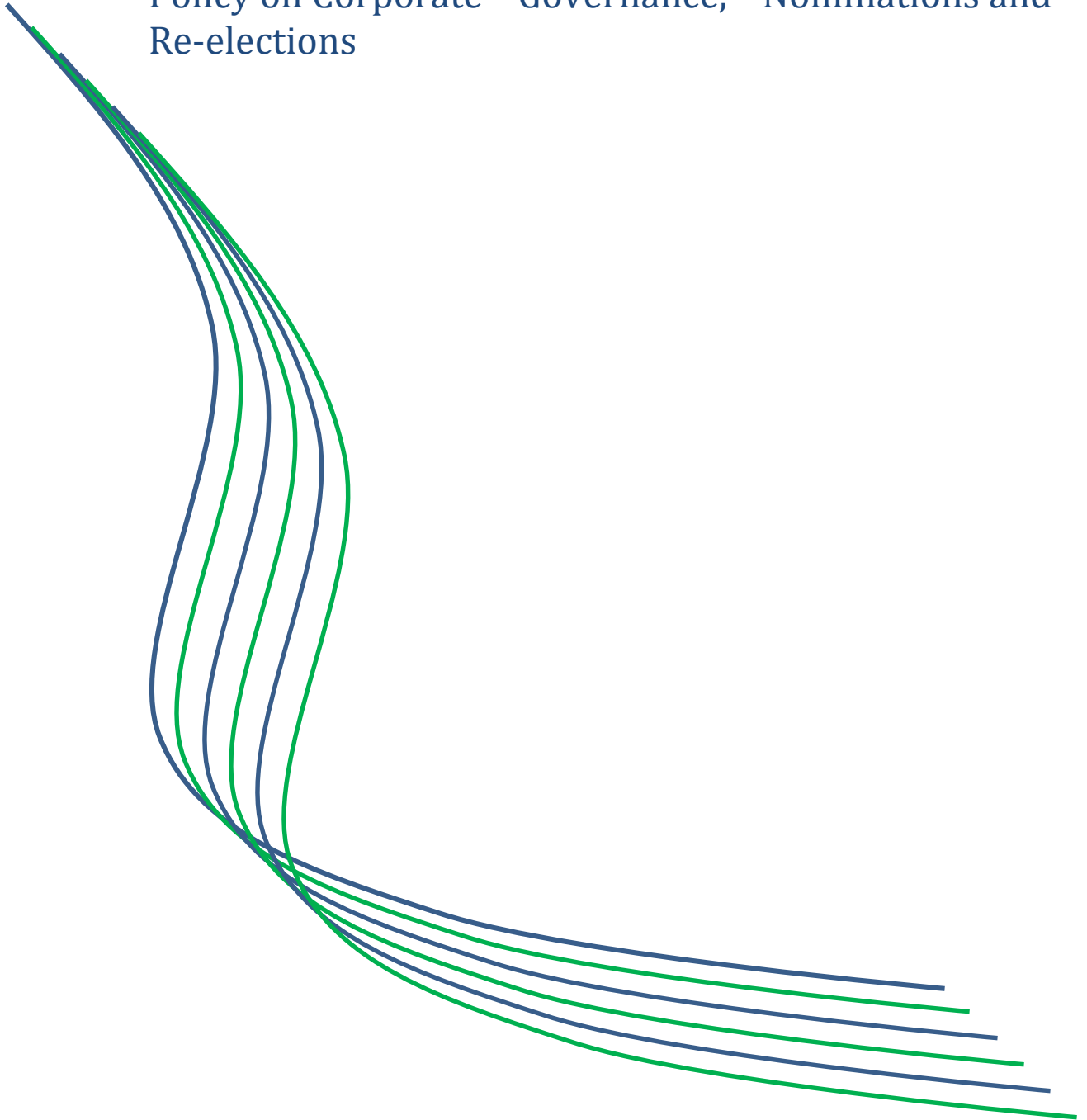


# KELANI CABLES PLC

Policy on Corporate Governance, Nominations and Re-elections



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**Document Control**

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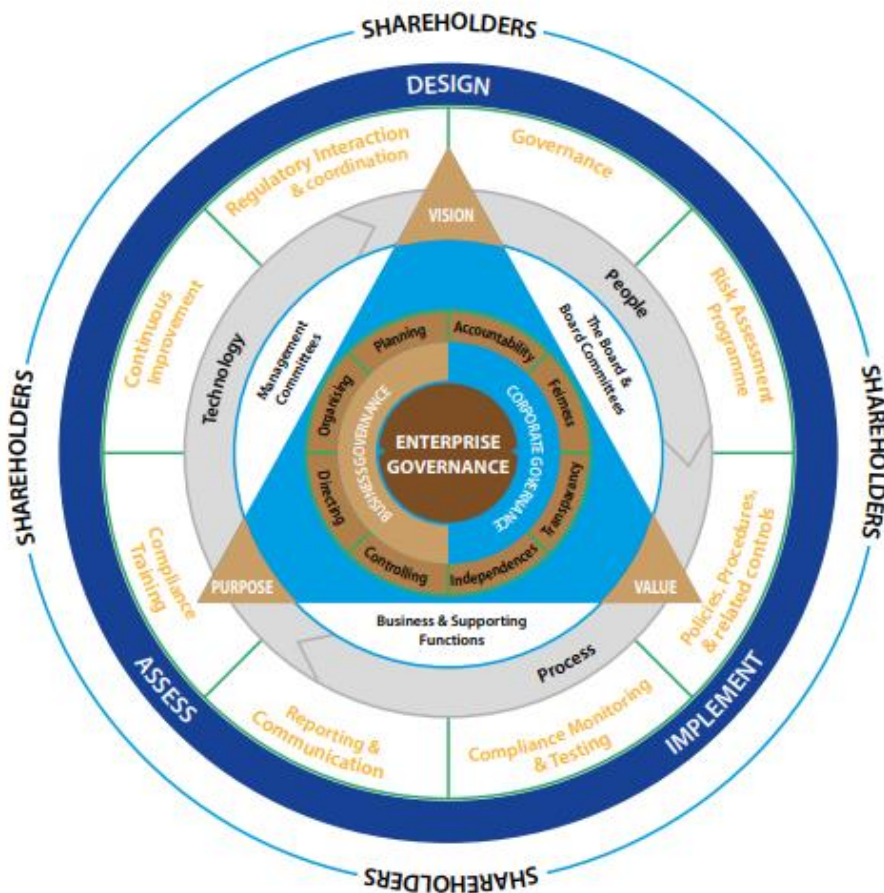
**Document Change Approvals**

