The Director

VOLUME 21 ISSUE 01

THE SRI LANKA INSTITUTE OF DIRECTORS


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The Director

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MUST-TRY TURKISH DESSERTS

Baklava

Turkish cuisine is among the best cuisines in the World, and the dessert of Turkish cuisine is just as fascinating as Turkish food. From milky desserts, sherbets, and hazelnut desserts to pistachio desserts, there is endless variety.

Lokum (Turkish Delight)

Whether or not baklava originated in Turkey has been debated for many years, but in 2013 baklava became a fixed dessert in Turkish cuisine. It contains hazelnuts, walnuts, and pistachio nuts between layers of 40 thin wafers, flavoured with sweet sherbet, sometimes served with cream or ice cream.

Aşure

Rumour has it that when lokum entered Ottoman cuisine, it coined the name Rahat-ul Hulkum, which means relaxing the throat. Once made from a mixture of honey or grape molasses and flour, today lokum is a mixture of sugar and starch. Whichever type of lokum you choose, don't forget to drink Turkish coffee alongside it.

Sütlaç

One of the most common desserts in Turkish cuisine is sütlaç, which is made of milk, rice, and sugar. Sütlaç is later served with hazelnuts and cinnamon. In some places, they make oven-cooked sütlaç, which is made by mixing milk and an egg yolk before cooking, then it is served in a clay pot.

Cezerye

Cezerye, is made from carrot, walnut, coconut, and a unique Mediterranean dessert, famous in Mersin and Adana. Cezerye also has health benefits, it is good for the skin, eyes, and cholesterol.

Bülbül Yuvası

Bülbül yuvası (nightingale nest) is a dough-based dessert named after its round shape and hole in the center. After the bülbül yuvası has cooked, sherbet is poured in the middle, and pistachios are sprinkled on top.

Nevzine

Nevzine is made of Tahini, grape molasses, yoghurt, and walnuts blended with dough and served with sherbet. Nevzine is a speciality of religious holidays. You can try the best kind of Nevzine in Kayseri.

Helva

Helva is widespread, and many varieties are found all over Turkey and the Middle East. In Turkish cuisine, helva and semolina helva are the favourites.

Güllaç

A great traditional dessert, güllaç, has been passed down to us from the Ottoman cuisine. Güllaç is made from corn nişastası, rose water and sugar, and is usually served during Ramadan during the fast-breaking meal.

Künefe

Künefe is made from kadayıf and cheese and served hot. The homeland of künefe is in the Southeast of Turkey, Hatay. To feast on different types of delicious desserts, book your flight now.

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Setting out your sustainability journey

By Rachael Johnson, Global Head of Risk Management and Corporate Governance, for ACCA's Professional Insights

In the new dawn of accountancy, with the acceleration of existential risks, accountancy professionals should consider how they can add more value in helping organizations address the biggest risk of all – failing to address sustainability.

There are many ways that accountants can help Boards and senior management foster a sustainable company culture and it starts by looking at the bigger picture with all stakeholders needs and long-term values in mind. Stakeholder mapping is an effective exercise, which involves identifying, analysing and prioritizing the people and organizations that have a stake in your company's activities, to better understand their expectations and ensure they are considering the most impactful issues as you shape your strategy and the mindset behind

Our research has found that whilst the increasing collective action driven by institutional investors and prudential regulators across the globe has produced a keener awareness of environmental and social matters, organisations are not taking as much action, for example, on net zero pledges as shareholders and stakeholders would expect today and this is often because the mindset from the top, the Board and senior management, is not evident. This adds on from a previous report, Social and Environmental Value Creation (2019).

Once stakeholders' needs are considered, companies can identify both the risks that can impact the business as well as the external, systemic risks that the company's activities can make worse for society at large, for example, with their greenhouse gas emissions or potential gender pay gaps. The role of the accountants in creating applicable matrices to measure the risks is crucial for understanding the impacts and opportunities pertinent to your company and in providing the transparent information that stakeholders and shareholders are demanding. These measurements are the basis for setting the right objectives and deciding on which reporting frameworks can help you achieve them. If firms can measure risk, then they can improve business decisions around it.

Accountants also cannot underestimate the importance of how they communicate these risks and opportunities because materiality is becoming a much more powerful driver of strategy and risk management. Accountants can help Boards and senior managements understand materiality, as materiality itself also evolves, and advise them on defining the relevant key performance indicators (KPIs) needed to work out how the company is doing and key risk indicators (KRIs) to see where it is going.

By evaluating the risks and rewards of the ESG matters most relevant to the company, and what resources are required to manage them, accountants can provide decision makers with the key insights needed to set their business goals and navigate the uncertain future.

