GOVERNANCE HIGHLIGHTS OF 2025/26

SHAREHOLDERS
- The 52nd Annual General Meeting was held on 26th June 2025.
- Payment of Rs. 1.21 Bn as dividends relating to the financial year ended 31 March 2026.
- An Extraordinary General Meeting was held on 14th January 2026 to pass a Special Resolution for the amendment to the Articles of Association.

AMALGAMATION
- Ultracarb Pvt Ltd, was amalgamated with Haycarb PLC in October 2025.

BOI REGISTRATION
- Haycarb PLC registered with Board of Investment of Sri Lanka under the "Section 17 of the BOI Law No.4 of 1978", in March 2026.

EXPANSION
- Haycarb Philippines Corporation commenced the construction of its Manufacturing plant in Philippines.
- Start of Commercial Operations by Eurocarb Germany GMBH.

POLICY REFRESH
- The Company's governance policies publicised in line with Section 9.2 of CSE listing rules, were reviewed by the Board at its meeting held on 12th February 2026.

SUSTAINABILITY
- The mid-term sustainability review report was published on the Company's website, in January 2026.

EVALUATIONS
- Annual Board Self-Evaluation was completed during the year.
- Annual evaluation of the Chief Executive Officer by the Board was also completed during the year.

GOVERNANCE DASHBOARD 2025/26

MEETINGS & ATTENDANCE
- **04** Board Meetings | **98%** Attendance
- **04** Audit Committee Meetings | **94%** Attendance
- **04** Related Party Transactions Review Committee Meetings | **84%** Attendance
- **02** Remuneration Committee Meetings | **100%** Attendance
- **02** Nominations & Governance Committee Meetings | **100%** Attendance

BOARD COMPOSITION
- Independent Director Representation – **36%**
- Female Director Representation – **29%**

BOARD EVALUATIONS
- Evaluations Completed – **100%**

OUR COMMITMENT
- Governance breaches - **0%**
- Regulatory noncompliance incidents – **0%**

TRAINING HOURS
- Employee training on data privacy – **285 Hours**
- Employee training on code of business conduct – **883 Hours**
- Employee training on sustainability – **3,246 Hours**

INTERNAL AUDITS
Number of Internal Audits completed by Hayleys Management Audits & Systems Review Department – **04**

GOVERNANCE ACROSS ELEVEN COUNTRIES

Operating across 11 countries and multiple regulatory jurisdictions, Haycarb PLC maintains a robust governance framework to ensure that the standards and obligations expected from a responsible listed entity are consistently upheld across all Group operations. In addition to complying with Group governance requirements, each entity within the Group also adheres to the specific legal, regulatory and compliance requirements applicable within its respective jurisdiction, many of which are significantly different and increasingly complex in nature. Managing governance across such a diverse global operating landscape requires disciplined oversight, structured governance processes and continuous monitoring across all levels of the organisation.

PROCESS OF GLOBAL GOVERNANCE

The following represent significant mechanisms through which governance is exercised across the Group's global operations.

BOARD REPRESENTATION ACROSS GEOGRAPHIES

The Group maintains representation of Parent Company Directors across geographically diversified subsidiaries to ensure consistent governance oversight, strategic alignment and adherence to Group governance standards across all operating locations.

» Mr.Mohan Pandithage serves as Chairman of all Group entities, except PT. Mapalus Makawanua Charcoal Industry and PT. Haycarb Palu Mitra, where he serves as President Commissioner and President Director, respectively.

» Mr.Rajitha Kariyawasan serves on the Boards of all Group entities, except one associate company.

» Mr. Sarath Ganegoda serves on the Boards of two entities in Australia and Indonesia, as well as an associate company in Sri Lanka.

» Mrs. Jeevani Abeyratne serves on the Boards of all Group entities, except two associate companies.

» Mr. Brahman Balaratnarajah serves on the Boards of ten entities across Sri Lanka, Thailand, the USA, Singapore, the Philippines, and Indonesia.

» Ali Asgar Munaver Carderbhoy serves on the Boards of seven entities across Sri Lanka, Australia, India, the Philippines, Singapore, and Indonesia.

» M.S.P. Udaya Kumara serves on the Boards of six entities across Sri Lanka, the USA, the Philippines, Singapore, and Indonesia.

» Brindiini Perera serves on the Board of the Group's UK entity.

» Arjun Senaratna serves on the Board of the Group's USA entity.

GROUP STRUCTURE

19	Companies
2	Manufacturing entities in Sri Lanka, including Haycarb PLC (parent)
5	Sales, marketing and business development entities in the UK, USA, Australia, India and Germany
3	Manufacturing entities in Thailand
1	Manufacturing entity in the Philippines
2	Manufacturing entities in Indonesia
3	Entities including an associate relating to environmental engineering
2	Investment entities
1	Associate entity in Leisure sector

INCLUSION OF LOCAL JURISDICTION DIRECTORS

Each operating entity includes Directors from the respective local jurisdiction to ensure that country-specific legal, regulatory and business requirements are appropriately addressed through local expertise and market understanding.

» Eurocarb Germany GmbH (Germany) - Erik Mense, Ms. Tatjana Gorst

» Haycarb Philippines Corporation (Philippines) - Ronald D. Policarpio

» Haycarb Singapore (Pvt) Limited (Singapore) - Wong Yong Fei

» Haycarb Activated Carbon (Pvt) Ltd. (India) - Elindram Srinivasulu

» PT. Haycarb Palu Mitra (Indonesia) - Jafri Yauri,K.A. Karman, Ronny

» Carbokarn Co. Ltd (Thailand) - Prasarsk Kanchanabatr, Benja Karnchanabatr, Krit Karnchanabatr, Ms. Chattip Techatipmanee, Ms. Sirijit Karnchanabatr

» Shizuka Co. Ltd. (Thailand) – Prasarsk Kanchanabatr, Benja Karnchanabatr, Krit Karnchanabatr, Ms. Chattip Techatipmanee, Ms. Sirijit Karnchanabatr

» CK Regen Systems Limited (Thailand) – Prasarsk Kanchanabatr, Benja Karnchanabatr, Krit Karnchanabatr, Ms. Chattip Techatipmanee, Ms. Sirijit Karnchanabatr

» Haycarb USA Inc. (USA)- Chris Rosauer, Arjun Senaratna

» Eurocarb Products Limited (United Kingdom) -Erik Mense, Richard Bittel

» Haycarb Holdings (Australia) (Pty) Ltd. (Australia) – Manuel Marques

» PT.Mapalus Makawanua Charcoal Industry (Indonesia) – Ridwan Mapahena

INTEGRATION BETWEEN PARENT AND LOCAL BOARDS

Close collaboration between Directors of the Parent Company and local jurisdiction Directors enables effective communication, timely decision-making and alignment between Group objectives and local operational requirements.

MONTHLY PERFORMANCE AND GOVERNANCE REVIEWS

Structured monthly review meetings are conducted for each entity to monitor operational performance, financial management, compliance matters, strategic priorities and emerging risks across the Group. During the year the number of meetings conducted > 50 .

ENGAGEMENT OF REPUTED FIRMS FOR ANNUAL EXTERNAL AUDIT FUNCTION AND ENGAGEMENT OF REPUTED FIRMS FOR OTHER COMPLIANCE ADVISORY

The Group engages reputed professional firms across respective jurisdictions to carry out Annual external audit functions for operating entities. In addition, reputed professional advisors are also appointed to support local legal, tax, regulatory and compliance requirements within respective countries. Firms engaged during the year other than established in Sri Lanka are given below.

» Guthrie, Belcsyk, & Associates, P.C. – USA

» H.S. Lim & Co. LLP - Sigapore

» Lawes & Co UK Limited – United Kingdom

» Hall Chadwick WA Audit Pty Ltd - Australia

» Advanced Auditing Co., Ltd - Thailand

» Johannes Juara & Rekan - Indonesia

» Jill Santos & Company – Philippines

» Johannes J. Moser M.Sc. - Germany

» Ernst & Young LLP – Singapore

» SGV & Co. – Philippines

» Ernst & Young -India

» Price Waterhouse & Co LLP- India

» Coverdale Trust Services Limited – BVI

» Romulo Mabanta Buenaventura Sayoc & De Los Angeles – Philippines

» TMF Deutschland AG – Germany

REGULAR VISITS BY PARENT COMPANY DIRECTORS

Directors of the Parent Company frequently visit overseas operations to strengthen governance oversight, engage with local management teams and obtain direct visibility into operational and compliance matters within different geographies.

Number of Parent Company Directors visiting foreign subsidiaries during the year - 12

FREQUENT SENIOR MANAGEMENT ENGAGEMENT

Senior management teams regularly visit entities across multiple jurisdictions to support operational integration, monitor execution of strategic priorities and maintain close coordination with local management teams.

Number of Parent Company Senior Managers visiting foreign subsidiaries during the year - 18

CENTRALISED FINANCE OVERSIGHT

The finance function of the Group is centrally coordinated from the Parent Company in Sri Lanka, enabling consistent financial governance, reporting standards, treasury oversight, internal controls and financial monitoring across all Group entities. The Group has appointed dedicated finance professionals at the Parent Company to oversee and support the finance functions of each foreign entity, ensuring close financial oversight, coordination and alignment across all international operations.

CENTRALISED STRATEGIC AND SUPPORT FUNCTIONS

Key strategic and support functions including Information Technology, Sales and Marketing, Research and Development, Digital Marketing and Legal oversight are centrally managed from the Parent Company in Sri Lanka to ensure consistency, operational alignment and effective governance across the Group.

GROUP-WIDE INTERNAL AUDIT COVERAGE

The annual internal audit plan of the Hayleys Management Audit and Systems Review Department extends across foreign geographical locations, enabling structured reviews of operational processes, financial controls, system governance and compliance practices throughout the Group's international operations.

GOVERNANCE PROCESS CONNECTIVITY ACROSS CAPITALS

The Group's governance framework supports the stewardship, protection and enhancement of the capitals that underpin long-term value creation. Through strategic oversight, capital allocation, enterprise risk management and sustainability governance processes, the Board and management oversee how each capital is utilised, strengthened and balanced across multiple horizons

Strong governance drives the effective stewardship and creation of value across all capitals.

GOVERNANCE PROCESS	Financial Capital	Manufactured Capital	Human Capital	Intellectual Capital	Social And Relationship Capital	Natural Capital	Digital Capital
Strategic Planning	✓	✓		✓	✓	✓	✓
Capital Allocation	✓	✓		✓		✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓
Sustainability Governance			✓	✓	✓	✓	✓
R&D Oversight				✓		✓	✓
Supply Chain Governance	✓	✓			✓	✓	✓
Cybersecurity Oversight	✓			✓	✓		✓

Through robust governance processes, we ensure balanced management and continuous enhancement of our capitals, creating sustainable value across multiple horizons.

GOVERNANCE PROCESS CREATING VALUE

GRI: 2-23,24

Strong governance is the foundation of our success and sustainable growth. Our governance process, guided by clear policy commitments and embedded across the Group, creates long-term value for all our stakeholders.

POLICY COMMITMENTS

We formally state our commitment to responsible business conduct and ethical leadership. GRI: 2-23

Ethical Business Conduct & Integrity
Upholding the highest standards of ethics, integrity and transparency.

Respect for Human Rights
Respecting and promoting human rights across our operations and value chain.

Health, Safety & Well-being
Prioritising the health, safety and well-being of our people and communities.

Environmental Stewardship
Responsible use of resources and minimising our environmental impact.

Legal & Regulatory Compliance
Complying with all applicable laws, regulations and industry standards.

Stakeholder Engagement & Accountability
Engaging with stakeholders openly and being accountable for our actions.

Our policies are aligned with international standards and local regulations, and reviewed regularly to remain relevant and effective.

EMBEDDING POLICY COMMITMENTS

We translate our commitments into action across governance, processes and people. GRI: 2-24

Governance & Oversight
The Board provides oversight through clear structures, policies and accountability mechanisms.

Integration into Strategy & Decision Making
ESG and responsible business considerations are integrated into strategy, risk management and business decisions.

Policies, Procedures & Controls
Robust policies and internal controls guide our operations and ensure compliance with laws and standards.

Capacity Building & Awareness
We build awareness and capability of our people through training, communication and a strong ethical culture.

Monitoring, Measurement & Assurance
We monitor performance through KPIs and management reviews, with assurance to drive continual improvement

CREATING VALUE FOR OUR STAKEHOLDERS

SHAREHOLDERS
- Sustainable returns
- Transparent reporting
- Strong corporate governance

EMPLOYEES
- Safe and inclusive workplace
- Growth and development
- Fair and respectful treatment

CUSTOMERS & PARTNERS
- Quality products and services
- Reliable partnerships
- Ethical and responsible dealings

COMMUNITY & SOCIETY
- Community wellbeing and development
- Responsible operations
- Environmental stewardship

REGULATORS & GOVERNMENT
- Compliance with laws and regulations
- Constructive engagement
- Support national development

GOVERNANCE PRACTICES SUPPORTING ETHICAL AND EFFECTIVE LEADERSHIP AT HAYCARB

At Haycarb, governance practices that support ethical and effective leadership are built on a strong, structured framework that ensures accountability, transparency, and long-term value creation:

COMPOSITION

The Haycarb Board comprises 14 Directors, including 8 Non-Executive Directors, of whom 5 are Independent, ensuring a balanced Board structure with effective oversight and strong governance standards.

This composition strengthens objective oversight, reduces concentration of authority, and enhances balanced decision-making in line with best practice corporate governance standards.

EFFECTIVE DELEGATION

Effective leadership is further supported through well-defined delegation mechanisms.

Board Committees operate under clearly established Charters, enabling focused oversight of key areas such as audit, risk, remuneration, nominations and related party transactions, while ensuring clear accountability and efficient decision-making processes.

BOARD ENGAGEMENT

The Board maintains strong engagement with the business through regular interaction with Executive Directors, cross-representation within subsidiaries, structured Board meetings, and continuous knowledge-sharing sessions. This ensures directors remain closely connected to operational realities while maintaining strategic oversight.

POLICIES

Haycarb PLC also maintains a comprehensive policy framework approved by the Board, which guides ethical conduct, compliance, and governance practices across the Group, reinforcing a strong culture of integrity and consistency.

RISK MANAGEMENT

Risk governance is embedded through an Enterprise Risk Management framework supported by a Combined Assurance Model. The Company continuously identifies and integrates significant and emerging risks into its risk management processes, ensuring proactive mitigation, resilience, and informed strategic decision-making

Together, these practices create a robust governance environment that supports ethical leadership, sustainable performance, and stakeholder confidence.

BOARD COMPLIANCE

Haycarb operates within a comprehensive, fit-for-purpose governance framework designed to ensure strict compliance with applicable statutory requirements, regulatory directives, and globally recognised corporate governance best practices. This framework is supported by strong internal control systems, Board oversight mechanisms, and a culture of ethical conduct that is embedded across the Group's operations.

The Board plays a central role in ensuring that the Group is governed with integrity, transparency, and accountability. It provides strategic direction while safeguarding the interests of shareholders and other key stakeholders, including employees, customers, regulators, and the wider community. In doing so, the Board ensures that capital resources are utilised responsibly and that sustainable value creation remains a core priority.

During the 2025/26 financial year, the Board confirms that it has effectively discharged its fiduciary duties and statutory obligations. This includes oversight of financial reporting integrity, risk governance, internal controls, compliance monitoring, and strategic performance evaluation. The Board is satisfied that appropriate governance practices were consistently applied throughout the year.

The Company confirms full compliance with the Corporate Governance Rules set out under the Listing Rules of the Colombo Stock Exchange (CSE). This includes compliance with requirements relating to Board composition, independence, Board committees, disclosures, related party transactions, and overall governance standards.

All Independent Directors appointed to the Board meet the independence criteria specified under the CSE Listing Rules. Their independence of judgement and absence of material relationships with the Company ensure objective oversight and strengthen Board decision-making.

The Chairman & Chief Executive Officer, along with all Directors, satisfy the "fit and proper" assessment criteria stipulated by the CSE Listing Rules. This ensures that Board members collectively possess the required competence, integrity, experience, and professional standing to govern the Company effectively.

The Board further confirms adherence to the Company's internal Policy on Matters Relating to the Board of Directors, which governs Board structure, responsibilities, conduct, evaluation, succession planning, and governance processes. This policy ensures consistency, discipline, and alignment with regulatory expectations and best practice standards.

Throughout the financial year under review, there were no material breaches of applicable laws, regulations, or statutory requirements. In addition, no material fines or penalties were imposed on the Company for any contraventions. This reflects the effectiveness of the Company's compliance culture, monitoring systems, and proactive governance oversight mechanisms.

ADAPTIVE GOVERNANCE FRAMEWORK IN RESPONSE TO A RAPIDLY CHANGING OPERATING ENVIRONMENT

ESG Expectations
ESG risks integrated into Enterprise Risk Management framework. Board actively monitors ESG strategy progress, aspirations, and targets to ensure accountability and sustainability performance.

Regulatory Changes (Data Protection)
Development and implementation of processes to align with the Personal Data Protection Act including the appointment of the Data Protection Officer.

Group structure complexities across multiple geographical jurisdictions
Including the commencement of operations in the Philippines and Germany, together with evolving regulatory changes across the jurisdictions in which the Group operates.

AI and Digital Transformation
A holistic digital transformation strategy monitored and reviewed by the Board, with focused oversight on ethical concerns, potential workplace displacement and strengthening internal controls.

COMPLIANCE TO NEW CORPORATE GOVERNANCE RULES

GRI: 2 -27

COLOMBO STOCK EXCHANGE – Complied

CA Sri Lanka – Complied

Haycarb has fully aligned its governance practices with the revised Corporate Governance Rules (Section 9) of the Colombo Stock Exchange, which became effective on 1st October 2023.

In parallel, CA Sri Lanka issued an updated edition of the Code of Best Practice on Corporate Governance (2023) to reflect the revisions introduced to the CSE Listing Rules on corporate governance, further strengthening the national governance framework.

Accordingly, the Group has enhanced its governance structure to ensure compliance with the strengthened requirements in line with these provisions.

The Company remains committed to upholding the highest standards of corporate governance and is well positioned to achieve full compliance with all revised requirements by the stipulated deadlines.

COMPLIANCE WITH THE SLFRS SUSTAINABILITY STANDARDS - S1 AND S2

IFRS S1 and IFRS S2 are the inaugural sustainability disclosure standards issued by the International Sustainability Standards Board (ISSB) in June 2023. They were created to establish a global baseline for how companies disclose sustainability-related risks and opportunities to investors, ensuring consistency, transparency, and comparability in corporate reporting.

» IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information.

» IFRS S2: Climate-related Disclosures.

These standards became effective for annual reporting periods beginning on or after January 1, 2025.

CA Sri Lanka issued localised versions SLFRS S1 and SLFRS S2, which were effective from January 1, 2025. Haycarb initiated adoption of these standards from 2023/24 and obtained independent practitioners assurance report for SLFRS Sustainability related financial disclosures presented in the Annual Report for 2025/26.

Haycarb PLC's commitment towards compliance with the SLFRS Sustainability Disclosure Standards S1 and S2 is comprehensively disclosed throughout the Annual Report across four key sections covering Governance, Risk Management, Strategy and Metrics. (Please refer page number 63 to 113). These disclosures collectively demonstrate the Group's approach to identifying, assessing, managing, and monitoring sustainability and climate-related risks and opportunities in alignment with the requirements of SLFRS S1 and SLFRS S2.

READINESS FOR IFRS/SLFRS SUSTAINABILITY STANDARDS

Haycarb commenced its journey towards IFRS Sustainability reporting from the time the ISSB standards were announced, investing significant time and resources to understand the requirements and strengthen the Group's preparedness for compliance. Accordingly, training was carried out for the entire leadership of the Group including the Executive Directors to ensure there is alignment of understanding and that every department understands their responsibilities with regard to sustainability reporting, underscoring that sustainability requires the active participation of every employee and stakeholder.

Haycarb has also progressed towards strengthening the credibility and robustness of its sustainability disclosures by obtaining external assurance over disclosures aligned with IFRS S1 and IFRS S2 requirements. In parallel, the Group also carried out a preliminary assessment of the Taskforce on Nature-related Financial Disclosures (TNFD) framework, including a limited analysis using the LEAP approach, the outcomes of which are presented within this Annual Report.

GOVERNANCE
Strong governance structures and oversight to drive sustainability.

STRATEGY
Embedding sustainability into our strategy and business model.

RISK MANAGEMENT
Identifying and managing sustainability and climate related risks and opportunities (SRROs and CRROs).

METRICS & TARGETS
Setting meaningful targets and tracking progress with relevant metrics aligned to our impacts and value chain.

APPROACH TO GOVERNANCE GRI: 2-27

Haycarb adopts an enterprise-wide and integrated approach to corporate governance, enabling the Group to continuously strengthen and evolve its governance structures, processes, and oversight mechanisms in response to an increasingly dynamic global operating environment. Governance at Haycarb is not viewed merely as a compliance obligation, but as a strategic enabler that supports long-term resilience, sustainable value creation, ethical business conduct, and disciplined decision-making across the Group's global operations.

The Group's governance philosophy is anchored on long-standing principles of transparency, accountability, fairness, integrity, and responsibility, which collectively underpin its commitment to safeguarding and enhancing multi-stakeholder value over the long term. This includes creating sustainable value for shareholders, employees, customers, suppliers, business partners, regulators, communities, and the environment.

Haycarb's governance framework is designed to ensure robust compliance with applicable laws, regulations, and listing requirements across the jurisdictions in which the Group operates, while also aligning with globally recognised governance standards and leading sustainability and reporting frameworks to strengthen governance maturity and international best-practice alignment.

The Group's compliance framework has evolved beyond a traditional regulatory focus and is supported by comprehensive policies, internal controls, governance oversight structures, risk management mechanisms, and periodic review processes that ensure responsiveness to evolving regulatory expectations and emerging stakeholder priorities. During the financial year, the Group maintained a strong compliance record, with no material instances of non-compliance with applicable laws and regulations and no significant legal or regulatory actions reported. The current governance and compliance framework of the Group is illustrated below.

EXTERNAL FRAMEWORKS

REGULATORY FRAMEWORKS

- Companies Act No.7 of 2007
- Sri Lanka Accounting and Auditing Standards Act No.15 of 1995
- Section 9 on the Corporate Governance Rules for listed Companies issued by the Colombo Stock Exchange (CSE)
- Inland Revenue Act No. 24 of 2017 and amendments thereto
- Customs Ordinance No. 17 of 1869
- Foreign Exchange Control Act No. 12 of 2017
- Industrial Disputes Act No. 43 of 1950
- The Shop and Office Employees Act No. 15 of 1954
- Factories Ordinance No. 45 of 1942
- All legal and regulatory framework of countries where the Group Companies are operating.
- Continued Listing Requirements of the Colombo Stock Exchange - Section 7.

VOLUNTARY STANDARDS, CODES AND FRAMEWORKS

- "Code of Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka
- Integrated Reporting Framework
- Global Reporting Initiative Standards
- Recommendations of the Taskforce on Climate Related Financial Disclosures
- Recommendations of the Taskforce on Nature Related Financial Disclosures
- SLFRS S1 and S2 Sustainability Reporting Standards
- Chemicals Sustainability Accounting Standard
- Requirements of Environmental & Social Certifications
- Requirements of the Environmental Quality Standards and Certifications.
- Sustainability Accounting Standards Board (SASB) Disclosures.
- Non-Financial Reporting Guidelines of the Institute of Charted Accountants of Sri Lanka.

INTERNAL MECHANISMS

POLICIES AND FRAMEWORKS

- The Articles of Association
- Charters of the Board of Directors and the Subcommittees
- Policy framework (Haycarb's Policies and Procedures)
- Delegation of Authority Limits / SOPs

ORGANISATIONAL CULTURE

- The Hayleys Way- Ethical roadmap for employees
- Corporate Values

GOVERNANCE

- Structures and delegation
- Strategic leadership
- Controls and assurance
- Responsible corporate citizenship

ALIGNMENT WITH ACTIVATE AND HAYLEYS "LIFECODE"

- 100% compliance to relevant laws and regulations
- Meaningful and impactful stakeholder relationships
- Internal and external reporting on ESG factors
- Effective ESG risk management

GOVERNANCE IN ACTION

The Board of serves as the custodian of value creation and long-term sustainability, providing strategic direction and oversight as the Group advances its business aspirations. Through ethical, accountable, and responsible leadership, the Board ensures that the Company's operations are aligned with its corporate objectives, stakeholder expectations, and sustainability commitments.

Directors maintain close engagement with the business through a structured governance framework comprising Board meetings, Board Sub-Committee deliberations, management reporting processes, and regular interactions with the Group Management Committee and senior leadership teams. This enables the Board to effectively oversee strategy execution, financial performance, risk management, internal controls, compliance, and sustainability-related matters across the Group's operations.

The Board promotes a culture of integrity, transparency, and good governance while protecting the interests of shareholders and other stakeholders. The governance platforms, reporting structures, and oversight mechanisms through which the Board guides and monitors the business are presented below.

BOARD PRIORITIES IN 2025/26

GRI: 2-12

During the year under review, the Board devoted considerable attention to a number of key matters aligned with the Company's long-term strategic priorities, while also responding proactively to emerging developments and challenges within the external operating environment.

1. Monitoring the execution of strategic priorities and business performance
2. Board succession planning and leadership continuity
3. Advancing digital transformation and strengthening IT governance
4. Ensuring effective identification and management of key risks
5. Strategic integration of Environmental, Social and Governance (ESG) considerations

MONITORING EXECUTION OF STRATEGY AND PERFORMANCE

The Board provides strategic direction to the Company, approves key policies and processes, and oversees the effective execution of strategy through regular reviews and updates.

PORTFOLIO OPTIMISATION
Effective capital allocation and portfolio execution

ESG INTEGRATION & SUSTAINABILITY FOCUS
Integrating ESG into decision-making, functions and processes

CUSTOMER CENTRIC
Aligning policies with customer expectations

INCLUSIVE BUSINESS PRACTICES
Promoting inclusive business models and strategic CSR initiatives

BUILDING INSPIRED TEAMS
Ensuring the Group attracts and retains key talent to support its strategy

INCLUSIVE BUSINESS PRACTICES

Information provided to Board & decisions

- Community engagement outcomes and initiatives
- Review of major suppliers and value creation initiatives
- Monitoring of supplier development programmes

ESG INTEGRATION & SUSTAINABILITY FOCUS

Information provided to Board & decisions

- ESG risk assessments and non-financial performance metrics
- External sustainability-related developments
- Monitoring sustainability-related risks and opportunities
- Review ESG Performance with ACTIVATE ESG Framework 2030

PORTFOLIO OPTIMISATION

Information provided to Board & decisions

- Performance against financial and operational targets
- External developments including economic, political and social matters
- Approval of strategic direction, Corporate Plan and budgets
- Approval of major capital projects and acquisitions
- Approval of annual, interim and quarterly financial results

CUSTOMER CENTRIC

Information provided to Board & decisions

- Results of customer satisfaction surveys
- Evaluation of opportunities in new markets and customer segments
- Monitoring performance of new products and businesses

BUILDING INSPIRED TEAMS

Information provided to Board & decisions

- Employee development, health and safety, and engagement initiatives
- Results of employee satisfaction surveys
- Approval of Diversity, Equity and Inclusion initiatives
- Review of remuneration guidelines and policies
- Oversight of succession planning for key management personnel

BOARD SUCCESSION AND LEADERSHIP CONTINUITY

Succession planning remained a key priority of the Board during the year and was regarded as a collective responsibility of the Board. During the year, the Board of Haycarb ensured that the Executive Directors and Key Management Personnel possessed the required skills, experience, and knowledge to effectively implement the Group's strategy, supported by appropriate succession arrangements.

The Nominations and Governance Committee ensured that formal succession plans were in place for the CEO and all Key Management Personnel, while also identifying the necessary training and development requirements for individuals selected as potential successors.

The Board maintains a formal and transparent process for the appointment and succession of Directors. The Nominations and Governance Committee evaluates, shortlists, and recommends suitable candidates to the Board for approval. Prior to commencing the search process, the desired attributes, expertise, and experience of potential appointees are carefully identified, taking into consideration the collective knowledge, diversity, and experience of the Board in line with the Company's strategic direction and any identified competency gaps.

In assessing potential candidates, consideration is also given to their other directorships and professional commitments to ensure that they are able to dedicate sufficient time and attention to effectively discharge their responsibilities. All Director appointments are duly notified to the Colombo Stock Exchange.

DIGITAL TRANSFORMATION, IT AND CYBERSECURITY GOVERNANCE

The Haycarb Group has established a robust governance framework to safeguard its IT systems, digital infrastructure, and information assets. This framework supports the secure and reliable operation of business processes while enhancing resilience against evolving cybersecurity threats and technology-related risks.

The Group continuously strengthens its cybersecurity controls, data protection mechanisms, and system monitoring processes to ensure the confidentiality, integrity, and availability of critical information. Regular assessments, policy reviews, and employee awareness initiatives are also carried out to promote a strong cybersecurity culture across the organisation.

Details of the Group's approach to managing technology, cybersecurity, and digital resources are provided under 'Digital Capital' on page 258.

BOARD INTERVENTIONS ON DIGITAL TRANSFORMATION AND IT GOVERNANCE

REVIEW AND APPROVE STRATEGY

Review and approve the Group's digital transformation strategy to ensure alignment with long-term objectives, value creation and stakeholder expectations.

MONITOR PROGRESS

Assess the progress and effectiveness of strategic digital initiatives and ensure key transformation milestones are achieved.

EVALUATE BUSINESS CASE

Evaluate the business case of major digital transformation programmes, including modernising applications and automating workflows, to drive value and efficiency.

OVERSEE RISK MANAGEMENT

Monitor the management of IT and cyber-related risks, ensuring robust controls, compliance with regulations and the resilience of the Group.

ENSURE RESILIENCE AND AVAILABILITY

Monitor the stability, performance and availability of critical systems and IT infrastructure to support uninterrupted business operations.

These interventions enable the Board to provide strategic oversight, strengthen IT governance and leverage digital technology to drive sustainable growth and long-term value.

EFFECTIVE RISK MANAGEMENT

GRI: 2-23

Management of risks and opportunities remains a key priority of the Board of Directors in safeguarding business continuity, long-term resilience, and sustainable value creation. The Board holds ultimate responsibility for the effective management of risk across the Group and maintains a robust decision-making framework that enables the Group to capitalise on emerging opportunities while proactively identifying, assessing, monitoring, and managing potential risks.

To support this responsibility, the Board has adopted a structured Risk Management Framework and related processes designed to manage risks that may impact the achievement of the Group's strategic objectives, operational performance, financial stability, governance standards, environmental and social responsibilities, and information security. Risk management remains a regular agenda item at Board meetings, reflecting the Board's continued focus on strengthening resilience within an increasingly complex operating environment.

The Board has further expanded the scope of the Audit Committee's responsibilities to include oversight of the Company's risk management processes, including business-related, climate-related, and sustainability-related risks and opportunities. The Audit Committee supports the Board through detailed reviews, continuous monitoring of the Company's evolving risk landscape, and periodic reporting on risk assessments, mitigation actions, and the effectiveness of internal control mechanisms.

Risks are evaluated based on likelihood and impact and are supported by clearly defined risk ownership structures, internal controls, risk registers, workshops, benchmarking exercises, and scenario analysis. The Board periodically reviews principal risks to ensure that appropriate mitigation measures, governance practices, and assurance mechanisms remain effective and responsive to emerging developments.

Further details relating to the Group's Risk Management Framework, processes, and governance responsibilities are provided on page 54 of this Annual Report, while the activities undertaken by the Audit Committee in overseeing risk management are set out in the Audit Committee Report on page 347.

BOARD INTERVENTIONS ON RISK GOVERNANCE MECHANISMS

The Board plays an active role in strengthening risk governance to build a resilient, responsible and future-ready organisation.

IMPLEMENTATION OF A POLICY ON RISK MANAGEMENT AND INTERNAL CONTROLS

- Established a comprehensive framework for identifying, assessing and managing risks.
- Enhanced internal control environment to ensure effective mitigation of key risks.
- Strengthened monitoring and reporting for timely oversight and decision-making.
- Promoted a strong risk culture and accountability across the organisation.

STRENGTHENING ESG RISK MANAGEMENT IN LINE WITH THE REQUIREMENTS OF THE SLFRS S1 AND S2 SUSTAINABILITY DISCLOSURE STANDARDS

- Integrated ESG risk considerations into the enterprise risk management framework.
- Aligned processes with SLFRS S1 and S2 disclosure requirements.
- Enhanced data collection and measurement of ESG-related risks and opportunities.
- Enhanced transparency and stakeholder confidence through robust disclosures.

These interventions enable the Board to strengthen risk governance through enhanced internal controls and integrated ESG risk management aligned with SLFRS sustainability standards.

Discharge of Risk related responsibilities are set out in the below table,

DISCHARGE OF RISK-RELATED RESPONSIBILITIES

BOARD AUDIT COMMITTEE	ESG STEERING COMMITTEE	INTERNAL AUDITOR (HAYLEYS MA&SRD)	INDEPENDENT EXTERNAL AUDITOR
» Oversees external auditor selection, accounting policies and appropriate relationship with external auditor.	» Reviews and monitors ESG risks, opportunities and impacts. » Recommends and monitors appropriate measures to effectively address these dynamics.	» Assesses and strengthens effectiveness of controls and establishes new controls where necessary. » Direct channel between Head of MA&SRD and Chairman of the Audit Committee. » Reports available to Chairman, Chief Executive and Chairman of the Audit Committee.	» External auditors (Messrs. Ernst & Young) are independent and only engage in services permitted by the CSE. » Audit Committee reviews their independence, skills, experience and recommends their appointment to the Board. » Conducts meetings with external auditors in group subsidiary companies. » Monitors non-audit work by external auditors of the Group's subsidiary companies to ensure their independence.

ESG INTEGRATION

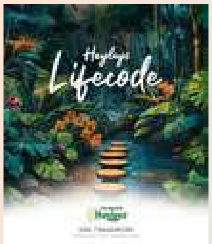
At Haycarb, the strategic integration of Environmental, Social, and Governance (ESG) considerations remains a key priority, reflecting growing stakeholder expectations, increasingly stringent regulatory requirements, and a rapidly evolving business environment.

Year on year, the Company continues to strengthen its sustainability governance framework to embed ESG principles across strategic decision-making, operational processes, and organisational culture, thereby supporting long-term resilience and sustainable value creation.

Haycarb PLC launched "ACTIVATE," its dedicated Environmental, Social, and Governance (ESG) framework in 2023, building upon the "Hayleys PLC Life Code" sustainability platform and tailoring it to align with Haycarb's operational priorities and long-term sustainability aspirations.

"ACTIVATE 2030 Roadmap" guides the Company's long-term sustainability strategy, with a focus on decarbonisation, circular economy practices, responsible resource management, employee well-being, and community empowerment, while embedding ESG principles into the Group's strategic direction, operational decision-making, and corporate culture to support resilience, innovation, and sustainable value creation for stakeholders.

CORPORATE GOVERNANCE



Scan me "Hayleys PLC – Life Code"

The Company corporate governance framework and practices are aligned to that of its parent entity, Hayleys PLC from which it inherits formalised structures, board procedures and policies. The Group's

Scan me "Haycarb PLC – ACTIVATE"

governance framework has evolved over the years to reflect industry dynamics, regulatory requirements and emerging stakeholder expectations.

ACTIVATE' centres on five action-driven pillars of Restore, Inspire, Excite, Uplift and Innovate which articulates the Group's commitment respectively to the environment, its employees, customers, communities and its product value proposition. The 'Conscious Core' of 'ACTIVATE' represents its central focus on governance and the role played by robust and responsive governance practices in driving the Group's ESG agenda.

ACTIVATE ESG ROADMAP 2030

ESG GOVERNANCE

Strengthening oversight of ESG implementation

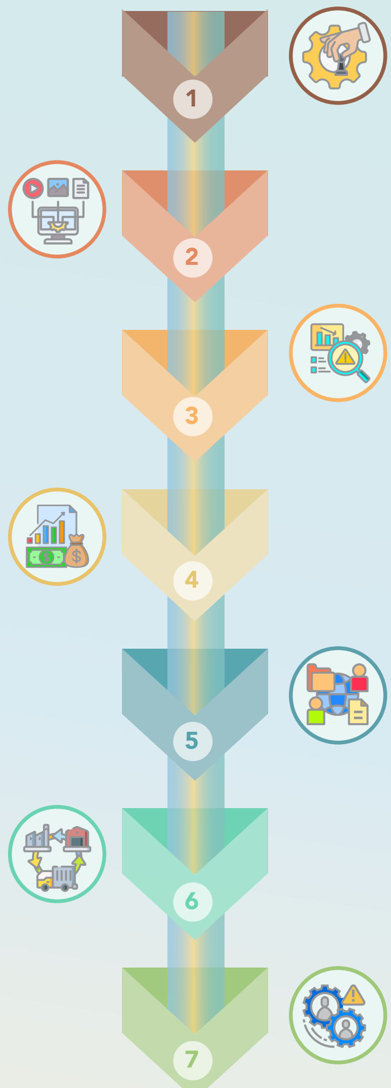
The Board of Directors retains ultimate accountability for overseeing ESG Governance across the Group, formalised through the Group's ESG Roadmap 2030 ACTIVATE.

The Board oversees the integration of sustainability considerations into Group strategy and long-term planning, Enterprise risk management, Capital allocation and major investments, Supply chain and operational resilience, Sustainability-related disclosures and Climate-related and nature-related governance practices.

The ESG Governance of the Group in detailed is set out on in page 65.

APPROACHING ESG INTEGRATION AND KEY ACHIEVEMENTS DURING 2025/26

HAYCARB ESG INTEGRATION



STRATEGY

Continued implementation of ACTIVATE 2030 targets, with renewable energy, water stewardship, responsible sourcing and circularity as key operational focus areas for 2025/26.

CROSS-FUNCTIONAL INTEGRATION

Expanded engagement across Finance, Operations, Procurement, Engineering, HR and Quality to embed ESG considerations into functional decision-making, operational execution, risk management and assurance readiness.

RISK MANAGEMENT

Prioritised seven material climate and sustainability-related risks and opportunities, covering raw material supply, water availability, market access, climate-solution demand, environmental compliance, operational safety and workforce capability.

