintain an effective process to identify training needs; for new recruits we do it early on with job orientation and during the probation period, whilst for long-stay employees it is done annually. Training and Development is part of our leadership development initiatives as well as for career development of employees. We are proud of our excellent management development programme, which has produced many mid-level leaders within the organisation. We have also put in place a people management programme titled 'The Leadership Engagement Alignment and Development Programme', which has been referred to by participants as "truly world class". Further, we promote opportunity to those who are entering the corporate world by providing internships and trainee positions across the Group.

Engendering Culture of Abhimana

Our culture is our character; we work and play hard, we are family-oriented and values-driven. We treat our employees with respect and modesty. We deliver 'Abhimana' to our employees by providing a safe and secure environment to work, where diversity is embraced, human rights are upheld, wellness is promoted and lives are enriched.

Hemas continues to uphold its forefathers' values for treatment of employees by ensuring a positive influence on their lives. We have programmes in place to assist educational interests of employees, help in times of distress

and identify significant events in their lives. We never fail to have fun; our social calendar is full - be it a family trip, Christmas party, cricket tournament, making Vesak lanterns or commemorating a wellness day. Most significant among all is our own 'Fun Friday', where employees have the opportunity to perform and showcase their talents on a public platform. We have unearthed an amazing talent pool in the company through Fun Friday activities. In encouragement we provided a platform to these talented employees to perform at the 2014 Hemas Awards.

Our employment contract is simply not one on paper, but one that is psychological; it binds us as one family that is loyal, trusting and diverse. Our people are at the heart of Hemas!

Health and Safety

A significant part of our 'Abhimana' journey constitutes the wellness of our employees. We have embarked upon a journey which encompasses wellness, health and safety of all our employees. Our brand new initiative in 2014 - 'Abhimana Wellness Promotions' was launched to engage employees and their families to develop and sustain healthy behaviours to improve their overall quality of life. We have been able to raise awareness on non-communicable diseases, healthy eating and exercise through this initiative.

The Group has in place a risk management team which takes care of emergency response. The entire organisation engages in safety and fire drills on a regular basis. Health and Safety champions are appointed and trained in first aid and CPR.

Our manufacturing and healthcare businesses have received the prestigious OHSAS 18001:2008 - Occupational Health and Safety Management System certification from the Sri Lanka Standards Institution (SLSI) and BM TRADA Certification Ltd. (UK based Health & Safety standards accreditation body) respectively, which is a further demonstration of our commitment to health and safety standards at the workplace. We consider reporting and strict compliance as vital for our success.

Rewards and Recognition

The Group has instituted recognition through a high-level awards programme encompassing several categories, which include the Enriching Lives Award, Living Hemas Values Award, Performance Awards, Special Achievements Award and Business Awards, which are conferred at the much-anticipated gala Annual Hemas Awards Night.

The Company introduced a number of new awards during 2014, which include the Abhimana Award to recognise employees who embody the values spelt out in the Group's new Abhimana Sustainability Pledge. With the introduction



of the Innovation Award, we aim to develop a corporate culture conducive for innovation by recognising employees who inculcate innovation to their day-to-day work. The Finance Award is bestowed to promote and develop cutting edge finance capabilities and create value for the business, whilst the HR Award is handed out to the Business unit with the Best Human Resource Management practices. The Hemas Awards actively promote leadership and create a culture of interest, spurring new leaders and teams to achieve Hemas Vision 2020.

At sector level, awards and recognition programmes are held to celebrate contributions of employees at all levels. Further, employees are presented with commendations, training opportunities, secondments and more in appreciation of their contribution and strength demonstrated throughout their career at Hemas.

CORPORATE GOVERNANCE

INTRODUCTION

Corporate governance consists of the various duties, obligations, and rights that control and direct a corporation. At Hemas, we understand that having a common governance framework plays an important role in helping the Board of Directors gain a better understanding of their oversight role. We believe this would contribute to effective governance and address governance risk and help evaluate how the responsibilities of the Company's management measure against the Board's oversight responsibilities.

This section of our report sets out how we ensure that strategies and plans we have put in place make us accountable to our shareholders, our local and international customers and business partners, our employees and the societies we work within. We believe that our values are the driving force across the group and is our guiding force for good governance.

DIRECTORS

Board Leadership

Principle A1: *Every company should be headed by an effective Board, which should direct, lead and control the Company*

As evident from our Board Member profiles on pages 34 to 37, our Board comprises of an optimal mix of professionalism, diversified knowledge and experience, entrepreneurial financial skills, business acumen and broad practical insight which enables the Members to impart substantial knowledge and independent judgement towards decision making and providing effective leadership to the Group.