Risk and sustainability are not functions, they are mindsets that must be both top-down and bottom-up if they are addressed successfully. Accountants can place themselves as the ones cultivating this cultural shift by making sure Boards and senior management are well-informed and that the appropriate systems are in place to ensure the organization and its stakeholders are adhering to the same values.

Reporting the risks

From the polling results in our Addressing Sustainability Risks Roundtables, members around the world believe that reporting changes behaviour with many posting that it is a mechanism for accountability. However, the roundtable discussions reminded us that companies need to understand that this is far more than a marketing exercise. As a member in the US, who is head of internal audit a household brand in the travel and leisure industry said: "It is difficult to find the evidence to back our sustainability statement."

"Companies are at risk if they have policies to be net zero by 2050 but at the same time do not identify climate change as a significant risk. There's something they're not understanding, or they might be introducing net zero related policies for the wrong reasons," added another member.

One of the pain points for companies engaging in the sustainability reporting journey is deciding what to focus on and which issues to address. From ACCA members' perspective, materiality helps to answer this question. It is important to focus on the issues that matter to your business, but also the issues for which your company may have an impact. There are several reporting frameworks and using them is largely voluntary, and then there's the question of where you put the information. Do you put it in a sustainability report? Your regulatory disclosures? Members are increasingly migrating to a combination of both and in regulatory filings too. This echoes findings from a recent Professional Insights report,

Invisible threads: communicating integrated thinking (2021).

ESG: the new frontier of ERM

As the risks of environmental, social and governance (ESG) intensify and increasingly interconnect, the need for proper integration is vital to an organization's long-term success. An enterprise-wide view is necessary to do that effectively and attain the required mindset. Hence, the convergence of ERM and ESG continues to be an important area for accountants as regulators and other stakeholders increasingly force companies to report on their impacts.

Integrating ESG risks makes more sense to do from an enterprise-wide perspective because it allows the company to deal with them in a structured and more strategic way as part of its aggregate risk management. For example, monitoring and reporting KPIs and KRIs and leveraging existing metrics by repurposing them towards ESG goals. By doing so, a company more effectively reduces the downsides whilst also capturing opportunities and enhancing long-term performance.

A FCCA and Chief Risk Officer member from a large European-based insurer says accountancy professionals are in a unique position to sense and point out what issues are relevant to the organization and important for shaping strategies for the future with the pertinent ESG matters in mind. "We use six different sets of accounting standards, so there are a lot of computations to process and connect. Our analysis of this information is what helps steer the business by supporting our decision making and helping to define our risk appetite and consequence impacts on our stakeholders and the environment."

Nevertheless, we see companies struggling to cope with potential hurdles involved in integrating ESG risks into ERM frameworks. Getting the buy-in from the Board and persuading it and senior management to set the right tone is where it starts. Everyone across the company will have their own interpretations of what risk and sustainability mean, so objectives need to be well-publicised and understood. Climate change risks whilst urgent can be exceptionally broad and lead to a multitude of questions and different scenarios and strategies, for example. Various teams across the company will also have their own idea about which Sustainable Development Goals to consider and what to report. In addition, we find finance teams and internal audit teams around the world often finding it difficult to align ESG disclosures with sustainability statements, which in practice means that companies could be exposed to risks not always being accounted for as intended.

"When we talk about ESG, we have steering committees, leadership teams and support from our top executives. We know what our objectives and targets are and how they match up to the 17 SDGs. I also feel like we have the right numbers, but it goes beyond this because when it comes to Integrated Reporting, how are both internal and audit going to provide assurance on what's been collected versus what we're putting out there and saying this is what we've achieved," one member in the US confides.

Side pull-out quotes from members:

Giovanna Michelon, Head of the Accounting Group at University of Bristol School of Accounting and Finance, and Chair of ACCA's Global Forum on Governance, Risk and Performance

"What's special about environmental and social factors is that these risks are very much interconnected, and they potentially threaten the whole stability of the financial and industrial systems as we know it. This is why it becomes

vital that the risk management of a company has a set of reliable information on which to take decisions, and also disclose the information to external stakeholder investors in particular that are calling for this type of information.

Nguyen Nhu Yen Minh, FCCA and Senior Investment Manager, at Vietnam Holdings (VNH), an ESG investment management firm in Ho Chi Minh City

"When we talk to senior management at our investee companies, most of them admit that their business has fared better for using ESG as a warning mechanism for dealing with potential risks. Being more transparent and attractive to new investors simplifies their corporate structure and allows them to be more resilient and cost effective."

