

Policy on the matters relating to the Board of Directors

Board : Board of Directors of Gestetner of Ceylon PLC

Company: Gestetner of Ceylon PLC

Version: 01

Listing Rules: Listing Rule 9.2.1 (a)

1. INTRODUCTION

The Board of Directors (the “Board”) of Gestetner of Ceylon PLC (the “Company”) recognizes the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its shareholders and all other stakeholders; and believes proceeding in accordance with good corporate governance and corporate social responsibility practices. The Board shall conduct itself with the highest standard of ethics and proceed in accordance with the applicable laws and regulations, to add value to the shareholders and stakeholders. As per section 9.2.1 (a) & 9.5 of the Colombo Stock Exchange Corporate Governance rules the listed entity shall establish and maintain a formal policy governing matters relating to the Board of Directors.

2. PURPOSE

The purpose of this Policy is to establish the policy framework and the criteria pertaining to Board composition, proceedings of the Board and other relevant policies to ensure that the Directors and management work together to effectively discharge their responsibilities in an appropriate manner, in the best interests of the Company and in compliance with the relevant legal and regulatory framework.

3. SCOPE

This Policy applies to the Company and covers all Directors, to the extent applicable.

4. THE BOARD

4.1 The Board shall comprise of a minimum of five (5) directors and a maximum of fourteen (14) directors taking into consideration the nature of the businesses carried out by the Company and in order to align with the requirements set out in the Listing Rules and corporate governance best practices.

4.2 The Board shall include at least 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.

4.3 The Board shall comprise of Directors representing different backgrounds in terms of expertise, experience, competency and industry requirements to fulfil the duties and objectives of the Board

and provide guidance to the Company's management.

4.4 Every Director must receive appropriate training when first appointed to the Board and subsequently on an on-going basis, as necessary. Training curricula will cover both general aspects of directorship, the Company's operational aspects, industry specific matters and the Listing Rules.

4.5 The Company shall take all steps, with the involvement and advice of internal and external counsel, to ensure that all Directors are kept informed of the applicable legal and regulatory requirements which the Company must adhere to. Details of on-going compliance and/or non-compliance along with reasons for the same and any remedial action proposed to be taken or has already been taken by the Company shall be presented at every meeting of the Board.

4.6 The Board shall have direct and unrestricted access to all the Company's information and management, as a whole and in their individual capacities as Directors, in furtherance of their duties. Additionally, the Board shall engage the services of external professionals with the requisite legal, financial or governance expertise as it considers necessary from time to time in the performance of its duties at the Company's expense.

5. MEETINGS OF THE BOARD

5.1 The Board shall meet at least every quarter with due notices issued to all Directors. Special meetings shall be convened, as and when required.

5.2 The number of Board meetings held in a year and details of attendance of each individual Director in respect of meetings held and the structure and process of submitting information shall be documented by the Board.

5.3 Directors may participate at meetings of the Board via electronic audio/visual means and participation in such manner shall be considered in deciding the quorum of such meeting.

5.4 Questions arising at any meeting of the Directors shall be decided by a majority of votes. Each Director shall have one (1) vote and in the event there arises a case of equality of votes, the Chairperson will have the casting vote.

6. THE CHAIRPERSON

6.1 The Chairperson shall provide leadership to the Board and shall ensure that the Board plays a full and constructive part in the determination of the Company's strategies and policies.

6.2 The Chairperson shall lead and maintain control at meetings of the Board and provide reasonable time for deliberations of matters under consideration to ensure that Board decisions are taken in the Company's best interests. If necessary, Board resolutions shall be put to a vote to ensure that it is a majority decision taken in a democratic matter.

6.3 The Chairperson shall act as the spokesperson for and on behalf of the Board as the main representative of the Company at shareholders' meetings and on other occasions where key or major actions are taken, or public statements are made in the name of the Company.