FINANCIAL QUANTIFICATION

Assessed potential revenue and cost implications of selected climate-related risks and opportunities to strengthen climate resilience planning and SLFRS S1/ S2-aligned disclosures.

DATA INTEGRITY AND ASSURANCE

Strengthened sustainability reporting through monthly data validation and audit evidence tracking across energy, emissions, water, waste, and other sustainability indicators.

RESPONSIBLE SOURCING AND SUPPLY CHAIN RESILIENCE

Strengthened long-term raw material resilience through supplier engagement, expansion of green charcoaling initiatives, and support for government-led coconut cultivation expansion among farmers in the Eastern Province Sri Lanka.

OPERATIONAL DECARBONISATION AND RESOURCE EFFICIENCY

Advanced operational decarbonisation through additional kiln waste heat recovery, continued piloting of waste heat-based LPG replacement in dryer operations, and full-year utilisation of rooftop solar capacity.

Integration of ESG reporting into the Governance framework is set out on page 286 on “Structures and Delegations”. Further Environmental, Social and Governance (ESG) metrics are included in the relevant sections of the Annual Report as set out below:

- Economic Sustainability – Financial Capital on page 160
- Environment - Natural Capital on page 170
- Labour Practices - Human Capital on page 206
- Society - Social and Relationship Capital on page 234
- Product Responsibility - Social and Relationship Capital on page 234
- Shareholder Identification, Engagement and Effective Communication – Investor Information on page 463

ETHICS AND CULTURE

Haycarb has adopted policies aligned with the business principles of its parent entity, Hayleys PLC, through "The Hayleys Way." The Board promotes ethical leadership by setting the tone for all employees to uphold the highest ethical standards and comply with applicable regulations, policies, and guidelines. These frameworks support good governance practices while ensuring that the Group's ethical principles remain embedded within its operating culture.

The Board plays an integral role in shaping the Group's organisational culture by setting the appropriate tone at the top and ensuring that the conduct of all internal stakeholders remains aligned with the Group's core values.

OTHER AREAS OF OVERSIGHT

VALUES

VALUES GUIDE DECISIONS, BEHAVIOUR AND RELATIONSHIPS EVERY DAY.

Honesty & Integrity
Act with honesty, integrity and transparency

Accountability
Take responsibility and deliver on promises

Yes, We can!
Embrace a positive mindset and make things happen

Love for Humanity
Care for people and communities

Enduring Customer Value
Create long-term value for customers

Yes, WE WILL WIN!
Persevere and strive for excellence

Social Responsibility as a Good Corporate Citizen
Give back and act responsibly

Innovation
Innovate for sustainable growth and impact

REGULATORY AND STATUTORY ENVIRONMENT

OPERATE IN FULL COMPLIANCE WITH ALL APPLICABLE LAWS AND REGULATIONS.

» Companies Act No. 7 of 2007
» Anti-Corruption Act No. 9 of 2023
» Listing Rules of the Colombo Stock Exchange
» Code of Best Practice on Corporate Governance issued by CA Sri Lanka (2023)

POLICIES AND GUIDELINES RELATED TO ETHICS

POLICIES AND GUIDELINES PROMOTE ETHICAL CONDUCT AND RESPONSIBLE BUSINESS PRACTICES

Whistleblowing Policy
Encouraging openness and protecting those who speak up

Bribery and Anti-Corruption Policy
Zero tolerance towards bribery and corruption

Procurement Policy
Ensuring fair, transparent and responsible procurement

Guidelines on Share Dealing and Insider Trading
Preventing misuse of inside information

Price-sensitive Information Policy
Ensuring timely, accurate and fair disclosure

Board Engagement Relating to Culture During the Year

- **Employee Engagement** : The Board engaged with employees to understand the work environment, employee satisfaction, behaviours, and workplace practices through ongoing interactions and employee events.
- **Internal Audit Oversight**: The Board reviewed Internal Audit findings to assess compliance with policies and ethical standards across the Group.
- **Compliance Monitoring**: The Board monitored compliance by assessing risks, reviewing adherence to laws and regulations, and ensuring compliance is integrated into business decisions.

CODE OF BUSINESS CONDUCT

The Haycarb Group has adopted and published an internal Code of Business Conduct and Ethics, aligned with the business principles of its parent entity, Hayleys PLC, through "The Hayleys Way."

The Group is committed to maintaining the highest standards of integrity, ethics, and transparency across all operations, including the implementation of measures to prevent corruption and unethical conduct. These measures include monitoring compliance with applicable laws and regulations through the Internal Audit function, maintaining a clearly articulated whistleblowing policy, and establishing grievance handling mechanisms. The Code of Business Conduct and Ethics serves as the foundation for promoting ethical behaviour across the Group.

All employees, including Key Management Personnel, are bound by the Code, which is based on the following principles:

- Commitment to conducting business operations with honesty, integrity, and respect for the rights and interests of all stakeholders
- Compliance by all Group companies and employees with the laws and regulations of the countries in which they operate
- Individual responsibility of every employee to implement and adhere to the Code within their respective areas of operation

TAX GOVERNANCE

GRI: 207-2

Responsible tax management is an integral component of Haycarb PLC's corporate governance framework and commitment to sustainable value creation. Operating across multiple jurisdictions, the Group is committed to maintaining high standards of integrity, transparency and compliance in all tax-related matters.

The Group adopts a structured approach to tax governance, supported by robust internal controls, management oversight and engagement with qualified professional advisors where necessary. Tax obligations are managed in accordance with applicable laws and regulations, while tax risks are monitored as part of the Group's enterprise risk management framework and reviewed periodically by management and the Board, where appropriate.

Please refer page 160 under financial capital for more details .

APPROACH TO BRIBERY AND ANTI-CORRUPTION

GRI: 205-1,2,3 UNGC Principle 10

- Zero tolerance towards bribery and corruption.
- Prohibition of political contributions, donations to political parties and candidates.
- Guidelines on gifts, hospitality and charitable donations.
- Prohibition of facilitation payments to government officials.
- Retaliation or threats against whistle blowers are strictly prohibited.
- Due diligence of partners including anti-bribery clauses in agreements/ contracts.

The Haycarb Anti-Bribery and Anti-Corruption Policy reinforces a zero-tolerance approach towards bribery and corruption across all operations. The policy applies to the Board of Directors and all employees of Haycarb and its subsidiaries and includes comprehensive guidelines relating to gifts, hospitality and promotional expenses, facilitating payments, political contributions and donations, charitable donation contributions, commission payments to third parties, and partner due diligence among others.

The Group maintains compliance with the ISO 9001:2015 Quality Management System, which requires the evaluation of external parties providing goods and services under contract to ensure adherence to anti-bribery and anti-corruption requirements. The Group is also committed to complying with anti-corruption laws and regulations across all jurisdictions in which it operates.

All new recruits receive training on the Group's Code of Conduct, including Anti-Bribery and Anti-Corruption provisions, within three months of joining the organisation. Information relating to accessibility, anonymity, reporting processes, and related Anti-Bribery and Anti-Corruption policies is communicated to employees and Directors through the intranet and associated training programmes.

During the reporting period, there were no confirmed incidents of corruption involving employees, no dismissals or disciplinary actions related to corruption, no termination of contracts with business partners due to corruption, and no public legal cases relating to corruption. All operations were assessed for corruption-related risks during the year.

WHISTLEBLOWER POLICY AND GRIEVANCE MECHANISMS

GRI: 2-25, 26

Mechanisms are in place within Haycarb for employees and other stakeholders to seek advice or report concerns relating to unethical or unlawful conduct, including bribery and corruption. The Group's Whistleblower Policy facilitates the confidential and anonymous reporting of concerns relating to potential inappropriate financial reporting, weaknesses in internal controls, or other matters requiring internal investigation.

Information relating to accessibility, anonymity, reporting procedures, and the Whistleblower Policy is communicated to all employees to ensure awareness and encourage responsible reporting practices.

Guidelines on procedure to raise a concern	» Concerns can be raised through multiple channels. » Easy access via intranet, email, mail or hotline. » Provide clear and complete information about the concern. » Reports can be made anonymously and confidentially.
Management responses and steps taken	» All concerns are acknowledged promptly. » Appropriate assessment and investigation are conducted. » Action is taken based on findings in a fair and objective manner. » The whistleblower is informed of the outcome where possible.
Details of the internal inquiry process	» Investigations are independent and impartial. » Information is collected and reviewed in a structured manner. » Internal Inquiring Committee reviews the findings. » Findings and recommendations are documented.
Maintaining confidentiality and protection	» Identity of the whistleblower is kept confidential. » Information is shared only on a need-to-know basis. » Whistleblowers are protected from any retaliation. » Strict action is taken against any breach of confidentiality.

Scan this QR code for policies published in the Haycarb website (www.haycarb.com) in line with section 9.2 of the CSE listing rules on Corporate Governance.

HUMAN RIGHTS

GRI: 2-23, 408-1 UNGC Principal: 1,2

As a participant of the United Nations Global Compact (UNGC), Haycarb PLC is committed to upholding the Ten Principles relating to the protection of Human Rights. As part of its commitment to ensuring that business is conducted ethically and responsibly, Haycarb Group also adheres to the Human Rights Policy implemented by its parent entity, Hayleys PLC.

Key Aspects of the Human Rights Policy

- **Fair Treatment:**
  Promoting equal opportunity and fair treatment while eliminating discrimination in the workplace.
- **Non-Harassment:**
  Maintaining a work environment free from all forms of harassment and inappropriate behaviour.
- **Elimination of Child and Forced Labour:**
  Prohibiting child labour, forced labour, and compulsory labour across operations and throughout the value chain, including subcontractors and suppliers.
- **Freedom of Association and Collective Bargaining:**
  Respecting employees' rights to freedom of association and collective bargaining in accordance with applicable laws.
- **Health and Safety:**
  Promoting employee health and safety by implementing appropriate safety measures and precautions across all locations.

FAIR TREATMENT | NON-HARASSMENT | ELIMINATION OF CHILD AND FORCED LABOUR | FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING | HEALTH AND SAFETY

ANTI-COMPETITIVE BEHAVIOUR

GRI: 206-1

Guidance on this matter is provided in the Haycarb Group "Code of Business Conduct". There were no legal actions relating to anti-competitive behaviour, anti-trust, or monopoly practices during the period 2025/26.

STAKEHOLDER RELATIONSHIPS

Haycarb PLC is committed to maintaining transparent, open, and effective relationships with shareholders and other stakeholders. The Board remains accountable to shareholders by ensuring the timely communication of performance, governance, and regulatory matters with sufficient information to support informed decision-making and a clear understanding of the Group's activities.

In fulfilling its governance responsibilities, the Board promotes open and transparent engagement with stakeholders while balancing their diverse interests to support trust, accountability, and sustainable long-term value creation.

Shareholder engagement

Haycarb PLC engages with shareholders through multiple communication channels, including the Annual General Meeting (AGM), Annual Report, Interim Financial Statements, the investor relations section of the Company's website, and announcements released through the Colombo Stock Exchange (CSE).

Shareholders are also provided opportunities to raise questions, share comments, and communicate suggestions to the Board through the Company Secretaries and during the AGM. Significant shareholder concerns and matters are communicated to the Board together with Management's observations and recommendations.

Year of the AGM	Number of attendees/ proxy holders	Shareholding (No.of Shares)	% of total shareholding
2024/25	152	201,667,832	68%
2023/24	115	204,621,330	69%
2022/23	96	214,829,612	72%

Shareholder Communications during 2025/26 through the CSE:

- 03rd Jun 2025 : Notice of the 52nd Annual General Meeting.
- 26th Jun 2025 : Resolutions approved by shareholders at the Annual General Meeting (AGM).
- 01st Jul 2025 : First Interim dividend announcement - Rs. 0.50 per share.
- 13th Aug 2025 : Announcement on Proposed Amalgamation of Ultracarb (Pvt) Ltd with Haycarb PLC.
- 30th Sep 2025 : Second Interim dividend announcement - Rs. 0.82 per share.
- 01st Oct 2025 : Announcement on Completion of Amalgamation of Ultracarb (Pvt) Ltd with Haycarb PLC.
- 29th Dec 2025 : Notice of Extraordinary General Meeting (EGM) to pass a Special Resolution.
- 29th Dec 2025 : Register the Company with the Board of Investment of Sri Lanka ("the BOI").
- 30th Dec 2025 : Third Interim dividend announcement - Rs. 1.05 per share.
- 14th Jan 2026 : Amendments to the Articles of Association as approved at the EGM.
- 19th Feb 2026 : Disclosure of dealings in relevant interest in shares of Haycarb PLC.
- 09th Mar 2026 : Disclosure of dealings in relevant interest in shares of Haycarb PLC.
- 31st Mar 2026 : Fourth Interim dividend announcement - Rs. 1.70 per share.

SHAREHOLDER COMMUNICATION

Annual General Meeting
The AGM is the main forum for engaging with shareholders and the company has a history of well attended shareholder meetings.

Quarterly Results Updates
Quarterly results updates with accompanying reviews and timely updates of price sensitive information to the Colombo Stock Exchange.

Haycarb Website
Includes comprehensive information including Annual Reports, interim reports, investor presentations, ESG related information and department-level information.

The Annual Report
The Integrated Annual Report covers the operations of the Haycarb Group with comprehensive financial reports and information on strategy, governance, sustainability, risks and operational performance. Assurance on financial statements, sustainability information and compliance with the Integrated Reporting Framework supports the reliability of the information contained in the annual report which provides comprehensive information on relevant matters to the shareholders.

Interaction through Corporate Secretarial Division
Shareholders have the opportunity to directly address concerns, suggestions or any other queries to the Corporate Secretarial Division of the company.

CONSTRUCTIVE USE OF THE ANNUAL GENERAL MEETING (AGM)

Haycarb encourages the active participation of shareholders at the Annual General Meeting (AGM) and makes the necessary arrangements to facilitate effective engagement. The Chairman, Board members, Chairpersons of Board Subcommittees, and Key Management Personnel (KMPs) are present at the AGM to engage with shareholders and respond to questions and concerns raised during the meeting.

The Notice of the AGM and Proxy Forms are circulated to shareholders 15 working days prior to the meeting. The Annual Report is simultaneously uploaded to the Company's website and submitted to the Colombo Stock Exchange (CSE). Printed copies of the Annual Report are also provided to shareholders upon request to support informed participation at the AGM.

Separate resolutions are presented for each item of business, enabling shareholders to vote independently on every resolution. Voting procedures are communicated in advance, and shareholders are encouraged to actively exercise their voting rights. The Company maintains an effective mechanism to record and count all proxy votes received for each resolution.

Where a significant proportion of votes are cast against a resolution, the Board takes steps to understand the reasons behind the voting outcome and determine whether any further action is required. The results of voting on each resolution are communicated to the CSE immediately following the conclusion of the AGM.

PRESERVING THE RIGHTS OF MINORITY SHAREHOLDERS

Haycarb is committed to protecting the rights of minority shareholders by ensuring fair, timely, and transparent communication. Individual investors are encouraged to conduct adequate analysis or seek independent advice when making investment or divestment decisions. They are also encouraged to participate in General Meetings and actively exercise their voting rights.

Information is disseminated equally to all shareholders, and any price-sensitive information identified by the Board is communicated through announcements to the Colombo Stock Exchange (CSE) and through press releases issued by the Chairman and Chief Executive Officer or the Company Secretaries, as appropriate.

STRUCTURES AND DELEGATIONS

GRI: 2-9

The Group comprises 19 companies, including 16 subsidiaries and 2 associate companies, operating across multiple geographic regions. The Group's governance structure is designed to provide clear visibility and effective oversight to the Board, enabling comprehensive monitoring of geographically diverse operations while ensuring alignment with Group-wide strategic, governance, and operational objectives.

HAYCARB
Activated carbon solutions

SHAREHOLDERS

BOARD OF DIRECTORS

Directors
14

- 06 Executive Directors (including Chairman*)
- 03 Non-Independent Non-Executive Directors
- 05 Independent Non-Executive Directors

REMUNERATION COMMITTEE

3 Directors

- 01 Non-Independent Non-Executive Director
- 02 Independent Non-Executive Directors

NOMINATIONS AND GOVERNANCE COMMITTEE

3 Directors

- 01 Non-Independent Non-Executive Director
- 02 Independent Non-Executive Directors

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

3 Directors

- 01 Non-Independent Non-Executive Director
- 02 Independent Non-Executive Directors

AUDIT COMMITTEE

4 Directors

- 01 Non-Independent Non-Executive Director
- 03 Independent Non-Executive Directors

HAYLEYS GROUP MANAGEMENT AUDIT & SYSTEMS REVIEW DEPARTMENT ***

MANAGING DIRECTOR**

ESG STEERING COMMITTEE

SECTOR MANAGEMENT COMMITTEE

Notes

* The Executive Chairman of Hayleys PLC is the Executive Chairman of Haycarb PLC.

** The Managing Director /CEO is also on the Board of Hayleys PLC and is part of the Hayleys Group Management Committee which meets 4 times a month.

*** The Sector Internal Controls are audited by the Hayleys PLC's Group Management Audit & Systems Review Department, ensuring consistent best practices are followed across the Group.

BOARD SUB-COMMITTEES

GRI: 2-9

The Group's governance structure and clearly defined responsibility assignment mechanisms are designed to strengthen independent judgement while enabling the Board to effectively leverage the expertise of Directors across specialised areas including risk management, audit, governance, related party transactions, remuneration, and sustainability.

In determining the composition of Board Sub-Committees, the Board gives due consideration to applicable regulatory requirements, the skills, experience, independence, and expertise of Directors, as well as the specific responsibilities entrusted to each Committee. Each Board Sub-Committee operates under a formally approved Terms of Reference, which is reviewed annually to ensure continued relevance, effectiveness, and alignment with evolving governance expectations and regulatory developments.

During the year, the Board Sub-Committees, namely the Nominations and Governance Committee, Remuneration Committee, Related Party Transactions Review Committee, and Audit Committee, functioned in supporting the effective discharge of the Board's governance responsibilities and oversight functions. These Committees operated in accordance with the requirements of Section 9 – Corporate Governance Rules of the Colombo Stock Exchange (CSE).

The roles and respective areas of oversight of the Board Sub-Committees are summarised below.

AUDIT COMMITTEE

Areas of Oversight
- Evaluating the integrity of the financial statements and adequacy of internal controls
- Review of the key risk exposures and measures in place to mitigate risks
- Internal Audits
- External Audit

75% of Committee Members are Independent

Committee Composition: 03 INED | 01 NINED

NOMINATIONS AND GOVERNANCE COMMITTEE

Areas of Oversight
- Appointment of Key Management Personnel
- Establish and maintain a formal procedure for the appointment of new directors
- Succession Planning
- Effectiveness of the Board and its Committees
- Performance evaluation

67% of Committee Members are Independent

Committee Composition: 02 INED | 01 NINED

BOARD COMMITTEES

REMUNERATION COMMITTEE

Areas of Oversight
- Remuneration policy for Directors and Key Management Personnel
- Goals and targets for Directors and Key Management Personnel

67% of Committee Members are Independent

Committee Composition: 02 INED | 01 NINED

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Areas of Oversight
- Review of all related party transactions of the Group
- Monitor that all related party transactions are transacted on normal commercial terms
- Oversight on disclosure of related party transactions

67% of Committee Members are Independent

Committee Composition: 02 INED | 01 NINED

INED = Independent Non-Executive Director   NINED = Non-Independent Non-Executive Director

ESG Steering Committee

GRI: 2-12

Haycarb PLC maintain a separate ESG Steering Committee at company level. The Committee is chaired by the Managing Director, and comprises of Executive Directors (including the Deputy Managing Director, who heads the Sustainability Division), the Finance Director and seven members of the Corporate Management Team. The Committee is supported by the Company's dedicated Corporate Sustainability & ESG Department.

