

LANKA ALUMINIUM INDUSTRIES PLC

POLICY ON CORPORATE GOVERNANCE, NOMINATIONS, AND RE-ELECTION

1. PURPOSE AND OBJECTIVE

1.1 The objective of this Policy is to establish a formal and transparent process for the governance, nomination, and re-election of Directors to the Board of Lanka Aluminium Industries PLC (the “Company”), in compliance with the Companies Act, the Listing Rules, and the Company's Articles of Association. This Policy aligns with corporate governance best practices to ensure accountability, transparency, and fairness, supporting the company’s long-term growth and success.

1.2 The Company’s internal governance framework establishes principles and practices that ensure responsible management and control, fostering a culture of accountability and ethical behavior at all levels of the organization.

2. ADMINISTRATION AND SCOPE

2.1 This Policy shall be overseen by the Nominations Committee (or a designated committee with the responsibility for board nominations) of Lanka Aluminium Industries PLC.

2.2 It applies to the Board of Directors, the Nominations Committee, and all relevant stakeholders involved in the nomination and re-election process.

3. NOMINATIONS PROCESS

3.1 Role of the Nominations Committee

The Nominations Committee is tasked with overseeing the identification, assessment, and recommendation of qualified candidates for appointment or re-election to the Board of Directors.

3.2 Identification of Candidates

(a) Potential candidates for directorship may be sourced from various channels, including recommendations from current Directors, shareholders, or external executive search firms.

(b) The Committee is committed to ensuring a diverse pool of candidates with a variety of skills, experiences, and perspectives that align with the Company’s strategic objectives.

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3.3 Qualifications

(a) Candidates must possess the necessary expertise, experience, integrity, and independence to fulfill the duties of a Board Director.

(b) Key qualifications include:

- Relevant experience
- Financial literacy and business acumen
- Leadership and strategic decision-making capabilities
- Alignment with the Company's ethical standards and corporate values

3.4 Due Diligence

(a) Comprehensive due diligence will be conducted on all potential candidates, including background checks, reference verification, and assessments of previous board experience (if applicable).

3.5 Nomination and Appointment

(a) The Nominations Committee will submit its recommendations to the full Board for approval. Upon Board approval, the selected candidate will be proposed for election by the shareholders at the Annual General Meeting (AGM) if required.

4. RE-ELECTION OF DIRECTORS

4.1 Performance Evaluation

Before recommending the re-election of an existing Director, the Committee will conduct a formal evaluation of the Director's contributions, including their attendance, engagement, and alignment with the Company's strategic objectives.

4.2 Independence and Tenure

(a) The Committee will review the Director's independence and tenure, ensuring compliance with best practices and regulatory requirements, including those set out in the Colombo Stock Exchange Listing Rules.

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4.3 Shareholder Approval

Directors standing for re-election will be subject to a vote by the shareholders at the AGM, as stipulated in the Company's Articles of Association.

5. DIVERSITY AND INCLUSION

5.1 The Nominations Committee is committed to promoting diversity in the Board, considering a broad range of skills, experiences, and backgrounds in its nominations process, including professional expertise.

6. SUCCESSION PLANNING

6.1 The Committee shall maintain a succession plan for the Board of Directors, ensuring that new talent is regularly introduced to support the Company's evolving business needs and strategic direction.

7. REVIEW OF THIS POLICY

7.1 This Policy shall be reviewed periodically to ensure its continued relevance and effectiveness. Any amendments must be approved by the Board of Directors.

Effective Date:

This policy is effective from 1st October 2024.