

A STRUCTURE THAT DRIVES PERFORMANCE AND ACCOUNTABILITY

A MANAGEMENT TEAM THAT PROVIDES EXCEPTIONAL LEADERSHIP



**A.R. PANDITHAGE**  
Chairman/Managing Director



**A.G. PANDITHAGE**  
Director/Chief Executive Officer



**S.C. ALGAMA**  
Executive Director



**M.V. BANDARA**  
Executive Director



**B.C.S.A.P. GOONERATNE**  
Executive Director/  
Chief Financial Officer



**R.K.J. GUNASEKERA**  
General Manager –  
Business Development & Innovation



**E.D.C. KODITUWAKKU**  
General Manager –  
Finance & Controlling



**D.N.K. KURUKULASURIYA**  
Chief Human Resources Officer



**P.K.W. MAHENDRA**  
Executive Director



**C.R. PANDITHAGE**  
General Manager –  
Mercedes – Benz Vehicle Sales



**A.N. RANASINGHE**  
Executive Director/  
Chief Marketing Officer



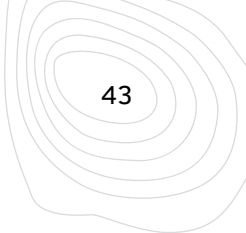
**S.R.W.M.C. RANAWANA**  
Executive Director



**V. WICKRAMARATNE**  
Chief Operating Officer –  
Marketing and Distribution

Skills and expertise of the GMC





**Key Focus Areas in 2019/20**

- Inculcating DIMO corporate culture and code of ethics in newly-acquired ventures
- Business process re-engineering to improve efficiency and effectiveness
- Corporate brand re-positioning

**THE BOARD’S ROLE IN RECOGNISING, ASSESSING AND CAPITALISING ON ATTRACTIVE OPPORTUNITIES THAT COMPLEMENT THE GROUP’S OVERALL ASPIRATION ENSURES THE GROUP’S LONG TERM SUSTENANCE AND SUCCESS. IN THIS SPIRIT, THE BOARD PROVIDES BUSINESS LEADERSHIP BY FORMULATING REQUISITE STRATEGIES TO DIRECT THE GROUP TO ITS DESIRED ASPIRATION.**

**A FRAMEWORK THAT REFLECTS OUR COMMITMENT TO ACCOUNTABILITY AND TRANSPARENCY**

The Board of Directors bears the overall responsibility for good governance, requisite transparency, stewardship and for accountability towards all stakeholders. The governing framework depicts how the Board of Directors has structured the governing body to better discharge the responsibilities and accountability bestowed upon them. The framework includes Board committees and management committees facilitated by a regulation framework and an assurance and certification process.

Figure 05: Governance framework

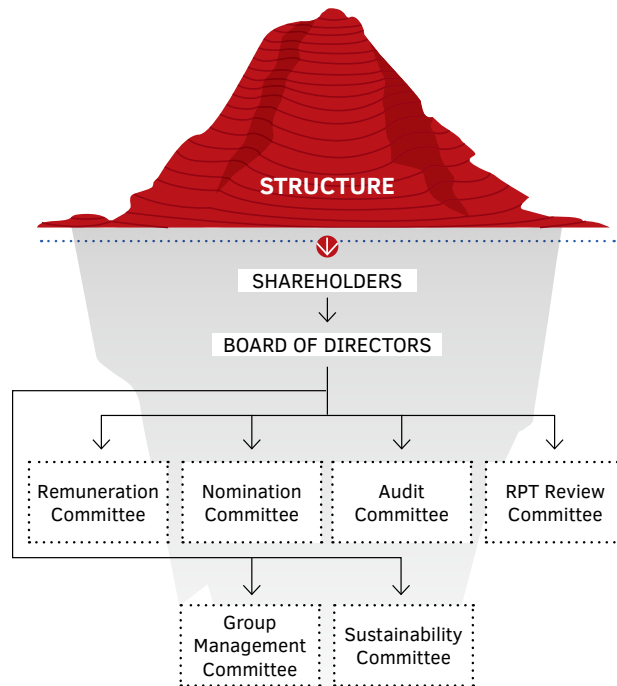
**Compliance and Adherence**

**MANDATORY COMPLIANCE**

1. Companies Act No. 07 of 2007
2. Sri Lanka Accounting and Auditing Standard Act No. 15 of 1995
3. Other legislative enhancements affecting the Company
4. Listing Rules of Colombo Stock Exchange
5. Articles of Association
6. SEC regulations

**VOLUNTARY ADHERENCE**

1. Code of Best Practices jointly issued by SEC and CA Sri Lanka
2. UNGC ten principles
3. Code of Business Ethics of DIMO
4. GRI Standards
5. Quality Management System
6. Environmental Management System
7. Internal Control System



**Assurance**

**ASSURANCE ON THE FINANCIAL STATEMENTS**

Independent Audit

**ASSURANCE ON NON-MONETISED INFORMATION**

Independent review and assurance report

**INTERNAL AUDIT**

Review of systems, controls, processes and operations

**INDEPENDENT CERTIFICATIONS**

QMS audit and certification

EMS audit and certification

## A STRUCTURE THAT DRIVES PERFORMANCE AND ACCOUNTABILITY

The purpose of the governance framework depicted in Figure 05 is to establish a point of reference that ensures achieving of desired results. Table 02 elaborates how the governance framework facilitates the successful execution of value creation through its carefully implemented point of references.

