Policy on the Matters Relating to the Board of Directors

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KEGALLE PLANTATIONS PLC

1. Introduction

The Board of Directors of Kegalle Plantations PLC acknowledges the value of sound corporate governance in fostering and bolstering the confidence of its stakeholders, including its shareholders, and is committed to operating in line with these principles.

2. Purpose and scope of the policy

This policy sets out the guidelines that company maintains on matters relating to the Board of Directors.

3. Policy Details

This policy covers the guidelines that company maintains on;

3.1. Board balance
3.2. Board composition
3.3. Board Meetings & Participation to the Committee by Online
3.4. Maximum Number of Directorship in Listed Companies
3.5. Other Policies on matters relating to the Board of Directors

3.1. Board Balance

The Board recognize the need for a balance of representation between Executive and Non-Executive Directors and cover at minimum board composition, the roles and functions of the Chairperson and Chief Executive Officer or equivalent position (hereinafter commonly referred to as the CEO), Board balance and procedures for the appraisal of Board performance and the appraisal of the CEO.

Board will time to time evaluate procedure to assess the performance the individual director and the CEO.

3.2. Board Composition

According to the Sec 9.8.1 of the Listing Rules, “the Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors and shall include at least two (2) Independent Directors or equivalent to one third (1/3) of the total number of Directors whichever is higher”.

The Nomination Committee shall evaluate the experience, skills, competencies, industry requirements and importance of objective before selecting a director. Further the nomination committee responsible for the maintain age and gender diversity of the board of directors which in align with the company’s objectives.

The Nomination Committee believes that maximum number of directors to the board would be twelve (12) directors.

3.3. Board Meetings & Participation to the Committee by Online

The board of directors shall meet at least Three times a year. The every director shall participate at least one or over 10% of the general board meetings (which participates all the board directors).

The directors have right to participate at meetings of the board and board committees by audio and visual means and such participation to be taken into account when deciding on the quorum in the event that directors could not participate to the board physically.

3.4. Maximum Number of Directorship in Listed Companies

The maximum number of directorship in listed companies that could directors of the board hold would be seven (7).

3.5. Other Policies on matters relating to the Board of Directors

The Nomination and Governance Committee assess and maintain mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance by the Listed Entity with obligations arising under such rules.

Directors shall immediately inform the company secretary if they trade in securities of the listed entity.

Directors shall not trade in listed entities securities within the stipulated time frames, as per section 8.6 which is given below.

<u>Sec 8.6 - Trading by connected parties</u>

Connected persons should not trade, borrow or lend on the basis of price sensitive information that has not been disclosed to the public. Moreover, connected persons shall not trade, borrow or lend the Securities of the Listed Entity even after release of the information to the Exchange for a period, which should not be less than two (02) Market Days after the release of the information to permit thorough public dissemination and evaluation thereof. In computing this period of two (02) Market Days, the day on which disclosure is made will be excluded. For the purposes of this Rule, an individual is connected with an Entity if, and only

If: - a) he is a director of that Entity or a related Entity or his spouse and children under 18 years of age; or

b) he occupies a position as an officer (other than director) or employee of that Entity or a related Entity or a position involving a professional business relationship between himself (or his employer or an Entity of which he is a director) and the first Entity or a related Entity which in either case may reasonably be expected to give him access to information which, in relation to Listed Securities of either Entity, is unpublished price sensitive information and which it would be reasonable to expect (a person in his position not to disclose except) for the proper performance of his function.