



Policy on matters relating to the Board of Directors

1. Purpose and objective

- 1.1 This policy is developed in compliance with Rule 9.2 and 9.5 of the Listing Rules of the Colombo Stock Exchange, the Companies Act No. 7 of 2007 and the Articles of Association of Hemas Holdings PLC (“the Company” / “HHL”).
- 1.2 The objective of this policy is to establish guidelines with respect to the matters relating to the Board of Directors (“the Board”) inter alia the composition, responsibilities, and governance of the Board of Directors of the Company.

2. Scope

- 2.1 This policy is applicable to all members of the Board of Directors of the Company.

3. Composition and Structure

- 3.1 The composition of the Board should be designed ensuring a balance of representation between Executive and Non-Executive Directors and diversity in terms of the range of experience, skills, competencies, age, gender, industry requirements and importance of objective selection of directors.
- 3.2 The Board of Directors shall comprise;
 - 3.2.1 a maximum of 12 members or minimum of 2 members.
 - 3.2.2 a minimum of two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Company at any given time, whichever is higher.
- 3.3 The Board of Directors may comprise;
 - 3.3.1 a minimum of one (1) Executive Director
 - 3.3.2 a minimum of one (1) member of representing each gender (male/ female)
- 3.4 The Board shall establish committees as necessary, including Audit Committee, Related party Transactions Committee, Remuneration Committee and Nominations and Governance Committee.



4. Roles and Responsibilities

- 4.1 The role of the Chairperson of the Board of Directors is as set out in the Articles of Association of the Company, Section 9 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance, and includes but not limited to leading the Board of Directors and ensuring effective governance.
- 4.2 The role of the Board of Directors is as set out in the Articles of Association of the Company, Section 9 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance, and includes but not limited to providing strategic guidance, oversee management, and ensure the company's long-term success.
- 4.3 The role of the Committees is as set out in the Section 9 of the Listing Rules of the Colombo Stock Exchange, the Code of Best Practice on Corporate Governance and the Terms of Reference of each committee and accordingly carry out specific functions as delegated by the Board of Directors.
- 4.4 The Nominations and Governance Committee and the Company Secretary ensure that the Board of Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance by the Company with obligations arising under such Rules.
- 4.5 The maximum number of directorships in Listed Entities held by a member of the Board of Directors may be 25.

5. Meetings and Attendance

- 5.1 The Board of Directors shall meet at least once a quarter/ four (4) times per year.
- 5.2 Special meetings may be called as needed, with proper notice given to all members of the Board of Directors.
- 5.3 The Directors are expected to attend all Board meetings and meetings of committees on which they serve. The Company/ Company Secretary is obliged to make arrangements for participation in person or through audio/ visual means and such participation by audio/ visual means shall be recognized for considering a quorum.
- 5.4 The quorum for a meeting of the Board of Directors shall be in terms of the Articles of Association of the Company and the Listing Rules of the Colombo Stock Exchange.



5.5 Each member of the Board of Directors shall attend a minimum of 2 (50%) of the meetings in a given calendar year. A director shall not be absent for 3 consecutive Board Meetings without leave in order to avoid being deemed to have vacated office.

6. Code of Conduct

6.1 The Board of Directors shall act with the highest ethical standards and integrity.

6.2 The Board of Directors shall disclose any conflicts of interest and excuse themselves from deliberation on such matters with any conflict of interest.

6.3 The Board of Directors shall maintain highest level of confidentiality of all Board deliberations and any information that they are privy to.

7. Training and Development

7.1 All new directors shall receive an orientation to be familiarized with the Company's operations, governance practices, and their responsibilities.

7.2 The directors shall participate in ongoing training programmes to be informed of inter alias, any regulatory changes, governance practices and industry trends .

8. Succession Planning

8.1 The Board of Directors shall have a succession plan to ensure the continuous effective functioning of the Board of Directors.

8.2 The Board of Directors shall develop and maintain a CEO succession plan to ensure leadership continuity.

9. Communication and Reporting

9.1 The Board of Directors shall maintain open and transparent communication with shareholders and other stakeholders.

9.2 The Board of Directors shall ensure timely and accurate reporting of the company's performance, governance practices, and other significant matters.



10. Trading of securities

10.1 the Board of Directors shall ensure adherence to the Share Trading Policy of the Company when trading in shares of the Company and timely inform the Company Secretary any information to facilitate necessary disclosures to the Colombo Stock Exchange.

11. Compliance and Review

11.1 The Board of Directors shall comply with all applicable laws, regulations, and corporate governance standards.

11.2 The Board of Directors shall confirm compliance with the requirements of this policy in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.

11.3 This policy shall be reviewed annually or as needed to ensure its effectiveness and relevance.

12. Policy Approval and Review

12.1 This policy is approved by the Board of Directors for implementation w.e.f. 1st October 2024 and will be reviewed annually or as needed.
