

Table of Contents

1.	Introduction	3
2	Objective	3
3	Scope	3
4	Structure and Composition	3
5	Functions	4
6	Independence and Conflict of Interest	5
7	Nomination Process	5
7.1	Selection Criteria	5
7.2	Appointment Process	5
7.3	Re-Election/Re-appointment	6
7.4	Evaluations	6
8	Succession Planning	6
9	Shareholder Engagement	6
10	Review and Amendments	7
11	Remuneration	7
12	Disclosures	7
13	Confidentiality and Ethical Conduct	7
14	References	7

Name of the Document: - Policy On Corporate Governance, Nominations And Re-Election		Document Number: - LH-POLICY-LEGAL-05		Page: - 01 of 07
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance		Reviewed by: - Group Chief Executive Officer/Executive Committee/ Nominations and Governance Committee		Approved by: - Board of Directors

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives

1. Introduction

The Lanka Hospitals Corporation PLC is committed to upholding the highest standards of corporate governance to ensure accountability, transparency, and long-term sustainability. This policy intends to outline the governance framework, nomination procedures, and processes for the re-election of directors in accordance with the Listing Rules of the Colombo Stock Exchange (CSE) and applicable laws in Sri Lanka.

The purpose of this policy on Corporate Governance, Nominations and Re-Election ("Policy") is to ensure that The Lanka Hospitals Corporation PLC adheres to best practices in corporate governance by maintaining a Board of Directors that is diverse, competent, and accountable. It also establishes a formal and transparent process for the nomination and re-election of directors to ensure effective leadership and oversight.

2. Objective

The objective of this policy is to establish a formal procedure for the appointment of new Directors and re-election of Directors to the Board of The Lanka Hospitals Corporation PLC keeping in line with the Articles of Association and other applicable laws and regulations of Sri Lanka.

3. Scope

This Policy shall be applicable to The Lanka Hospitals Corporation PLC ("the Company"), where deemed necessary and practical, considering the good governance principles, this Policy may also be applied to Lanka Hospitals Diagnostics (Private) Limited to the extent applicable.

4. Structure and Composition

- a) Nominations and Governance Committee ("Committee") shall have a written terms of reference /charter clearly defining its scope, authority, duties, matters pertaining to the quorum of meetings and any other matter that is deemed necessary by the Board and it shall operate within the scope of its terms of reference/charter, which will be reviewed and approved by the Board.
- b) The members of the Nominations and Governance Committee shall comprise of a minimum of three (03) Directors of the Company, out of which a minimum of two (02) members shall be Independent Directors of the Company.
- c) It shall not comprise of Executive Directors of the Company.
- d) An Independent Director shall be appointed as the Chairperson by the Board of Directors.

Name of the Document: - Policy On Corporate Governance, Nominations And Re-Election		Document Number: - LH-POLICY-LEGAL-05		Page: - 02 of 07
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance		Reviewed by: - Group Chief Executive Officer/Executive Committee/ Nominations and Governance Committee		Approved by: - Board of Directors

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives

- e) The Chairperson and the members of the Nominations and Governance Committee shall be disclosed in the Annual Report of the Company.
- f) The Chief Executive Officer and Chief Financial Officer and any other key management personnel as required may be present at meetings by invitation.
- g) The quorum for the meetings is to be 02 directors with a majority of Independent Directors.
- h) Meetings are to be held at least on a quarterly basis or as and when required for the consideration of the key functions.
- i) The Company Secretary to act as the secretary of the Committee and all recordings, and discussions shall be recorded as minutes and maintained by the Company Secretary.

5. Functions

The Committee 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. The Committee shall take necessary steps to ensure that the Directors and CEO are fit and proper persons to hold office as specified in the regulations. In evaluating the 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. The Committee shall also be responsible for evaluating the appointment of Directors to the Board and Board committees. The specific functions of the Nominations and Governance Committee shall include the following:

- a) Establish and maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors of the Company keeping in line with the provisions of Articles of Association of the Company.
- b) Establish and maintain a criteria for the selection of Directors such as the 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.
- c) Evaluate the appointment of Directors to the Board of Directors and Board Committees of the Company. However, a member of the Committee shall not participate in decisions relating to his/her own appointment.
- d) Consider and determine the appropriateness of the re-appointment/re-election of current Directors taking into account;
 - i. the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Company and the discharge of the Board's overall responsibilities; and,

Name of the Document: - Policy On Corporate Governance, Nominations And Re-Election		Document Number: - LH-POLICY-LEGAL-05		Page: - 03 of 07
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance		Reviewed by: - Group Chief Executive Officer/Executive Committee/ Nominations and Governance Committee		Approved by: - Board of Directors

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives

- ii. the number of directorships held by the Director in other listed and unlisted companies and other principal commitments.
- e) 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.
- f) Develop a succession plan for the Board of Directors and key management personnel of the Company.
- g) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities.
- h) Review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules of the CSE, other applicable regulatory requirements and industry/international best practices.
- i) Periodically review and update the corporate Governance Policies / Framework of the Company in line with the regulatory and legal developments relating to same, as a best practice.
- j) Receive reports from the management on compliance with the corporate governance framework of the Company including its compliance with provisions of the SEC Act, Listing Rules of the CSE and other applicable laws, together with any deviations/non-compliances and the rationale for same.