Side pull-out box "The art of climate reporting"

A wide range of factors including the nature of production processes and value chains, the location of the business sites, as well as relationships and interdependencies with customers and suppliers play a role in how companies are impacted by climate risks.

A Senior Partner at PwC in Kampala and panelist for the Uganda Addressing Sustainability Risk Roundtable event in March 2021, says support for clients in Eastern Africa tends to be more sector-centric but that in terms of the frameworks applied there is no one solution that fits all. "We help them understand the interconnectedness of financial and non-financial risks, but I always explain that it is becoming trickier to distinguish between the two because at the end of the day all these risks have a financial impact and that's why reporting on them is becoming mainstream."

A UK member attending another Addressing Sustainability Risk Roundtable adds that accountants need to be looking at certain costs as value adders. "Accountants should be attaching a value to those necessary costs that have benefits to the company, its stakeholders, and the planet. That way, you can also decipher which costs that don't add value and how you avoid that."

We have found that when it comes to sustainability, the quality of reporting is often for personal benefit. Standards that allow people to be held accountable are not being used, especially in the sectors like mining and healthcare where it's vitally important. Organisations often do the minimum required and that this is a bigger problem in that the costs are to society not the company. "Right now, companies can defer those costs to the government or to the community involved and therefore keep the benefit, but not the costs. This is a big argument from the economics point of view that the need to associate costs," he concludes.

Today's CFO is the protector of tomorrow's business resilience

By Sherman Gunatillake

With market uncertainty and disruptions across different business verticals christened as the 'New Normal', the chief financial officer (CFO) of the modern day has many elements to balance across the business. In such a context, strengthening business resilience is a crucial responsibility that a CFO has on his agenda. But has a CFO's focus become too narrow, making the company's short and long-term plans unbalanced?

What are the true components of business resilience?

A recent study conducted by McKinsey analysed more than 1,000 global organisations during the first wave of COVID. Out of these publically-traded organisations, McKinsey found out a smaller populace of 10% had performed extremely well during this economic downturn. How did they manage to ensure business resiliency during these challenging times?

They had three aspects. Firstly, these companies had put strong measures to empower Finance as an active function of the business effectively. This means that conversations stemming out of the finance function have become more relevant for employees, and these discussions have become immediately actionable across the business. Throughout the organisation, financial professionals have been placed strategically to unlock the value of siloed data to provide fresh perspectives to reimagine the business in challenging times.

Secondly, the finance function would have always been tested against a series of probable scenarios. These scenarios could include historical data analysis (an analysis of past events), an assessment of future-related disruptions and more. These help the CFO identify and discuss what the risk factors are for the business. Sharing these insights across the business elevated the Finance function as the true guardian of the organisation.

Finally, the CFO has been able to create vales and manage the topline and bottom line of the business perfectly and, at the same time, unravel the full potential of the business. This was a crucial aspect that the Finance function had to get right – to progress amidst challenging times, the CFO needed to ensure that the organisation's cash flow did not get disrupted. "Stay liquid" has been the name of the game in most organisations who were successful during the pandamic.

Data-driven business visibility empowers business resiliency

We can learn from the McKinsey study that business resilience and clear, actionable insights sync perfectly; they go hand-in-hand. If you look closer, the three aspects of becoming a truly resilient organisation do not only mean that a business continues to operate normally during times like these. It also means shining a guiding light across the whole business, to strengthen the Finance function further.

In such a context, it would be great if we, the financial professionals, ask ourselves some crucial questions to embed business resilience within every process of our enterprises. Several questions come https://www.mckinsey.com/business-functions/transformation/our-insights/a-primer-in-resilience-a-conversation-with-kevin-carmody to mind – how swiftly and consistently can your business react to events like COVID? What can you do to enable your employees to stay attentive and inspired during challenging times?

Of course, we will not have all the answers at our fingertips. But organisations could go a long way if they have a clear view of the business. A clear vision helps the finance department analyse relevant insights to identify opportunities and challenges, to craft long-term goals and plans. This can be particularly useful to support business-wide scenario planning.

Most importantly, an insight-driven approach will help a business tally its business data with human capital insights. This helps the CFO understand how different business units are responding to the test of change. These insights can be embedded into an organisation's long term strategy where they will be useful when safeguarding business value in varying markets and situations like market diversification. The CFO can play a crucial role by utilising next-gen digital technologies like AI, machine learning and blockchain, together with human innovation, to reimagine their businesses to fit into the new normal. By doing that, they can craft an internal strategy for business resiliency to support the organisation.

