



MAHAWELI COCONUT PLANTATIONS PLC

CORPORATE GOVERNANCE POLICIES

Policy on Corporate Governance, Nominations and Re-election

I. Nominations

Scope

- Assess the skills required on the Board given the needs of the businesses.
- From time to time assess the extent to which the required skills are represented at the Board.
- Prepare a clear description of the role and capabilities required for a particular appointment.
- Identify and recommend suitable candidates for appointment to the Board.
- Ensure, on appointment to the Board, Non-Executive Directors receive a formal letter of appointment specifying clear expectations in terms of time commitment, involvement outside of the formal Board meetings and participation in Committees, amongst others.
- Ensure that every appointee undergoes an induction to the Company.
- The appointment of the Chairperson, CEO and Executive Directors is a collective decision of the Board.

II. Re-Election

All Non-Executive Directors are appointed for a period of three years and can serve up to a maximum of three successive terms unless an extended Board tenure is necessitated by the requirements of the Company. All contracts are renewed by the Board based on the recommendation of the Nominations Committee. In terms of the Articles of Association, one-third of all the Executive and Non-Executive Directors, are eligible for re-election at the annual general meeting by the shareholders.

Annually, the Board discusses the possibility of any impairment of Director independence due to extended Board tenures and collectively evaluates the re-election of such Board members.

III. Board Secretary

Directors should appoint qualified Company Secretaries to the Board. In addition to maintaining Board minutes and Board records, the Board Secretary provides support in ensuring that the Board receives timely and accurate information in addition to advice relating to corporate governance matters, Board procedures, and applicable rules and regulations.

IV. Board Evaluation

The Board needs to conduct its annual Board performance appraisal for every financial year. This formalized process of individual appraisal enabled each member to self-appraise, on an anonymous basis, the performance of the Board under the areas of:

- Role clarity and effective discharge of responsibilities
- People mix, balance, and structures
- Systems and procedures
- Quality of participation
- Board, corporate image and reputation

The scoring and open comments are collated by the Chairman to ensure an independent evaluation process. The results are analyzed to give the Board an indication of its effectiveness as well as areas that require addressing and/or strengthening. Despite the original anonymity of the remarks, the open and

frank discussions that follow include some Directors identifying themselves as the person making the remark, reflecting the openness of the Board.

V. Independence and Managing Conflicts of Interests

The independence of all its Non-Executive Directors was reviewed based on criteria summarized as follows.

The Non-Executive Independent Directors did not have a conflict of interest, as per the criteria for independence outlined below.

Criteria for “Independent” as set out by the amended Listing Rule No. 09
<i>A Director shall not be considered independent if he/she:</i>
(i) has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director.
(ii) currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly.
(iii) currently has/had during the preceding financial year a Close Family Member who is a Director and/or CEO in the Listed Entity.
(iv) has a Significant Shareholding in the Listed Entity.
(v) has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment.
(vi) is employed in another company or business;
a. in which a majority of the other directors of the Listed Entity are employed or are directors; or
b. in which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or
c. that has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection.
(vii) is a director of another company;
a. in which a majority of the other directors of the Listed Entity are employed or are directors; or
b. that has a Business Connection in the Listed Entity or a Significant Shareholding.
(viii) has a Material Business Relationship or a Significant Shareholding in another company or business;
a. in which a majority of the other directors of the Listed Entity are employed or are directors; and/or
b. which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or
c. where the core line of business of such company is in direct conflict with the line of business of the Listed Entity.
(ix) is above the age of seventy (70) years.

