

Boundless Impact

Nominations and Governance Committee Report



Nominations and Governance Committee Report

The Board has an established Nominations and Governance Committee which complies with Section 9 of the Listing Rules of Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.

The Board has approved well-defined terms of reference outlining the Committee's purpose, composition, quorum, authority, responsibilities, and meeting related matters.

Hayleys Group Services (Private) Limited, the Secretaries of the Company, acts as the Secretary to the Committee.

COMPOSITION OF THE COMMITTEE

The Committee is appointed by and is responsible to the Board of Directors and comprises two Independent Non-Executive Directors and one Non-Executive Director.

The current members of the Committee are Mr. Yohan Perera (Chairman), Mr. Nanda Fernando (Independent Non-Executive Directors) and Mr. Sarath Ganegoda (Non-Executive Director).

ATTENDANCE AT COMMITTEE MEETINGS

The Committee had two formal meetings during the year and the member attendance records are given below.

DUTIES OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

- To establish and maintain a formal and transparent procedure to evaluate and recommend the appointment of Directors of the Company considering the required skills, experience and qualifications necessary.
- To establish and maintain a set of criteria for selection of Directors such as academic / professional qualifications, skills, experience and key attributes required for eligibility taking into consideration the nature of the business of the Company and industry specific requirements.
- To consider and recommend (or not recommend) the re-election of current directors taking into account the combined knowledge, experience, 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 Director in other listed and unlisted companies and other principal commitments.
- To establish and maintain a suitable process for the periodic evaluation of the performance of the Board Directors and the Managing Director of the Company to ensure their responsibilities are satisfactorily discharged.
- To review the succession plans for Board of Directors and Senior Management.
- To review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules and other applicable regulatory requirements and industry best practices.
- To review and update the corporate governance policies/ framework in line with regulatory and legal developments relating to same.
- To receive reports from the Management on compliance of the corporate governance framework of the Company including the Company's compliance with provisions of the Securities and Exchange Commission Act, Listing Rules of the Colombo Stock Exchange and other applicable laws and reasons for any deviations or non-compliances.

ACTIVITIES DURING THE YEAR

The Committee reviewed and evaluated the profiles of proposed Directors and recommended their appointment to the Board. The Committee also reviewed the structure and composition of the Board and Board Committees and recommended additions to Committees. Board performance evaluation was carried out and discussed at Board meetings. This

Name of the Member	Directorship status	Committee Membership status	No of meetings eligible to Attend	Number of meetings Attended
Mr. Yohan Perera	Independent Non-Executive Director/SID	Chairman	2	2
Mr. Nanda Fernando	Independent Non-Executive Director	Member	2	2
Mr. Sarath Ganegoda	Non-Executive Director	Member	2	1

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entails the evaluation of performance of the Board, its Committees and the performance of the Managing Director.

Any major issues relating to the Company are updated to the Independent Directors by the Chairman or Managing Director.

The Policies of the Company were reviewed during the year and necessary amendments were incorporated. The Committee ensured that the Policies were uploaded on the Company website. Subcommittee Charters and Terms of Reference were reviewed and amended where necessary. The list of Policies of the Company is given on page 241 of the Report of the Board of Directors.

The Committee also checked the Independence of the Directors against the criteria for independence as set out in the Listing Rules. The Committee ensured that the declaration of independence is carried out by the Independent Directors and concluded that all Independent Directors of the Company meet the criteria for determining independence. The Committee also evaluated all the Directors against the Fit and Proper assessment criteria.

The Committee ensured that Corporate Governance rules stipulated by the Colombo Stock Exchange are adhered to by the Board and the Company throughout the year. It has further established Board diversity by bringing a wide range of experience and skills, age and gender diversity to the Board to make certain that the Board effectively performs its duties.

Newly appointed Directors were inducted to the Board by giving adequate information on the Group companies and their respective local and foreign operations. They were also updated on the listing rules on corporate governance and securities market regulations. An update was given to the Board on the Data Protection Act and the Anti Bribery and Corruption Act.

RE-APPOINTMENTS / RE-ELECTIONS

One Third (1/3) of all directors, except the Managing Director and those who have been appointed to the Board since the last Annual General Meeting, retire by rotation in terms of the Articles of Association and being eligible submit themselves for re-election at the Annual General Meeting.

Accordingly, the Committee has recommended to re-elect Mr. M.S.P. Udaya Kumara, Mr. Brahman Balaratnarajah, Mrs. Shamalie Gunawardana and Mr. Sarath Ganegoda, to the Board at the Annual General Meeting to be held on 26th June 2025, based on their performance and the contribution made to achieve the objectives of the Board.

Mr. M.S.P. Udaya Kumara, an Executive Director, was appointed to the Board on 15th February, 2015, and last re-appointed as a Director in June 2022. His directorships and other principal commitments are given in the profile on page 30. He does not serve on any Board Committees.

Mr. Brahman Balaratnarajah, an Executive Director, was appointed to the Board on 1st April, 2015, and last re-appointed as a Director in June 2023. His directorships and other principal commitments are given in the profile on page 29. He does not serve on any Board Committees.

Mrs. Shamalie Gunawardana, an Independent Non-Executive Director, was appointed to the Board on 1st March, 2021 and last re-appointed as a Director in June 2023. Her directorships and other principal commitments are given in the profile on page 31. She does not serve on any Board Committees.

Mr. Sarath Ganegoda, a Non-Executive Director, was appointed to the Board on 1st November, 2009 and last re-appointed as a Director in June 2023. His directorships and other principal commitments are given in the profile on page 29. He serves as a member of the Remuneration Committee, Related Party Transactions Review Committee and Nominations and Governance Committees of Haycarb PLC.

Mr. Timothy Speldewinde, an Independent Non-Executive Director who was appointed to the Board on 22nd November 2024 will come up for re-election at the Annual General Meeting. His profile in page 32 set out his other principal commitments and directorships. He serves as a member of the Audit Committee of Haycarb PLC.

Due to the invaluable contribution made to the Board as a result of their many years of experience, industry knowledge and business acumen, the Committee has recommended to reappoint Mr. Mohan Padithage and Mr. Arjun Senaratna who are over seventy years and who retire in terms of Section 210 of the Companies Act No. 7 of 2007.

None of the Directors who are being proposed for re-election or their family members, have any relationship with the Directors of the Company or shareholders having more than 10% of the shares of the Company.

The Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange are met by the Company and details are given from pages 230 to 237.



Yohan Perera

*Chairman - Nominations and
Governance Committee*

15th May 2025