Graduating from cost optimization to wealth creation

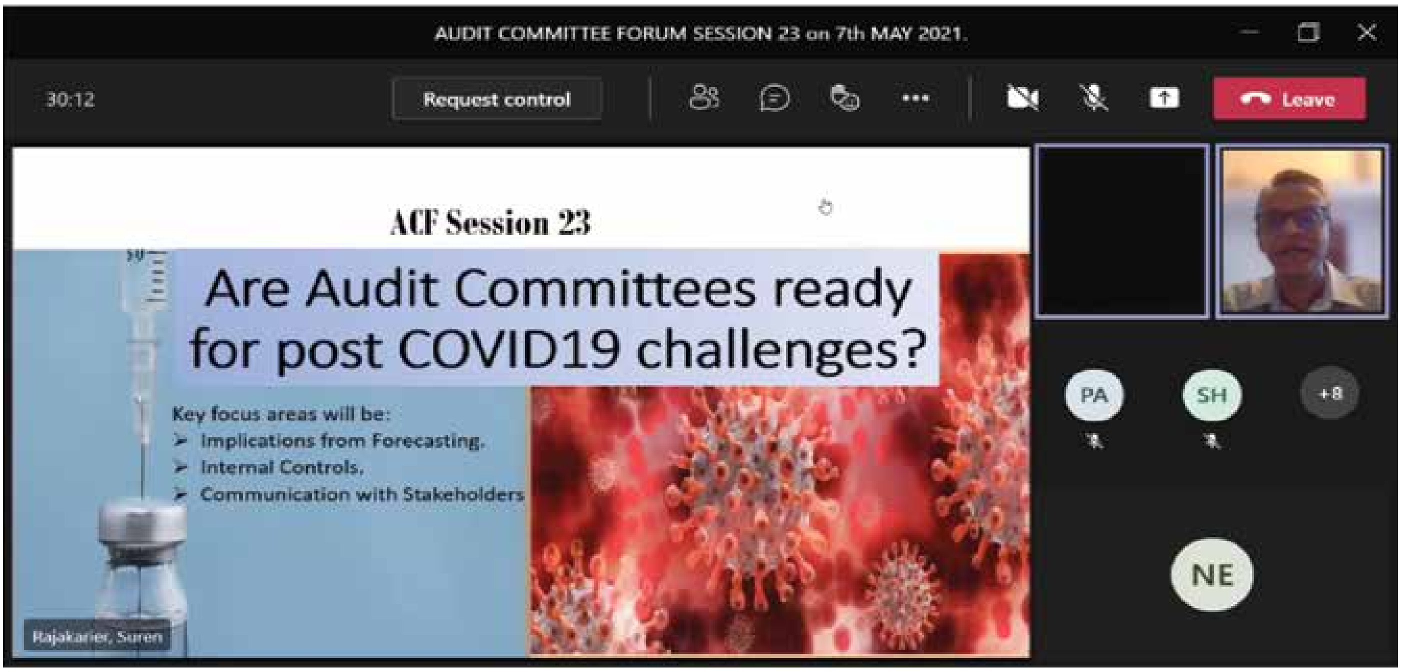
Most people are of the view that CFOs or finance professionals are there to save cost. I believe and continue to believe that cost optimization is a fundamental yet generic function of any business organization. Hence, the most important role of a CFO is to create wealth within the organization, which allows the business to absorb any internal and external shocks, while supporting the business model to reach new heights. The value creation within the organization enables fulfilling the aspirations of all stakeholders, irrespective of the unforeseen risks and tough times the business may have to go through.

I have seen these aspects enable us at 99x to create sustainable wealth within the organization, which has allowed us to navigate the stormy seas of the pandamic, while enhancing the employee emoluments.

Sherman Gunatillake is the Chief Financial Officer at 99x and spearheads the corporate controllership, procurement, treasury, investor relations, financial reporting, strategic planning and corporate development functions. He counts over 25 years of experience in investment banking, capital markets, asset management, private equity, M&A and privatizations, having started his career as an Investment Banker with JP Morgan Chase.

KPMG Sri Lanka and SLID host the 23rd Audit Committee Forum



The 23rd Audit Committee Forum of The Sri Lanka Institute of Directors in collaboration with KPMG, was held virtually on MS Teams on the 07th May 2021 to discuss the question "Are Audit Committees ready for post-COVID19 challenges?" and explore the critical role Audit committees play in helping companies to meet challenges that arise post pandemic. The discussions also addressed specific implications for Audit Committees and their stakeholders in a post COVID-19 environment, relating to Forecasting used for financial reporting, Internal controls operating in a remote environment and Effective communication with stakeholders.

