Policy on Corporate Governance, Nominations and Re-election

Version: RPE/P3/Sep24

RICHARD PIERIS EXPORTS PLC

1. Introduction

The Policy on Corporate Governance, Nominations, and Re-election is designed to ensure that Richard Pieris Exports PLC upholds high standards of accountability, transparency, and integrity in its leadership structure. This policy outlines the procedures for nominating qualified individuals to the Board of Directors, ensuring a diverse and skilled board, and managing the re-election process to maintain effective governance. By following these guidelines, the company ensures that its leadership is aligned with strategic objectives and shareholder interests, promoting long-term value creation and sustainable growth.

2. Purpose and Scope of the Policy

This policy on Corporate Governance, Nominations, and Re-election is established to ensure compliance with the revised Section 9 of the Corporate Governance Rules (9.2) as per the Colombo Stock Exchange (CSE) for listed companies in Sri Lanka. The primary objective of this policy is to promote strong governance practices, transparency, and fairness in the nomination and re-election of Board members. It seeks to maintain a Board of Directors that is capable, diverse, and aligned with the long-term strategic goals of Richard Pieris Exports PLC.

This policy applies to the Board of Directors, the Nomination and Governance Committee, and any other individuals involved in the nomination, evaluation, and re-election processes at Richard Pieris Exports PLC. It covers the procedures for nominating new board members, evaluating the performance of existing members, and managing the re-election process in accordance with corporate governance standards and shareholder expectations.

3. Policy Details

3.1. Corporate Governance Principles

Richard Pieris Exports PLC is committed to maintaining high standards of corporate governance that ensure effective oversight, strategic decision-making, and accountability to shareholders. The Board of Directors will adhere to the following principles:

- **Transparency:** All processes related to nominations and re-elections must be clear and communicated to shareholders in a timely and accessible manner.
- **Diversity and Expertise:** The nomination process will focus on ensuring a mix of skills, experience, and diversity on the Board to enhance its decision-making capabilities and reflect the company's strategic needs.
- **Independence:** A significant proportion of the Board should consist of independent non-executive directors to provide unbiased oversight and protect the interests of shareholders.

3.2. Nominations Process

The Nomination and Governance Committee is responsible for overseeing the selection and nomination of new directors to the Board. This committee will:

- Identify and assess potential candidates based on their skills, qualifications, experience, and ability to contribute to the company's objectives.
- Ensure that the nomination process is conducted in line with best practices in corporate governance, with a particular focus on increasing diversity, including gender, ethnicity, and professional backgrounds.
- Make recommendations to the Board on appointments, considering the strategic needs of the company and the performance of individual candidates.

3.3. Re-Election of Directors

Directors of Richard Pieris Exports PLC are subject to periodic re-election at the Annual General Meeting (AGM) in accordance with the company's Articles of Association and the CSE regulations. The re-election process will follow these key steps:

- **Performance Evaluation:** Before re-election, the performance of each director will be assessed by the Board or the Nomination and Governance Committee. This evaluation will consider the director's contribution to Board discussions, attendance at meetings, and adherence to corporate governance principles.
- **Rotation and Term Limits:** The Company will implement a policy of rotation, whereby a specified number of directors retire and, if eligible, seek re-election at each AGM. This ensures Board refreshment and continuity in governance.
- **Shareholder Participation:** Shareholders will have the right to vote on the re-election of directors at the AGM.

3.4. Review and Amendments

This policy will be reviewed annually by the Nomination and Governance Committee to ensure it remains consistent with legal requirements and best practices in corporate governance. Any amendments will be approved by the Board of Directors and communicated to shareholders.