ESG-related matters are also guided through the Hayleys Group ESG Steering Committee, which oversees and monitors the execution of the Hayleys Lifecode across the Group.

The Managing Director of Haycarb PLC reports to the Hayleys Group ESG Steering Committee on sustainability performance, ESG initiatives, and progress against strategic ESG priorities.

THE GROUP MANAGEMENT COMMITTEE (GMC)

GRI: 2-16

The Hayleys Group Management Committee (GMC) serves as the apex management committee of the Group and plays a central role in driving strategic alignment, operational oversight, and effective governance across the organisation. The GMC is chaired by the Chairman & Chief Executive and comprises the Group's Executive Directors, Sector Heads, Group Chief Financial Officer, and the Heads of Group Legal and Human Resources.

The Managing Director and the Deputy Managing Director of Haycarb are members of the GMC and provide leadership in aligning Haycarb's strategic priorities, operational performance, and governance practices with the broader Hayleys Group direction. Through representation at the GMC, Haycarb remains closely integrated with Group-level decision-making processes and governance oversight mechanisms.

The GMC supports effective governance through regular weekly meetings, during which members deliberate on a broad range of strategic and operational matters, including sector-level developments, operating environment trends, monthly performance reviews, and other business-critical matters. The Committee also facilitates the implementation and communication of updates and strategic directives from Hayleys PLC centre functions, including Human Resources, Treasury, Corporate Communications, Group Tax, Strategic Business Development, and Group ESG.

THE COMPANY SECRETARY

The office of the Company Secretary is integral to the effective functioning of the Board and the strengthening of the Company's governance framework. Secretarial services to the Board and the Group are provided by Hayleys Group Services (Private) Limited, which is headed by an Attorney-at-Law and qualified Chartered Secretary, supported by professionally qualified and registered Company Secretaries.

The Company Secretary supports the Board in effectively discharging its duties and responsibilities, while promoting best practices in Corporate Governance and ensuring compliance with applicable legal, regulatory, and governance requirements. The role also includes facilitating the smooth administration of Board and Board Committee processes, advising the Board on governance-related matters, and supporting effective decision-making and stakeholder communication.

Shareholder-related matters are managed in-house through the Registrar Division of Hayleys Group Services (Private) Limited, ensuring efficient administration and effective engagement with shareholders and other stakeholders.

The role of the Company Secretary has been defined in line with the provisions of the applicable Corporate Governance Code and includes the following responsibilities:

» Facilitating the efficient conduct and administration of Board meetings, Board Committee meetings, including the Audit Committee, Related Party Transactions Review Committee, Remuneration and Nominations and Governance Committee, as well as meetings of the Senior Independent Directors.

» Ensuring that all proceedings and resolutions of Board and Committee meetings are accurately recorded, duly minuted, and maintained in accordance with statutory and governance requirements

» Ensuring that Board Committees are properly constituted and operate under clearly defined Terms of Reference approved by the Board

» Coordinating the Annual General Meeting (AGM) in compliance with applicable regulatory requirements and ensuring the timely dissemination of notices, reports, and related documentation with the approval of the Board

» Maintaining all statutory registers and ensuring the timely filing of statutory returns, disclosures, and other required documents with the Registrar of Companies and relevant regulatory authorities

» Advising Directors on their duties, responsibilities, and obligations in relation to applicable laws, regulations, and Corporate Governance requirements

» Acting as an effective channel of communication and information between the Company and Non-Executive Directors (NEDs) to support informed decision-making and Board effectiveness

» Promoting and maintaining constructive relationships and effective communication with shareholders and other key stakeholders

» Ensuring timely disclosures and regulatory filings with the Colombo Stock Exchange and other relevant regulatory bodies, including disclosures relating to Related Party Transactions and other material corporate matters.

All Directors have access to the advice and services of the Company Secretary. Appointment and removal of the Company Secretary is a matter for the Board.

MEETINGS, MINUTES & INFORMATION

GRI: 2-16

Board meetings are held quarterly, with additional meetings convened as and when required. An annual meeting calendar is prepared by the Company Secretaries, with dates and times agreed upon at the commencement of the financial year. The meeting agenda is determined by the Chairman in consultation with the Managing Director and the Company Secretary. Agendas and relevant Board papers are circulated to Directors at least seven days prior to the meeting, providing sufficient time for review and preparation. Regular agenda items include performance reviews, risk management, and the approval of financial statements, together with other strategic and operational matters.

Critical concerns are communicated to the Board by the management . Number of critical concerns communicated to the Borad during 2025/26 is 13.

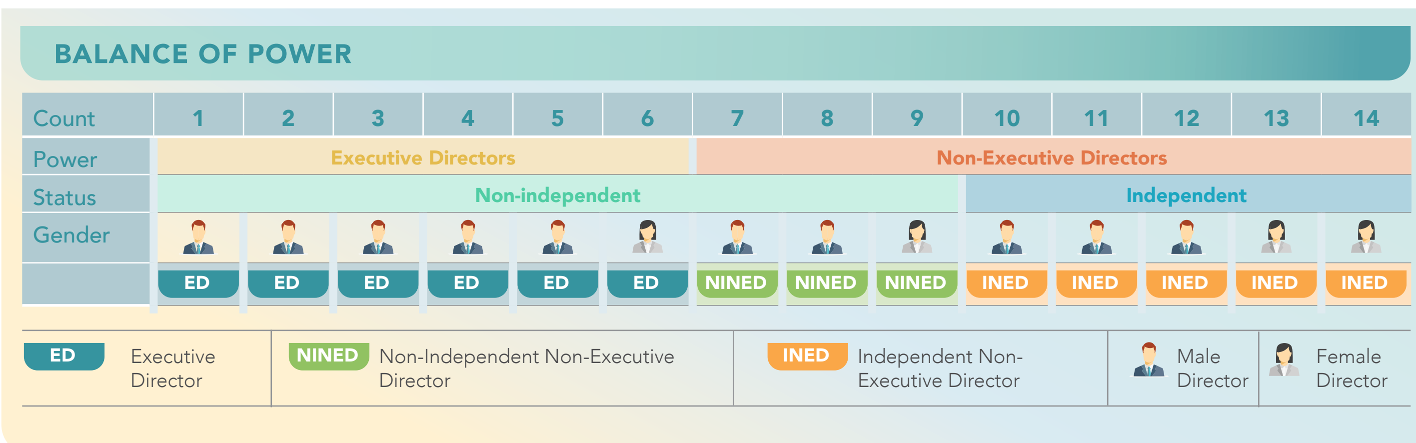
Senior Management Personnel attend Board meetings by invitation to present updates and provide insights on internal and external developments impacting the business. Management maintains open and transparent communication with the Board, and Directors are encouraged to seek further information or clarification where necessary to support effective decision-making and contribution.

Minutes of Board meetings are circulated to Directors within two weeks of the meeting and are formally approved at the subsequent Board meeting. Any concerns raised by Directors on matters that are not unanimously resolved are appropriately recorded in the minutes.

Resolutions relating to business matters may also be passed by circulation, subject to applicable regulations. However, where any Director considers that a resolution should be deliberated at a formal Board meeting rather than by circulation, the Chairman will ensure that the matter is tabled for discussion at a Board meeting.

BALANCE OF POWER

Haycarb PLC maintains a balanced governance structure through the appropriate representation of Executive, Non-Executive, and Independent Non-Executive Directors on the Board. This balance promotes objective decision-making, constructive challenge, and independent judgement, while ensuring that no individual or group of individuals exercises unfettered control over the decision-making process of the Company.



The Board Charter clearly defines the roles, responsibilities, and matters reserved for the Board, thereby establishing a structured governance framework for effective oversight and stewardship. This framework enables the Board to provide strategic direction, monitor management performance, oversee risk management and internal controls, and ensure compliance with applicable legal, regulatory, and governance requirements across the Group's global operations.

The roles of the Chairman and Managing Director are clearly separated to maintain an appropriate balance between governance and executive management responsibilities. The Chairman provides leadership to the Board, ensures its effective functioning, and promotes a culture of openness, constructive engagement, and robust debate. The Managing Director, together with the senior management team, is responsible for the execution of the Group's strategy, operational management, and day-to-day business activities.

The Chairman is not the Chief Executive Officer of the Company; however, he is not considered an Independent Director.

Accordingly, in compliance with the CSE Listing Rules, the Company has appointed a Senior Independent Director (SID). The SID provides guidance to the Chairman and engages with both Executive and Non-Executive Directors on governance-related matters, with the outcomes of such discussions being communicated to the Chairman.

RESPONSIBILITIES OF THE BOARD

GRI: 2-13

SETTING STRATEGIC DIRECTION

Define the company's purpose, vision and long-term strategy and oversee its execution to deliver sustainable value.

OVERSEEING FINANCIAL INTEGRITY

Ensure robust financial controls, accurate reporting and responsible stewardship of company resources.

FOSTERING A STRONG ORGANISATIONAL CULTURE

Promote ethical behaviour, diversity and a culture of accountability, trust and continuous improvement.

MANAGING RISK AND OPPORTUNITY

Identify and oversee key risks and opportunities to safeguard the company and enhance long-term performance.

ENGAGING AND CREATING STAKEHOLDER VALUE

Build strong relationships with stakeholders and ensure their interests are considered in decision-making.

The roles and key responsibilities of the Chairman, Managing Director/CEO, Senior Independent Director, Non-Executive Directors, and Independent Directors are summarised below:

THE CHAIRMAN

Role:

Provides leadership to the Board by fostering a strong culture of integrity, accountability, and good corporate governance, while ensuring the Board operates effectively, ethically, and in the best interests of the Company and its stakeholders.

Key Responsibilities:

- Providing strategic leadership to the Board and promoting the highest standards of corporate governance and ethical conduct across the Company
- Setting the ethical tone and governance culture of the organisation, while encouraging transparency, accountability, and responsible decision-making
- Establishing the Board's annual work plan and meeting agendas in consultation with the Managing Director and the Company Secretary, ensuring that key strategic, operational, governance, and risk-related matters are effectively addressed
- Building and maintaining stakeholder trust and confidence through constructive engagement and effective communication with shareholders, regulators, employees, and other key stakeholders
- Ensuring the active participation and meaningful contribution of all Directors during Board deliberations and decision-making processes
- Facilitating open, balanced, and constructive discussions among Directors on matters presented to the Board, while maintaining an appropriate balance of authority between Executive and Non-Executive Directors (NEDs)
- Monitoring and evaluating the effectiveness, performance, and overall functioning of the Board and supporting continuous improvement in Board processes and governance practices

MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

Role:

Accountable for the effective implementation of Haycarb PLC's strategic direction and for driving sustainable business performance, operational excellence, and long-term value creation in alignment with the Company's vision and governance framework.

Key Responsibilities

- Providing leadership in the execution of the Company's strategic plan and ensuring the achievement of agreed corporate objectives and performance targets

- Appointing, developing, and ensuring effective succession planning for the corporate management team, while continuously assessing and enhancing management performance and leadership capabilities
- Developing and recommending the Company's strategic direction, business plans, and key initiatives for consideration and approval by the Board
- Preparing and recommending annual budgets and financial plans that support the Company's long-term growth strategy and operational priorities
- Monitoring organisational performance and regularly reporting to the Board on operational, financial, strategic, and sustainability-related matters, including compliance with applicable laws, regulations, and corporate governance requirements
- Establishing and maintaining an organisational structure, management framework, and operational processes that support the effective execution of strategy and business objectives
- Promoting and embedding a corporate culture aligned with the Company's values, ethical standards, and commitment to responsible business practices
- Ensuring that the Company operates within the approved risk appetite and maintains effective systems of risk management, internal control, and compliance across all areas of operation

SENIOR INDEPENDENT DIRECTOR (SID)

Role:

Provides independent guidance and support to the Chairman on matters relating to the governance of the Company, while promoting balanced decision-making, Board effectiveness, and stakeholder confidence.

Key Responsibilities:

Supporting the Chairman in upholding strong corporate governance practices and maintaining effective Board dynamics

- Promoting corporate values and governance principles that facilitate an equitable balance between the interests of shareholders and other key stakeholders
- Upholding high standards of ethics, integrity, transparency, and accountability across the organisation, while constructively supporting and monitoring executive leadership
- Encouraging and promoting compliance with applicable laws, regulations, governance requirements, and internal policies of the Company
- Engaging with Non-Executive Directors (NEDs) to facilitate open discussions on governance-related matters and communicating key observations and concerns to the Chairman
- Maintaining appropriate engagement with shareholders and being available to address concerns that cannot, or may not be appropriate to, be resolved through the Chairman or Executive Directors
- Leading or supporting actions arising from the performance evaluation of the Chairman and contributing towards the continuous improvement of Board effectiveness and governance practices

NON-EXECUTIVE DIRECTORS

Key Responsibilities and Contribution:

- Provide objective and independent advice to support balanced Board decision-making
- Bring diverse perspectives and external experience to Board deliberations
- Contribute domain-specific expertise and specialist industry insights
- Constructively challenge management decisions and strategic proposals
- Safeguard the interests of shareholders and other key stakeholders

INDEPENDENT DIRECTORS

Key Responsibilities and Contribution:

- Mitigate potential conflicts of interest through independent judgement
- Ensure fairness, transparency, and accountability in executive remuneration
- Strengthen corporate governance and uphold ethical business practices
- Provide unbiased oversight of management and Board processes
- Build investor confidence and enhance stakeholder trust in the Company

POLICY FRAMEWORK

GRI: 2-23, 24

Haycarb PLC maintains a comprehensive and robust policy framework applicable across all Group entities to ensure a structured, consistent, and transparent approach to governance, operational processes, and decision-making. The framework supports effective risk management, regulatory compliance, ethical business conduct, and alignment with the Group's strategic objectives.

These policies provide clear guidance to employees and management on key operational, financial, governance, and sustainability-related matters, while promoting accountability and standardised practices across the Group's global operations.

All policies are subject to periodic review and are revised annually, where necessary, to ensure continued relevance and effectiveness in response to evolving business, regulatory, technological, and operating conditions.

POLICY FRAMEWORK GRI: 2-23, 24

CULTIVATING A RESPONSIBLE WORKPLACE

- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on Whistleblowing
- Human Rights Policies
- Policy on Risk Management and Internal Controls
- Talent Management Policies
- Safe place to work policies
- Grievance handling policy
- Disciplinary policy
- Industrial relations policy

UPHOLDING RESPONSIBLE CORPORATE GOVERNANCE

- Policy on matters relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance, Nominations and re-election
- Policy on Remuneration
- Policy on Anti-Bribery and Corruption
- Policy on Corporate Disclosures
- Policies on Internal Code of Business Conduct and Ethics
- Policy relations with shareholders and investors

ADVANCING ESG PRIORITIES

- Policy on ESG Sustainability-Social
- Policy on ESG Sustainability-Environmental
- Material and Waste Management Policy
- Chemical Management Policy
- Water Management Policy

STRATEGIC LEADERSHIP

Skilled and diverse Board

The Board comprises an appropriate balance of skill, independence, knowledge, experience and diverse perspectives to discharge its responsibilities effectively.

Board Composition

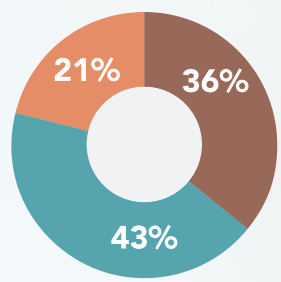
As at end-March 2026, the Board consisted of 14 Directors, comprising 6 Executive Directors, among them the Chairman and the Managing Director, and 8 Non-Executive Directors, of whom 5 were independent.

The composition ensures compliance with section 9.8 of the Colombo Stock Exchange Listing Rules, that the Board is collectively equipped to drive the Company strategy and value creation. (refer to pages 26 to 30 for detailed profiles of Directors).

BALANCED COMPOSITION OF THE BOARD AS AT 31ST MARCH 2026

CATEGORY	NUMBER OF DIRECTORS	BOARD COMPOSITION	% OF BOARD
Executive Directors (Including Chairman & MD)	6		43%
Non-Independent Non-Executive Directors	3		21%
Independent Non-Executive Directors	5		36%
Total	**14**		**100%**

PERCENTAGE OF BOARD



BOARD SKILL COMPOSITION

GRI: 2-17

Our Board brings together a diverse range of skills and expertise, enabling informed decision-making and effective governance.

Accounting & Finance	6
Investments and Banking	1
Engineering	3
Legal	3
Special Product Development, R&D	1
Business Development, Sales & Marketing	2
Logistics & Transport	1
Corporate Leadership	6
Information Technology	2
ESG / Sustainability	4
Manufacturing	3
Risk & Governance	6
HR	1

Majority of the Board comprises Non-Executive Directors (8), of which four (5) are independent, thereby enriching discussions and bringing objective judgement to Board decisions.

Board's collective strengths

The Board promotes a balanced approach to succession and continuity by periodically introducing new Directors with diverse perspectives and expertise, while preserving institutional knowledge and industry experience through the continued contribution of long-standing Board members.

A summary of the Board's collective strengths is provided herein.

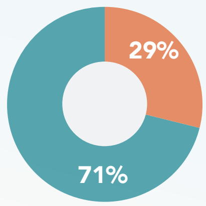
Notes
A Director may have multiple skills

GENDER REPRESENTATION AS AT 31ST MARCH 2026

GRI: 405-1

GENDER	NUMBER OF DIRECTORS	% OF BOARD
Male	10	71%
Female	4	29%
Total	**14**	**100%**

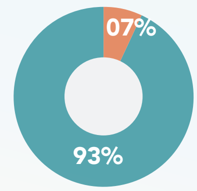
PERCENTAGE OF BOARD



NATIONALITY REPRESENTATION AS AT 31ST MARCH 2026

NATIONALITY	NUMBER OF DIRECTORS	% OF BOARD
Sri Lankan	13	93%
Foreign	1	7%
Total	**14**	**100%**

PERCENTAGE OF BOARD



DIVERSITY OF AGE

GRI: 405-1

Haycarb PLC's Board reflects a balanced age diversity, with 36% of Directors being below the age of 60, enabling the Board to benefit from a blend of extensive experience, dynamic perspectives, and forward-looking insights.

DIVERSITY OF AGE AS AT 31/03/2026

Age Group	No. of Directors	Board Composition	% of Board
>60	9		64%
55-60	2		14.5%
50-55	2		14.5%
<50	1		7%
Total	14		100%

TENURE ON THE BOARD AS AT 31/03/2026

Age Group	No. of Directors	Board Composition	% of Board
>20	1		7%
15-20	4		29%
10-15	3		21%
<10	6		43%
Total	14		100%

MEETINGS AND DIRECTORS' ATTENDANCE

Dates for Board meetings and Board Sub-Committee meetings are communicated to Directors in advance to ensure effective participation and timely decision-making. Any required or requested meeting papers and supporting documents are circulated in advance, providing Directors with sufficient time for review and preparation. Clear guidelines, processes, and reporting procedures are in place to ensure the effective conduct of Board and Committee meetings and to facilitate informed decision-making.