The session comprised of a presentation by Raditha Alahakoon (Partner – Department of Professional Practice (DPP), KPMG Sri Lanka) on the topic 'Implications from Forecasting', followed by a panel discussion with Alastair Corera (Chairman – Citizens Development Business Finance PLC), Dilshan Perera (Group Finance Director – Laugfs Group), Anushya Coomaraswamy (Independent Non-executive director – Printcare PLC) and Nilam Jayasinghe (Group Director – Finance of Ceylon Biscuits Limited (CBL) Group of Companies) moderated by Suren Rajakarier (Partner – Head of Audit, KPMG Sri Lanka).

Implications from Forecasting

To provide effective oversight and help company executives navigate these challenging times, audit committees need to ask relevant questions of management to understand what alternatives will be considered in addressing key issues and to improve integrity of financial reporting.

In his presentation Raditha mentioned that in the face of the current challenges, Audit Committees should ensure that forecasts are entity-specific and are an unbiased estimation of the future, by identifying and eliminating any management bias in the forecasting process. In doing so, Audit Committees should seek clarity by asking direct and targeted questions from the management on the following areas:

(1) Data, systems and people: Pay attention to the processes in place for forecasting, the validity of the data used, the management review controls over forecasting and the capability of the employees engaged in forecasting.

(2) Methods and key assumptions: Question appropriateness of accounting estimates, alternatives and multiple scenarios assessed, and consideration of high-impact, low probability events.

(3) Estimation uncertainty: Consider the assessment and mitigation of forecasting uncertainty and adequacy of stress testing and sensitivity analysis. Retrospective analysis of actual performance vs what was projected and understanding the reasons for deviations can improve the quality of forecasts.

(4) Disclosures in financial statements: Accuracy and adequacy of disclosures and how they compare with peers

Further he went on to say that Audit Committees should ensure that the forecasting process has the flexibility to generate projections under multiple scenarios and drill down to granular level.

The panelists presented their views on the practicalities of forecasting in challenging times like now and highlighted the importance of conducting a scenario analysis as a standard practice, using a wider data-set rather than the most immediate past and being aware of the inbuilt 'recency' bias which gives greater importance to recent events. The importance of the audit committee obtaining the relevant data and assumptions from the management, which will in turn allow them to raise the correct questions was also highlighted as an important practice.

Internal Controls

The discussions focussed on; How to address challenges in physical inventory counts?, Appropriateness of segregation of duties in light of changes in job responsibilities or personnel, Cyber risk controls in the context of a remote workforce and Opportunities available to Audit Committees to improve the entity's control environment.

The importance of documenting a clear process which ensures segregation of duties, physical controls and effective handing-over of duties were cited as more important under current circumstances. Frequent physical inspection of items of inventory and reporting to the Audit Committee in order to address risks from remote working like cyclical inventory checks (perpetual counts) and use of digital tools for virtual monitoring were emphasized.

Communication with stakeholders

The final topic of the session covered the appropriateness of disclosure of accounting judgments and estimates for financial reporting resulting from uncertainties and volatility due to COVID-19. Additional disclosures were recommended on the assumptions made relating to impairment and valuations, credit risk management disclosures such as debtor management and exposure to liquidity risk. It was also noted that investors would like to see companies disclosing more information on market comparisons, although this is a challenge due to management's view that such disclosures would give competitors an unfair advantage.

As the forum drew to a close, Suren highlighted the Audit Committee's role in understanding the requirements of SLFRS's and business implications of forecasting on accounting judgments—such as potential impairments, recovery of deferred tax assets and going concern considerations which are driven by forecasts. He added that Audit committees should ask relevant questions from management to ensure integrity of financial reporting.

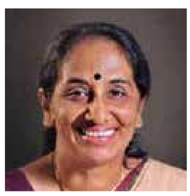
KPMG Sri Lanka in collaboration with Sri Lanka Institute of Directors (SLID) facilitates the Audit Committee forum which seeks to bring together Audit Committee Members to discuss key issues and challenges that face them in order to guide them to perform their roles more effectively.

Moderator
Suren Rajakarier
Partner – Head of Audit
KPMG Sri Lanka

Raditha Alahakoon
Partner – Department of Professional Practice
KPMG Sri Lanka

Alastair Corera
Chairman
Citizens Development Business Finance PLC

Dilshan Perera
Group Finance Director
Laugfs Group



Anushya Coomaraswamy
Independent Non-Executive Director
Printcare PLC

Nilam Jayasinghe
Group Director – Finance
Ceylon Biscuits Limited (CBL) Group of Companies

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THE SRI LANKA INSTITUTE OF DIRECTORS

ROLE OF THE COMPANY SECRETARY

Authored by members of the Board Secretaries Forum

The Company Secretary similar to a director is a statutory officer of the Company. He/She has particular responsibility for governance within the Company including:

a) ensuring compliance with statutory and regulatory requirements,

b) ensuring that decisions of the board of directors are implemented,

c) governance practices being adopted in the Company,

d) conduct at Board and sub-committee compositions.

e) dissemination of information

f) communication, advice and arbitration between the company, its shareholders and the regulatory authorities.