All Directors are collectively responsible for the long-term success of the Company. The Independent Non-Executive Directors neither participate in the day-to-day management of the Company nor partake in any business dealings/relationships with the Company which enables them to be free from any conflict of interest.

The annual agenda of the Board is pre-determined to ensure that all matters relevant to the effective operation of the Company, come to the Board for review at appropriate intervals. In addition, the Board's intervention is sought on a range of matters including business, financial, legal and corporate affairs, on an on-going basis.

During the year ended 31 March 2015, the Board considered a wide range of matters, including:

- the Group's strategy and key priorities in line with its Year 2020 Vision;
- the strategy and performance of key businesses and functions within the Group;
- the financial position of the Group and various businesses within the Group;
- the annual budget and long-term plans for the Group;
- the interim and full-year results;
- opportunities for business development and expansion;
- risk management and controls within the Group;
- succession planning and employee retention;
- reports from the Audit, Remuneration and Nominations & Governance Committees;
- a review of the effectiveness of the Board, matters reserved for the Board and the Terms of Reference of Board Committees.

The Board is essentially supported in its work by the Audit Committee, Remuneration Committee and Nominations & Governance Committee which cover in detail a range of important matters such as risk and control, remuneration and incentive schemes, succession planning and Human Resources. The Mandates of the Committees are set out hereinafter in this Report.

The Board monitors compliance with policies and achievements against objectives, by holding the Management accountable for its activities through regular updates. In addition, each business unit within the Group is required to update the Board on a regular basis, giving the Board the opportunity to understand and explore issues in depth. In a constantly evolving and challenging business environment, the Board recognizes that the Company's corporate governance framework needs to continue to evolve and adapt so that it remains fit for the purpose. The Board will therefore continue to review structures and processes across the Group to ensure they remain effective and to make timely changes when needed to enhance the way the Group operates.

The Board continuously reviews structures and processes across the Group recommending appropriate and timely modifications thereto to ensure they remain effective in face of the changing and challenging business environment.

BALANCE OF POWER

Principle A 2: *There should be a clear division of responsibility at the head of the Company to ensure a balance of power*

Whilst the Board reserves for itself matters that can only be reviewed and approved by itself, the Board delegates responsibility to the Chief Executive Officer for formulating and after approval, implementing the Group's strategic plan and for management of the day-to-day operation of the Group. The Chief Executive Officer leads the development of strategy and oversees all aspects of the performance and management of the Group.

Although the Chief Executive Officer retains full responsibility for the authority delegated to him by the Board, he is supported in his day-to-day efforts and attempts by the Board of Management, which he chairs. Members of the Board of Management attend Board Meetings to present items as and when required and also meet with the Chairman to discuss matters which are specific to their respective businesses.

Detailed Profiles of the Members of the Board of Management are set out on pages 38 to 39.

THE CHAIRMAN'S ROLE

Principle A 3: *The Chairman should preserve order and facilitate the effective discharge of board functions*

The Chairman leads the Board developing the Board's forward agenda and preparing in detail for meetings to maximize the efficiency of board output. His aim is that Board meetings should allow full and free discussion, taking account of the interests of the Group's various stakeholders whilst promoting high standards of corporate governance. Chairing Board meetings, the Chairman encourages expression of the broadest range of views, including those which may challenge management. He seeks to foster open and trusting relationships between Executive and Non-Executive Board members and is regularly rewarded with robust, incisive and good humored debate.

Chairman

- Facilitates the effective contribution of Non-Executive Directors and the engagement between Executive and Non-Executive Directors,
- Ensures the regular flow of accurate and relevant management information to enable the Board to make sound decisions and monitor business performance,
- Ensures that an annual evaluation of the Board is conducted.
- Leads the performance evaluation of the Chief Executive Officer and ensures that Committee Chairmen conduct evaluations of their Committees,

- Ensures, with the support of the Nominations Committee, effective Board succession planning,
- Ensures effective communication with shareholders so that the Board develops a clear understanding of their views,
- Ensures the effective functioning of all Board Committees,

Chief Executive Officer

- Leading the development of the Company's strategic direction and implementing the agreed strategy,
- Identifying and executing new business opportunities,
- Running the business, through the executive management, on a day-to-day basis and reports to the Board on performance and significant developments,
- Building and maintaining an effective senior management team,
- Maintaining in conjunction with the Chief Financial Officer and the Investor Relations Team, an effective dialogue with stakeholders and investors,
- Managing the Group's risk profile and implementing and maintaining an effective framework of internal controls,

FINANCIAL ACUMEN

Principle A 4: *The Board should ensure the availability of members with financial acumen*

The Board comprises members with a broad range of expertise and experience, including corporate finance, accountancy, management, international business, marketing, economics, law, regulation, human resources, corporate governance and risk management.

