



POLICY ON THE MATTERS RELATING TO THE BOARD OF DIRECTORS

WindForce PLC

WindForce PLC- POLICY ON THE MATTERS RELATING TO THE BOARD OF DIRECTORS

Contents

- 1. Definitions and Abbreviations 3
- 2. Introduction 4
- 3. Director Responsibilities 4
 - 3.1 Director Selection 4
 - 3.2 Board Composition 5
 - 3.3 Retirement and re-election 5
 - 3.4 Resignation 6
- 4. Selection & Appointment of Directors 6
- 5. Chairperson and Chief Executive Officer 6
- 6. Company Secretary 7
- 7. Conflicts of Interest 7
- 8. Board Meetings 7
- 9. Trading of securities 9
- 10. Director Induction & Development 9
- 11. Review & Revise 9
- 12. Effective Date & Approval 9

1. Definitions and Abbreviations

Unless otherwise defined or the context otherwise requires, all capitalized terms used in this Policy shall have the following meanings.

Applicable Laws	means all applicable statutes, laws, ordinances, rules and regulations, including but not limited to the Listing Rules, SEC Act and the Companies Act, in each case as in effect from time to time;
Articles of Association	The Articles of Association of the Company;
Board	The Board of Directors of the Company;
Companies Act	The Companies Act No. 7 of 2007;
Company	means WindForce PLC];
CEO	The Chief Executive Officer;
CSE	The Colombo Stock Exchange;
Listing Rules	The Listing Rules of the Colombo Stock Exchange;
Policy	means this Board Charter;
SEC	The Securities and Exchange Commission of Sri Lanka;
SEC Act	The Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021;

2. Introduction

The provisions contained in this Policy are complementary to the requirements regarding the Board and Board members contained in Applicable Laws and the Articles of Association.

3. Director Responsibilities

- a. The Board oversees the general business of the Company, and the entire Board is responsible for supervision and oversight.
- b. The Board shall act in the best interests of the company and its business, taking into consideration the interests of the company's shareholders and other stakeholders. Board members shall perform their duties independent of any particular interest in the company.
- c. Directors are required to maintain confidentiality of the information provided to them as WindForce is a public listed company and information may be price sensitive. Directors are required to know and comply with rules governing insider dealing.
- d. All Directors are required to abide by the Company's Standards of Business Ethics Policy.
- e. Any director experiencing a change in primary occupation, position, or primary business affiliation, including retirement, shall submit a letter of notifying promptly to the Chairperson. Upon acceptance by the Board, the Board shall determine the director's ability to serve as an effective director.
- f. All directors are expected to devote sufficient time to contribute effectively to the matters relating to the affairs of the Company and contribute effectively at meetings.
- g. All directors are required to submit annual declarations as may be required from time to time as coordinated by the Company Secretary.

3.1 Director Selection

- a. General criteria for nomination of director candidates include,
 - i. High standards of integrity and ethical behavior
 - ii. Relevant skills, experience and objectivity
 - iii. Ability to provide informed guidance to management.
 - iv. A willingness to deliberate, discuss and constructively debate on important issues before the Company.
 - v. Ability to act critically and independently of one another
 - vi. The number of directorships and other position held which can affect the ability to fulfill his duties or otherwise impact the effective discharge of his/her duties.
- b. The Board also considers whether the candidate enhances the diversity of the Board. Such diversity includes professional background capabilities and knowledge of specific industries, age and gender.

- c. The maximum number of directorships that its Board members shall be permitted to hold will be decided by the board from time to time.

3.2 Board Composition

- a. Number of Directors

- (i) The Board shall consist of at least 5 directors.

- (ii) The maximum number of directors on the Board shall be [twelve (12)] based on the Company's operational needs. The said maximum number of Directors will optimize Board efficiency, facilitate robust decision-making, and maintain an appropriate level of diversity and expertise.

directorship.

- b. Board Balance

- (i) The Board should include at least 3 Non-executive directors or a such number of non-executive Directors equivalent to one-third of the total number of directors, whichever is higher.

- (ii) The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher. The independence of a director will be determined in accordance with the criteria set out under the Listing Rules.

- (iii) Independent Directors will provide an annual declaration of independence in the manner and form set out under the Listing Rules.

- (iv) They will also immediately bring to the notice of the Company Secretary and the Chairperson any change in their status that may affect the determination as an Independent Director.

- (v) If the Board determines that the independence of an Independent Director has been impaired against any of the criteria set out in the Listing Rules, it shall make an immediate Market Announcement.

- (vi) If the number of Independent Directors falls below the minimum as set out in 2.1.b., this must be rectified within 90 days.

3.3 Retirement and re-election.

- a. At each AGM, 1/3rd of directors shall retire from office. The directors to retire at each AGM shall be those, who have been longest in office since their last election/re-election. A retiring director shall be eligible for re-election.

- b. No director shall serve for more than 3 years without offering themselves for re-election.

- c. Independent directors retire on completion of 9 years.

- d. The retirement age for directors will be 75 except for Independent Directors. The Board may, in exceptional circumstances, extend the retirement age of Non-Independent Directors.
- e. Independent directors retire at 70 years of age as they cease to be independent according to the Listing Rules.

3.4 Resignation

In the event of a resignation, a director, before completion of his appointed term, the director should provide a written statement to the Board of his/her reasons for resignation addressed to the Chairperson through the Company Secretary.

4. Selection & Appointment of Directors

- a. Directors are elected by shareholders at the Annual General Meeting. The Nominations & Governance Committee shall recommend potential nominees to the Board for consideration, taking into consideration the profile of the Board, skills and expertise required for business goals of the Company, and other attributes such as gender, age,
- b. All directors and the CEO shall provide declarations annually confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out under the Listing Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.
- c. The Nominations & Governance Committee and the Board shall ensure that potential nominees meet the Fit and Proper Assessment Criteria prior to recommending names to shareholders.
- d. Any casual vacancies occurring during the year may be filled by the Board.
- e. Directors appointed to fill casual vacancies shall retire and can offer themselves for re-election at the AGM.

5. Chairperson and Chief Executive Officer

- a. The Board shall elect a chairperson and a deputy-chairperson from among its members. The deputy-chairperson replaces, and assumes the powers and duties of, the chairperson when the chairperson is absent.
- b. The chairperson shall be non-executive director and be separate from the Chief Executive Officer.
- c. The chairperson of the Board is primarily responsible for the activities of the Board and its committees. She/he shall act as the spokesman for the Board and is the principal contact for the chief executive officer (CEO). The CEO and the chairperson of the Board shall meet regularly.
- d. The chairperson of the Board presides over the meetings with shareholders including the Annual General Meeting and Extraordinary General Meetings.
- e. The chairperson shall not chair other committees of the Board.

6. Company Secretary

- a. The company secretary assists the board and is responsible for the administration of Board meetings and maintaining records relating to matters of the Board including minutes of and attendance at meetings, declarations by directors, external communications by the Board, and other necessary records.
- b. All board members may go to the company secretary for advice or to use his or her services.
- c. The company secretary advises the Board on correct procedures and facilitates compliance with its obligations under law and the Articles of Association.
- d. The company secretary shall assist the chairperson of the board in organizing the board's activities (including providing information, preparing an agenda, records/minutes of meetings, evaluations and training programs). The company secretary is the secretary of the board.
- e. The removal of the Company Secretary is a matter for the Board as a whole.

7. Conflicts of Interest

A board member shall immediately report to the chairperson of the board any conflict of interest or potential conflict of interest and shall provide all relevant information to enable the Board to assess if there is a conflict of interest. The board member concerned shall not take part in the assessment by the board of whether a conflict of interest exists.

8. Board Meetings

8.1 Frequency, notice and attendance

- a. The Board shall meet as often as necessary, but not less than 4 times a year. Meetings shall be scheduled annually in advance according to an annual Board calendar. The Board shall meet more frequently than scheduled if deemed necessary by the chairperson of the Board or two other members of the Board.
- b. The Chairperson shall determine the agenda in consultation with the Company Secretary and the CEO. Notice of meeting stating the venue and time and the agenda with the relevant supporting information, shall be circulated to the members of the Board at least 7 days prior to the meeting.
- c. Directors must attend at least 50% of the total meetings for the year. They will be deemed to have vacated the post if they are absent for more than the specified number of meetings unless the prior concurrence of the Chairman has been obtained.
- d. Each board member and the CEO has the right to request that an item be placed on the agenda for a board meeting; provided that the item is notified to the chairman at least ten days prior to the meeting.
- e. The CEO, even where s/he is not a member of the board, shall attend board meetings unless the board instructs him not to attend. If requested by the board, other executives shall also attend meetings of the board in whole or in part.
- f. Board members have the right to participate at meetings of the Board and Board Committees by audio visual means and for such participation to be taken into account when deciding on the quorum and determining attendance.

8.2 Sufficiency of Information & Confidentiality

- a. The Chairperson and the CEO will ensure that Board members have sufficient information regarding matters relating to oversight of the Company and other agenda items in the board pack that is circulated.
- b. The information provided to Board members shall be complete and concise to enable deliberation, discussion and debate on matters of importance.
- c. Directors will maintain as confidential all matters received in that capacity and all discussions about their service as Board members.
- d. A board member may disclose such information to fellow board members as well as to staff members of the company and companies in which the company holds a stake who, in view of their activities for the Company and companies in which the Company holds a stake, should be informed of the information subject to Applicable Laws.
- e. A board member shall not use such confidential information for his or her personal benefit.
- f. The CEO may invite other officials of the Company to attend relevant discussions on the agenda with the prior permission of the Chairperson. Such officials may make presentations and clarify matters but may not participate in the decision making processes of the Board.

8.3 Conduct of Meetings & Minutes

- a. The Chairperson will preside over all meetings, ensuring that all members of the Board have the opportunity to contribute effectively to the matters discussed.
- b. The Company Secretary is responsible for the administration of the meeting and will maintain a fair account of matters discussed at the meeting. The minutes will be circulated within two weeks to members of the Board and be ratified at the next meeting subject to any corrections agreed upon by the Board. Corrected minutes/records of meetings will be signed by the Chairperson affirming that they are faithful representation of matters discussed at the meeting.
- c. All directors have a right to review the minutes and draw attention to matters that may need to be restated at the next meeting or send the same by circulation.

8.4 Circulation of urgent matters

- a. If there are any urgent matters that need to be approved in between Board meetings, the Chairman may request approval of resolutions by circulation. According to the Company's articles of association, such resolutions require unanimous approval. Resolutions approved by circulation shall be ratified at the next Board meeting.
- b. In exceptional circumstances, the Chairman may agree to the circulation of information to Board members with less than 7 days notice, provided such directors consent to the accommodation.

9. Trading of securities

- a. Directors shall ensure that trading of shares of the Company is done in accordance with the provisions of the SEC Act, avoiding any potential concerns over market misconduct or insider trading.
- b. Details of share transactions by directors will be provided to the Company Secretary in the format provided immediately to facilitate relevant market disclosures in accordance with Applicable Laws.
- c. Directors are barred from trading in shares of the Company between the time they receive the price sensitive information including the Board pack until the effective dissemination of such information to the market and at least for 2 market days after disclosures.

10. Director Induction & Development

- a. All new directors will be required to participate in an induction programme which will be arranged by the Company Secretary with guidance from the Chairman and the CEO. At a minimum this will include:
 - (i) The provision of an induction pack containing the Articles of Association, the Board Charter, the Code of Business Conduct and Ethics and other policies mandated under Applicable Laws, the most recent annual report of the Company and contact information of other Board Members and Key Management Personnel.
 - (ii) Meetings with the Chairman, CEO and the Senior Leadership of the Company to facilitate an understanding of the business.
 - (iii) A visit to a key location of operations
- b. The CEO and Key Management Personnel will inform the Board of new developments in their respective functions to ensure that the Board stays abreast of relevant developments that can affect the deliberations and decision making of the Board.
- c. All directors are expected to stay abreast of developments in Corporate Governance and their own areas of expertise to ensure that their contributions and decision making is based on informed application of expertise.
- d. Directors will be notified of any new Listing Rules or other Applicable Laws, on-going compliance and/or non-compliance with obligations arising under such Listing Rules/Applicable Laws.

11. Review & Revise

The policy should be revised as deemed necessary, particularly in the event of changes in law. However, it must be reviewed and revised bi-annually at least to ensure that it is updated to reflect developments in relation to the subject.

12. Effective Date & Approval

This policy will be effective from 01st Oct 2024.