

 <small>THE KANDY HOTELS COMPANY (1938) PLC</small>	THE KANDY HOTELS COMPANY (1938) PLC - POLICY DOCUMENT	
	POLICY ON BOARD COMMITTEES	
	Effective from 30.09.2024	Document No: PO- KHC/2024/002/VERSION 1

Scope	<p>The Board of Directors of The Kandy Hotels Company (1938) PLC (hereinafter referred to as ‘the Company’ or ‘KHC’) recognizes that Board Committees serve as essential components of the governance structure, enabling the Board to fulfill its responsibilities effectively. To uphold robust corporate governance practices, appropriate checks and balances will be implemented through these sub-committees.</p> <p>This policy on Board Committees (‘the Policy’) is developed in accordance with Rule 9.2.1 (b) and 9.3 of the listing rules of the Colombo Stock Exchange (‘CSE’). It is designed to ensure that Board Committees are not only established and maintained but also operate with optimal effectiveness, thereby enhancing the overall governance framework of the Company.</p>	
Policy measures	Commitment to 100% adherence	
Definitions	The Company	The Kandy Hotels Company (1938) PLC
	Policy	Policy on Board Committees of The Kandy Hotels Company (1938) PLC
	Board	The Board of Directors of The Kandy Hotels Company (1938) PLC
	Corporate website	www.chcplc.com
	CSE	Colombo Stock Exchange
Responsibility	This policy is regularly reviewed by the Board of Directors (the ‘Board’) to ensure compliance with regulations, as well as its effectiveness and relevance.	
Board Committees		
1.1	<p>The Company shall ensure the establishment and ongoing maintenance of the following Board Committees, which are essential for effective governance.</p> <ul style="list-style-type: none"> ▪ Audit Committee ▪ Related Party Transactions Review Committee ▪ Nomination and Governance committee ▪ Remuneration Committee 	
1.2	The Company shall adhere to the composition, responsibilities, and disclosure requirements pertaining to the aforementioned sub-committees, in accordance with the listing rules of the Colombo Stock Exchange (‘CSE’). Terms of Reference (‘ToR’) or Charters have already been established to govern the committees.	
1.3	Furthermore, the Chairperson of the Board of Directors shall not serve as the Chairperson of any of the specified Board Committees, ensuring a clear separation of roles to enhance the integrity and effectiveness of the governance framework.	
Confirmation of Compliance		
2.1	The Company will affirm its adherence to the policy in the Annual Report, providing detailed explanations for any instances of non-compliance, along with the underlying reasons and proposed remedial actions. This commitment to transparency ensures that stakeholders are well-informed about the Company’s governance practices and its efforts to address any shortcomings.	
Publication of the policy		
3.1	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	Governance Structure for Board Committees	
Policy Records	Policy on Board Committees	

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