The Board's Directors who specialize in a multitude of disciplines, some of whom have served on the boards of large multinational organisations, possess the skills and capability necessary to enable them to provide constructive debate, scrutinize performance and help develop Board strategy with a global perspective and outlook.

The detailed Profiles of the Board of Directors are set out in pages 34 to 37.

BOARD BALANCE

Principle A 5: *The Board should have an appropriate balance of executive and non-executive directors*

The Board currently comprises eleven Directors, eight of whom, including the Chairman are Non-executive Directors. Five of the Non-executive Directors have either met the criteria for independence or have been deemed independent by the Board. Each of these Directors has made a declaration to this effect.

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Both the size and the balance of the Membership supports the Board in bringing a substantial focus on strategic and longer term issues. We do not anticipate further substantial changes in the size in the foreseeable future although the exact number of Directors may rise or fall slightly in line with the normal process of board development and succession planning.

INFORMATION TO THE BOARD

Principle A 6: *The Board should be provided with timely and appropriate information*

There is considerable importance placed on keeping the Board's knowledge of the business substantive and current. Of parallel importance, is the need for directors to keep up to date with relevant regulatory developments, corporate governance trends and changes in investor expectations, some of which impact in particular on the non-executive role.

The Directors seek clarification or interpretation or additional information where they consider such information necessary to make informed decisions. In addition, all directors are aware that they may, if they consider it necessary, seek independent professional advice in relation to the discharge of their role.

The Company convenes at least five Board meetings a year for which detailed Agendas are prepared by the Company Secretary in consultation with the Chairman. Comprehensive discussion papers on each of the topics for discussion are circulated to the members at least seven working days prior to a meeting to enable the directors to facilitate its effective conduct.

All Directors receive a detailed hands-on induction on appointment and the Company continuously provides necessary resources for developing and updating the Board's knowledge and capabilities.

APPOINTMENTS TO THE BOARD

Principle A 7: *There should be a formal and transparent procedure for the appointment of new directors to the Board*

A formal and transparent procedure exists for all appointments to the Board. A Nominations Committee comprising three Non-Executive Directors, of which two are independent, attended by the Chairman, meet as required to review and make recommendations to the Board on the suitability of the appointment and re-appointment of Directors to the Company and its subsidiaries and to regularly review the structure, size, composition and competencies of the Boards .

Steps are taken to ensure that Non-Executive Directors maintain line of sight into business operations; share

thinking and views on business issues among each other and with the Management; and have the opportunity to form first-hand relationships with senior management, especially the Board of Management.

RETIREMENT AND RE-ELECTION

Principle A 8: *All directors should be required to submit themselves for re-election at regular intervals*

The Non-Executive Directors are generally appointed for an initial period of three years, subject to (a) remaining independent; and (b) provision A.8 of the Code, which requires all Directors to be re-elected by shareholders at regular intervals at the Company's Annual General Meeting; and may be re-appointed for further periods of three years. The Board makes a careful assessment of the time commitment required from the Chairman and Non-Executive Directors to discharge their roles properly. The commitment to the appropriate time requirement is discussed with potential candidates as part of the recruitment process. The independence of each Non-Executive Director is reviewed annually by the Chairman as part of the performance review process.

BOARD EVALUATION

Principle A 9: *Boards should periodically appraise their own performance*

The Board conducts an internal Board evaluation each year. The evaluation considers a range of factors relevant to the effectiveness of the Board, including the balance of skills, experience, independence and knowledge of the Board, its diversity and how the Board works together as a unit. The review is led by the Chairman and supported by the Company Secretary. A questionnaire is completed by Members of the Board and the results of the review are thereafter considered in detail by the Board.

A performance evaluation of the Board was carried out last year, at which an assessment of the Board's performance was made against key drivers of effectiveness including strategy development, the decision making process, Board and Management relationships, Board processes and meetings and succession planning. Feedback was also sought on the operation of the principal Board Committees and on the contributions of individual Directors. The review indicated that overall the Board and its principal Committees were operating effectively.

The relationship between the Chairman and Chief Executive Officer was considered to be sound and it was felt that major issues were fully discussed before decisions were made.

DISCLOSURE OF INFORMATION ON DIRECTORS TO SHAREHOLDERS

Principle A 10: Shareholders should be kept advised of relevant details in respect of Directors

Brief profiles of the Board of Directors are disclosed on pages 34 to 37 of the Annual Report

The Directors' interest in contracts with the Company is set out on pages 71 to 75 of the Annual Report

It is expected that all Directors attend scheduled Board and relevant Committee meetings, unless they are prevented from doing so by prior commitments. Where Directors are unable to attend meetings, they receive the papers

scheduled for discussion at the relevant meetings, giving them the opportunity to raise any issues and give any comments to the Chairman prior to the meeting.

