

POLICY ON BOARD COMMITTEES

Purpose

This Policy on Board Committees establishes the framework for the operation and governance of the Board Committees.

These Committees have been formed in compliance with the Listing Rules of the Colombo Stock Exchange (CSE) and are crucial for effective oversight and governance.

Internal guidelines and processes shall be implemented to align with the provisions of this Policy.

Board Committees

The Board shall ensure that the following Board Committees are in place at a minimum and are functioning effectively:

- Board Audit and Risk Committee;
- Board Nominations and Governance Committee;
- Board Related Party Transactions Review Committee;
- Board Remuneration Committee;

Delegation of powers

The Board of Directors have the power to delegate any one or more of its powers other than those specified in the sixth schedule to the Companies Act No. 07 of 2007. (as amended)

The Board shall carefully study and clearly understand the delegation arrangements in place.

The Board shall not delegate any matters to a Committee, Chief Executive Officer, Executive Directors or key management personnel, to an extent that such delegation would significantly hinder or reduce the ability of the Board as a whole to discharge its functions.

Terms of references

Each Board Committee shall operate within a Board approved Terms of Reference, which shall be reviewed and approved on an annual basis.

Authority and responsibilities

Board Committees are authorized to investigate any activity within the Terms of Reference.

Board Committees shall be responsible in recommending actions to the Board and ensuring compliance with regulatory requirements.

Unless explicitly empowered by the Board, Board Sub- Committees are not authorized to make binding Board decisions. Even in instances where the powers have been delegated, the ultimate responsibility shall still vest with the Board.

Committee composition and membership

The Committee composition, expertise and experience of the members shall be defined in the Terms of Reference.

The Chairman of each Board Sub- Committee shall be appointed by the Board.

Reporting requirements

Each Board Committee is required to report to the Board after each meeting, providing a summary of discussions, findings and recommendations.

Each Board Committee shall annually report to the shareholders of the activities undertaken during the year.

Applicability

This policy shall be applicable to the Board of Directors.

Effective date

24.09.2024

Review and modifications

This policy shall be reviewed annually by the Board of Directors on the recommendations of the Board Nominations and Governance Committee.