



Corporate Governance, Board Nomination and Re-election Policy

Corporate Governance, Board Nomination and Re-Election Policy – Summary

This document outlines the governance framework concerning the Board of Directors and its Nominations and Governance Committee at HNBA Group, focusing on maintaining a qualified and diverse board.

1. **Introduction:** Emphasizes the importance of a diverse Board of Directors for effective corporate governance and long-term success. Defines the role of the Nominations and Governance Committee in selecting board candidates.
2. **Objective:** Sets out the procedures for the appointment, replacement, and re-election of Directors to achieve corporate strategy and stakeholder interests.
3. **Policy Statement:** Highlights the importance of a balanced Board in terms of skills, experience, and diversity. The Committee is tasked with identifying and nominating suitable candidates.
4. **General Policies:** Describes the role of the Nominations and Governance Committee in overseeing board nominations and appointments, adhering to regulatory requirements such as those from the Colombo Stock Exchange and other governance frameworks.
5. **Selection Criteria:** Specifies criteria for Director independence, fit and proper assessments, and financial soundness, ensuring Directors meet qualifications and ethical standards.
6. **Nomination Procedures:** Details how Directors are appointed, including shareholder voting and board recommendations. Addresses appointment processes and the role of the Insurance Regulatory Commission in approving new appointments.
7. **Disclosures in the Annual Report:** Outlines requirements for the Nominations and Governance Committee's report in the Annual Report, including committee composition, policies, board diversity, performance evaluations, and compliance with governance rules.
8. **Review and Monitoring:** Discusses ongoing policy review by the Committee to ensure compliance and effectiveness, with recommendations made to the Board as necessary.
9. **Disclosure and Publication:** States that the policy is publicly available on the company's website and its summary is disclosed annually in the Corporate Governance Report.