Following each meeting, the Chairman briefs any Member not present, on the discussions and decisions taken at the meeting. Directors refrain from participating in matters relating to them, or matters which may constitute a conflict of interest.

The table below provides a record of Directors' individual attendance at Board and Committee Meetings, in person or by telephone;

	Board	Audit Committee	Remuneration Committee	Governance and Nomination Committee
No. of meetings held	5	4	4	2
Husein Esufally	5			2
Abbas Esufally	5			2
Imtiaz Esufally	5	4		
Murtaza Esufally	5		4	
Maithri Wickremesinghe	5	4		2
Pradipta Mohapatra	5		4	
R. Gopalakrishnan	4			2
Dinesh Weerakkody	5	3		
Dr. Anura Ekanayake	5		4	
Steven Enderby	5	4	4	
Malinga Arsakularatne	5	4		

CHIEF EXECUTIVE OFFICER'S PERFORMANCE

Principle A 11: The Board should assess the performance of the CEO at least annually

The performance of the Chief Executive Officer is reviewed bi-annually against the Goals which are set and sanctioned by the Board at the beginning of the financial year.

DIRECTORS' REMUNERATION

Principle B 1: Companies should establish a transparent and formal procedure for developing policy on executive remuneration

During the year 2014-15, the Company paid remuneration to its Executive Directors within the limits of the Compensation and Benefits Policy adopted by the Group. The remuneration paid to the Executive Directors is approved by the Board on the recommendation of the Remuneration Committee. The Remuneration Committee

determines the Company's policy on specific remuneration packages for Executive Directors.

The Non-Executive Directors are paid a monthly Retainer for serving on the Board and /or Board committees.

Remuneration packages for senior management are based on a salary survey conducted by the external auditors of the Company. The Market Rates are evaluated against the existing salary scales and adjusted to be in line with the appropriate percentile recommended by the Remuneration Committee and approved by the Board.

Principle B 2: Levels of remuneration of both Executive and Non-executive Directors should be sufficient to attract and retain directors

The Company is primarily interested in providing a reasonable, competitive total compensation package to its Directors in a manner that will facilitate the achievement

CORPORATE GOVERNANCE

of corporate objectives. The Company strives to offer market-based compensation packages to individuals possessing the experience and the competencies needed to improve the overall performance of the Group.

Principle B 3: *The Annual report should contain a statement of Remuneration Policy and details of remuneration of the Board as a whole*

The Hemas Compensation Policy is designed to;

- 1) Encourage the attraction and retention of high calibre individuals.
- 2) Provide a competitive total compensation package including benefits.
- 3) Ensure that pay is perceived to be fair and equitable.
- 4) Balance the need to be competitive with the limits of available financial resources.
- 5) Ensure compensation schemes are compliant with the laws and regulations applicable in the country.

The aggregate remuneration of the Board for the year under review is disclosed in the Financial Statements.

Relations with shareholders

Principle C 1: *Boards should use the AGM to communicate with shareholders*

The Annual General Meeting and the published reports of the Company are a means of communicating and encouraging shareholder and investor participation. The Board believes that maintaining good relationships with shareholders is of prime importance. The Chairmen of Board Sub-Committees are present at the Annual General Meeting and are willing to answer questions raised by the shareholders.

The Notice and related papers are sent out to the shareholders 15 working days prior to the date of the AGM.

This year, the AGM will be held on the 03rd of July 2015 at the Auditorium of The Institute of Chartered Accountants of Sri Lanka, No. 30A, Malalasekera Mawatha, Colombo 07.

Principle C 2: *The Board should implement effective communication with shareholders*

The Company values its dialogue with both institutional and private investors. The Board's primary contact with institutional shareholders is through the Chief Executive Officer and Chief Financial Officer.

The Chief Executive Officer and Chief Financial Officer are supported by the Investor Relations and Corporate Communications Teams, who are in regular contact with

institutional shareholders and investment analysts. Coverage of the Company by investment analysts is circulated to the Board.

Analyst presentations, including those following the announcement of interim results and preliminary year-end results and presentations made to institutional investors are available on the Company's website, www.hemas.com.

This Annual Report produced for the year ended 31 March 2015, is also available to all shareholders on its website or in paper form on request. The website also provides private shareholders with the facility to send any questions they may have to the Company.

Private shareholders are invited to write to the Chairman or any other Director and express their views on any issues of concern at any time and the Annual General Meeting provides an opportunity for private shareholders to raise any questions they may have to the Company.