Additionally, the Committee is entrusted with the functions related to corporate governance. Thus, the Committee will 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, receive reports from the management on compliance with the corporate governance framework of the Company including the Company's compliance with provisions of the SEC Act, Listing Rules of the CSE and other applicable laws, together with any deviations/non-compliances and the rationale for same and review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules of the CSE, other applicable regulatory requirements and industry/international best practices.

6. Independence and Conflicts of Interest

Managing and addressing conflicts of interest among board members is essential to maintain transparency and trust within the Board. A member of the Committee shall not participate in decisions relating to his/her own appointment. All directors are required to disclose any potential conflicts of interest, and measures will be taken to manage such conflicts transparently.

Name of the Document: - Policy On Corporate Governance, Nominations And Re-Election		Document Number: - LH-POLICY-LEGAL-05		Page: - 04 of 07
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance	Reviewed by: - Group Chief Executive Officer/Executive Committee/ Nominations and Governance Committee			Approved by: - Board of Directors

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives

7. Nominations Process

7.1 Selection Criteria

The selection of directors will be based on the individual's expertise, experience, and ability to contribute to the Board's oversight functions. Priority will be given to candidates with experience in healthcare operations, financial management, governance, information technology, legal oversight or other relevant sectors. The Committee will consider diversity in terms of gender, age, and professional background when making recommendations for Board appointments.

7.2 Appointment Process

- a) Once suitable candidates have been identified, the Committee will recommend their appointment to the Board of Directors. Appointments will be made in accordance with the Company's Articles of Association and CSE Listing Rules.
- b) All appointments will be subject to approval by the full Board and subsequently by shareholders at the Annual General Meeting (AGM).
- c) Newly appointed directors will undergo an orientation program to familiarize themselves with the hospital's operations, governance framework, and responsibilities.

7.3 Re-election/Re-Appointment

- a) As per the Articles of Association, at each AGM, 1/3 of the Directors will offer themselves for retirement depending on those who have held office for the longest time period since the election or re-appointment. A retiring director shall be eligible for re-election subject to shareholder approval at the AGM.
- b) Directors seeking re-election will be evaluated based on their performance, contribution to the Board, and continued relevance to the Company's strategic goals and specifically to ensure that such proposed appointees are fit and proper, to continue as directors. The Committee will assess the suitability of each director for re-election and make recommendations to the Board.
- c) The re-election of directors will be included as a resolution at the AGM, where shareholders will have the opportunity to vote on each director's continuation in office. Directors will be re-elected by a simple majority vote of the shareholders present or represented by proxy

Name of the Document: - Policy On Corporate Governance, Nominations And Re-Election		Document Number: - LH-POLICY-LEGAL-05		Page: - 05 of 07
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance		Reviewed by: - Group Chief Executive Officer/Executive Committee/ Nominations and Governance Committee		Approved by: - Board of Directors

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives

7.4 Evaluations

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

8. Succession Planning

The Board will develop and maintain a succession plan for key leadership positions, including the Board Chairperson, Committee Chairs, and senior executives. The Committee will regularly review the succession plan to ensure leadership continuity and to identify potential candidates for future Board and executive roles.

9. Shareholder Engagement

The committee may engage with shareholders to ensure their concerns are considered where required and such relations shall be carried as per the process stipulated in the policy on shareholder and investor relations.

10. Review and Amendments

This policy will be reviewed and updated by the Board of Directors at least once a year. Amendments to the policy must be approved by the Board and communicated to shareholders at the AGM or through other relevant channels.

11. Remuneration

The members of the Committee may receive a sum as determined by the Remuneration Committee as a remuneration for the contribution that they have made.

12. Disclosures

All disclosure requirements as fully stated in the Listing Rules of CSE shall be adhered to by the Committee.

Name of the Document: - Policy On Corporate Governance, Nominations And Re-Election		Document Number: - LH-POLICY-LEGAL-05		Page: - 06 of 07
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance	Reviewed by: - Group Chief Executive Officer/Executive Committee/ Nominations and Governance Committee			Approved by: - Board of Directors

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives

13. Confidentiality and Ethical Conduct

The Committee members are required to maintain the confidentiality of all sensitive matters discussed in meetings and adhere to the Company's Internal Code of Business Conduct and Ethics and uphold the highest ethical standards in the performance of their duties.

14. References

This Policy where necessary should be read in conjunction with the other policies and guidelines of the Company, namely Board sub-committee charters and terms of references, the internal code of business conduct and ethics, policy on environment, social and governance sustainability, policy on corporate disclosures, policy on relations with shareholders and investors, control and management of company assets and shareholder investments, risk management and internal control, anti-bribery and corruption policy, whistleblower policy, related party transaction review policy, confidentiality and information security management guidelines.

The Policy has been formulated taking into consideration the provisions of the company's Articles of Association read together with the rules of the Colombo Stock Exchange. In the event, if there is any inconsistency between the provisions stated herein with that of the provisions of the Company's Articles of Association or the rules of Colombo Stock Exchange, the principles enunciated in the Articles of Association or the Rules of Colombo Stock Exchange shall take precedence in resolving any interpretation of the issue.

This policy was reviewed and recommended by the Nominations and Governance Committee on 18th September 2024 and approved by the Board of Directors on 19th September 2024.

Name of the Document: - Policy On Corporate Governance, Nominations And Re-Election		Document Number: - LH-POLICY-LEGAL-05		Page: - 07 of 07
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance		Reviewed by: - Group Chief Executive Officer/Executive Committee/ Nominations and Governance Committee		Approved by: - Board of Directors

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives