

Policy on Board of Subcommittee for Ceylon Hospitals PLC

1. Purpose

The purpose of this policy is to establish guidelines for the creation, operation and dissolution of subcommittees under the Board of Directors of Ceylon Hospitals PLC. Subcommittees, including the Remuneration Committee, Related Party Transaction Committee, Nomination and Governance Committee and Audit & Risk Committee, are formed to address specific issues or tasks in-depth, enhance board efficiency and facilitate focused decision-making.

2. Authority

The Board of Directors of Ceylon Hospitals PLC reserves the authority to create subcommittees as required.

Subcommittee creation must align with Ceylon Hospitals PLC's mission, strategic goals, and areas of focus.

3. Types of Subcommittees

Ceylon Hospitals PLC recognises the following subcommittees, each serving a specific purpose:

1. Remuneration Committee
2. Related Party Transaction Committee
3. Nomination and Governance Committee
4. Audit & Risk Committee

4. Formation of Subcommittees

Initiation:

Subcommittees may be proposed by any board member and proposals require approval by the Board of Directors.

Composition:

Subcommittee members will be appointed to fall in line with the CSE listing rules based on their expertise and qualifications, with consideration given to diversity of skills and perspectives.

Chairperson:

The Chairperson of each subcommittee will be selected based on experience, knowledge of the subject matter, and leadership skills among the members of the committee. If the Chairperson is not available for a specific meeting the remaining members can appoint a Pro-Tem Chairperson to conduct the meeting.

5. Roles & Responsibilities

The broader roles and responsibilities of the subcommittees are given below:

- Remuneration Committee: Address matters related to executive compensation, benefits, and incentive structures.
- Related Party Transaction Committee: Review and oversee transactions with related parties to ensure fairness and compliance.

- Nomination and Governance Committee: Manage the nomination process for board members and oversee governance practices.
- Audit Committee: Provide oversight of financial reporting, internal controls and external audits.

6. Reporting Structure

Each subcommittee will report to the full Board of Directors of Ceylon Hospitals PLC at regular intervals, outlining their activities, findings and recommendations.

7. Term of Existence

Each subcommittee's term of existence will be ongoing unless a specific task is completed or the Board of Directors of Ceylon Hospitals PLC decides otherwise.

8. Authority and Decision-Making:

Subcommittees may make recommendations to the full board, and decisions requiring approval by the board will follow established procedures.

9. Meetings

Each subcommittee will hold regular meetings and meeting procedures will follow the guidelines below:

1. Remuneration Committee: Minimum two meetings per annum
2. Related Party Transaction Committee: Quarterly meetings
3. Nomination and Governance Committee: Minimum two meetings per annum
4. Audit Committee: Quarterly

10. Dissolution of Subcommittees

Subcommittees may be dissolved upon completion of their assigned tasks or by the decision of the Board of Directors.

11. Review and Evaluation

Subcommittees will undergo periodic reviews to ensure their effectiveness and alignment with the Ceylon Hospitals PLC's goals.

12. Amendments to Subcommittee Policy

Proposals to amend this policy will follow the Ceylon Hospitals PLC's standard process for policy amendments and require approval by the Board of Directors.