



## CHEMANEX PLC

### POLICY ON CORPORATE GOVERNANCE, NOMINATIONS & RE-ELECTION

#### Policy Statement

Chemanex PLC is committed to ensuring compliance with established best practices in corporate governance, including in the nomination and re-election of directors, to maintain and enhance principles of fairness, transparency, responsibility and accountability within the organisation and to ensure the highest ethical standards in the conduct of its business.

The purpose of its policy on governance, nominations and re-election is to reinforce the core values and standards that must be adopted by staff in their dealings with shareholders, customers, colleagues, suppliers and other stakeholders to build trust and confidence in the organisation.

#### Binding Rules

The Company shall ensure compliance with established corporate governance practices in Sri Lanka as set out in the:

- Companies Act No. 7 of 2007
- Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995
- Listing Rules of the Colombo Stock Exchange
- Circulars issued by the Colombo Stock Exchange
- Directions issued by the Securities and Exchange Commission of Sri Lanka
- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

#### Internal Policies

The Company has also established policies on key governance areas, including:

- The Board of Directors and CEO
- Sub-committees of the Board of Directors
- Remuneration
- Business Conduct and Ethics
- Risk Management and Internal Controls
- Relations with Shareholders and Investors
- Management of Company Assets and Shareholder Investments
- Corporate Disclosures
- ESG Sustainability
- Whistleblowing
- Anti-Bribery and Corruption

These policies continue to guide the Company's governance structure and should be read in conjunction with this Policy.

### Nominations for Directorship

The Company aims to ensure that all nominations for directorships are conducted in accordance with the highest ethical standards.

The following principles must therefore be adopted in the nomination process of directors:

- **Diversity and inclusion:** Recognise that a diverse board – encompassing a range of experiences, skills, competencies, ages and gender – provides a strategic advantage and enhances the Company's competitive edge.
- **Balance of representation:** Balanced representation between Executive and Non-Executive directors must be ensured, in accordance with applicable laws and regulations.
- **Strategic Alignment:** The Company's strategy and business requirements must be reviewed to determine the optimal mix of skills and expertise needed on the Board to support and drive the Company's objectives.
- **Board Size Flexibility:** Evaluate and recommend adjusting the size of the Board as necessary to align with the evolving needs of the business, while adhering to the limitations set forth in the Articles of Association of the Company and applicable laws and regulations.
- **Impartiality:** Evaluate the objectivity of nominees to ensure that their decisions and actions are not influenced by personal or external interests.

### Re-election of Directors

The Company aims to ensure that all re-elections of directors are conducted in accordance with the highest ethical standards.

The following principles must therefore be adopted in the re-election process of directors:

- **Performance Assessment:** Evaluation of the performance of each director seeking re-election by considering their attendance at Board and board committee meetings and considering their contributions, effectiveness and alignment with the Company's strategic goals.
- **Long Term Succession:** Align re-election decisions with broader succession planning efforts, ensuring that the Board's composition supports long-term leadership continuity and organizational stability.
- **Impartiality:** Evaluate the objectivity of nominees to ensure that their decisions and actions are not influenced by personal or external interests.

- **Stakeholder Engagement:** Evaluate how the re-election of individuals affects various stakeholders and establish accountability measures to ensure that decisions are made in the best interests of the Company and its stakeholders.

### **Training**

This Policy will be supported by training programs, workshops and awareness building for directors and employees to enable them to fulfil their roles and responsibilities under this policy.

### **Amendments**

This Policy shall be reviewed by the Board of Directors periodically and updated as necessary to reflect changes in the business environment or regulatory requirements.

### **Point of contact**

For clarifications or further information regarding this policy, please contact the Compliance Officer of the Company.