**Table 02: Creating value through governance**

Aspects related to value creation	Key conformance aspects	Point of reference
Maintaining a strong financial position that stimulates long-term growth	Internal controls and internal audits to govern monetised resource allocation and utilisation	Audit Committee
	Managing uncertainties pertaining to monetised resources	Risk Management Framework
	Assurance on successful application of internal controls	Audit Committee
Fostering long-term customer relationships	Ethical marketing	Independent Auditors
	Customer health and safety	ISO 9001:2015 accredited Quality Management System
	Customer privacy	ISO 9001:2015 accredited Quality Management System
Developing an engaged, agile and innovative pool of talent	Employee safety	ISO 9001:2015 accredited Quality Management System and SA 8000 accredited Social Accountability Management System.
	Employee rights	SA 8000 accredited Social Accountability Management System
	Equal opportunities	Code of Business Ethics and SA 8000 accredited Social Accountability Management System
	Reducing gender inequality	UN Global Compact Principles and SA 8000 accredited Social Accountability Management System
	Compliance with legislation and regulations relating to employees	SA 8000 accredited Social Accountability Management System
Being a foremost and sought-after corporate in Sri Lanka to form strategic business partnerships	Compliance with principals' requirements of ethical practices	Code of Business Ethics and SA 8000 accredited Social Accountability Management System
	Honouring agreements with principals	ISO 9001:2015 accredited Quality Management System
Positioning DIMO brand	Enhancing and preserving the reputation by aligning employee behaviour with the values set forth in DIMO's corporate strategy.	ISO 9001:2015 accredited Quality Management System

Aspects related to value creation	Key conformance aspects	Point of reference
Being responsible along the value chain	Harnessing public trust by adopting best practices relating to governance and sustainability.	Code of Best Practice on Corporate Governance issued by Institute of Chartered Accountants of Sri Lanka CSE Listing Rules Articles of Association GRI Standards for sustainability reporting
	Strengthening customer trust by ensuring data security and customer privacy.	ISO 9001:2015 accredited Quality Management System
	Complying with all requirements of the Environment Management System	ISO 14001:2015 accredited Environmental Management System
	Meeting legal and regulatory requirements regarding the environment	ISO 14001:2015 accredited Environmental Management System UN Global Compact Principles Code of Business Ethics
	Anti-corruption	Code of Business Ethics
	Responsible corporate behaviour	UN Global Compact Principles
	Ensuring that all taxes are paid accurately and on time	Legislative enactments appropriate to the Group
	Meeting regulatory standards with regard to products and services	ISO 9001:2015 accredited Quality Management System
	Meeting regulatory standards and being ethical when performing supply chain activities	Code of Business Ethics
	Product responsibility	ISO 9001:2015 accredited Quality Management System
Proactively managing material aspects that affect value creation	Risk identification, evaluation and management	Audit Committee
		Internal Controls
		Internal and External Audits

## Board of Directors

### Board balance and its independence

The Board consisted of 13 members throughout the financial year 2018/19. The Directors bring a range of diverse skills, expertise and competencies to the Board to facilitate the effective discharge of Board responsibilities. Among the main areas of expertise and knowledge possessed by the Board are engineering capabilities, strategic business acumen, financial expertise, governance and law. The Board also enjoys the services of four qualified

accountants who provide financial acumen and knowledge relating to matters of finance.

All Directors must, by duty, act with independence of mind and in the best interests of the Company. This mandate is enhanced by the presence of four Non-Executive Directors, of whom three are Independent Directors. Mr. A.N. Ranasinghe, who was an Independent Non-Executive Director as at 31st March 2018, was appointed as an Executive Director of the Company with effect from August 2018.

Rule No. 7.10.3 of the listing rules of the Colombo Stock Exchange requires that an explanation be provided in the event a Director is considered an Independent Director after serving the Board continuously for a period of more than nine years. Mr. R. Seevaratnam and Dr. H Cabral, whose tenures as Directors have exceeded nine years, continue to be considered Independent Directors. The required explanation is given on pages 94 to 97 in the Annual Report of the Board of Directors.



Brief profiles of the members of the Board are given on pages 40 to 41