

# **POLICY ON CORPORATE GOVERNANCE, NOMINATIONS AND RE- ELECTION**



**ON'ALLY HOLDINGS PLC**

**POLICY ON CORPORATE GOVERNANCE, NOMINATIONS AND RE-ELECTION**

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<b><u>Approved By</u></b>	<b><u>M.H. Jamaldeen – Managing Director</u></b>
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## **Preamble**

On'ally Holdings PLC (the "Company") is dedicated to upholding the highest standards of corporate governance to ensure the integrity, transparency, and accountability of its business operations. This Corporate Governance, Nominations, and Re-Election Policy is designed to provide a framework for the effective oversight of the Company's governance practices, the nomination of qualified individuals to the Board of Directors, and the re-election of Directors who continue to contribute to the Company's strategic vision. By establishing clear principles and procedures for board nominations and re-election, the Company aims to maintain a diverse, experienced, and independent board that is capable of delivering long-term value to shareholders and fostering sustainable business growth. This policy reinforces the Company's commitment to good governance, ethical leadership, and adherence to all legal and regulatory requirements.

## **Definition**

SEC : Shall all time mean and include the Securities Exchange Commission of Sri Lanka

CSE: Shall all time mean and include the Colombo Stock Exchange of Sri Lanka

## **Objective**

The Corporate Governance, Nominations, and Re-Election Policy of the Company is designed to achieve the following objectives:

1. To promote sound corporate governance practices by ensuring that the Board of Directors operates with integrity, accountability, and transparency in alignment with the Company's long-term objectives.
2. To establish a structured process for identifying, evaluating, and nominating highly qualified candidates to the Board, ensuring the board has the right balance of skills, experience, and diversity to effectively guide the Company.
3. To encourage a board composition that reflects diversity of thought, background, and expertise, while ensuring a majority of independent directors who can provide objective oversight of management.
4. To define clear criteria and procedures for the re-election of directors, ensuring that those who contribute meaningfully to the Company's strategic direction and governance are retained, while addressing underperformance where necessary.

5. To adhere to all applicable legal, regulatory, and corporate governance standards regarding board nominations, appointments, and re-elections, thus safeguarding the interests of shareholders and other stakeholders.
6. To contribute to effective succession planning by ensuring a continuous pipeline of competent and ethical leaders who can maintain the Company's growth and stability over time.

By adhering to these objectives, the Company aims to build and sustain a high-performing board that supports its long-term success and governance excellence.

### **Applicability**

The policy applies to all the Directors of the Company including but not limited Executive, Non-Executive, Independent, Non-Independent Directors.

### **Directors**

#### **Appointment of Directors**

1. The committee on Nominations and Governance is responsible for identifying evaluating and recommending personnel for Board positions. Therefore, the committee shall establish and maintain a formal and transparent procedure to evaluate, select and appoint /re-appoint Directors of the Company.
2. The Committee shall take necessary steps to ensure that Directors are fit and proper persons to hold office as specified in the regulations. The Nominations and Governance Committee must consider the following criteria in relation to fitness and propriety when recommending candidates for Board membership;
  - Honesty, integrity and reputation
  - Competence and capability
  - Financial soundness
3. In evaluating fitness and propriety of the persons referred to shall utilize the fit and proper assessment criteria set out in Rule 9.7.3 in the listing rules.
4. The committee on Nominations and Governance shall evaluate the appointment of Directors to the Board and Board committees.

5. The committee on Nominations and Governance shall review the structure, size and the composition of the Board and Board committees with regard to effective discharge of duties and responsibilities.
6. The Nominations and Governance Committee must consider whether candidates recommended for Board membership are employed or on the boards of competing companies and determine whether or not such a candidate can be recommended.

### **Retirement and Re-election of Directors (Re appointment)**

1. The committee on Nominations and Governance shall consider and recommend (or not 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.
2. When incumbent directors come up for re-election to ensure that such proposed appointees are fit and proper, to continue as directors.
3. All directors should be required to submit themselves for re-election at regular intervals and at least once in every three years.

### **Board Evaluations**

Regularly assessing the performance of individual board members, as well as the overall effectiveness of the board, falls within the committee's purview. This process helps identify areas for improvement and enhance board accountability.

### **Director Orientation**

The Company will conduct an orientation program for new Directors that includes presentations by senior management. Additionally, management will provide opportunities for all Directors to obtain an understanding of the Company's strategic plans, business and operations, significant financial, accounting and risk management issues, material ESG matters and impacts and other matters of importance to the Company. This will include visits to the Company's significant facilities.

**Changes in Professional Responsibility.**

Any Director experiencing a change in primary occupation, position or primary business affiliation or any conflict with the business of the Company shall inform the same to the Board and submit a letter of resignation promptly to the Chairman, conditional upon acceptance by the Board.

The Board shall determine whether or not to accept the resignation based upon the effect such change may have upon the director's ability to serve as an effective director.

Prior to accepting any other Board position, the Directors should keep the Chairman informed.

**Additional Board Service.**

The Chairman of the Group shall serve as Chairman of all companies within the Group. He shall not serve on the Boards of more than Twenty Five (25) listed companies.

The maximum number of directorships in listed companies that may be held by Directors is Twenty-Five (25).

Each Director must annually declare to the Board all the directorships held by him/her in listed companies, unlisted public companies and private companies

**Conflict of Interest**

1. Managing and addressing conflicts of interest among board members is essential to maintain transparency and trust within the Board.
2. A member of the Nominations and Governance Committee shall not participate in decisions relating to his/her own appointment.

**Shareholder Engagement**

The committee may engage with shareholders to ensure their concerns are considered.

**Governance**

1. Periodically review and update the Corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice.

2. Receive reports from the Management on compliance with the Corporate Governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.
3. Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices.

### **Publication**

The Company's website will disclose the existence of the Policy on Corporate Governance , Nominations and Re-election and a summary may be shared with the shareholders of the Company upon request made to the Company Secretary.

### **Review and Update**

This policy shall be reviewed and updated at least once every two (2) years by 30<sup>th</sup> September. The required updates and modifications shall be recommended to the Chairman of the Board for approval.

On'ally Holdings PLC reserves the right to modify and amend the policy at any time.

**...END**



**M.H. Jamaldeen**  
**Managing Director**