Principle C 3: *Directors should disclose to shareholders all proposed material transactions*

There is no materially significant related-party transactions, pecuniary transactions or relationships between the Company and the Directors, the Management, subsidiary companies or related parties proposed in the near future, except for those disclosed in the financial statements for the year ended March 31, 2015.

ACCOUNTABILITY AND AUDIT

Principle D 1: *The Board should present a balanced and understandable assessment of the company's financial position, performance and prospects*

The Board, through the Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Company and its subsidiaries in accordance with the Sri Lanka Accounting Standards, comprising SLFRSs and LKASs. This responsibility includes designing implementing and maintaining internal control relevant to the preparation of these financial statements whilst selecting and applying appropriate accounting policies that are both accurate and consistent, and making estimates that are reasonable.

The Financial Review from pages 13 to 18 provides a fair assessment of the Group's performance and results for the year and plans for the future.

All subsidiaries of the Group are governed by their respective Boards of Directors having the rights and obligations to manage the companies concerned in the best interest of their stakeholders. The Company monitors the performance of its subsidiary companies using, inter alia, the following means:

- (a) Financial Statements, in particular the investments made by the unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company.
- (b) A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies is placed regularly before the Board of Directors at the Board Meetings of the Company.

Principle D 2: *The board should have a process of risk management and a sound system of internal control*

The Board is responsible for instituting an effective internal control system to safeguard the assets of the Company and ensure that accurate and complete records are maintained. The system includes all controls including financial, operational and risk management.

Strategies adopted by the Company to manage its risk are set out in its report on Risk Management on pages 54 to 57.

Apart from the strategic plans covering a three-year time horizon, a comprehensive budgetary process is in place, where annual budgets, identifying the critical success factors and functional objectives, prepared by all subsidiaries are approved by the Board at the commencement of a financial year and its achievement monitored monthly, through a comprehensive monthly management reporting system. Clear criteria and benchmarks have also been set for the evaluation of capital projects and new investments.

The Internal Audit Division reporting to the Chairman, regularly evaluates the internal control system across the organization and its findings are reviewed first by the Audit Committee and significant issues are thereafter reported to the Board. The Board has reviewed the internal control procedures in existence and is satisfied with its effectiveness.

Principle D 3: *The Board should establish formal and transparent arrangements for considering how they should select and apply accounting policies, financial reporting and internal control principles*

The Management, under the supervision of the Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate control over the Group's financial reporting. The Company's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with Sri

Lanka Financial Reporting Standards (SLFRS); provide reasonable assurance that receipts and expenditure are made only in accordance with authorisation of management and the Directors of the Company and provide reasonable assurance regarding prevention or timely detection of any unauthorized acquisition, use or disposition of assets that could have a material effect on the consolidated financial statements.

The Management has assessed the effectiveness of Hemas' internal control over financial reporting. Based on this assessment, management concluded that, as at 31 March 2015, internal control over financial reporting was effective.

Any internal control framework, no matter how well designed, has inherent limitations, including the possibility of human error and the circumvention or overriding of controls and procedures and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or because the degree of compliance with the policies or procedures may deteriorate.

During the period covered by this report, there were no changes in internal control over financial reporting that have materially affected or are reasonably likely to materially affect the effectiveness of internal control over financial reporting.

Principle D 4: *Companies must adopt a Code of Business Conduct and Ethics for Directors and Key management personnel*

The Code of Business Conduct explains to Directors their most important individual responsibilities and obligations in discharging their duties. The Code provides guidance on key issues which may arise and the procedure to be adopted if the rules are breached.

The Group operates a Whistleblowing Policy and a confidential telephone and email service which enables employees to report, anonymously if they choose, any instances of inappropriate behaviour or malpractice within the Businesses such as bribery or corruption, fraud and any other act or conduct that may be deemed illegal or unethical. All complaints made are treated as confidential and are investigated by the relevant department and if the identity of the complainant is known, the complainant is kept updated. If the complaint is serious in nature, the same will be escalated to the Chief Executive Officer.

All members of the Board and the Senior Management of the Company have confirmed their compliance with the Code of Conduct for the year ended 31st March 2015.

CORPORATE GOVERNANCE

Principle D 5: Directors must disclose the extent to which the Company adheres to established principles and practices of good governance

CSE Rule No.	Applicable Rule	Requirement	Status of compliance	Reference to Annual Report
7.10.1	Non-executive Directors(NEDs)	Two or at least one third of the total number of Directors should be NEDs.	✓	Corporate Governance Report
7.10.2 (a)	Independent Directors	Two or one third of NEDs (whichever is higher) should be independent	✓	Corporate Governance Report
7.10.2 (b)	Independent Directors	Each Non-Executive Director should submit a declaration of independence / non-independence in the prescribed format	✓	Corporate Governance Report
7.10.3 (a) and (b)	Disclosure relating to Directors	Names of Independent Directors should be disclosed in the Annual Report	✓	Corporate Governance Report
	Disclosure relating to Directors	The basis for determination of independence of Non-Executive Directors, if criteria for independence is not met.	✓	Corporate Governance Report
7.10.3 (c)	Brief Resume of each Director in the Annual Report	A brief resume of each Director should be included in the Annual Report, including his area of expertise	✓	Corporate Governance Report
Rules relating to Remuneration Committees				
7.10.5 (a)	Composition of Remuneration Committee	The Committee shall Comprise of Non-Executive Directors, a majority of whom shall be independent. The Chairman of the Committee shall be a Non-Executive Director.	✓	Corporate Governance Report
7.10.5 (b)	Disclosure of the functions of the Remuneration Committee	The Committee shall recommend the remuneration payable to the Executive Directors and Chief Executive Officer or equivalent role.	✓	Corporate Governance Report
7.10.5 (c)	Disclosure in the Annual Report	The Report should include the names of the Remuneration Committee Members, a statement of Remuneration Policy and the aggregate remuneration paid to Executive and Non-Executive Directors.	✓	Corporate Governance Report, the Annual Report of the Directors and the Remuneration Committee Report
Rules relating to Audit Committees				
7.10.6 (a)	Composition of Audit Committee	The Committee comprises of Non-Executive Directors, a majority of who shall be independent. The Chairman of the Committee shall be a Non-Executive Director. The Chairman or a member should be a member of a recognized professional accounting body.	✓	Corporate Governance Report, the Annual Report of the Directors and the Audit Committee Report

CSE Rule No.	Applicable Rule	Requirement	Status of compliance	Reference to Annual Report
7.10.6 (b)	Functions of the Audit Committee	<p>*Overseeing the preparation, presentation and adequacy of the disclosures in the financial statements in accordance with the SLFRSs and LKASs.</p> <p>*Overseeing compliance with financial reporting related regulations and requirements.</p> <p>*Overseeing the processes to ensure that internal controls and risk management are adequate.</p> <p>*Assessing the independence and performance of the external auditors.</p> <p>*Recommending to the Board the appointment, re-appointment and removal of the External Auditors and approving their remuneration and terms of engagement.</p>	✓	Corporate Governance Report, and the Audit Committee Report
7.10.6 (c)	Disclosure in the Annual Report	<p>The names of the Members of the Audit Committee.</p> <p>The basis of determination of their independence.</p> <p>A report of the Audit Committee as setting out the manner of compliance with their functions.</p>	✓	Annual Report of the Directors and Audit Committee Report.

Institutional Investors

Institutional investors should be encouraged to ensure their voting intentions are translated into practice

In all communications with stakeholders, the Board aims to present relevant and timely information that provides a balanced and understandable assessment of the position of the Company and its group companies. This is done through adhering to principles of openness and substance over form and striving to address material matters of significant interest and concern to all stakeholders.

Communication with institutional share owners and investment analysts is maintained through periodic presentations of financial results and press announcements of interim and final results, as well as the proactive dissemination of any messages considered relevant to investors.

Other Investors

Individual shareholders should be encouraged to participate in General Meetings and exercise their voting rights

One of the most significant responsibilities of the Board is to have regard to the long term sustainability of returns to shareholders taking into account the interests of other stakeholders.

The Company promotes effective communication with shareholders and encourages effective participation at general meetings to ensure a high level of accountability and discussion of the Company's strategy, goals and performance.

The Company's website is regularly updated with all recent annual reports and media releases.

RISK MANAGEMENT

Risk Management

As a diversified conglomerate Hemas is committed in implementing an effective Risk Management process which comprises of identification of Risk assessing the impact and likelihood and responding with suitable strategy.

Our risk management process includes enterprise-wide risk management, monitoring compliance with laws and regulations and business continuity planning.

Our Approach to Risk Management

Our broadened definition for risk is the potential occurrence of an external or internal event that may negatively impact our ability to achieve the Groups' business objectives. Its significance is measured in terms of impact and likelihood of occurrence.

Our Enterprise Risk Management (ERM) framework is effectively and efficiently embedded in all organizational practices and processes and in particular it has been embedded into the policy development, business and strategic planning, review and change management process.

To facilitate effective risk management, we implement a structured and transparent ERM process that enables us to identify, evaluate, treat, monitor and report risks to achieve the optimum trade-off between risks and return which enhance the organizational performance to achieve objectives.

Governance of Risk Management

Hemas Holdings Board, Group Risk Management Committee (GRMC) and Group Audit Committee work closely to ensure that risk management complies with the relevant standards and that is working effectively.

