

## **CORPORATE GOVERNANCE, NOMINATIONS AND RE-ELECTION**

There shall be a Nominations and Governance Committee to maintain a formal procedure to appoint new Directors, re-appoint and re-elect Directors to the Company, its investee companies and its unlisted subsidiaries (as relevant). The composition of the Committee shall be in accordance with the Corporate Governance Rules of the Colombo Stock Exchange. The Committee will also advise and make recommendations to the Board with respect to corporate governance requirements under the CSE Rules.

### **1. MEETINGS**

The Nominations and Governance Committee will meet at least twice a year and may convene further meetings as circumstances require. Two (02) Members will constitute the quorum for the time being and such Members may meet in person or *via* tele or video conference on any platform as may be determined by the chairperson. Decisions may also be made by circulation of papers to the Committee Members and approvals granted by all the Committee Members shall have the same effect as a decision/approval given at a Meeting of the Members.

The Secretary, in conjunction with the chairperson shall draw up an Agenda which shall be circulated at least one (01) week prior to each Meeting, to the Members of the Committee. The minutes of the meetings of the Committee shall be circulated to all Members of the Nominations and Governance Committee and the Board.

### **2. ATTENDANCE**

Any Director of the Board and the Chief Executive Officer/Director-in-Charge and other members of senior management may be invited to attend Meetings of the Nomination and Governance Committee at any point of time during the Nomination Committee deliberations.

The Committee may also invite appointed external consultants to aid the Committee in the discharge of its duties.

### **3. FUNCTIONS**

The functions of the Nominations and Governance Committee shall include the following;

- (i) evaluate the appointment of Directors to the Board and the Board Committees of the Company and screen and recommend selected individuals to the Board. However, a member of the Nominations and Governance Committee shall not participate in decisions relating to his/her own appointment.
- (ii) Consider and recommend (or not recommend) the re-appointment / re-election of current Directors taking into account;

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- the combined knowledge, skill, experience, cultural compatibility, performance and contribution made by the Director to meet the strategic demands of the Company and the discharge of the Board's overall responsibilities; and
  - the number of directorships held by the Directors in other listed and unlisted companies and other principal commitments.
- (iii) Review the formal and transparent procedure to evaluate, select and appoint / re-appoint Directors of the Company.
- (iv) Review the set of criteria for selection of Directors such as the qualifications, skills, experience, cultural compatibility and key attributes required for eligibility, taking into consideration the nature of the business of the Company and industry specific requirements. The Committee's recommendations shall be based on, among other things, the individual's independent thinking, character, ability to exercise sound judgement, demonstrate leadership, ability and willingness to commit sufficient time to the Board, and relevant skills and experience in the context of the evolving needs of the Board.
- (v) Review the process for the periodic evaluation of the performance of the Board and CEO (if any) of the Company to ensure that their responsibilities are satisfactorily discharged.
- (vi) Review succession plans for the Board of Directors and Key Management Personnel of the Company
- (vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities and make recommendations to the Board with regard to any changes.
- (viii) Review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules of the CSE, other applicable regulatory requirements.
- (ix) Periodically review and update the corporate governance polies/framework of the Company in line with the regulatory and legal developments relating to same, as a best practice.
- (x) Receive reports from the management in compliance with the corporate governance framework of the Company including the Company's compliance with provisions of the SEC Act, Listing Rules of the CSE and other applicable laws, together with any deviations/non-compliances and the rationale for same.

### 4. REPORTING

The chairperson of the Nomination and Governance Committee shall report to the Board concerning the Committee's activities with such recommendations as the Committee deems appropriate at least once a year.

### 5. SECRETARY

Director/Head of Company Secretarial Division of Carsons Management Services (Private) Limited for the time being shall be the Secretary of the Nominations and Governance Committee.

**6. ADVISORS**

The Committee is authorized by the Board to seek appropriate professional advice inside and outside the Company, as and when it considers this necessary.

**7. ETHICAL CONDUCT**

The Members are expected not to divulge either directly or indirectly to any person at any time, information acquired during the conduct of Nomination and Governance Committee affairs.

A Member of the Committee should not participate in decisions relating to his/her own appointment.

**8. IMPLEMENTATION AND POLICY REVISION**

The implementation of this policy is the responsibility of the Board of Directors and this Policy must be reviewed at least once in every two years. It may be amended at any time with the approval of the Board of Directors of the Company.

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