

Lake House Printers & Publishers PLC

Policy Statement on Corporate Governance, Board Nominations, and Re-Election

1. Introduction

The Board of Directors (the "Board") of Lake House Printers & Publishers PLC ("the Company") is committed to the highest standards of corporate governance, which are fundamental to discharging its responsibilities, enhancing shareholder value, and ensuring sustainable growth. This statement outlines the Company's policy regarding corporate governance, the nomination of new Directors, and the process for the re-election of existing Directors, as mandated by the Continuing Listing Rules of the Colombo Stock Exchange.

2. Commitment to Corporate Governance

The Company adheres to the principles and provisions of the Code of Best Practice on Corporate Governance. The Board believes that robust governance is the foundation for strategic guidance, effective risk management, and accountability to all stakeholders.

3. Role of the Nomination Committee

The Board has established a duly constituted Nomination Committee. The Committee comprises a majority of Independent Non-Executive Directors, with the Chairman of the Committee being an Independent Non-Executive Director.

The key responsibilities of the Nomination Committee include:

Regularly reviewing the structure, and composition of the Board and making recommendations to the Board on any required changes.

Assessing the balance of skills, knowledge, experience, and diversity on the Board.

Formulating and implementing clear criteria for the selection and appointment of new Directors.

Leading the formal process for the appointment of new Directors.

Making recommendations to the Board on the re-election of Directors.

4. Policy on Board Nominations and Appointments

The Company's policy for appointing new Directors is based on a transparent and merit-based process to ensure that the Board comprises individuals with the requisite mix of skills, expertise, industry knowledge, and diversity of thought necessary to govern the Company effectively.

The process involves:

Identification of Needs: Evaluating the current Board composition against the Company's strategic objectives to identify any gaps in skills or experience.

Search and Selection: Conducting a formal and transparent search to identify suitable candidates who meet the predefined criteria.

Due Diligence: Performing necessary background and reference checks on shortlisted candidates.

Recommendation and Appointment: The Nomination Committee recommends the most suitable candidate to the Board for formal appointment.

5. Policy on Re-Election of Directors

In accordance with the Company's Articles of Association the appointment of new Directors needs to be ratified by the Shareholders. Initial appointments are made by ordinary Directors' resolution and are subject to the approval of the Board of Directors at the next Annual General Meeting or at an Extra ordinary General Meeting (EGM). In complying with Section 210 of the Companies Act No.07 of 2007 each Director who has completed retirement age shall be re-appointed by giving notice to Shareholders and by passing a Special Shareholder Resolution.

The policy for re-election is as follows:

Performance Evaluation: The decision to recommend a Director for re-election is contingent upon their satisfactory performance, as assessed through the Board's annual evaluation process.

Independence Review: For Independent Non-Executive Directors, the Board shall annually assess and confirm their independence in line with the criteria set out in the CSE Listing Rules. Re-election is conditional upon them continuing to meet these independence tests.

6. Board Diversity

The Company is committed to promoting diversity, and professional background, within its Board composition. The Nomination Committee considers diversity a critical factor in its nomination process to ensure a broad spectrum of perspectives and effective decision-making.

7. Review of Policy

This policy is reviewed as and when necessary in accordance with the changes in regulatory and business environment. Any revision or amendment to this Policy shall be approved by the Board.