The Attendance of Directors at Board meetings and Subcommittee meetings held during the Financial Year 2025/26 are given below.

Name of the Director	Gender	Nationality	Age	Date of Appointment	Tenure on the Board (Years)	Board Meetings						Sub-Committee Meetings: Audit Committee						RPT Review						Remuneration				Nomi. & Gov.			
						Membership	12-Aug-25	12-Nov-25	12-Feb-26	21-May-26	Attendance	Membership	07-Aug-25	07-Nov-25	10-Feb-26	19-May-26	Attendance	Membership	07-Aug-25	07-Nov-25	10-Feb-26	19-May-26	Attendance	Membership	12-Feb-26	21-May-26	Attendance	Membership	12-Feb-26	21-May-26	Attendance
Executive Directors																															
Mr.Mohan Pandithage (Chairman)	Male	Sri Lanka	75	2007-01-01	19	ED	✓	✓	✓	✓	4/4																				
Mr.Rajitha Kariyawasan (MD)	Male	Sri Lanka	58	2010-01-04	16	ED	✓	✓	✓	✓	4/4																				
Mr.Brahman Balaratnarajah (Deputy MD)	Male	Sri Lanka	54	2015-04-01	11	ED	✓	✓	✓	✓	4/4																				
Mrs.Jeevani Abeyratne	Female	Sri Lanka	59	2009-11-01	17	ED	✓	✓	✓	✓	4/4																				
Mr.M.S.P. Udaya Kumara	Male	Sri Lanka	63	2015-02-15	11	ED	✓	✓	✓	✓	4/4																				
Mr.Ali Asgar Munaver Caderbhoy	Male	Sri Lanka	52	2016-04-01	10	ED	✓	✓	✓	✓	4/4																				
Non-Independent Non-Executive Directors																															
Mr.Sarath Ganegoda	Male	Sri Lanka	63	2009-11-01	17	NINED	✓	✓	✓	✓	4/4							M	✓	✓	Ex	✓	3/4	M	✓	✓	2/2	M	✓	✓	2/2
Mr.Arjun Senaratna	Male	Canada	76	2005-11-01	21	NINED	✓	✓	✓	✓	4/4	M	✓	✓	✓	✓	4/4														
Ms.Brindhiini Perera	Female	Sri Lanka	26	2022-10-19	4	NINED	✓	✓	Ex	✓	3/4																				
Independent Non-Executive Directors																															
Mrs.Shamalie Gunawardana	Female	Sri Lanka	66	2021-03-01	5	INED	✓	✓	✓	✓	4/4																				
Mrs.Anomi Wanigasekera	Female	Sri Lanka	67	2024-01-03	2	INED	✓	✓	✓	✓	4/4																				
Mr.Nanda Fernando	Male	Sri Lanka	63	2024-01-03	2	INED	✓	✓	✓	✓	4/4	M	✓	✓	✓	Ex	3/4	M	✓	✓	✓	Ex	3/4	M	✓	✓	2/2	M	✓	✓	2/2
Mr.Yohan Perera (SID)	Male	Sri Lanka	68	2024-04-01	2	INED	✓	✓	✓	✓	4/4	C	✓	✓	✓	✓	4/4	C	✓	✓	✓	✓	4/4	C	✓	✓	2/2	C	✓	✓	2/2
Mr.Timothy Speldewinde	Male	Sri Lanka	64	2024-11-22	2	INED	✓	✓	✓	✓	4/4	M	✓	✓	✓	✓	4/4														

Ex - Excused
Sri Lanka
Canada

Executive Directors | Non-Independent Non-Executive Directors | Independent Non-Executive Directors | Chairman of the Sub-Committee | Member of the Sub-Committee

CHANGES TO BOARD

No changes to the Board were reported during the period 2025/26.

- 1/3rd of Directors in office retire at each AGM by rotation, with the directors who have served for the longest period since their appointment/re-appointment retiring first or once in every 3 years
- Retiring Directors are eligible for re-election
- The Board can appoint directors to fill any casual vacancies that may arise during the year and such directors can hold office until the next AGM and seek election by the shareholders

Accordingly, Nominations & Governance Committee has recommended to re-elect Ms. Brindhiini Perera, Mr. Nanda Fernando, Mrs. Anomi Wanigasekera, and Mr. Yohan Perera be re-elected to the Board at the Annual General Meeting to be held on 30th June 2026, based on their performance and the contribution made toward achieving the objectives of the Board.

FIT & PROPER ASSESSMENT / DETERMINING INDEPENDENCE

GRI: 2-18

The criteria for determining whether a Director is "fit and proper" to discharge his or her duties, and independence where applicable, are defined under Section 9 of the Colombo Stock Exchange Listing Rules and includes criteria relating to honesty, integrity and reputation, competence and capability, and financial soundness. Haycarb PLC complied with these criteria throughout the year as part of its Board evaluation process. Self-declarations were obtained from all Directors during the year and were duly reviewed and assessed.

CONFLICT OF INTEREST

GRI: 2-15

A Director or Key Management Personnel (KMP) is prohibited from using his or her position, or access to confidential or price-sensitive information, for personal gain or for the benefit of any third party, whether financial or otherwise. Directors are required to promptly disclose any actual or potential conflicts of interest relating to specific matters under consideration by the Board or arising from other directorships held by them.

Directors do not participate in discussions or decision-making on matters where a conflict of interest may arise and excuse themselves from the relevant Board meetings when such matters are considered.

DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS

Directors declare their business interests upon appointment and thereafter on a quarterly basis. These declarations are maintained in a register by the Company Secretary, which is available for inspection in accordance with the provisions of the Companies Act. Directors have no direct or indirect interest in any contract or proposed contract with the Company other than those disclosed in Note 35 to the Financial Statements on page 432 to 434 of this Annual Report.

The Related Party Transactions Review Committee reviews all transactions requiring approval in accordance with the Group's Related Party Transactions Policy and applicable regulatory requirements. Details of related party transactions are disclosed in Note 35 to the Financial Statements on page 432 to 434 of this Annual Report.

The Board has determined that a Director may hold a maximum of 20 Board seats in publicly listed companies. The Board is satisfied that all Directors allocate sufficient time and attention to effectively discharge their duties and responsibilities.

DIRECTORSHIPS IN OTHER COMPANIES HELD IN SRI LANKA

The total number of directorships held by Directors in listed and unlisted companies in Sri Lanka, in both executive and non-executive capacities is disclosed in the table below. (Non-listed Hayleys Group company names have not been included in this disclosure).

Name of the Director	Listed Companies		Unlisted Companies	
	Executive	Non-Executive	Executive	Non-Executive
Mr. Mohan Pandithage Total Directorships - 156 Listed Companies; Executive - 12 and Non-Executive - 01 Unlisted Companies; Executive - 132 and Non-Executive - 11	Hayleys PLC Haycarb PLC Dipped Products PLC Singer (Sri Lanka) PLC Hayleys Fabric PLC The Kingsbury PLC Horana Plantations PLC Kelani Valley Plantations PLC Hayleys Leisure PLC Talawakelle Tea Estates PLC Hayleys Fibre PLC Alumex PLC	Diesel & Motor Engineering PLC	Hayleys Group - 132 Companies	Sojits Kelanitissa (Private) Limited Beata Power (Pvt) Ltd Joule Power (Pvt) Ltd Ocean Network Express Lanka (Private) Limited The Beach Resorts Ltd Delmege Forsyth & Co. Exports (Pvt) Ltd Delmege Coir (Pvt) Ltd Delmege Forsyth & Co. (Shipping) Ltd Delmege Freight Services (Pvt) Ltd Lewis Shipping (Pvt) Ltd Lewis Brown Air Services (Pvt) Ltd
Mr. Rajitha Kariyawasan Total Directorships - 18 Listed Companies; Executive - 03 and Non-Executive - 01 Unlisted Companies; Executive - 04 and Non-Executive - 10	Hayleys PLC Haycarb PLC Dipped Products PLC	Hayleys Fibre PLC	Hayleys Group - 04 Companies	Hayleys Group - 10 Companies
Mr. Brahman Balaratnarajah Total Directorships - 03 Listed Companies; Executive - 01 and Non-Executive - Nil Unlisted Companies; Executive - 02 and Non-Executive - Nil	Haycarb PLC	-	Hayleys Group - 2 Companies	-
Mr. Sarath Ganegoda Total Directorships - 68 Listed Companies; Executive - 02 and Non-Executive - 09 Unlisted Companies; Executive - Nil and Non-Executive - 57	Hayleys PLC Alumex PLC	Dipped Products PLC Hayleys Fabric PLC Singer (Sri Lanka) PLC Hayleys Leisure PLC Horana Plantations PLC Haycarb PLC Kelani Valley Plantations PLC Hayleys Fibre PLC The Kingsbury PLC	-	Hayleys Group - 57 Companies
Mr. Yohan Perera Total Directorships - 09 Listed Companies; Executive - Nil and Non-Executive - 08 Unlisted Companies; Executive - Nil and Non-Executive - 01	-	Hayleys PLC Haycarb PLC Dipped Products PLC Commercial Bank of Cey. PLC Overseas Reality PLC E B Creasy & Company PLC Laxapana PLC Muller & Phipps Ceylon PLC	-	World Vision Lanka (Guarantee) Limited

Name of the Director	Listed Companies		Unlisted Companies	
	Executive	Non-Executive	Executive	Non-Executive
Mr. Arjun Senaratna Total Directorships - 02 Listed Companies; Executive - Nil and Non-Executive - 01 Unlisted Companies; Executive - Nil and Non-Executive - 01	-	Haycarb PLC	-	Hayleys Advantis Limited
Mrs. Jeevani Abeyaratne Total Directorships - 03 Listed Companies; Executive - 01 and Non-Executive - Nil Unlisted Companies; Executive - 02 and Non-Executive - Nil	Haycarb PLC	-	Hayleys Group - 2 Companies	-
Mr. M.S.P. Udaya Kumara Total Directorships - 01 Listed Companies; Executive - 01 and Non-Executive - Nil Unlisted Companies; Executive - Nil and Non-Executive - Nil	Haycarb PLC	-	-	-
Mr. Ali Asgar Munaver Caderbhoy Total Directorships - 01 Listed Companies; Executive - 01 and Non-Executive - Nil Unlisted Companies; Executive - Nil and Non-Executive - Nil	Haycarb PLC	-	-	-
Mrs. Shamalie Gunawardana Total Directorships - 02 Listed Companies; Executive - Nil and Non-Executive - 01 Unlisted Companies; Executive - Nil and Non-Executive - 01	-	Haycarb PLC	-	Capital City Corporate Services (Private) Limited
Ms. Brindhiini Fernando Total Directorships - 16 Listed Companies; Executive - Nil and Non-Executive - 11 Unlisted Companies; Executive - Nil and Non-Executive - 05	-	Haycarb PLC Hayleys Fabric PLC Dipped Products PLC The Kingsbury PLC Hayleys Leisure PLC Singer (Sri Lanka) PLC Vallibel One PLC Lanka Tiles PLC Lanka Walltiles PLC Royal Ceramics Lanka PLC The Fortress Resorts PLC	-	Delmege Limited Otwo Biscuit (Private) Limited The Canbury Biscuit Company Limited Manatee Clothing Company (Pvt) Ltd Dhammika & Priscilla Perera Foundation

Name of the Director	Listed Companies		Unlisted Companies	
	Executive	Non-Executive	Executive	Non-Executive
Mr. Nanda Fernando Total Directorships - 08 Listed Companies; Executive - Nil and Non-Executive - 06 Unlisted Companies; Executive - 01 and Non-Executive - 01	-	Haycarb PLC Dipped Products PLC Hayleys Fabric PLC Hatton National Bank PLC R I L Property PLC Asset Finance PLC	Professional Business Consultants (Pvt) Ltd	R-E-D Capital Asia (Pvt) Ltd
Mrs. Anomi Wanigasekera Total Directorships - 07 Listed Companies; Executive - Nil and Non-Executive - 03 Unlisted Companies; Executive - 04 and Non-Executive - Nil	-	Haycarb PLC Horana Plantations PLC Dipped Products PLC	Jacey Advisory Services (Private) Ltd Jacey Trust Services (Private) Ltd Jacey & Lanka (Private) Ltd Jacey & Company	-
Mr. Timothy Speldewinde Total Directorships - 10 Listed Companies; Executive - Nil and Non-Executive - 09 Unlisted Companies; Executive - 01 and Non-Executive - Nil	-	Hayleys PLC Haycarb PLC Hayleys Fabric PLC Dipped Products PLC The Kingsbury PLC Horana Plantations PLC Ceylon Grain Elevators PLC Wealth Trust Securities PLC Three Acre Farms PLC	Contemporary Ceylon (Pvt) Ltd	-

Nominations and Governance

GRI: 2-10

The Nominations and Governance Committee supports the Group in identifying suitable candidates for Board appointments, as and when required. The Committee assesses prospective Directors based on their skills, competencies, experience, and personal attributes, while also considering the overall composition and diversity of the Board. The primary objective is to select the most qualified individual who aligns with the Company's strategic needs and satisfies the Board's requirements relating to independence and diversity.

Appointment, Retirement and Resignations

Directors are appointed by the Board in accordance with the Company's Articles of Association and are subsequently subject to re-election by shareholders at the Annual General Meeting (AGM). The Board recommends suitable candidates for appointment based on the advice of the Nominations and Governance Committee. Upon appointment, details of new Directors are disclosed to the Colombo Stock Exchange (CSE) in compliance with regulatory requirements, including:

a. A brief profile of the Director

b. The nature of expertise in relevant functional areas

c. The names of companies in which the Director holds directorships or memberships on Board Committees

d. Whether the Director is considered independent in accordance with the CSE Listing Rules

The Board is empowered to appoint Directors to fill casual vacancies that may arise during the year. In accordance with the Articles of Association, such appointments remain valid until the next AGM, at which the appointed Directors are required to stand for election by shareholders. This process facilitates shareholder participation in the appointment of Directors.

One-third of the Directors retire by rotation at each AGM, with those who have served the longest period since their appointment or reappointment retiring first or at least once every three (03) years. Retiring Directors are generally eligible for re-election. The names of Directors submitted for election or re-election are included in the Notice of Meeting, and their profiles are provided in the Annual Report to enable shareholders to make informed decisions.

In accordance with the Company's Articles of Association, the Managing Director is not required to retire by rotation.

DIRECTOR INDUCTION, TRAINING AND CONTINUOUS DEVELOPMENT

GRI: 2-17

Upon appointment, Directors are provided with an orientation programme comprising relevant internal and external regulatory documents together with visits to operational facilities and factory locations to enhance their understanding of the Group's operations.

Directors are regularly updated on applicable laws and regulations, industry developments, emerging risks, and changes in the business environment. Training and professional development requirements are coordinated through the Company Secretary to support the effective discharge of Directors' responsibilities.

Many Directors are members of the Sri Lanka Institute of Directors and participate in training sessions and forums conducted by the Institute. Directors also undertake Continuous Professional Development (CPD) programmes in their individual capacity to enhance their knowledge and awareness of relevant and emerging matters.

BOARD ASSESSMENT

GRI: 2-18

The Annual Board Assessment evaluates the performance of the Board and its Committees, including Board composition, skills, and effectiveness in supporting strategic objectives. The assessment also considers the effectiveness of strategies developed and implemented, compliance with laws and regulations, quality of participation at meetings, and the effectiveness of systems and processes.

Appraisal of the Managing Director / Chief Executive Officer

GRI: 2-18

The Board annually evaluates the performance of the Managing Director / Chief Executive Officer (MD/CEO) against goals and objectives agreed at the beginning of the financial year. These objectives reflect the Board's expectations over the short, medium, and long term.

Performance is reviewed at the end of the year, taking into consideration the overall performance of the Group, the prevailing operating environment, and other relevant factors. Constructive feedback is provided as part of the appraisal process. The outcome of the evaluation is linked to annual increments relating to fixed remuneration and also forms the basis for determining variable remuneration.

The performance of the Managing Director is reviewed and evaluated by the Remuneration Committee, which comprises two Independent Non-Executive Directors and one Non-Independent Non-Executive Director, of whom two members are independent. The Committee held 02 meetings during the year to discharge its responsibilities.

Board Effectiveness

The Chairman and the Remuneration Committee are responsible for evaluating the performance of the Executive Directors and Board Committees through an annual self-evaluation process. The results of the evaluations are consolidated and submitted to the Chairman for discussion at a Board meeting.

REMUNERATION REVIEW

Haycarb PLC maintains a remuneration framework aligned with its strategic objectives and operating environment, designed to promote high performance. During the year, the Group further strengthened its remuneration practices through enhancements to its remuneration policy framework.

Remuneration Governance

GRI: 2-19, 20

The Board is supported by the Remuneration Committee of Haycarb PLC in determining the remuneration of Executive Directors, Non-Executive Directors, Key Management Personnel (KMP), and other employees. The remuneration policy and related schemes are designed to attract, retain, and motivate individuals with the skills, capabilities, and experience required to achieve the Group's strategic objectives.

Key decisions and activities of the Remuneration Committee together with the aggregate remuneration of the Executive and Non-Executive directors for the financial year given in the Remuneration Committee report in the Page 351.

Remuneration Policy

GRI: 2-19

The remuneration of Key Management Personnel (KMP) and Executive Directors of Haycarb PLC is aligned with sustainable value creation objectives and the Group's strategic priorities, as approved by the Board and the Managing Director/ CEO. These objectives are subsequently cascaded across the organisation to support performance alignment at all levels.

Please refer page 351 for the Report of the Remuneration Committee and Terms of Reference.

The remuneration of Non-Executive Directors, excluding Hayleys Group Directors, comprises a Board fee together with additional fees for serving on Board Committees. Their remuneration reflects the time commitment, responsibilities, and market practices applicable to their role and does not include performance-related or incentive-based payments.

The Board and the Remuneration Committee also obtain the support of HR professionals, where necessary, in discharging their responsibilities relating to remuneration and performance management.

REMUNERATION POLICY THAT DRIVES PERFORMANCE

Remuneration structures are designed to align and measure performance against strategic objectives through relevant performance indicators.

GOAL SETTING
Plan with Purpose

WHAT WE DO

A goal-setting framework
Establish clear, measurable and achievable goals in line with the Group's vision and strategy.

Impact goals aligned to the Group's competencies
Ensure goals drive business impact and reflect our core competencies and values.

Learning and development goals
Strengthen capabilities, encourage continuous learning and support career growth.

Outcome
A shared understanding of priorities and a clear roadmap for success.

REVIEW & APPRAISAL
Evaluate & Improve

HOW WE REVIEW

Two reviews during which ratings will be submitted
Regular check-ins to track progress, provide feedback and realign where needed.

Mid-year review
Evaluate progress, discuss challenges and opportunities, and recalibrate goals if required.

Final appraisal
Comprehensive assessment of performance against goals and competencies for the year.

Outcome
Ongoing feedback and insights that drive performance and continuous improvement.

PERFORMANCE OUTCOMES
Recognise & Reward

WHAT WE ACHIEVE

Performance rating that motivates high performance
Fair and objective ratings that recognise achievements and encourage excellence.