6.4 The responsibilities of the Chairperson include:

- (i) chairing meetings of the Board in such a manner that will stimulate debate on matters to be decided by the Board and encourage effective contribution from each member;
- (ii) chair meetings of Shareholders and ensuring effective communication with Shareholders.
- (iii) ensure proper committee structure, including assignments of members and committee chairpersons.
- (iv) ensure that all Directors, upon taking up their office, are fully briefed on the terms of their appointment, time and commitment, duties and responsibilities and the business of the Company;
- (v) managing the processes of the Board and ensuring that the Board and each individual Director discharges their responsibilities; and
- vi) establishing and monitoring good corporate governance practices

7. EXECUTIVE DIRECTOR

7.1 The Executive Directors shall be Employees of the Company and shall be accountable to the Board for the overall organization and management of the Company.

7.2 The responsibilities of Executive Directors shall include:

- (i) managing the overall business and affairs of the Company and overseeing the day-to-day operations of the Company;
- (ii) foster a corporate culture among Employees that promotes ethical practices, encourages individual integrity and fulfillment of corporate social responsibility;
- (iii) develop and recommend to the Board, the Company's operational plans and budgets that support the Company's long-term strategy;
- (iv) ensure the achievement of the Company's objectives and goals as detailed in the strategic plan;
- (v) recommend management structure and operating authority levels which includes delegation of responsibilities to management;
- (vi) ensure that the Company has an effective management team and an active plan for its development and succession;
- (vii) formulating and overseeing the implementation of major corporate policies; and
- (viii) liaising with the Chairperson and the Board to carry out other duties as directed by the Board as a whole.

7.3 At the commencement of every financial year the Board shall, in consultation with the Executive Directors set short, medium and long-term objectives of the Company, reasonable financial and non-financial targets that are to be met by the Company during the year.

7.4 The performance of the Executive Directors and the senior management will be evaluated by the Board at the end of every calendar year in order to ascertain whether the targets set by the Company have been achieved and if not so achieved, whether failure to meet such targets was reasonable in the circumstances.

8. CONFLICTS OF INTEREST

8.1 Directors shall inform the Board of any conflicts or potential conflicts of interests they may have in relation to particular items of business transacted by the Company.

8.2 A Director who is interested in a transaction entered into or to be entered into by the Company, may, upon due disclosure of his/her interest:

- (i) vote on a matter relating to a transaction and record the reasons for doing so;
- (ii) attend a meeting of Directors at which a matter relating to the transaction arises and be included among the Directors present at the meeting for the purpose of a quorum and record the reasons for doing so;
- (iii) sign a document relating to the transaction on behalf of the Company and record the reasons for doing so;
- (iv) do any other thing in his capacity as a director in relation to that transaction and record the reasons for doing so.

Provided however that if a Director has a material personal interest in a matter being considered at a Board meeting to approve a Related Party Transaction, such Director shall not,

- (i) be present while the matter is being considered at the meeting; and (ii) vote on the matter.

8.3 The Directors shall comply with the provisions of the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 and the Company's Policy on Internal Code of Business Conduct and Ethics for all Directors and Employees, when trading in the Company's listed securities.

9. APPRAISAL OF THE BOARD

9.1 The Board shall undertake a formal and transparent self-appraisal process to evaluate the effectiveness of individual Directors, the Board as a whole and its sub-committees in respect of their skills, experience and contribution made to the Board and the Company. This process will be overseen by the Nominations and Governance Committee.

9.2 The Nominations and Governance Committee, upon discussion of the results, will present the findings to the Board.

10. REVIEW AND MONITORING

10.1 The Nominations and Governance Committee will from time to time and not more than 3 years from the last review, review this Policy, monitor its implementation to ensure continued effectiveness and compliance with regulatory requirements and good corporate governance practice and shall make recommendations on any proposed revisions or amendments as may be required to the Board for its review and final approval.

10.2 Upon the Board's approval, the said revision or amendment shall be deemed to be effective and form part of this Policy.