As an integral part of risk management, Board Audit Committee overlooks the adequacy and the efficiency of internal controls across the Group through internal audit reports and compliance statements.

Oversight of risk management at business level takes place through audit committees and various boards of the businesses. High risks and related mitigation plans are reported within the organization in accordance to a defined reporting protocol.

Our Risk Management Process

Group's structured risk management process, which is aligned to ISO 31000 risk management – principles and guidelines, is detailed below. This process is rolled out across the Group and risk profiles are compiled accordingly.

Key Risks

	Risk		Responses
1.	Business Probity Risk	Unethical behavior, frauds and errors by one or more participants in a particular process which creates lack of trust in business dealings	<ul style="list-style-type: none"> • Stringent internal controls • Strong internal audit function • Establishment of independent audit committees • Circulation of ethical codes to employees
2.	Country Risk	Adverse impact arising due to the changes in environment or politics where business operates	<ul style="list-style-type: none"> • Analysing PEST factors and developing appropriate strategies
3.	Credit Risk	Potential losses arising due to customer bankruptcy	<ul style="list-style-type: none"> • Efficient follow up and collection practices • Adherence to business specific credit policies
4	Environmental Risk	Probability of business operations creating negative consequences in the environment and creating non-compliance or reputational risk	<ul style="list-style-type: none"> • Development of Group policies in order to facilitate adoption of best standards on sustainability • Adoption of GRI standards on sustainability reporting throughout the Group
5.	Exchange Rate Risk	Potential losses as a result of adverse movement of exchange rate	<ul style="list-style-type: none"> • Centralized treasury management • Managing exchange rate through appropriate financial risk management techniques such as hedging
6.	HR Risk	Risk arising as a result of failure to attract, develop and retain a skilled workforce	<ul style="list-style-type: none"> • Implement a well-structured talent management process to identify critical employees and retain them in the long run • Periodic employee satisfaction surveys to ensure that remuneration is in line with the market • Investments in strengthening employee brand image
7	Interest Rate Risk	Potential losses as a result of adverse movement of interest rate	<ul style="list-style-type: none"> • Centralized treasury management • Managing interest rate through appropriate financial risk management techniques

RISK MANAGEMENT

	Risk		Responses
8	Investment Risk	Potential losses arising due to the chance that an investment's actual return will be different than expected	<ul style="list-style-type: none"> • Detailed pay back analysis before investments • Diversify the investment portfolio by focusing on new markets and growth prospects
9	Liquidity Risk	Adverse impact on the liquidity position as a result of payment delays by debtors, long stock residence period and early payments for creditors	<ul style="list-style-type: none"> • Centralized treasury management • Continuous reviewing of business models and working capital management
10	Market Risk	Loss of market share or market leadership in relevant segment due to intense competition, new entrants, changes to customer attitudes and economic conditions position of our brands	<ul style="list-style-type: none"> • Continuous focus on innovation • Regular monitoring of customer/consumer trends • Enhancing productivity/efficiency to improve price competitiveness • Monitor market data and strengthen market
11	Operational Risk	Potential losses due to inadequate internal controls, failures of internal process, people and systems, natural and man-made disasters	<ul style="list-style-type: none"> • Business continuity plans to ensure the smooth operation of the business even at a time of disaster • Internal audits on internal controls and compliance, whilst ensuring independence and objectivity
12	Principle Risk	Loss of principles or business partners due to global mergers and acquisitions, intense competition and service level groups	<ul style="list-style-type: none"> • Sound relationships with principals/business partners • Regular assessment of service levels in order to ensure business partner expectations are met • Consciously limit dependence on a single party to limit the impact arising from the potential loss of a business partner
13	Product & Service Risk	Probability of new product failures and declining demand for existing products or services	<ul style="list-style-type: none"> • Focus on product/service innovation • Develop strategies to get closer to customers and be responsive to their needs
14	Project Risk	Risk arising as a result of not achieving project objectives	<ul style="list-style-type: none"> • Developing project plans, resource analysis and allocation before starting a project
15	Regulatory & Compliance Risk	Potential losses arising due to violations of, or non-conformance with, laws, rules, regulations, prescribed practices, internal policies and procedures or ethical standards	<ul style="list-style-type: none"> • The Centralized legal division assists and advises the companies across the Group on legal matters • Proactive dissemination of regulatory information with regard to changes and new regulations