The duties as an officer of the Company and those undertaken as a matter of established best practice, form the basis of what has been defined as core duties and are those which all Company Secretaries must attend to in order to comply with the law, regardless of the terms of their individual contracts of employment.

The fiduciary duties of directors who are officers of the Company apply equally to the Company Secretary. Therefore, the following fiduciary duties apply equally to both the directors and the Company Secretary.

a) To act in good faith in the interests of the Company

b) Not to act for any collateral purpose, to avoid conflicts of interest, and

c) Not to make secret profits from dealings for and on behalf of the Company.

Role of the Company Secretary

Practically, the role of the Company Secretary can be classified into three main areas, which are the Board, the Company and the Shareholders. Within each area the Company Secretary's role can be very diverse and depend on the manner of implementation by each Company.

The Board

- Ensure that the procedure for the appointment of directors is properly carried out.

- Assist in the induction of directors, including assessing the specific training needs of directors/ executive management.

- Provide comprehensive practical support and guidance to directors both as individuals and as a collective with particular emphasis on supporting the non-executive directors:

- Facilitate the acquisition of information by all board and committee members so that they can maximize their ability to contribute to board meetings, discussions etc;

- Assist in the compilation of board papers and to filter them to ensure compliance with the required standards of good corporate governance.

- Ensure the meetings and resolutions of the board are properly held and passed to raise matters which may warrant the attention to the board.

- Act as an advisor to the Board on regulatory aspects of SEC, CSE and Companies Act and Governance rules

The Company

The Company Secretary should ensure compliance with all relevant statutory and regulatory requirements and will have duties associated with the operation of the business.

- Due regard should be paid to the specific business interests of the Company, for example, a manufacturing Company may require a different approach and will operate in a different regulatory framework from that of a bank or a financial services company.

- The Company Secretary should assist with the implementation of corporate strategies including helping to ensure that the board's decisions and instructions are properly carried out and communicated and

- Be available to provide a central source of guidance and advice within the Company on matters of business ethics, good corporate governance and the legal and regulatory compliance.

The Shareholders

The Company Secretary will be at the centre of all matters connected with the Company's Shareholders or Stakeholders. The Company Secretary needs to;

- Communicate with shareholders as appropriate and to ensure that due regard is paid to their interests;

- act as a primary point of contact for all the shareholders and proxy voting / corporate governance advisers.

In servicing the aforementioned areas, i.e.the Board, Company and the Shareholders, the Company Secretary plays a major role in the day-to-day operations of a Company. Various Statutes have legalized the duties and responsibilities of the Company Secretary while certain other duties and responsibilities are implied. Appointment and the removal of the Company Secretary should be a matter for the Board as a whole.

The following list is not an exhaustive list of ***responsibilities of the Company Secretary***, but provides generally accepted duties and responsibilities in a broader perspective.

Board Meetings

- Facilitating the smooth operation of the Company's formal decision making and reporting machinery.
- Organising Board and Board Committee meetings (eg:- audit, remuneration, nomination Committees etc.).
- Formulating meeting agendas with the Chairman and/or the Chief Executive and coordinating with the management on Board papers, memoranda or presentations for the meeting.
- Collecting, organizing and distributing such information, documents or other papers required for the meeting.
- Ensuring that all proceedings of the meetings are minuted and that the minute books are maintained with signed copies of the minutes.
- Monitoring that all Board Committees are properly constituted and provided with clear terms of reference.

General Meetings

- Ensuring that an annual general meeting is held in accordance with the requirements of the Companies Act and the Company's Articles of Association.
- Obtaining relevant approvals of all documentation for circulation to shareholders.
- Preparing and issuing notices of meetings and distributing proxy forms.
- Coordinating responses for any shareholder question for which notice has been given or is anticipated.
- Overseeing the arrangements for the meetings including attendance, logistics and security.
- Ensuring that proxy forms are correctly processed and that the voting is carried our properly and captured accurately and also being prepared for voting by a poll in case such is required.
- Ensuring the previous meeting minutes are available for scrutiny at the general meeting.
- Ensuring that minutes of the meetings are maintained, and they are adopted at the next Board Meeting following the general meeting.

Articles of Association

- Ensuring that the Company complies with its Articles of Association.
- Drafting and incorporating amendments in accordance with correct procedures.

