



BPPL Holdings PLC – Policy on Corporate Governance, Nominations and Re-election

1. Background

The responsibility for ensuring the presence of an overall corporate governance framework within the entity, and ensuring the presence of an effective process for nomination, appointment and re-election of Directors, has been delegated to the Nominations and Governance Committee keeping in line with the CSE listing rules.

2. The Nominations and Governance Committee will oversee the following aspects under its purview:

- a. Nominate candidates as executive, non-executive and independent Directors to fill vacancies that may arise from time to time.
- b. Ensure the presence of an effective succession planning process to facilitate succession to the Board of Directors and senior management.
- c. Ensure the presence of an effective corporate governance framework, and that the entity adopts a high standard of governance and business practices.
- d. Review compliance with all statutory and regulatory requirements applicable to the entity.

In addition to the approved Charter for the Committee, an internal guideline has been developed for reference in selecting, nominating, appointing and on-boarding executive and non-executive Directors. The internal guideline sets out the competences and skills expected from the independent Directors and the value that they will bring to the Board. The guidelines also sets out the evaluation process for the board and the Directors, inclusive of board, committee and director performance evaluation checklists.

Following are some of the key aspects set out in the internal guidelines pertaining to nomination and appointment of Directors.

- Composition of the Board will be in line with the requirements of the listing rules of the Colombo Stock Exchange (CSE) pertaining to the number of executive, and non-executive / Independent Directors,
- The Company also believes in gender representation, diversity and inclusiveness within the Board.
- The Nomination process for independent Directors will take into account the specific requirements in terms of skills and competences required to complement the prevailing skills



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set of the Board, and factors such as personal attributes and the possible value addition to the Board.

- Directors should be required to submit themselves for re – election at regular intervals and at least once in every three years. The Nominations and Governance Committee shall consider and recommend the re-election of current Directors, taking into account the performance and contribution made by the Director concerned towards the overall discharge of the board’s responsibilities. Re-election of Directors will be carried out in accordance with the requirements stipulated in the Articles of Association of the entity.

The Nominations and Governance Committee will also oversee the selection, on-boarding and induction process for new Directors.