Performance based remuneration
Rewards are aligned to individual and business performance, promoting accountability and sustainable results.

Outcome
Recognition, reward and a culture of high performance that drives long-term value creation.

Supported by Strong Governance

- Transparent process ensuring fairness, consistency and integrity.
- Aligned with corporate strategy, risk appetite and stakeholder expectations.

Level and Make-Up of Remuneration

The remuneration packages of Executive Directors are designed to attract and retain professionals with the requisite skills, experience, and expertise required to support the Group's strategic objectives.

The remuneration of Executive Directors complies with the provisions of Schedule "G" of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2023 and comprises both fixed and variable components, with the variable component linked to performance.

No special early termination clauses are included in the employment contracts of Executive Directors that would entitle them to additional compensation. However, any such compensation, if applicable, would be determined by the Board of Directors.

Please refer to page 390 for details of the total Directors' remuneration.

EXTERNAL AUDITOR

The External Auditor is appointed by the shareholders at the Annual General Meeting (AGM) in accordance with the provisions of the Companies Act. The Board makes recommendations in consultation with the Audit Committee regarding the appointment and reappointment of the External Auditor.

The Audit Committee monitors and reviews the independence, objectivity, and effectiveness of the External Auditor and the external audit process, taking into consideration relevant professional and regulatory requirements.

The assignment of non-audit services to the External Auditor is also reviewed by the Audit Committee to assess any potential impairment to the Auditor's independence and objectivity in carrying out audit responsibilities.

Shareholders approved the reappointment of Ernst & Young (Chartered Accountants) as the External Auditor for the financial year 2025/26 at the AGM held on 26 June 2025.

In compliance with Section 163(3) of the Companies Act No. 07 of 2007, the External Auditors submit an annual declaration confirming their independence in relation to the external audit engagement.

ACCOUNTABILITY & AUDIT

This report provides a balanced assessment of the Company's financial position, performance, and prospects in compliance with applicable laws and voluntarily adopted reporting standards, codes, and frameworks set out on page 280. The Company's position and prospects are discussed in sufficient detail in the following sections of this Annual Report:

» Chairman's and Managing Director's Joint Message – pages 20 to 25

» Strategy and Resource Allocation – pages 150 to 158

» Managing Risks and Opportunities – pages 54 to 62

» Capitals – pages 159 to 268

The Board approved the quarterly reports prior to publication and dissemination to the public through the Colombo Stock Exchange (CSE) and the corporate website within 45 days for the first three quarters and within two months of the final quarter. The Audit Committee reviewed the Financial Statements and recommended them to the Board for approval.

Price-sensitive information that may have an impact on the Company's shares was disclosed to the Colombo Stock Exchange in a comprehensive yet concise and timely manner. Reports required by regulators, including the Department of Inland Revenue, the Sri Lanka Accounting & Auditing Standards Monitoring Board, and the Colombo Stock Exchange, were filed on a timely basis in compliance with specified requirements.

The following reports provide further information required by the Code:

» The Directors' Report – pages 26 to 30 (including the declaration that the Company is a going concern)

» The Statement of Directors' Responsibility – page 344

» Report of the Auditors – page 358 to 361.

OUTLOOK

Haycarb PLC remains committed to continuously strengthening its governance framework to support sustainable growth, operational resilience, and long-term value creation. As the business environment continues to evolve, the Company will further enhance its governance processes in response to emerging developments, evolving stakeholder expectations, regulatory requirements, and strategic priorities.

During 2026/27, the Group will focus on advancing digital transformation initiatives across the organisation to improve efficiency, innovation, and data-driven decision-making. The Company will also continue to pursue growth opportunities in new markets and value-added product segments while carefully assessing the potential impact of emerging global trade and economic developments.

In parallel, Haycarb will further strengthen its enterprise risk management practices to support the effective identification, assessment, and management of risks and opportunities across the Group. Through these efforts, the Company aims to maintain an agile, transparent, and fit-for-purpose governance framework that reinforces responsible business practices and supports sustainable long-term value creation for all stakeholders.

OUR GOVERNANCE OUTLOOK

We remain committed to enhancing our governance practices to create long-term value and contribute to a sustainable future.

SUSTAINABLE VALUE CREATION	Integrating environmental, social and governance (ESG) considerations into our strategy and operations.
STRONGER STAKEHOLDER TRUST	Upholding transparency, accountability and effective communication.
CONTINUOUS IMPROVEMENT	Enhancing our governance framework in line with best practices and evolving regulations.
INNOVATION & RESILIENCE	Embracing innovation and building resilience to navigate future opportunities and challenges.
RESPONSIBLE CORPORATE CITIZENSHIP	Contributing to the communities where we operate and protecting the environment.

COMPLIANCE WITH THE "CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE 2023" ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA

"The Institute of Chartered Accountants of Sri Lanka issued the revised 'Code of Best Practice on Corporate Governance' in 2023.

Haycarb PLC's compliance and implementation with this Code is presented below.

Complied

https://www.casrilanka.com/casl/index.php?option=com_content&view=article&id=250&Itemid=209&lang=en

