

POLICY ON CORPORATE GOVERNANCE, NOMINATIONS AND RE-ELECTION

1. Purpose

The company believes in ethical business practices and upholds Corporate Governance standards in all transactions with any stakeholder. Such processes are required to mitigate risk and to provide added value to its shareholders and other stakeholders.

The Company's Corporate Governance framework is designed to ensure robust management of relationships and continuous value delivery to its stakeholders. It incorporates core principles of accountability, participation and transparency. This comprehensive framework includes structures, principles, policies, procedures, codes, and processes that uphold the Company's values and standards. It aims to balance the interests of shareholders with those of other stakeholders, including management, customers, suppliers, financiers, government, and the community.

The company endeavours to ensure that a strong set of corporate values which have been adhered to by all employees and the Board of Directors in the performance of their official duties and in other situations which could affect the Company's reputation.

2. Definitions

The following words and expressions shall have the respective meanings given against each such word unless such meanings are inconsistent with or repugnant to the subject or context:

“Board” means the board of directors of the Company;

“Company” means Mahaweli Reach Hotels PLC and all its subsidiaries if applicable;

“CSE” means the Colombo Stock Exchange

“Director” or **“Directors”** means a director or the directors (as the case may be) for the time being of the Company

“Listing Rules” mean the Listing Rules of the Colombo Stock Exchange;

3. Corporate Governance System

The Board of Directors who are appointed by the shareholders are the ultimate governing body of the Company having the highest decision making authority and overall responsibility for determining the strategic direction of the Company. In all actions taken, the Board of Directors are expected to exercise their business judgment considering the best interests of the Company. The Corporate Governance framework is subject to continuous reviews, assessments and improvements to provide best value to its stakeholders.

4. Nominations and Re-election:

The Board follows a formal process to appoint Directors to the Board through the recommendation of the Nominations & Governance Committee. The retirement and/or re-election of directors shall be in line with the company's Articles of Association.

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