Reports, Accounts and Documentation

- Coordinating the publication and distribution of the Company's Annual Report and Accounts and Interim Statements, in consultation with the Company's internal and external advisers, in particular, when preparing the Directors' report.
- Preparing the Directors' Report as specified in the Companies Act and obtaining Board's approval.
- Attending to all shareholder communications. If the maintenance of the share register is outsourced to another company, then the Company Secretary should liaise with the external registrar to ensure all shareholder matters have been promptly attended. Although an external registrar handles this part of the work, the Company Secretary will be liable for any failure of compliance with relation to the law.
- Maintaining the following registers:
  - Register of Members
  - Register of Company charges
  - Register of Directors and Secretary
  - Register of Directors' interests in shares and debentures
  - Debenture Holders (if applicable)
  - Interests Register (i.e. record on related parties and related party transactions)
  - Seal Register
- Filing information with the Registrar of Companies to report certain changes regarding the Company or to comply with requirements for periodic filing. Of particular importance in this regard are:
  - Annual Returns
  - Financial Statements
  - Amended Articles of Association
  - Returns of Allotments
  - Notices of Appointment, Removal and Resignation of Directors and the Secretary.
  - Notices of Removal or Resignation of the Auditors.
  - Change of Registered Office.
  - Resolutions in accordance with the Companies Act.

- Issuing and signing of Share Certificates.

Corporate Governance

- Continually reviewing developments in corporate governance (both for mandatory and voluntary compliance).
- Facilitating the proper induction of Directors into their role.
- Advising and assisting the Directors with respect to their duties and responsibilities, in particular compliance with company law and other relevant legislations and regulations including but not limited to SEC, CSE, SLAASMB, CBSL, IBSL.
- Acting as a channel of communication and information for Non-Executive Directors.
- Acting as a channel of communication with shareholders and ensuring good general shareholder relations.
- Making necessary disclosures on related parties and related party transactions required by laws and regulations.

Stock Exchange Requirements (for Listed Companies)

- Monitoring and ensuring compliance with the listing rules.
- Managing relations with the Stock Exchange.

Other

- Assisting the Board in implementing and administering Directors' and employees' share participation schemes.
- Ensuring the safe custody and proper use of any Company seals.
- Attending to the receipt, coordination and distribution of official correspondence received by the Company, sent to its registered office.
- Coordinating the inspection of Company documents as required by laws in consultation with the Board.
- Ensuring that all business letters, notices and other official publications of the Company show the name of the Company and any other information as required by the Statutes and that Company name plates are displayed in a conspicuous place.
- Maintaining a record of the group's structure.
- Monitoring and laying in place procedures which allow for compliance with relevant regulatory and legal requirements, particularly under the Companies Acts including legal requirements on retention of documents.
- Signing documents or records of proceedings requiring authentication by a Company.
- Obtaining legal advice in consultation with the Board on company law, SEC, CSE and other relevant legislations in ensuring that the Company complies with all applicable laws and regulations.
- Coordinating legal matters relating to alleged offences in company law, SEC, CSE and other relevant legislations.
- Informing any change in Company Secretary to the CSE (for listed companies).
- In addition, to the above, the following provisions also should be considered by companies.
- Where a body corporate holds the position of the Company Secretary, requiring them to designate a person by name as their representative dealing with secretarial matters of the Company.

Liabilities of a Company Secretary

Liabilities of a Company Secretary may be studied under two headings –

1. Statutory liabilities and
2. Contractual liabilities

Statutory liabilities – a reference has already been made to the obligations imposed on the company secretary, being the chief administrative officer of the company, under the Companies Act, and SEC rules etc. Obviously, failure to perform the duties entrusted under the various Acts exposes the Company Secretary to penalties. The statutory liabilities are prescribed by the Companies Act - a few statutory liabilities of the Company Secretary under different sections of the Companies Act are listed below.

- Failure to file statutory documents with the ROC
- Failure to maintain statutory Registers.
- For default in holding the Annual General Meeting and other Statutory Meetings and filing of statutory reports/accounts.

Contractual liabilities - A Company Secretary has also certain liabilities arising out of his/her implied contract of service with the Company. So long as he/she acts within the scope of his authority, in good faith, bona fide and take reasonable care in the discharge of his duties, he/she incurs no personal liability. He/she should also possess the knowledge to discharge the duties of a Company Secretary. But he/she will be held personally liable to make the good the loss to the Company for willful negligence or misconduct or fraud committed within the scope of his employment. He/She also becomes personally liable if he/she acts beyond his authority, for any loss suffered by the Company or any third party on account of his action.

