

Policy on Corporate Governance, Nominations and Re-Election

LOLC HOLDINGS PLC

Contents

1. Purpose.....	2
2. Scope.....	2
3. Nomination Process.....	2
4. Re – election Process.....	3
5. Disclosure and Transparency	3
6. Conflicts of Interest.....	3
7. Review and Amendment	3
8. Effective Date.....	3

Policy on Corporate Governance, Nominations and Re-Election

1. Purpose

This policy provides a framework for the nomination and re-election of board members to ensure a transparent, fair, and effective process that supports the organization's governance and strategic objectives.

2. Scope

This policy applies to all nominations and re-elections of board members within LOLC Holdings PLC, including directors, committee members, and any other governance-related roles.

3. Nomination Process

3.1. *Nominations and Governance Committee*

- **Establishment:** A Committee shall be established by the Board of Directors.
- **Composition:** The committee should comprise non-executive directors with a majority being independent and include a diverse representation of skills and experience relevant to the organization's needs.
- **Duties:** the scope and responsibilities of the committee as set out in its terms of reference must be satisfactorily discharged by its members inclusive of the following:
 - Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities.
 - Develop succession plans for Board of Directors and Key Management Personnel
 - Review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices
 - Receive reports from the Management on compliance with the corporate governance framework including the level of compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.

3.2. *Criteria for Nomination*

- **Skills and Experience:** Nominees should possess skills, experience, and knowledge relevant to the organization's strategic goals and operational needs, as well as an awareness of good corporate practices in the corporate world in general.
- **Diversity and Inclusion:** The committee shall consider diversity in terms of gender, race, background, and other factors to ensure a well-rounded board.
- **Independence:** Nominees should be assessed for independence, particularly if the organization is publicly listed.

3.3. Nomination Procedure

- **Identification:** The committee will identify potential candidates through various means such as recommendations, searches, and referrals.
- **Evaluation:** Candidates will be evaluated based on their qualifications, experience, and fit with the organization's needs.
- **Recommendation:** The committee will recommend nominees to the full board for approval.

4. Re-Election Process

4.1. Term Limits

- **Policy:** The organization may establish term limits for board members to ensure board refreshment and diversity of thought.

4.2. Performance Review

- **Evaluation:** The performance of incumbent directors and the CEO will be reviewed periodically based on their contribution, attendance, and adherence to governance standards to ensure that their responsibilities are satisfactorily discharged.
- **Assessment:** Directors seeking re-election must demonstrate satisfactory performance and alignment with the organization's strategic direction, based on criteria determined by the Board and in compliance with the rules set out by the Colombo Stock Exchange.

4.3. Re-Election Procedure

- **Recommendation:** The Nominations & Governance Committee will consider and recommend (or not recommend) the re-appointment/re-election of current Directors taking into account; the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Listed Entity and the discharge of the Board's overall responsibilities; and, the number of directorships held by the Director in other listed and unlisted companies and other principal commitments.
- **Approval:** The full board will approve the recommendation and present it to shareholders for final approval.

5. Disclosure and Transparency

- **Information:** Relevant information about nominees, including their qualifications and any potential conflicts of interest, will be disclosed to shareholders and stakeholders.
- **Reporting:** The organization will report on the nomination and re-election process and outcomes in its annual governance report.

6. Conflicts of Interest

- **Disclosure:** All potential conflicts of interest must be disclosed by nominees and re-elected members.
- **Management:** The Nominations & Governance Committee will review and manage conflicts of interest to ensure impartiality in the nomination and re-election process.

7. Review and Amendment

- **Policy Review:** This policy will be reviewed periodically by the Committee to ensure its effectiveness and alignment with best practices.
- **Amendments:** Any amendments to this policy must be approved by the Board of Directors.

8. Effective Date

- **Implementation:** This policy is effective as of 01st October 2024 and supersedes any previous policies on nominations and re-election.