



Colombo Dockyard PLC

Ship Repairers, Ship Builders and Heavy Engineers

POLICY ON CORPORATE GOVERNANCE, NOMINATIONS AND RE-ELECTION	Document No.: DMD/LEG/CG/9.2.1(c)/2024
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1. Purpose

Company maintains a Policy on Corporate Governance, Nominations and Re-election to adheres to principles of Corporate Governance and establish guidelines for nominations, new appointments & re-election of directors ensuring effective governance through transparent nomination and re-election processes in compliance with the Colombo Stock Exchange Listing Rules (Rules) and Articles of Association of the Company (AA).

2. Nominations, Appointments, Re-election of Directors

- 2.1 Board establishes a Nomination & Governance Committee in which the Chairman is an Independent Director.
- 2.2 The composition of the Nominations and Governance Committee shall be in compliance with the Rules
- 2.3 The Nominations and Governance Committee shall evaluate candidates for the Board of Directors based on their qualifications, experience and against the Fit and Proper criteria set out in the Rules
- 2.4 Nominations and Governance Committee shall make recommendations to the Board of Directors for approval.
- 2.5 Committee considers qualifications, experience, industry knowledge, professional skills and integrity as selecting criteria when recommendation are made to the Board in a fair and transparent manner.
- 2.6 Conditions and Directors' eligibility for re-election are defined in AA. Before such re-election, the Committee shall make its recommendation to the board.
- 2.7 Shareholders have the right to re-elect directors where applicable in terms of the AA at General Meeting.
- 2.8 Directors' removal, resignation processes are set out in AA.

3. Corporate Governance

- 3.1 The Nominations and Governance Committee shall review and recommend the corporate governance framework of the Company in line with the Rules, other applicable regulatory requirements and industry best practices.

- 3.2 Board of Directors ensure due compliance of corporate governance practices and Rules as revised from time to time.
- 3.3 The Board shall develop and maintain a succession plan for the Board of Directors and Key Management Personnel to ensure the continuity of leadership.
- 3.4 The Nominations and Governance Committee shall receive reports from the Management/Secretary on compliance with the corporate governance framework of the Company including compliance with the **Rules and other applicable laws and regulations.**
- 3.5 **Secretary promptly update and keep the board informed of the changes, amendments introduced to the Rules by the Colombo Stock Exchange.**
- 3.6 The policy is reviewed periodically to ensure it reflects latest corporate governance practices and regulatory requirements.

4. Review of Policy

This Policy shall be reviewed annually by the Nominations and Governance Committee and any changes, amendments shall be submitted for approval of the Board of Directors.