Code Ref.	Requirement	Compliance and Implementation	Compliance
SECTION I : THE COMPANY			
A	**DIRECTORS**		
A.1	**The Board**		
A.1	The Board - direct, lead and control the Company	As at 31st March 2026, the Board comprises 14 Directors, of whom 6 are Executive Directors, 3 are Non-Independent Non-Executive Directors, and 5 are Independent Non-Executive Directors. The Board is responsible for providing strategic direction, establishing a policy framework, financial reporting and other information systems, internal controls, performance review, risk management, resource allocation, and directing, leading, and controlling the Company.	Yes
A.1.1	The Regularity of Board meetings, structure and process of submitting information	The Board meets quarterly with provision to meet more frequently if required. Attendance of meetings is given on page 303. Information for the meeting is provided to Board members in advance and typically include the following information: » Minutes of the previous Board meeting and any Committee meetings during the quarter under review. » Financial and operational information including progress on agreed Key Performance Indicators. » Financial statements for the relevant quarter and year to date together with comparatives for the corresponding period of the previous financial year and budgets. » Forecasted performance for the financial year. » A Risk Register including key business risks on strategic, operational, financials, investments, governance, Information Technology and System Security (ISS) aspects of the business. The Risk Register also include Sustainability Related Risks/Opportunities (SRROs) and Climate Related Risks/Opportunities (CRROs) affecting the business. » Compliance statements confirming regulatory compliance and other matters considered necessary in accordance with policies of the Group and Board. These statements include information regarding breaches of internal controls or fraud detected during the period together with any action taken or confirm the absence thereof. » Report on number of calls to whistleblowing line or a confirmation that there were no calls recorded.	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
		» Information on human resources and capital expenditure. » Share trading of the Company and related party transactions by Key Management Personnel. » Documents to which the Company seal has been affixed to. » Resolutions on other matters referred to the Board.	
A.1.2	Roles and Responsibilities of the Board	The Board Charter sets out the responsibility of the Board. The Board is responsible to the shareholders for creating and delivering long term sustainable shareholder value through entrepreneurial leadership. The Board is responsible to: » Providing direction and guidance to the Company in the formulation of high-level medium and long-term strategies which are aimed at promoting the sustainable long-term success of the Company. » Appointing and reviewing the performance of the Chairman and Managing Director. » Ensure Executive Directors and Key Management Team possesses the skills, experience and knowledge to implement strategy effectively, with proper succession arrangements in place. » Reviewing, approving and monitoring annual corporate plans, corporate budget and capital expenditure. » Reviewing and approving major acquisitions, disposals and major investments by the management within their limits of authority. » Ensure effective systems to secure the integrity of information, internal controls, business continuity and risk management. » Ensure compliance with laws, regulations and ethical standards. » Ensure all stakeholder interests are considered in corporate decisions. » Set and communicate values/standards, with adequate attention being paid to accounting policies/practices and fostering compliance with financial regulations. » Adequacy and the integrity of the Internal Control Systems over financial reporting and Management Information Systems are reviewed by the Board/Audit Committee. » Ensuring that Financial Statements are published quarterly, and the Annual Report is published at the end of the financial year. » Determining any changes to the discretions/authorities delegated from the Board to the Key Management Team. » Approving any amendments to constitutional document. » Ensure the availability of Information Communication Technology (ICT) roadmap in line with business strategy. » Recognising sustainable business development and ESG risks and opportunities in corporate strategy, decisions and activities and consider the need for adopting integrated reporting.	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
A.1.3	Act in accordance with laws and agreed to obtain independent professional advice	The Board has set in place a framework of policies and procedures and risk management to ensure compliance with relevant laws and international best practices with regards to the operations of the Haycarb Group. Directors have the ability to obtain independent professional advice as deemed necessary and these functions are coordinated by the Group Legal Department, or Group Finance or the Group Corporate Secretariat as and when it is necessary.	Yes
A.1.4	Access to the advice and services of the Company Secretary	All Directors have access to the advice and services of the Company Secretary. These functions are provided by Hayleys Group Service (Private) Limited., who are responsible for ensuring follow up of Board procedures, compliance with rules and regulations, directions and laws, keeping and maintaining minutes and relevant records of the Group.	Yes
		The qualifications of the Company Secretary and the Role of the Company Secretary are aligned with Schedules "A" and "A2" of the "Code of Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka.	
		The Parent Company, Hayleys PLC has obtained insurance cover for the Board of Directors and Key Management Personnel in the Group which covers the Directors of the Haycarb Group as well.	
A.1.5	Independent Judgement	Directors bring their independent judgment to bear on decisions taken by the Board on matters relating to strategy, performance, resource allocation, risk management, compliance and standards of business conduct.	Yes
		The composition facilitates a balance of power and effective participation by all Directors.	
		Many of the Board members are independent professionals who conform to professional codes of conduct which require the exercise of independent judgement in discharge of their duties.	
A.1.6	Dedicate adequate time and effort to matters of the Board and the Company	The Board of Directors dedicates adequate time and effort to ensure that their duties and responsibilities towards the Company and the Board are discharged. Dates of regular Board meetings and Board Subcommittee meetings are scheduled well in advance and the relevant papers for the meetings are provided for its members in advance giving sufficient time for review. Directors are expected to be familiar with the contents of papers uploaded/circulated at the meeting.	Yes
A.1.7	Call for a resolution	Any Director can call for a resolution to be presented to the Board if deemed necessary.	Yes
A.1.8	Board induction and training, regularly review of training and development needs of the Directors	Directors recognise the need for continuous training and expansion of their knowledge and skills to effectively discharge their duties and are encouraged to attend sessions of the Sri Lanka Institute of Directors and other corporate forums on relevant matters. As independent professionals, many of the Directors also conform to Continuing Professional Development requirements of their respective professional organisations. Board members are also given insights into regulatory changes that may impact the industry at Board meetings by KMPs.	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
		Audit Committee members receive updates on regulatory changes relating to matters entrusted to the Committee on a regular basis to ensure that they are updated on regulatory requirements impacting reporting and risk management processes. They are also given insights into organisation wide initiatives to strengthen internal controls, risk management and financial reporting processes at the same meetings.	
A.2	**Chairman and Chief Executive Officer (CEO)**		
A.2	Chairman and Chief Executive Officer (CEO)	Functions of Chairman and Chief Executive Officer are separated facilitating a balance of power. The Chairman of the parent serves as the Chairman of Haycarb PLC while the Managing Director serves as the CEO.	Yes
A.3	**Chairman's Role**		
A.3.1	Chairman's role	The role of the Chairman involves, » Conducting of Board meetings ensuring effective participation of both Executive and Non-Executive Directors. The Chairman plays a key role in preserving good Corporate Governance. » Approving the agenda for each meeting prepared in consultation with the Managing Director, other Directors and Company Secretary taking into consideration matters relating to strategy, performance, resource allocation, risk management, and compliance. » Sufficiently detailed information of matters included in the agenda be provided to the Directors on a timely manner. » Ensuring that all Directors are aware of their duties and responsibilities and the Board and Committee structure through which it will operate in discharging its responsibilities. » The effective participation of both Executive and Non-Executive Directors is secured and all Directors are encouraged to make an effective contribution within their respective capabilities. » Ensure the views of Directors on issues under considerations are ascertained and a record of such deliberations are reflected in the minutes. » All Directors are encouraged to seek information considered necessary to discuss matters on the agenda of meetings and to request inclusions of matters of corporate concern on the agenda. » Maintaining the balance of power between Executive and Non-Executive Directors. » The Board is in complete control of the Company's affairs and alert to its obligations to all shareholders and other stakeholders	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
A.4	**Financial Acumen**		
A.4	Availability of financial acumen	The Board comprises six (6) professional accountants, all of whom are members of recognised accounting bodies and possess the necessary financial acumen. Members of the Board have ample experience in handling matters related to finance through leadership in numerous organisations across sectors. Hence the Board has sufficient financial acumen and knowledge to offer guidance on matters of finance.	Yes
A.5	**Board Balance**		
A.5.1	Majority of Non-Executive Directors	8 out of 14 Directors on the Board are Non-Executive Directors. The composition of the Executive and Non-Executive Directors (the latter are over one-third of the total number of Directors), satisfies the requirements laid down in the Listing Rules of the Colombo Stock Exchange. The roles of the Chairman and the Managing Director are also segregated.	Yes
A.5.2	Independent Non-Executive Directors	5 out of 8 Non-Executive Directors are independent, which is in compliance with the requirement for 1/3rd of directors to be non-executive. The Board has determined that 5 Independent Non-Executive Directors satisfy the criteria for "Independence" set out in the Listing Rules.	Yes
A.5.3	Director's independency	Non-Executive Directors' profiles reflect their calibre and the weight their views carry in Board deliberations. Each is independent of management and free from any relationship that can interfere with independent judgement. The balance of Executive, Non-Executive and Independent Non-Executive Directors on the Board ensures that no individual Director or small group of Directors dominates Board discussion and decision-making.	Yes
A.5.4	Annual declaration by Non-Executive Directors	All Non-Executive Directors submitted signed and dated declarations of his/her independence or non-independence against the specified criteria, set out in schedule "C" of the "Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka.	Yes
A.5.5	Annual determination of independence of Directors	The Board determines the independence or non-independence of each Non-Executive Director on an annual basis, based on such an annual declaration made on decided criteria and other information available to the Board, based on the requirements of the Code as set out in A.5.5 of the "Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka.	Yes
A.5.6	Alternate Directors	There are no alternate Directors as of 31st March 2026.	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
A.5.7	Senior Independent Director (SID)	The Chairperson is not the CEO of the Company; however, he is not an Independent Director. In order to comply with section 9.6.3 of the CSE Listing Rules and "Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka", the Company has appointed a Senior Independent Director (SID) with effect from 01st November 2023. Mr.Yohan Perera currently serves as the SID of Haycarb PLC. Please refer page 356 to the statement by Senior Independent Director (SID) given in this report.	Yes
A.5.8	Confidential discussions with SID	The Senior Independent Director makes himself available for confidential discussions with other Directors who may have concerns if necessary. The Senior Independent Director makes himself available to all meetings with majority, significant and minority shareholders and be made aware of their concerns by the Company Secretary.	Yes
A.5.9	Meetings with Non-Executive Directors by the Chairman	The Chairman holds a meeting with only Non-Executive Directors at least once a year.	Yes
A.5.10	Resolutions / recording of dissent in minutes	All matters of the Company are recorded in the Board minutes with sufficient details to enable a proper assessment to be made of the deliberation and any decisions taken at the meeting.	Yes
A.6	**Supply of Information**		
A.6.1 & A.6.2	Timely information to the Board.	The Chairman ensures that all Directors are briefed on issues arising at Board meetings by requiring management to provide comprehensive information including both quantitative and qualitative information for the Board Meetings provided in advance to the Board/subcommittee meetings. The Directors have free and open access to Management at all levels to obtain further information or clarify any concerns they may have. They also have the right to seek independent professional advice at the Company's expense and copies of advice obtained in this manner are circulated to other Directors who request it. Any Director who does not attend a meeting is updated on proceedings prior to the next meeting through: » Formally documented minutes of discussions. » By clarifying matters from the Board Secretary. » Separate discussions at start of meeting regarding matters arising for the previous meeting. » The minutes of the meetings are provided to Directors within two weeks after the meeting date. » Archived minutes and Board papers accessible electronically at the convenience of the Directors.	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
A.7	**Appointments to the Board; Nominations and Governance Committee**		
A.7.1	Composition of Nominations and Governance Committee	The Committee comprises two (02) Independent Non-Executive Directors and one (01) Non-Independent Non-Executive Director. Please refer to the Committee Report on page 353.	Yes
A.7.2	Functions of the committee	The Nominations and Governance Committee annually assess the composition of the Board to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company. The findings of such assessment will take into account when new Board appointments are considered and when incumbent Directors come up for re-election, including a process to determine that such proposed Board appointees are "fit and proper". In assessment of Directors to the Board, the Company is compliant to the "fit and proper" assessment criteria detailed in schedule "D" of the "Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka.	Yes
A.7.3	Succession plan for Chief Executive Officer (CEO)	The Committee ensure that there is a succession plan for the CEO and for all Key Management Personnel and determine the training and development requirements for those identified.	Yes
A.7.4	Disclosure to Shareholders	On appointment, a brief resumé of the Director including his current and previous appointments and whether he is Independent, Non-Independent Non-Executive or Executive is sent to the CSE and published in the CSE website.	Yes
A.7.5	The Nominations and Governance Committee disclosure in Annual Report	The Nominations and Governance committee report given on page 353.	Yes
A.7.6	Terms of reference for Nominations and Governance Committee	Terms of reference for the Nominations and Governance Committee complying with Schedule "E" of the "Code of Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka.	Yes
A.8	**Re-election**		
A.8.1, A.8.2, A.8.3	Directors to submit themselves for Re-election	One third of the Directors retire at each AGM with those who have served the longest period after their last appointment/re-appointment or at least once in every three years.. Retiring Directors may offer themselves for re-election. The Managing Director does not retire by rotation. Directors appointed during the year to fill casual vacancies cease to hold office at the next AGM and may offer themselves for re-election by shareholders.	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
A.9	**Appraisal of Board Performance**		
A.9.1, A.9.2, A.9.3, A.9.4	Appraisal of Board and Committee performance	The Chairman and Remuneration Committee are responsible for evaluating the performance of Executive Directors and Committees. The Board undertake an annual self-evaluation of its own performance, that of its Committees, Chairman, Non-Executive Directors and Executive Directors. The outcome of these evaluations is made available to the Nominations and Governance Committee. The Board has an established a process to review the participation, contribution and engagement of each Director at the time of re-election.	Yes
A.10	**Disclosure of Information in Respect of Directors**		
A.10.1	Information relating to Directors	» Profiles of Board members are given on Page 26 to 30. » The members' attendance for Board meetings are given on Page 303. » Membership of Subcommittees and attendance at Subcommittee meetings are given on page 303.	Yes
A.11	**Appraisal of Chief Executive Officer (CEO)**		
A.11	Appraisal of Chief Executive Officer (CEO)	Prior to the commencement of each financial year, the Board in consultation with the Chief Executive Officer, set reasonable financial and nonfinancial targets which are in line with short, medium and long-term objectives of the Company, achievement of which should be ensured by the Chief Executive Officer. A monthly performance evaluation is performed at which actual performance is compared to the budget. The Chief Executive Officer is responsible to provide the Board with explanations for any adverse variances together with actions to be taken.	Yes
B	**DIRECTORS' REMUNERATION**		
B.1	**Remuneration Procedure**		
B.1	Remuneration Procedure	The Board has an established Remuneration Committee and evaluates the remuneration for Executive and Non-Executive Directors.	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
B.2	**Remuneration Committee**		
B.2.1, B.2.2, B.2.3, B.2.4, B.2.5, B.2.6, B.2.7, B.2.8, B.2.9, B.2.10, B.2.11, B.2.12, B.2.13, B.2.14, B.2.15, B.2.16	Remuneration Committee	The Remuneration Committee report is given on page 351 which gives in detailed the duties and functions of the Committee. The Remuneration Committee report is in line with the schedule "I" of the "Code of Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka. The Committee follows the guidelines given in schedule "G" of the "Code of Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka, in designing schemes of performance related remuneration. The Terms of reference of the Remuneration Committee is in line with the schedule "H" of the "Code of Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka.	Yes
B.3	**Disclosure of Remuneration**		
B.3.1, B.3.2	Disclosure of remuneration	The Report of the Remuneration Committee on page 351 provides a statement on Remuneration Policy. The composition of the Committee, scope and number of meetings held are given in the Remuneration Committee report. The total for Directors' Remuneration is given on page 390	Yes
C	**RELATIONS WITH SHAREHOLDERS**		
C.1	**Constructive use of the Annual General Meeting (AGM) and Conduct of General Meetings**		
C.1.1	Notice of AGM	The Board uses the AGM to communicate with shareholders and encourage their participation. The notice and the agenda of the Annual General Meeting are sent to the shareholders 15 working days prior to the meeting. The Annual Report is published on the Company's website and CSE website.	Yes
C.1.2	Separate resolution for substantially separate items	A separate resolution is proposed at an Annual General Meeting on each substantially separate item. Adoption of the Annual Report of the Board of Directors on the affairs of the Company, Statement of Compliance and the Financial Statements with the Independent Auditor's Report is considered as a separate resolution. A form of Proxy is provided with the Annual Report to all shareholders to direct their Proxy to vote.	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
C.1.3	Votes and use of Proxy	The Company ensures that all valid proxy appointments received for General Meetings are properly recorded and counted. For each resolution, where a vote has been taken on a show of hands, the Company ensures that the records at the meeting are made available with Company Secretary on behalf of the Company. The level of proxies lodged on each resolution is conveyed to the Chairman. When, in the opinion of the Board, a significant proportion of votes have been cast against a resolution at any General Meeting, the Board takes steps to understand the reasons behind the vote results and determine if any actions are required.	Yes
C.1.4	Answer questions at the Annual General Meeting (AGM)	The Chairman of the Board arranges the Chairman of the Audit, Remuneration, Nominations and Related Party Transactions Review Committees and the Senior Independent Director to be available to answer queries at the AGM when necessary.	Yes
C.1.5	A summary of the procedures governing voting at General Meetings	The Company Circulates, along with every notice of General Meeting, a summary of the procedures governing voting at General Meetings.	Yes
C.2	**Communication with Shareholder**		
C.2.1	Channel to reach all Shareholders of the Company	The modes of communication between the Company and the shareholders are the Annual Reports, Interim Reports, Announcements made through the Colombo Stock Exchange, other press releases and Annual / Extraordinary General Meetings. Shareholders may raise concerns they have, with the Chairman, the Managing Director or the Secretaries, as appropriate. The soft version of the Annual Report is posted on the Company Website upon release to the Stock Exchange. The website also features news and latest updates of the Company. The active participation of shareholders at the Annual General Meeting is encouraged. The Board believes the AGM is a means of continuing effective dialogue with shareholders. The Board offers clarifications and responds to concerns shareholders have over the content of the Annual Report as well as other matters which are important to them. The AGM is also used to adopt the financial statements for the year.	Yes
C.2.2, C.2.3	Implementation of the policy and methodology for communication with Shareholders	Annual Report and Financial Statement of the Company are available on the Company website enabling all shareholders to access the Annual Report and Financial Statements. However, a shareholder could be provided with a printed copy of the Annual Report if requested in writing to do so. A copy of the interim Financial Statements is released to the Colombo Stock Exchange and posted on their website. Copies of all public announcements are made available to the CSE for dissemination to the public.	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
C.2.4	Disclosure of contact person	Shareholders can forward their inquiries via electronic media (e-mail, telephone call or in writing) to the relevant person to raise queries. The contact person for such communication is the Company Secretary. Shareholder communication is with the Company Secretary Hayleys Group Services (Private) Limited (Ms. C. Gunawardena – Tel: +94 11 2627653)	Yes
C.2.5	Major issues and concerns of Shareholders	All the major issues relating to shareholders are brought to the attention of the Board.	Yes
C.2.6	Person to be contacted with regard to Shareholders matters	The Company Secretary holds the responsibility to be contacted in relation to shareholders matters.	Yes
C.2.7	Process for responding to Shareholders matters	The Chairman and the Directors answer all the queries raised by the shareholders at the AGM and Extraordinary General Meetings. The Board in conjunction with the Company Secretary formulates the process for addressing shareholders matters.	Yes
C.3	**Major and Material Transactions**		
C.3.1, C.3.2, C.3.3	Disclosure of material transactions	Transactions, if any, which materially affect the Net Asset base of Haycarb PLC, will be disclosed in the Quarterly / Annual Financial Statements. During the year, there were no major transactions as defined by Section 185 (1),(2),(3) of the Companies Act No 07 of 2007 which materially affect the asset base of Haycarb PLC or consolidated Group asset base. The Company in addition complies with the disclosure requirements and shareholder approval by special resolution as required by the rules and regulation of the Securities Exchange Commission (SEC) and by the Colombo Stock Exchange (CSE) which are contained in the section 9.14 (Related Party Transactions) of the listing rules.	Yes
D	**ACCOUNTABILITY AND AUDIT**		
D.1	**Financial and Business reporting (The Annual Report)**		
D.1.1, D.1.2	Balance and understandable assessment	The Company has presented balanced and understandable Financial Statements which gives a true and fair view of the performance and financial position on a quarterly and annual basis. In the preparation of Financial Statements, the Company has complied with the requirements of the Companies Act No 07 of 2007 and requirements of Sri Lanka Financial Reporting Standards (SLFRS) and Securities and Exchange Commission. Price sensitive public reports and reports for statutory requirements are also presented in a balanced and understandable manner. The Annual Report also conforms to the GRI Standards on Sustainability Reporting published by the Global Reporting Initiative, Integrated Reporting Framework published by the International Integrated Reporting Council and the SLFRS on sustainability reporting S1 and S2 in accordance with transitional relief.	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
D.1.3	CEO's & CFO's approval on Financial Statements prior to Board approval	The Finance Director and two other Directors have signed the Financial Statements on behalf of the Board. Responsibilities of Board of Directors and Directors statement on internal controls are given in page 342 on this report.	Yes
D.1.4	The Directors' Report	The Annual Report of the Board of Directors on the affairs of the Company is given on page 339 of this Annual Report which contains the following: » Declaration that the Company has not engaged in activities that contravene laws and regulations of Sri Lanka. » Declaration by the Directors on all material interests in contracts involving the Company and has refraining from voting on matters in which they were materially interested. » Equitable treatment to shareholders. » Compliance with best practices of corporate governance. » Information relating to PPE has been given in note 15 to the Financial Statements. » Review of internal controls, risk management and reasonable assurance of effectiveness and adherence. » Going concern of the business.	Yes
D.1.5	Statement of Directors responsibility and statement on internal controls and Auditor's Report	The Statement of Directors Responsibilities for the Financial Statements is given in page 344. The Auditors' Report is available on page 358.	Yes
D.1.6	Management Discussion and analysis	The Management discussion and analysis has been structured based on the integrated reporting framework issued by International Integrated Reporting Council. Chairman's and Managing Director's Joint Message given in page 20 to 25 in this Report provides an analysis of the Group's performance during the financial year including industry structure and developments, risk management, opportunities and threats, financial performance, social and governance activities carried out by the Company and prospects for the future.	Yes
D.1.7	Summon an EGM to notify serious loss of capital	In the event the net assets of the Company fall below 50% of the value of the Company's Stated Capital, the Directors will forthwith summon an Extraordinary General Meeting to notify shareholders' the remedial action being taken. However, such an event has not taken place since the adoption of the New Companies Act No 07 of 2007.	Yes
D.1.8	Related Party Transaction disclosure	A process has been placed to capture related parties and related party transactions. The related party transactions are properly documented. The responsibility of keeping records of the related party transactions lies with the Company Secretary. The Company has adequately and accurately disclosed the related party transactions in page 432 to this report.	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
D.2	**Risk Management and Internal Control**		
D.2.1, D.2.1.2, D.2.1.3, D.2.1.4, D.2.1.5, D.2.1.6, D.2.1.7	Framework for Risk Management	The Board of Directors reserves the primary responsibility on business risk management. The Board has adopted a framework for Risk Management and the processes to identify, assess, monitor and manage risks. The Risk Framework is in line with the schedule "K" of the "Code of Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka. The Board established the responsibility to the Audit Committee to oversee the Risk Management process of the Company. The Board ensures the Company has carried out a robust assessment of principle risks. The Risk Management Framework, processes and responsibilities are given on the page 54 to this report. The Audit Committee with its responsibility to oversee the Risk Management process has described its activities under Risk Management in the Audit Committee Report on page 347 to this report.	Yes
D.2.2, D.2.2.1, D.2.2.2, D.2.2.3, D.2.2.4	Monitoring sound system of Internal Control	The Board is responsible for the Group's internal control and its effectiveness. Internal controls are established with emphasis on safeguarding assets, making available accurate and timely information and imposing greater discipline on decision making. It covers all controls required, including financial, operational and compliance controls and risk management. The important procedures in place to discharge this responsibility are as follows, » The Directors are responsible for the establishment and monitoring of financial controls appropriate for the operation within the overall Group policies. » The Audit Committee reviews the plans and activities of the Internal Audits and the Management Letters of External Auditors. » The Hayleys Group Management, Audit and System Review Department report on key control elements and procedures followed by the Haycarb Group that are selected according to the Annual Audit Plan. » The Board has established the responsibility to the Audit Committee to ensure carrying out the reviews of the process and effectiveness of internal controls. » The Board ensures its responsibilities in maintaining a sound system of Risk Management and Internal Controls are in line with the schedule "L" of the "Code of Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka.	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
D.3	**Audit Committee**		
D.3.1	Composition of Audit Committee	The Audit Committee comprises of three Independent Non-Executive Directors and one Non-Independent Non-Executive Director. The Committee is chaired by an Independent Non-Executive Director. Refer Audit Committee Report on page 347	Yes
D.3.2	Audit Committee Terms of reference - The Committee's purpose, duties & responsibilities	Refer Audit Committee Report on page 347	Yes
D.3.3	Disclosures in Annual Report	Refer Audit Committee Report on page 347	Yes
D.4	**Risk Committee**		
D.4	Risk Committee	The Board of Directors reserve the primary responsibility on Business Risk Management. The Board has adopted a framework for Risk Management and the processes to identify, assess, monitor and manage risks. The Risk Framework is in line with the schedule "K" of the "Code of Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka. The Board has winded the responsibility of the Audit Committee to oversee the Risk Management process of the Company. The Board ensures the Company has carried out a robust assessment of principle risks. The Risk Management Framework, processes and responsibilities are given on the page 54 to this report. The Audit Committee with its responsibility to oversee the Risk Management process has described its activities under Risk Management in the Audit Committee Report on page 347 to this report.	Yes
D.5	**Related Party Transactions Review Committee**		
D.5,D.5.1	Related Party Transactions	The Board ensures that the Company does not engage in transactions with "Related Parties" in a manner that would grant such parties "more favourable treatment" than that accorded to third parties in the normal course of business.	Yes
D.5.2	Related Party Transactions Review Committee	The Board has an established Related Party Transactions Review Committee.	Yes
D.5.3	Terms of reference	Refer Related Party Transactions Review Committee Report on page 345	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
D.6	**Code of Business Conduct and Ethics**		
D.6	Code of Business Conduct and Ethics	The Directors, Members of the Senior Management Team and all employees are bound by the Code of Business Conduct and Ethics, applicable to the Hayleys Group the "Hayleys Way". The Code consists of important topics like conflict of interest, bribery and corruption, entertainment and gifts, accurate accounting and record keeping, fair & transparent procurement practices, corporate opportunities, confidentiality, fair dealing, protection & proper use of Company assets including information assets, sexual harassment, discrimination & abuse, compliance with laws, rules and regulations and encouraging the reporting of any illegal, fraudulent or unethical behaviour. The Board ensures the compliance with the code and non-compliance may reasons to go for disciplinary action.	Yes
D.6.1	Disclosure and compliance	The Directors and Key Management Personnel are complying to this code.	Yes
D.6.2	Process to identify and report price sensitive information	The Company has a process in place to ensure that material and price sensitive information is promptly identified and reported in accordance with the relevant regulations.	Yes
D.6.3	Shares purchased by directors and key management personnel	The Company has a policy and a process for monitoring, and disclosure of shares purchased by any Director and Key Management Personnel. Details of Directors share holdings are given in page 339 of the Annual Report of the Board of Directors on the affairs of the Company.	Yes
D.6.4	Whistleblowing Policy	The Company has established a procedure to deal with complaints received from employees, customers, suppliers and any other party in relation to non-compliance with Companies Code of Business Conduct and Ethics.	Yes
D.6.5	Training on the Code of Business Conduct and Ethics	The Company conducts trainings on the code of conduct for new employees as part of induction training.	Yes
D.6.6	The process for company-wide dissemination of the policy	The Company has a process to disseminate the code, company-wide.	Yes
D.6.7	Affirmation of Code in the Annual Report by the Chairman	The Chairman affirms that he is not aware of any violation of any other provisions of the Code of Business Conduct and Ethics in the Annual Report.	Yes
D.7	**Corporate Governance Disclosure**		
D.7	Disclosure of adherence to Corporate Governance	The extent to which the Company adheres to established principles and practices of good Corporate Governance is disclosed in this report.	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
SECTION II : SHAREHOLDERS			
E	**INSTITUTIONAL INVESTORS**		
E.1	**Shareholder voting**		
E.1	Shareholder voting	All investors are notified of the Annual General Meeting, and all their views, comments and suggestions are encouraged. The Company maintains continuous dialogue with institutional investors, based on a mutual understanding of objectives. Impartiality is maintained on shareholder votes at the AGM based on individual holding and weightage. Shareholders are encouraged to participate of the AGM and vote on matters set before them.	Yes
E.2	**Evaluation of Governance Disclosures**		
E.2	Evaluation of governance disclosures	Institutional investors are encouraged to give due consideration to all relevant factors drawn to their attention when evaluating Companies' governance arrangement particularly in relation to Board structure and composition. All shareholders are provided sufficient information to facilitate and encourage effective shareholder participation including governance matters. Please refer Investor information on Page 463.	Yes
F	**OTHER INVESTORS**		
F.1	**Investing/ Divesting Decision**		
F.1	Investing/ Divesting decision	Individual shareholders, investing directly in shares of Company are encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions. The Company believes that the rational investors remain with the Company without divesting. There are no restrictions for investing or divesting in the Company shares.	Yes
F.2	**Shareholder Voting**		
F.2	Shareholder voting	All shareholders are encouraged to actively participate in the AGM and they have the independence of using their votes as they wish.	Yes
SECTION III : OTHER MATTERS			
G	**INTERNET OF THINGS AND CYBERSECURITY**		
G.1	Identify connectivity and related cybersecurity risks	This function was complied with by the Group Head of IT of the Parent Company for the year under review. The Board was also updated on the findings.	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
G.2	Appoint a Chief Information Security Officer (CISO) and allocate budget to implementing a Cybersecurity Policy	The Hayleys Group has a Chief Information Security Officer (CISO) and a cybersecurity policy has been implemented. The Company cybersecurity policy includes a robust cybersecurity risk management process, incident response system, vendor management system, disaster recovery plan and a governance structure to monitor effective implementation, reporting process, scope and regularity of an Information Communication Technology (ICT) audit, and the need for cybersecurity insurance. Please refer page 283 on IT and Cybersecurity governance.	Yes
G.3	Include Cybersecurity on Board agenda	It is a regular agenda item for the Board meetings. The matters taken up for the discussion on the Board meeting agenda includes » Potential cybersecurity risks in the company's business model » CISO's security strategy and status of the current projects » Compliance with the cybersecurity risk management process and incident reports » Findings and recommendations from independent reviewers	Yes
G.4	Obtain Independent periodic review and assurance to review effectiveness of cybersecurity risk management	A firm of external consultants were engaged to review the effectiveness of the Group's cybersecurity risk management. The Company is complying with the Schedule "O" contains a "Board cybersecurity checklist" described in the "Code of Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka.	Yes
G.5	Disclosures in Annual Report	The Company disclose in the Annual Report, the process to identify and manage cybersecurity risks. Please refer page 283 on IT and cybersecurity governance.	Yes
H	**SUSTAINABILITY: ESG RISK AND OPPORTUNITIES**		
H.1, H.1.1	Board to consider Sustainability Related Risks and opportunities	The Board is responsible for identifying and assessing the impact of Sustainability Related Risks and Opportunities (SRROs) and Climate Related Risks and Opportunities (CRROs) and oversee strategies designed to respond to such risks. The Board has established an ESG Steering Committee, and the Committee is headed the Managing Director. The Company established Sustainability and ESG division reporting to the Deputy Managing Director. Please refer page 54 to 62 for detailed emphasis of Company's sustainability strategy.	Yes
H.2, H.2.1	Consider views of stakeholders in managing sustainability related risks and opportunities	The Board and Key Management Personnel continuously engage with and consider views of the stakeholders to better understand and manage Company's Sustainability/ ESG Risks and Opportunities.	Yes

Code Ref.	Requirement	Compliance and Implementation	Compliance
H.3, H.3.1, H.3.1.1, H.3.1.2	Establishment of a Governance Framework which includes Sustainability/ESG factors	The Board address Sustainability factors through a process of environmental governance and social governance. » The Company follows an integrated approach on Environmental Governance that takes into consideration the direct and indirect economic, social, health and environmental implications on business strategies, plans, decisions and operations. » The Company also follows an integrated approach for social governance to engage with groups such as community, customers, employees, suppliers etc. » The Company launched its ESG Roadmap ACTIVATE embedding ESG drivers across all aspects of the Company's business strategy and operations. » The Deputy Managing Director oversea the implementation of the ESG roadmap 2030 circulated in ACTIVATE. » The ESG Steering Committee led by the Director in charge of corporate sustainability and ESG was established to drive the formulation and implementation of the ESG Roadmap. Please refer page number 287 on Company's approach to sustainability governance.	Yes
H.4, H.4.1, H.4.2, H.4.3	Structure for measuring on all pertinent aspects of sustainability using financial and non-financial measures	The Company has in place a system to capture ESG data from all of its operational locations. The Company's ESG related data is consolidated within the Haycarb Corporate Sustainability and ESG Divisions and performance is reported to ESG steering committee, Management Team and to the Board of Directors. The Data also reported to Hayleys Group ESG Steering Committee and the Hayleys Group Management Committee. Please refer page 66.	Yes
H.5.H.5.1, H.5.2, H.5.3, H.5.4	Annual Report to contain sufficient information on sustainability related risks and opportunities	Please refer on Page 54 to 62.	Yes
I	**SPECIAL CONSIDERATIONS FOR LISTED ENTITIES**		
I.1, I.1.1, I.1.2, I.1.3, I.1.4	Establishment and Maintenance of Policies relating to governance and disclosures through Company's website	The policies relating to governance have been published on its corporate website (www.haycarb.com)	Yes
I.2,I.2.1	Policy on matters relating to the Board of Directors	The Company has established and maintained a formal policies governing the matters relating to the Board of Directors for items (a), (b), (c), (d), (e), (f). (g), (h), (i), (j) under I.2.1 of the "Code of Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka.	Yes
I.2.2	Confirmation of Compliance	The Company confirms the compliance to policy on matters relating to Board of Directors referring to items (a), (b), (c), (d), (e), (f). (g), (h), (i), (j) Under I.2.1 of the "Code of Best Practice on Corporate Governance 2023" issued by the Institute of Chartered Accountants of Sri Lanka.	Yes

