

# NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Company formally appointed its own Nominations and Governance Committee on 16th May 2024. Until such time, the Nominations and Governance Committee of the Parent Company, Hayleys PLC functioned as the Committee to the Company.

(On 01st November 2023, in terms of the Corporate Governance Rules of the Colombo Stock Exchange, the Nominations Committee of the Parent Company was renamed as the Nominations and Governance Committee and the composition was changed to comply with Section 9.11.4 of the Listing Rules of the Colombo Stock Exchange).

## COMPOSITION OF THE COMMITTEE AND ATTENDANCE

The Composition and attendance of Nominations & Governance Committee of the parent company;

### During the period from 01.04.2023 to 01.11.2023

Name of the Member	Attendance
Mr. Mohan Pandithage - Chairman *	7/7
Dr. Harsha Cabral, PC ***	7/7
Mr. Aravinda Perera ***	7/7

### During the period from 01.11.2023 to 31.03.2024

Name of the Member	Attendance
Mr. Aravinda Perera - Chairman ***	4/4
Dr. Harsha Cabral, PC ***	4/4
Mr. Gamini Gunaratne ***	4/4

The Composition and attendance of Nominations & Governance Committee of Haycarb PLC;

The Committee of the Company, which was constituted on 16th May 2024, comprises, Mr. Yohan Perera (Chairman), Mr. Nanda Fernando (Independent Non-Executive Directors) and Mr. Sarath Ganegoda (Non-Executive Director).

Name of the Member	Attendance
Mr. Yohan Perera - Chairman ***	1/1
Mr. Nanda Fernando ***	1/1
Mr. Sarath Ganegoda **	1/1

\* Executive Director

\*\* Non-Executive Director

\*\*\*Independent Non-Executive Director

## DUTIES OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

- The Nominations and Governance Committee evaluates and recommends the appointment of Directors to the Board and Committees considering the required skills, experience and qualifications necessary.
- Consider and recommend (or not recommend) the re-election of current Directors taking into account 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 the number of Directorships held by the Director in other listed and unlisted companies and other principal commitments.
- Establish and maintain a formal and transparent procedure to evaluate, select and appoint / re appoint Directors of the Company.
- Establish and maintain a set of criteria for selection of Directors such as 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.
- Establish and maintain a suitable process for the periodic evaluation of the performance of Board Directors and the CEO of the Company to ensure their responsibilities are satisfactorily discharged.

- Consider if a Director is able to and has been adequately carrying out his or her duties as a Director, taking in to consideration the number of Listed Company Boards on which the Director is represented and other principal commitments.
- Develop succession plans for Board of Directors and Key Management Personnel.
- Review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules and other applicable regulatory requirements and industry best practices. Review and update the corporate governance policies/ framework in line with regulatory and legal developments relating to same.
- Receive reports from the Management on compliance of the corporate governance framework of the Company including the Company's compliance with provisions of the Securities and Exchange Commission Act, Listing Rules of the Colombo Stock Exchange and other applicable laws and reasons for any deviations or non-compliances.

## DISCLOSURE OF ACTIVITIES

The Board performance evaluation has been carried out and discussed at Board meetings. Any major issues relating to the Company are updated to the Independent Directors by the Chairman or Managing Director. Special Board meetings are called if the need arises to discuss an important or critical matter with the Board.

Newly appointed Directors are given an induction to the Company prior to their first Board meeting. The orientation programme includes inviting the Directors to the manufacturing facilities to gain an understanding of the operations of the Company and its subsidiaries. Requirements as per the Listing Rules and applicable rules and regulations are informed to the new Directors. Existing Directors are regularly updated with corporate governance requirements, Listing Rules and other applicable laws.

Non-Executive Directors have submitted declarations regarding their independence / non independence. The fitness and propriety of the Directors were examined.

### RE-APPOINTMENTS / RE- ELECTIONS

One Third (1/3) of the all the directors except the Managing Director who have been appointed to the Board since the last Annual General Meeting, retire by rotation in terms of the Articles of Association and being eligible submit themselves for re-election at the AGM.

Accordingly, the Committee has recommended to re-elect Mrs. Jeevani Abeyratne, Mr. Ali Asgar Munaver Caderbhoy, and Mr. James Naylor, to the Board at the Annual General Meeting to be held on 27th June 2024, based on their performance and the contribution made to achieve the objectives of the Board.

Mrs. Jeevani Abeyratne was appointed to the Board in November 2009, and last re-appointed as a Director in June 2021. Her directorships and other principal commitments are given in the profile on page 33.

Mr. Ali Asgar Munaver Caderbhoy was appointed to the Board in April 2016, and last re-appointed as a Director in June 2022. His other directorships and other principal commitments are given in the profile on page 33.

Mr. James Naylor was appointed to the Board in April 2016, and last re-appointed as a Director in June 2022. His other directorships and other principal commitments are given in the profile on page 33.

Directors, Mr. Nanda Fernando and Mrs. Anomi Wanigasekera who were appointed to the Board on 03rd January 2024 and Mr. Yohan Perera who was appointed on 1st April 2024 will come up for re-election

by the shareholders at the Annual General Meeting. Their profiles in page 34 and 35 set out their other principal commitments and directorships.

Due to the invaluable contribution made to the Board as a result of their many years of experience, industry knowledge and business acumen, the Committee has recommended to reappoint Mr. Arjun Senaratne and Mr. Mohan Pandithage who are over seventy years and who retire in terms of Section 210 of the Companies Act No. 7 of 2007.

None of the Directors who are being proposed for re-election or their family members, have any relationship with the Directors of the Company or shareholders having more than 10% of the shares of the Company.

The Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange are met by the Company and details are given in page 212 to 219.



**Yohan Perera**

*Chairman*

*Nominations and Governance Committee*

16th May 2024