SECRETARIAT NEWS

UPCOMING EVENTS

THE SRI LANKA INSTITUTE OF DIRECTORS

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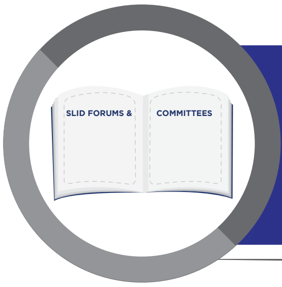
Growing our membership to more than 1000 members

Successful digital delivery of our seminars/programmes to rise above Covid-19 challenges



Dedicated and valued members that drive our committees and forums

Bespoke Director Training Programme

Prestigious New office space : Cinnamon Grand Colombo

For more information, contact the SLID Secretariat at Tel: 0113 620 609/13 or E-mail : ops@slid.lk

A note to our outgoing Chairman – Mr. A.R. Rasiah

As your tenure as Chairman SLID draws to an end, we take this opportunity to thank you for your stewardship and guidance throughout the past 2 years. Your term will be remembered as possibly the most challenging, considering the two unprecedented years Sri Lanka had to face. You however, gave generously of your time and resources, never flinching in the face of difficult circumstances.

A famous activist once said, "Wisdom is knowing what to do next; virtue is doing it". Mr. Rasiah – to us you were both wise and virtuous!

Thank you for your contribution to SLID.

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Mrs. Ashani S. Jayasinghe
Director
Antler Holdings (Pvt) Ltd

Mr. Thulitha R. Wanigasinghe
Director
Dyvesta (Pvt) Ltd

Mrs. Dilhani Weerarathna
Managing Director
RTA Logisitcs (Pvt) Ltd

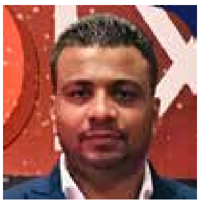
Mr. Senitha M. Wanigasinghe
Director
Dyvesta (Pvt) Ltd

Mrs. Chamila R.K. Bandara
Director/CEO
Mountain Hawk Express (Pvt) Ltd

Mr. Gamini K.A. Kuruppu
Managing Director
Pan Global Property Developers (Pvt) Ltd

Mr. Hashan C. Costa
Director
United Logistics Colombo (Pvt) Ltd

Mr. Adam M. Brooker
Director of Global Operations
Muve Colombo (Pvt) Ltd



Mr. M. Roshen Herath
Managing Director
United Logistics Colombo (Pvt) Ltd

Mr. Channa S. Manoharan
Director
PriceWaterhouse Coopers (Pvt) Ltd

Mr. Saad D. Mansoor
Chief Financial Officer
Linearsix (Pvt) Ltd

Ms. Sushanya Samarakkody
Director/CEO
S.A. Perera & Company (Pvt) Ltd

Mr. Shrihan B. Perera
Consultant/Independent Director

Mr. Supun T.D. Rajapaksa
Director/CEO
Infopercept Consulting Lanka (Pvt) Ltd

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Alpha Business School	✓	✓	✓	✓
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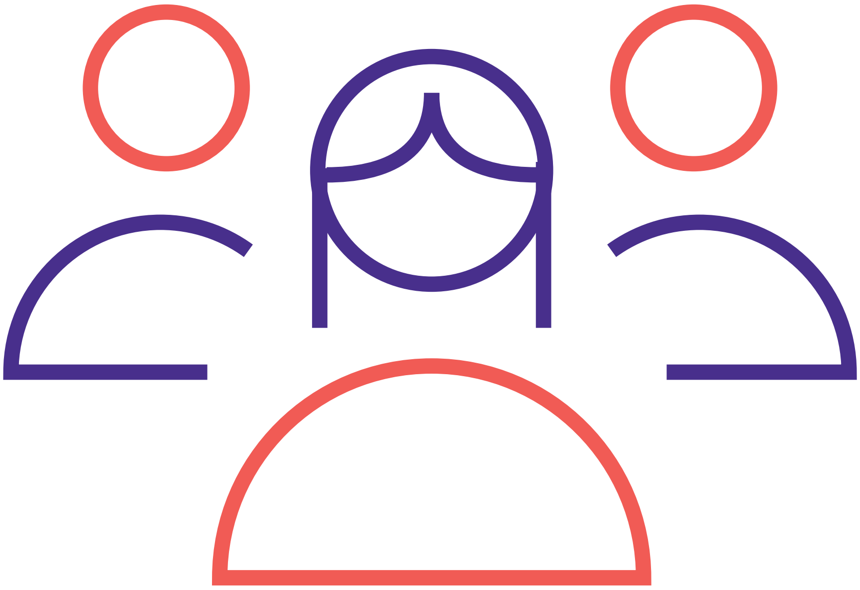

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