COMPLIANCE WITH THE "CONTINUING LISTING REQUIREMENTS" - SECTION 07 FOR LISTED COMPANIES ISSUED BY THE COLOMBO STOCK EXCHANGE

This section has presented Haycarb PLC's compliance in line with the "Continuing Listing Requirements" under the Section 07 issued by the Colombo Stock Exchange (CSE).

https://cdn.cse.lk/pdf/Section-7-Updated-as-at-14-02-2022.pdf

Complied

Section Ref. No	Requirement	Comment / Reference within the Report	Compliance Status
7.1	Dividend Payment - Announcement to the CSE	The Company make an immediate announcement to CSE upon authorising a dividend distribution as described in Rule 7.1	Yes
7.4	Interim Financial Statements	The Company prepare and submit Interim Financial Statements to CSE, within the criteria described in Rule 7.4	Yes
7.5	Circulation of Annual Report	The Company ensure that the Annual Report is made available to all shareholders of the Company and given to CSE within relevant period described in Rule 7.5 from the close of the Financial Year.	Yes
7.6	Contents of Annual Report		
(i)	Names of persons who were Directors of the Company	Board of Directors - Page 26 to 30	Yes
(ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	Group Profile - Page 470 to 473	Yes
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	Investor Information - Page 463 to 467	Yes
(iv)	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the listed entity complies with the minimum public holding requirement	Investor Information - Page 463 to 467	Yes
(v)	A statement of each Director's holding and CEO's holding in shares of the entity at the beginning and end of each financial year	Investor Information - Page 463 to 467	Yes
(vi)	Information pertaining to material foreseeable risk factors of the entity	Managing Risk and Opportunities - Page 54 to 62	Yes
(vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Page 148	Yes
(viii)	Extents, locations, valuations and the number of buildings of the Entity's land/Building holdings and investment properties	Property Plant and Equipment - Page 398	Yes

Section Ref. No	Requirement	Comment / Reference within the Report	Compliance Status
(ix)	Number of shares representing the Entity's stated capital	Investor Information - Page 463 to 467	Yes
(x)	The distribution of shareholders under each class of securities and the percentage of their holdings	Investor Information - Page 463 to 467	Yes
(xi)	Financial ratios and market price information	Investor Information - Page 463 to 467	Yes
(xii)	Significant changes in the Group's Fixed Assets, and market value of land, if the value differs substantially from the book value	Property Plant and Equipment - Page 398	Yes
(xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year	Not Applicable for financial year 2025/26.	N/A
(xiv)	Information in respect of Employee Share Ownership Schemes	Not Applicable for financial year 2025/26.	N/A
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Corporate Governance - Page 332 to 337	Yes
(xvi)	Related party transactions exceeding 10% of the equity or 5% of the total assets of the entity as per audited Financial Statements, whichever is lower	The Related Party Transactions are disclosed in note no. 35 of the Page 432.	Yes
(xvii) to (xxi)	Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities. Infrastructure Bonds and/ or Shariah Compliant Debt Securities listed on the CSE	Not Applicable for financial year 2025/26.	N/A
7.8	Disclosure of dealings by Directors and CEO	The Company make an announcement to the Exchange pertaining to the relevant interest/ changers in shares held by its Directors and CEO as described in Rule 7.8.	Yes
7.13	Minimum public holding	As a listed Company in the main board, the Company maintained the minimum public holding under specified criteria. Refer Investor Information on Page 463 to 467.	Yes

COMPLIANCE WITH COLOMBO STOCK EXCHANGE LISTING RULES - SECTION 09 ON CORPORATE GOVERNANCE

This section covers Haycarb PLC's extent of adherence to the requirements of Section 09 on the "Corporate Governance" Rules for Listed Companies issued by the Colombo Stock Exchange (CSE). .

https://cdn.cse.lk/pdf/listing-rules/Listing-Rules-Section-9-Corporate-Governance.pdf

Complied

Section Ref. No	Requirement	Extent of Compliance and Comments	Complied
9.1	**Applicability of Corporate Governance Rules**		
9.1.1 9.1.2 9.1.3	Extent of Compliance with Corporate Governance Rules	The extent of compliance with the Corporate Governance Section 09 of the listing rules issued by CSE is tabulated below.	Yes
9.2	**Policies**		
9.2.1	Availability of Policies	The following policies which are mandated by the revised CSE listing rules are currently in place. The Company has uploaded them to the Company's website (www.haycarb.com) in accordance with the Corporate Governance Rules of the Colombo Stock Exchange. » Policy on matters relating to the Board of Directors » Policy on Board Committees » Policy on Corporate Governance, Nominations and re-election » Policy on Risk Management and Internal Controls » Policy on Remuneration » Policy on Whistleblowing » Policy on Anti-Bribery and Corruption » Policy on Corporate Disclosures » Policy on Control and Management of Company Assets and Shareholder Investments » Human Rights Policy » Policy on Environment, Social and Governance (ESG) Sustainability – Social Policies » Policy on Environment, Social and Governance (ESG) Sustainability – Environmental Policies » Policy on Internal Code of Business Conduct and Ethics for all Directors and Employees including policies on Trading in the entity's Listed Securities » Policy on Relations with Shareholders and Investors	Yes

Section Ref. No	Requirement	Extent of Compliance and Comments	Complied
9.2.2	Waivers and Exemptions	At present there are no waivers and exemptions applicable to the Company.	N/A
9.2.3	Disclosures in the Annual Report	Please refer section 9.2.1.	Yes
9.2.4	Availability of Policies to Shareholders	The Company will provide any of the above policies to its shareholders, upon a written request.	Yes
9.3	**Board Committees**		
9.3.1	Establishment of Board Committees	The Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee are in place. Refer Page 345 to 355	Yes
9.3.2	Board Composition, Responsibilities and Disclosures	The composition of all Committees are in line with the revised CSE listing rules. The Responsibilities of these committees are in line with the rule set out and required disclosures have been made.	Yes
9.3.3	Chairperson of Board Committees	The Chairperson of the Board is not the Chairperson for any of the Sub Committees.	Yes
9.4	**Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders**		
9.4.1	Record maintains	The Company Secretary maintains records of all resolutions and the following information of General Meetings. (The number of Shares in respect of which proxy appointments, number of votes in favour against and number of shares in respect of vote was directed to be abstained).	Yes
9.4.2	Communication and relation with Shareholders and Investors	The Company has an established policy on communication and relations with shareholders and investors, which is published on its corporate website (www.haycarb.com) Shareholder communication is with the Company Secretary, Hayleys Group Services (Private) Limited (Ms. C. Gunawardena – Tel: +94 11 2627653)	Yes
9.5	**Policy on matters relating to the Board of Directors**		
9.5.1	Availability of policy on governing matters relating to Board of Directors	The Company maintains a Policy on matters relating to the Board of Directors. The Policy specifies the minimum number of meetings which a Director is required to attend, which is 50% of the meetings.	Yes
9.5.2	Disclosures in the Annual Report	The Company confirms the existence of policies governing the matters relating to Board of Directors.	Yes
9.6	**Chairperson and CEO**		
9.6.1	Chairperson and CEO	The Chairperson is not the CEO of the Company, also he is not an Independent Director. In order to comply with section 9.6.3 of the Listing Rules, the Company has already appointed a Senior Independent Director (SID).	Yes

Section Ref. No	Requirement	Extent of Compliance and Comments	Complied
9.6.2	Rationale for appointing of a Senior Independent Director (SID)	The Company made a market announcement for appointing of a Senior Independent Director (SID). The announcement was made within the stipulated time period as specified in Listing Rules.	Yes
9.6.3 (b) & (c)	Meetings by Senior Independent Director (SID)	The SID held separate meetings with the Non-Executive Directors without the presence of Executive Directors and Chairman, to discuss matters and concerns pertaining to the Company.	Yes
9.6.4	Rationale for appointing SID	The rationale is given in the statement of the Senior Independent Director (SID) on Page 356	Yes
9.7	**Fitness of Directors and CEOs**		
9.7.1 9.7.2	Appointment of "Fit and Proper" Persons	The Board has a formal and transparent process in place for the succession and appointment of Directors. The Nominations and Governance Committee processes and short-lists candidates and makes recommendations to the Board for approval. The attributes and experience required from potential appointees are identified and agreed prior to the search process, considering the combined knowledge, experience and diversity of the Board, in relation to the Companies strategic plans and any gaps thereof. The candidate's other directorships and commitments are also considered to ensure sufficient time to discharge their role effectively. All appointments are duly notified to CSE.	Yes
9.7.3	Fit and Proper Assessment Criteria a) Honesty, integrity and reputation b) Competence and Capability c) Financial soundness	The assessment criteria detailed in the revised CSE listing rules have been incorporated into the annual declaration of the Directors.	Yes
9.7.4	Annual Declarations from Directors and CEO	The Directors have provided declarations, confirming that each of them has continuously satisfied the "fit and proper" assessment criteria set out in the CSE revised listing rules. These declarations to be made annually.	Yes
9.7.5	Disclosures in the Annual Report	Disclosures are made in the Annual Report of the Board of Directors given on page 339.	Yes
9.8	**Board Composition**		
9.8.1	Board at minimum to consist of Five (5) Directors	The Company is complied with the requirement. The Board of Directors of the Company consists of Fourteen (14) Directors as of 31st March 2026.	Yes
9.8.2	Minimum number of independent Directors (Minimum 2 or 1/3 of total number, whichever is higher)	The Company is complied with the minimum number of Independent Directors. The Board of Directors of the Company consists of Five (5) Independent Directors as of 31st March 2026.	Yes
9.8.3 9.8.4	Criteria for determining independence	The Company is complied with the criteria for determining independence of a director.	Yes

Section Ref. No	Requirement	Extent of Compliance and Comments	Complied
9.8.5	Declarations	Annual Declaration was obtained from the Board of Directors incorporating the provisions made under the revised CSE listing rules as of 31st March 2026.	Yes
9.9	**Alternate Directors**		
9.9	Appointment of Alternate Directors	No Alternate Directors were appointed to represent Non-Executive Directors.	N/A
9.10	**Disclosures relating to Directors**		
9.10.1	Policy on the maximum number of Directorships	The Board Charter defines the maximum number of Directorships its Board members shall be permitted to hold. All the Directors are in compliance with this requirement. (Company policy on maximum number of Directorships which a Director can hold in listed Companies is 20)	Yes
9.10.2	Appointment of new Director	The Company has made immediate market announcements on appointment of new Directors.	Yes
9.10.3	Changes to the Composition	The Company will make an immediate announcement regarding any changes to the composition of the Board Committees referred to Rule 9.3.	Yes
9.10.4	Disclosures in the Annual Report In relation to Directors	The Company discloses the following information relating to the Directors in its Annual Report. (a) Please refer to page 26 to 30 for profiles of Directors (b) Please refer to page 303 for expertise in relevant functional areas (c) Please refer to page 339 on the Annual Report of the Board of Directors for the statement on material business relationships (d) Please refer to page 300 for classification of Directorships (e) Please refer to page 305 for Directorships in other companies (f) Please refer to page 303 for details of Board meeting attendance (g) Please refer to the respective Committee Reports on pages 345 to 356 for details of the Directors serving on each Committee. (h) Please refer to the respective Committee Reports on pages 345 to 356 for details of the Committee meetings held & attended by each member. (i) Please refer to page 356 for statement by the Senior Independent Director	Yes
9.11	**Nominations and Governance Committee**		
9.11.1	Availability of Nominations and Governance Committee	The Board has appointed a Nominations and Governance Committee.	Yes
9.11.2	Appointment and re-election of Directors	The Committee follows a formal procedure in appointment and re-election of Directors.	Yes
9.11.3	Terms of Reference	The Committee has adopted a Term of Reference which defines the scope, authority and duties. Revised Terms of Reference in line with the CSE listing rules was approved in November 2023.	Yes

Section Ref. No	Requirement	Extent of Compliance and Comments	Complied
9.11.4 (1)	Composition - Minimum of three (3) Directors, out of which a minimum of two (2) members shall be Independent Directors	The Company is complying throughout the year with the revised CSE listing rules. The committee comprises of two Independent Non-Executive Directors and one Non-Executive Director.	Yes
9.11.4 (2)	Composition - Independent Director shall be appointed as the Chairperson of the Committee	An Independent Director functions as the Chairman of the Committee.	Yes
9.11.4 (3)	Composition - The Chairperson and the members of the Committee shall be identified in the Annual Report	The Chairman and the members of the Committee are identified in the Nominations & Governance Committee report given on page 353.	Yes
9.11.5	Functions	The functions of the Nominations and Governance Committee are given in the Nominations and Governance Committee report.	Yes
9.11.6	Disclosures in the Annual Report	The Disclosure requirements are covered in the Nominations and Governance Committee Report given on page 353.	Yes
9.12	**Remuneration Committee**		
9.12.1	Definition of Remuneration	The Company has established a formal and transparent policy on remuneration. The remuneration is defined in terms of cash and non-cash benefits.	Yes
9.12.2	Remuneration Committee	The Company formally appointed its own Remuneration Committee on 16th May 2024.	Yes
9.12.3 9.12.4	Remuneration Policy - Executive Directors/ Non-Executive Directors	The remuneration Committee has established a formal and transparent procedure for fixing the Executive Directors' remuneration. The remuneration of Non-Executive Directors is based on the principal of non-discriminatory pay practices ensuring their independence is not impaired.	Yes
9.12.5	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties in compliance with the revised CSE listing rules.	Yes
9.12.6	Composition	The Committee comprises of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director.	Yes
9.12.7	Functions	The Company has documented the functions of the Committee in Terms of Reference. All functions are effectively discharged by the Committee.	Yes
9.12.8	Disclosures in the Annual Report	Disclosure requirements are covered in the Remuneration Committee Report given on page 351.	Yes
9.13	**Audit Committee**		
9.13.1	Audit and Risk Committees	While the Board of Directors reserves the primary responsibility on business risk management, the Board establishes the responsibility to the Audit Committee to oversee the risk management process of the company.	Yes
9.13.2	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties.	Yes

Section Ref. No	Requirement	Extent of Compliance and Comments	Complied
9.13.3	Composition	The Audit Committee comprises of three Independent Non-Executive Directors and one Non-Independent Non-Executive Director. The Committee meets on a quarterly basis. The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be Independent Directors. The Managing Director and the Finance Director of the Company attend the Committee meeting by invitation. The Chairman of the Audit Committee is a Senior Chartered Accountant.	Yes
9.13.4	Functions	The Functions of the Committee are effectively summarised in the Audit Committee Report on page 347.	Yes
9.13.5	Disclosures in the Annual Report	Please refer to the Audit Committee in page given 347.	Yes
9.14	**Related Party Transactions Review Committee**		
9.14.1	Availability of Related Party Transactions Review Committee	The Company formally appointed its own Related Party Transactions Review Committee.	Yes
9.14.2 (1) & (2)	Composition	The Committee comprises of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director.	Yes
9.14.3	Functions	The Functions of the Committee are effectively summarised in the Related Party Committee Report on page 345.	Yes
9.14.4	General requirements	The Committee meets on a quarterly basis. The Committee members have adequate knowledge and expertise to assess all aspects of Related Party Transactions and where necessary allowed to obtain appropriate professional and expert advice from appropriately qualified persons.	Yes
9.14.5	Review of Related Party Transactions	The Committee takes into account the provision of the said CSE listing rules when reviewing related party transactions.	Yes
9.14.6	Shareholder Approval	A situation to obtain the shareholder approval as per revised CSE listing rules has not arisen during the year.	Yes
9.14.7	Immediate Disclosures	A situation has not arisen where immediate disclosure is required to be made as per revised CSE listing rules.	Yes
9.14.8	Disclosures in the Annual Report	The Related Party Transactions are disclosed in note no. 35 of the Page 432. Disclosure requirements are covered in the Related Party Transactions Review Committee Report given on page 345.	Yes
9.14.9	Acquisition and Disposal of assets from/to related parties	The Company has not acquired/disposed substantial assets from/to related parties.	Yes
9.14.10	Exempted Related Party Transactions	The provisions of the sections are considered when evaluating the Related Party Transactions by the Committee.	Yes
9.16	**Additional Disclosures**		
9.16	(i) Declaration of all material interests (ii) Review of internal and compliance controls (iii) Compliance with laws, rules and regulations (iv) Material Non-Compliance	Disclosure requirements are covered in the Annual Report of the Board of Directors given on page 339. Material non-compliance with any Law or Regulation has not arisen during the year 2025/26.	Yes

STATEMENT OF COMPLIANCE PERTAINING TO THE COMPANIES ACT NO. 7 OF 2007

Haycarb PLC confirms that, throughout the financial year, the Company has complied with the applicable provisions of the Companies Act No. 7 of 2007 of Sri Lanka. This statement reflects the Board's commitment to legal compliance, transparency, and good corporate governance practices.

https://drc.gov.lk/en/wp-content/uploads/2018/04/Act-7-of-2007-English.pdf

Complied

Section	Requirement	Complied	Reference (within the Report)
168 (1) (a)	The nature of the business together with any change thereof during the accounting period.	Yes	Annual Report of the Board of Directors - Page 339
168 (1) (b)	Signed financial statements of the Company and the Group for the accounting period	Yes	Financial Statements pages 362-450
168 (1) (c)	Auditors' Report on financial Statements of the Company and the Group	Yes	Independent Auditor's Report pages 358-361
168 (1) (d)	Accounting policies and any changes therein	Yes	Financial Statements page 362
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period	Yes	Annual Report of the Board of Directors - Page 339
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company and the Group during the accounting period	Yes	Annual Report of the Board of Directors - Page 339
168 (1) (g)	Corporate donations made by the Company and the Group during the accounting period	Yes	Annual Report of the Board of Directors - Page 339
168 (1) (h)	Information on the Directorate of the Group and its subsidiaries during and at the end of the accounting period	Yes	Annual Report of the Board of Directors - Page 339
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	Yes	Annual Report of the Board of Directors - Page 339
168 (1) (j)	Auditors' relationship or any interest with the Group and its Subsidiaries	Yes	Annual Report of the Board of Directors - Page 339
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board, (i) two directors of the company, (ii) the secretary of the company	Yes	Annual Report of the Board of Directors - Page 339