

# **LANKA ALUMINIUM INDUSTRIES PLC**

## **POLICY ON BOARD COMMITTEES**

### **1. PURPOSE AND SCOPE**

This policy establishes the guidelines and framework for the formation, operation, and oversight of Board Committees at Lanka Aluminium Industries PLC (the “Company”). These committees assist the Board of Directors (the “Board”) in effectively fulfilling their governance, oversight, and fiduciary duties in line with regulatory requirements and the Company's Articles of Association.

### **2. SCOPE**

This policy applies to all standing and ad-hoc committees constituted by the Board, including but not limited to the Audit Committee, Nominations and Governance Committee, Remuneration Committee, and any other committees that the Board may establish from time to time.

### **3. FORMATION OF COMMITTEES**

#### **3.1 Authority to establish**

The Board has the authority to create committees, as necessary, to support its duties. The formation of each committee shall be pursuant to the Company’s Articles of Association/Listing rules of Colombo Stock Exchange.

#### **3.2 Appointment of members**

Members of each committee shall be appointed by the Board, based on the recommendations of the Nominations and Governance Committee. Consideration will be given to the expertise, qualifications, and experience necessary for committee responsibilities.

#### **3.3 Committee chairperson**

Each committee shall be chaired by a Non-Executive Director, ensuring independence and objectivity in decision-making. The Chairperson of the Board shall not hold the position of Chairperson of any committee.

### **4. COMMITTEE RESPONSIBILITIES**

Each committee will have defined responsibilities and duties, as outlined in their respective Terms of Reference (TOR). These responsibilities shall align with the Company’s objectives and regulatory requirements.

## **LANKA ALUMINIUM INDUSTRIES PLC**

### **POLICY ON BOARD COMMITTEES**

#### **4.1 Audit committee**

Oversees financial reporting, internal controls, and compliance with legal and regulatory standards.

#### **4.2 Nominations and governance committee**

Ensures the effective composition of the Board and committees, evaluates director nominations, and promotes sound corporate governance practices.

#### **4.3 Remuneration committee**

Responsible for reviewing and recommending compensation structures for senior management and directors, ensuring alignment with industry standards and Company performance.

#### **4.4 Ad-hoc committees**

The Board may establish temporary committees to address specific needs or projects, such as mergers, acquisitions, or critical risk management initiatives.

### **5. MEETING PROCEDURES**

#### **5.1 Frequency of meetings**

Committees shall meet as often as required to fulfill their responsibilities but not less than the minimum number of meetings stipulated in their TOR.

#### **5.2 Quorum and participation**

A quorum for committee meetings will be determined in accordance with the provisions set forth in the TOR of each committee. Committee members may participate in meetings via teleconference or video conference, provided that confidentiality is maintained.

#### **5.3 Documentation and reporting**

Minutes of each committee meeting shall be documented and submitted to the Board. The Chairperson of each committee is responsible for reporting committee findings and recommendations to the Board regularly.



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#### **6. ACCESS TO INFORMATION**

Committees shall have unrestricted access to all necessary records, personnel, and external advisors, ensuring they can fulfill their duties effectively.

#### **7. REVIEW OF THE POLICY**

This policy will be reviewed periodically by the Board to ensure its relevance and effectiveness. Revisions or updates shall be recommended for Board approval as necessary.

#### **8. POLICY ADMINISTRATION**

This policy is owned by the Corporate Governance Division and will be overseen by the Board of Directors.

#### **Effective Date:**

This policy is effective from 1st October 2024.