

POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS



ON'ALLY HOLDINGS PLC

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<u>Approved By</u>	<u>M.H. Jamaldeen – Managing Director</u>
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Content

Preamble	3
Definition	3
Objective	3
Applicability	4
Responsibility of the Board	4
Overall Responsibility.....	4
Board Composition	5
Balance of Representation between Executive and Non- Executive Directors	5
Role of the Chairman	5
Frequency of Board Meetings.....	6
Information.....	6
Attendance at Meetings.....	6
Requirements on Trading in Securities of The Listed Entity and its Listed Group.....	6
Publication	8
Review and Update	8

Preamble

The Board of Directors of On'ally Holdings PLC (the “Company”) plays a pivotal role in the governance, strategic direction, and long-term success of the Company. This Policy on Matters Relating to the Board of Directors is established to outline the responsibilities, duties, and expectations of the Board, ensuring that its operations are guided by principles of integrity, accountability, and transparency. The policy sets the framework for decision-making, board composition, and conduct, fostering a governance structure that supports effective oversight and the sustainable growth of the Company. By adhering to this policy, the Company aims to ensure that its Board of Directors is equipped to provide ethical leadership, safeguard shareholder interests, and comply with all legal and regulatory requirements. The Board’s commitment to excellence in governance is essential for driving the Company’s continued success and fostering trust with stakeholders.

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 Policy on Matters Relating to the Board of Directors of the Company aims to achieve the following objectives:

1. To ensure the effective governance, accountability, and strategic oversight in all aspects of the Company’s operations.
2. To promote ethical leadership and decision-making at the highest level, guiding the Company’s long-term strategy and ensuring that all decisions align with the best interests of shareholders and stakeholders.
3. To enhance the effectiveness of the Board, including on board composition, succession planning, and performance evaluation, ensuring a diverse, skilled, and experienced board.
4. To ensure that the Board of Directors operates in full compliance with applicable laws, regulations, and corporate governance standards, while maintaining transparency in its operations and decision-making processes.

5. To guide the Board in making informed and strategic decisions that support the sustainable growth and development of the Company, while managing risks and capitalizing on opportunities.

By adhering to these objectives, the Company aims to ensure that its Board of Directors remains effective, ethical, and fully aligned with the Company's mission, vision, and long-term goals.

Applicability

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

Responsibility of the Board

The Board of Directors ('the Board') in performing their duties shall act in good faith and in the best interest of the Company. The Directors in overseeing the management of the Company's business and affairs must consider the interests of the shareholders of the Company.

Overall Responsibility

- Ensure formulation and implementation of business strategy
- Appointment of Chairman.
- Ensuring that Key Management Personnel have the required skills, experience and knowledge to implement strategy.
- Succession planning.
- Approval of budgets and major capital expenditure.
- Ensuring effective systems to secure integrity of information, internal controls, business continuity and risk management
- Ensuring compliance with all laws, regulations and ethical requirements.
- Ensuring that key stakeholder interests are considered in corporate decisions.
- Ensuring the development, approval and update of strategies, policies and targets related to sustainable development.
- Ensuring adoption of appropriate accounting policies and fostering compliance with financial regulations
- Establishing a process for monitoring and evaluation of progress on implementation of strategy, budgets, plans and risks

- Overseeing the processes to identify and manage the organization's impacts on the economy, environment and people

In discharging their obligations, directors are expected to rely on the honesty, integrity and expertise of the Company's senior executives and its outside advisors and auditors. Board members are expected to review meeting materials in advance, to attend and actively participate in all Board meetings and meetings of Board committees on which they serve, either physically or via audio visual communication. Directors who join via audio visual communication shall be counted for the quorum.

Directors are expected to devote adequate time to discharge their responsibilities appropriately. Directors are required to abide by the internal Code of Business Conduct and Ethics for all Directors and employees including policies on trading in the entity's listed securities.

The Nominations and Governance Committee will oversee an annual self- evaluation of the Board to determine whether the Board and its committees are functioning effectively.

Board Composition

The number of Directors on the Board shall not be less than Five (05) and not more than Fourteen (14), subject to the statues. The Managing Director and the Executive Director are appointed by the Board, with the recommendation of the Board Nominations and Governance Committee, and with the relevant statutory approvals.

Balance of Representation between Executive and Non- Executive Directors

The Board recognize the need for a balance of representation between Executive and Non- Executive Directors and cover the minimum board composition, the roles and functions of the Chairperson and Executive Directors, board balance and procedures for the appraisal of board performance and the appraisal of the Executive Directors.

Role of the Chairman

The Chairman's role is to preserve good corporate governance, and be responsible to preserve order and facilitate the effective discharge of Board functions.

Frequency of Board Meetings

Regular Board Meetings shall be held on a quarterly basis for a year. Such regular board meetings shall normally involve active participation in person of a majority of directors entitled to be present.

Information

In order to enhance the Directors' understanding of the business and focus discussion at Board meetings, concise written information regarding the Company's performance will be distributed in a timely manner to the Board. The Directors can request for further information and make inquiries where necessary. The Chairman should ensure that all Directors are properly briefed on issues arising at Board meetings.

Board decisions may be taken by way of written resolutions circulated to Directors with adequate information for Directors to make informed decisions as provided in the Articles of Association. Directors shall maintain all information received in that capacity as strictly confidential and all discussions pertaining to their service as Board members. The Board shall be kept abreast of any changes to the Listing Rules, Policies of the Company and any legislation that is relevant for the Board to perform their duties.

Attendance at Meetings.

Any Director who is unable to attend the meetings physically may participate via audio visual communication and shall be marked as present and be counted for the quorum.

A Director who is absent for more than fifty percent (50%) of the Board meetings during the year, shall be considered as having vacated the post and is required to forward a letter of resignation, conditional upon acceptance by the Board.

Requirements on Trading in Securities of The Listed Entity and its Listed Group

The Directors shall adhere to Rule 8.6 of the Listing Rules of the CSE and Section 200 of the Companies Act.

Connected persons are prohibited from trading in securities on the basis of price sensitive information which has not been disclosed to the public. It is the policy of the Company that

connected persons shall not trade up to three (03) market days after the information is released to the CSE, excluding the date on which the information was disclosed to the CSE.

Connected persons include:

- Directors of the Company or Directors of a related company, or a spouse of a Director and children under 18 years,
- A person holding the position of an officer of the Company (other than a Director) or employees of the Company or a related company, or a position involving a professional business relationship which can reasonably be expected to give him access to unpublished price sensitive information.

Where a Director or the spouse of a Director or the company in which he is a Director (relevant interest in shares), buys or sells securities of the Company in which he serves as a Director, the Director has an obligation to inform the Board forthwith, through the Company Secretary, about the connected parties dealing in shares of the Company and this shall be disclosed to the CSE within 5 market days.

For the purpose of Section 200 of the Companies Act, a person has a relevant interest in shares if:

- he is the beneficial owner of the share,
- has the power to exercise any right to vote attached to the share,
- has the power to acquire or dispose the share,
- has power to control the acquisition or disposal of the share by another person
OR
- under or by virtue of any trust or agreement, arrangement or understanding relating to the share, has the power to control the right to vote, buy or sell, or control the buying or selling by another person.

In addition to the above, Directors of the Company are required to refrain from dealing in the securities of the Company or group companies, at least seven (07) days before the publication of price sensitive information.

Publication

The Company's website will disclose the existence of the Policy on matters relating to the Board of Directors 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 30th 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

A handwritten signature in blue ink, appearing to read 'M.H. Jamaldeen', is enclosed in a thin black rectangular border.

M.H. Jamaldeen
Managing Director