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## 1. Purpose

The purpose of this policy is to establish and maintain a framework for effective corporate governance, transparent nomination processes, and thoughtful reelection strategies within Kelani Cables PLC. By adhering to this policy, the organization seeks to uphold ethical standards, promote accountability, and ensure the ongoing success and sustainability of its mission.

## 2. Corporate Governance Framework



### 3. Corporate governance regulatory benchmarks

01. The companies Act No.07 of 2007 and regulations
02. Listing rules of the Colombo Stock Exchange
03. Securities and Exchange Commission of Sri Lanka
04. Code of Best Practices on Related Party Transactions (2013) advocated by the Securities and Exchange Commission of Sri Lanka
05. Code of Best Practice on Corporate Governance 2023 jointly advocated by the SEC and the Institute of Chartered Accountants of Sri Lanka

### 4. Division of Responsibilities

#### 4.1 Board Responsibilities

The Board of Directors is responsible for providing strategic guidance, setting organizational goals, overseeing financial management, and ensuring legal and regulatory compliance. The board must act in the best interests of the organization and its stakeholders.

Further, the Board is responsible for establishing of four formal Sub Committees. The Committees focus on their own areas of expertise, enabling the Board meetings to focus on strategy, performance, leadership and people, governance and risk, and stakeholder engagement, thereby making the best use of the Board's time together as a whole.

- Nomination Committee

Responsible for the appointment of new Directors, Board experience and diversity; and reviews Board induction and succession plans as well as wider workforce engagement.

- Audit Committee

Appraises our financial management and reporting and assesses the integrity of our accounting procedures and financial controls. The Committee also oversees risk, compliance and internal audit.

- Remuneration Committee

Determines the remuneration and benefits of the Executive Directors and oversees remuneration arrangements for the Key Management team such as CXOs and General Managers.

Code of Conduct:

The code of conduct outlines the expected behavior of board members, including honesty, integrity, confidentiality, and fiduciary responsibility. It serves as a guide for ethical decision-making and fosters a culture of trust and accountability.

#### Conflict of Interest:

Procedures for identifying and managing conflicts of interest are established to ensure that board members act impartially in their roles. Board members are required to disclose any potential conflicts and recuse themselves from related decision-making processes.

## **5. Nominations**

### **5.1 Nominations Committee:**

The Nominating and Governance Committee is responsible for assessing the composition of the board, identifying potential candidates, and recommending individuals for nomination for the Board as well as Key Managerial Positions such as CXOs and General Managers. The committee ensures that the board reflects a diverse range of skills, experiences, and backgrounds. In the absence of a Nomination Committee, the Board will act as the Nomination Committee.

### **5.2 Criteria for Nomination:**

Nominees for board positions must possess the qualifications, skills, and expertise necessary to contribute effectively to the organization's mission and strategic objectives. The criteria may include industry knowledge, leadership experience, and a commitment to diversity and inclusion.

The organization is committed to promoting diversity and inclusion on the board. The Nominating and Governance Committee actively seeks candidates from diverse backgrounds to enrich the perspectives and decision-making processes of the board.

The organization values input from stakeholders, including shareholders, employees, and community members, in the nomination process. Feedback and recommendations from stakeholders may be considered by the Nomination and Governance Committee.

## **6. Election Procedures**

### **6.1 Annual Elections:**

Board elections are held annually, and the process is outlined in the organization's Article of Association. The timeline, nomination period, and voting procedures will be clearly communicated to all stakeholders.

### **6.2 Proxy Voting:**

Proxy voting is allowed to facilitate broader participation in the election process. Guidelines are established to ensure the integrity and transparency of proxy voting procedures.

## **7. Communication**

Clear communication channels are established to keep shareholders informed about the nomination and reelection processes. This may include shareholder meetings, newsletters, and

other communication platforms. This will be governed by the Policy on relations with the Investors and Share Holders.

## **8. Amendments to the Policy**

Review Process:

The policy undergoes periodic reviews to assess its effectiveness and relevance. Any proposed amendments are subject to a review process involving the Board of Directors, and changes are made in accordance with the organization's Article of Association.