

 Ceylon Hotels Corporation PLC	CEYLON HOTELS CORPORATION PLC - POLICY DOCUMENT	
	POLICY ON CORPORATE GOVERNANCE, NOMINATION AND RE-ELECTION	
	Effective from 30.09.2024	Document No: PO/2024/003/VERSION 1
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Scope	<p>The Board of Directors of Ceylon Hotels Corporation PLC (hereinafter referred to as ‘the Company’ or ‘CHC’) established the Nomination and Governance Committee (‘NGC’) as required by the Rule 9.11 of Listing Rules of the Colombo Stock Exchange (‘CSE’).</p> <p>This policy on Governance, Nomination and Re-election (‘the Policy’) has been formulated in accordance with Rule 9.2.1(c) of the listing rules of the Colombo Stock Exchange.</p> <p>This policy articulates a comprehensive framework governing the principles and practices related to the nomination and re-election of Board members. The scope includes:</p> <ol style="list-style-type: none"> 1. Governance Framework: Establishing the structural and procedural integrity of the Board and its committees, ensuring alignment with the Company’s objectives and regulatory standards. 2. Nomination Protocols: Outlining rigorous criteria and methodologies for identifying, evaluating, and selecting candidates for Board positions, promoting diversity and competency. 3. Re-Election Procedures: Defining transparent criteria and processes for the re-election of incumbent directors, facilitating continuous assessment of performance and contributions. 4. Performance Evaluation Metrics: Setting forth comprehensive standards for assessing the effectiveness, fitness, and propriety of Board members to ensure alignment with best governance practices. 5. Continuous Development: Emphasizing the importance of ongoing training and professional development initiatives aimed at enhancing the capabilities and effectiveness of Board members. <p>This policy is designed to uphold the highest standards of governance, ensuring that the Board operates with integrity, accountability, and strategic vision.</p>	
Policy measures	Commitment to 100% adherence	
Definitions	The Company	Ceylon Hotels Corporation PLC
	Policy	Policy on Corporate Governance, Nomination and Re-election
	Board	The Board of Directors of Ceylon Hotels Corporation PLC
	NGC	Nominations and Governance Committee
	Corporate website	www.chcplc.com
	CSE	Colombo Stock Exchange
Responsibility	This policy shall undergo periodic review by the Board of Directors to ensure its ongoing relevance and effectiveness. The review process will integrate insights gained from lessons learned and align with industry best practices.	

Reviewed & Confirmed		Approved by	
Shalike Karunasena	Director / Group CFO	Board of Directors	

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Authority	
1.1	The NGC has the authority: <ul style="list-style-type: none"> ▪ To conduct or authorize investigations into any matters within its scope of responsibility. ▪ To seek any information, it requires from any employee or Board member to perform its duties. ▪ To engage external advisors or consultants as needed to support its activities on matters within its terms of reference.
1.2	CHC's NC will function as the NC of its subsidiaries. Where the subsidiary is a listed entity and where there is a specific requirement, separate NCs would be appointed.
Composition	
2.1	The NGC shall comprise of a minimum of three (03) Directors, out of which a minimum of two (02) members shall be Independent Directors. An independent director shall be appointed as the chairperson of the NGC.
2.2	The members of the Committee shall not comprise of Executive Directors of the Company.
2.3	The Board of Directors will appoint members and the Chairman of the Committee.
Meetings	
3.1	The Committee will meet at least once a year and may convene additional meetings as circumstances require.
3.2	Two members shall constitute the quorum, and such members may meet in person or via telephone or video conference.
3.3	Only members of the Committee have the right to attend meetings. However, other individuals, including external advisers may be invited to attend all of or part of any meeting, as appropriate.
3.4	A meeting may be called by any member of the NGC or the Secretary. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any person required or invited attendees, no later than three (03) working days before the meeting date. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.
3.5	The minutes of the committee meetings shall be circulated to all board members, providing them with access to the deliberations of the NGC.
Ethical Conduct	
4.1	The members of the Committees are expected to uphold high ethical standards and conduct affairs of the Committee with the utmost integrity. A member of the NGC shall not participate in decisions relating to their own appointment.
Responsibilities	
The Committee shall undertake the following responsibilities:	
5.1 Selection and Appointment	
	<ul style="list-style-type: none"> ▪ Establish and maintain a formal and transparent procedure for selecting, nominating, appointing, evaluating, and re-electing Directors to the Board of Directors/Board Committees and Chief Executive Officer. ▪ Establish and maintain a set of criteria for selection of directors, including 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 ▪ Alternate Directors should be appointed only within the framework of the

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Company's Articles of Association and in accordance with prevailing listing rules and the Companies Act. The Alternate Director should be familiar with the Company's affairs, appropriately qualified, and bear all the duties and responsibilities of a director.

5.2 Evaluation of Fitness and Propriety

Review whether the Directors meet the criteria of being fit and proper, which includes qualifications, competencies, independence, adherence to the relevant provisions of the Companies Act and other regulations, as well as any relationships that could potentially lead to a conflict of interest regarding the business of the Company.

5.3 Determination of Independence

Review whether the Directors of the Company meet the criteria for determining independence, considering whether individual Directors have material relationships with the Company that may interfere with their independence, as required under applicable regulations and listing standards.

5.4 Evaluation and Re-election

- Establish and maintain a suitable process for the periodic evaluation of the performance of the Board of Directors and the CEO of the Company to ensure that their responsibilities are satisfactorily discharged.
- Ensure that all Directors submit themselves for re-nomination and re-election at regular intervals, and at least once every three years.
- Consider and recommend (or not recommend) the re-appointment/re-election of current Directors, taking into account:
 - ❖ The combined knowledge, experience, performance, and contributions made by the Director to meet the strategic demands of the Company and fulfill the Board's overall responsibilities.
 - ❖ Whether a Director is able to and has been adequately carrying out his/her duties in light of multiple board representations, ensuring that sufficient time and attention are given to the affairs of each company.
 - ❖ Assisting the Board in determining the maximum number of listed company board positions a Director may hold considering the number of listed company board representations and other principal commitments of the Directors.

5.5 Succession Plan

Develop a succession plan for the Board of Directors and Key Management Personnel of the Company and determine the training and development requirements for those identified for succession.

5.6 Evaluation of Board Structure

Review and evaluate regularly the Board structure, size, balance of skills and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary so as to enable the Board to fulfil its responsibilities.

5.7 Governance and Stakeholder Engagement

- Review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/ international best practices.
- Periodically review and update the corporate Governance Policies/ Framework of the Company in line with the regulatory and legal developments relating to the same, as a best practice

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	<ul style="list-style-type: none"> Review reports from the management on compliance with the corporate governance framework of the Company including the entity's compliance with the SEC Act, Listing rules of the Exchange and other applicable laws together with any deviations/non-compliance and the rationale for same. NGC facilitates communication between the Board and stakeholders, ensuring transparency and accountability in governance practices.
5.8 Training & Development	
	Ensure that comprehensive and tailored induction programmes/ orientation programmes are conducted for newly appointed directors on corporate governance, listing rules, security market regulations and other applicable laws and regulations.
Publication of the policy	
6.1	The policy is made available in the Company's corporate website for the perusal of its stakeholders. Any clarifications regarding the policy should be directed to the Group Chief Financial Officer.
Policy Output	Enhanced Board Composition, Transparent Nomination Process, Systematic Re-Election Procedures, Robust Performance Evaluations, Continuous Professional Development, Stakeholder Engagement and Strengthened Governance Culture
Policy Records	Policy on Corporate Governance, Nomination and Re-election

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