	Risk		Responses
16.	Reputation Risk	Risk that the Group may incur losses due to damage to our credibility or the value of the “Hemas” brand which is likely to impair stakeholder value	<ul style="list-style-type: none"> • Maintenance of highest ethical standards at all times in all business activities • Continuous assessment of customer satisfaction and prompt follow up actions on complaints and suggestions • Proper adherence to the statutory and environmental regulations
17.	Social Risk	Challenge by stakeholders on business practices due to real or perceived business impact on a broad range of issues related to human welfare	<ul style="list-style-type: none"> • Implementation of CSR projects at Group and subsidiary level
18.	Supply Chain Risk	Risk arising due to physical disruptions, environmental and industrial accidents or bankruptcy of key suppliers	<ul style="list-style-type: none"> • Test product quality control of suppliers for effectiveness • Review key suppliers periodically to ensure they meet the rigorous quality standards • Expand the supplier portfolio and developing closer relationships
19.	System Risk	Potential for system failures, inaccuracy or delays in decision making due to inaccurate or non-availability of timely information from key computer systems	<ul style="list-style-type: none"> • Centralized IT division • A contingency plan to mitigate the risk of system failures • Comprehensive IT policy across the Group to ensure adequate system controls are in place
20.	Technological Risk	Probability of occurring technological changes	<ul style="list-style-type: none"> • Analyse technological trends and update business operations and systems in a feasible manner
21.	Quality Risk	Potential quality failures in products and services	<ul style="list-style-type: none"> • Adequate quality control divisions across the Group to assure the quality throughout our processes • Continuous quality management and assurance programs

REMUNERATION COMMITTEE REPORT

The objective of the Committee is to assist the Board of Directors in the establishment of remuneration policies and practices in relation to compensation packages of the Company's Chief Executive Officer, Non-Executive and Executive Directors and other Senior Executives.

This section explains how the Committee discharges its responsibilities, and gives details of the Committee's membership, its terms of reference and its activities during the financial year ended 31.03.2015.

The Terms of Reference of the Remuneration Committee are summarized below;-

Composition;

The Committee comprises of Members of the Board of Directors including two Independent Non-Executive Directors . The Remuneration Committee may invite such other persons to its meetings as it deems necessary including the Chairman, if not a member of the Committee, the Chief Executive Officer or external advisors.

The Present Committee:

Mr. Pradipta Mohapatra, Independent Director (Chairman)

Dr. Anura Ekanayake, Independent Director

Mr. Murtaza Esufally, Executive Director

Invitees

Mr. Steven Enderby (Chief Executive Officer)

Mr. Dimuth De Alwis (Director Group HR)

Secretary

- The Company Secretary shall act as the Secretary to the Committee.

Accountability

- The Committee, being a sub-committee of the Main Board is accountable to the Board.

Functions

- Review and approve overall remuneration philosophy, strategy, policies and practices
- Set and review all components of the remuneration of the Chief Executive Officer, Executive Directors and such other Senior Executives as the Board may determine.

- Review and approve the performance evaluation/ appraisal system for the Chief Executive Officer, Executive Directors and Senior Executives.
- Review and approve as appropriate the terms of employment contracts of the Chief Executive Officer, Executive Directors and Senior Executives.
- Review and approve the terms of the Company's short-term/long term incentive schemes including any share option schemes for employees and/or Directors.
- Review and approve the terms of the Company's superannuation and/or pension schemes.
- Review and approve all components of the remuneration of the non-membership and all other benefits arising from their directorships
- Consider such other matters relating to remuneration as may be referred to it by the Board.

Operating Practices

- Any two Committee Members shall constitute a quorum.
- The Committee shall meet on 'as required' basis, but at least twice yearly.
- The Committee shall keep Minutes of its proceedings and those minutes will be tabled at the next meeting of the Board following a meeting of the Committee.
- The Committee may adopt such rules and regulations as it deems appropriate for the conduct of its affairs.

Review of the Committee

- The Committee will undertake an annual self-review of its objectives and responsibilities. Such objectives and responsibilities will also be reviewed by the Board of Directors and the Chief Executive Officer and any other person the Board considers appropriate.

The following provides a summary of the Committee's activities during the financial year 2014/15:-

May 2014

- Recommendation that of a long-term incentive scheme be developed with a view to retain and incentivise the top leadership team.
- Recommended the aggregate remuneration paid to the Executive Directors for the year 2013/2014.

August 2014

- Recommendation of the extension of the existing performance bonus concept to junior grades.
- Ratification of the bonuses paid to the top leadership team and the three Executive Directors.
- Recommendation of sharing the important elements of the Engagement Survey with the top hundred officers along with an action plan.

November 2014

- Recommendation of the key aspects of the Employee Share option Scheme as the proposed long-term incentive scheme.
- Approval of the revised scheme for the extension of the performance bonus scheme to junior grades.

February 2015

- Proposal to disburse a percentage of the total bonus pool derived from Group profits for specific projects.
- Proposal to discuss the talent pipeline as an annual exercise.

**Pradipta Mohapatra***Chairman*

29 May 2015