

1. Purpose

The Policy on Corporate Governance, Nominations, and Re-Election outlines the principles, procedures, and responsibilities governing the corporate governance practices of Millennium Housing Developers PLC (“the Company”), including the nomination and re-election of Directors.

The Policy aims to uphold the highest standards of transparency, integrity, and accountability in corporate decision-making and to ensure that the Company’s governance framework aligns with applicable laws, regulations, and best practices in corporate governance.

2. Scope

The Policy applies to:

- The Board of Directors.
- The Nominations and Governance Committee.
- Shareholders involved in the election or re-election of Directors.

The Policy applies to all appointments, re-appointments, and re-elections of Directors of the Company.

3. Corporate Governance Principles

The Company shall adhere to the following corporate governance principles:

- **Accountability**

The Board shall be accountable to shareholders for the performance and governance of the Company.

- **Transparency**

The Company shall ensure accurate and timely disclosure of financial and non-financial information.

- **Integrity and Ethical Conduct**

Directors and management shall act with integrity and in the best interests of the Company.

- **Independence**

Independent Non-Executive Directors shall provide objective judgment and oversight.

- **Compliance**

The Company shall comply with all applicable laws, regulations, and listing requirements of the Colombo Stock Exchange and other relevant regulatory authorities.

4. Compliance with Applicable Laws and Regulations

The Board of Directors and each individual Director shall always comply with all applicable laws, regulations, and statutory requirements governing the Company and its business operations. The Board shall also ensure that the Company and its subsidiaries comply with such applicable laws and regulatory requirements.

5. Role of the Nominations and Governance Committee

The Nominations and Governance Committee shall:

- Identify and recommend qualified candidates for appointment to the Board of Directors.
- Ensure a balanced composition of the Board representing key professional areas such as Accounting, Legal, Engineering, and Administration.
- Review the structure, size, and composition of the Board to ensure it remains appropriate for the Company's needs.
- Ensure that the Board possesses the necessary skills, experience, diversity, and independence required to effectively oversee the Company.
- Periodically evaluate the performance of the Board and individual Directors.
- Recommend Directors for re-election by shareholders at the Annual General Meeting (AGM), where applicable.
- Review the Company's corporate governance practices and recommend improvements, where necessary, to strengthen governance and accountability.

6. Nomination of Directors

- The need to appoint Directors may arise due to:
 - Retirement by rotation.
 - Casual vacancies.
 - Expansion of the Board.

7. Steps in the Appointment Process of Directors

7.1. Identification of Candidates

- Potential candidates may be identified through:
 - a) Recommendations from existing Directors.
 - b) Shareholder nominations.
 - c) External professional searches.

7.2. Selection Criteria

- Candidates shall be evaluated based on:
 - a) Professional experience and expertise.
 - b) Integrity and ethical reputation.
 - c) Independence (where applicable).
 - d) Ability to contribute effectively to Board deliberations.
 - e) Diversity of skills and perspectives.

7.3. Board Approval

- The Nominations and Governance Committee shall recommend candidates to the Board of Directors for approval prior to appointment.
- Directors appointed by the Board shall hold office until the next Annual General Meeting (AGM) and shall be eligible for election by shareholders.

8. Re-Election of Directors

- Directors shall retire by rotation in accordance with the Articles of Association of the Company.
- A retiring Director shall be eligible for re-election by shareholders at the AGM.
- The Nominations and Governance Committee shall review the performance and independence of Directors before recommending them for re-election.
- Shareholders shall be provided with relevant information regarding Directors proposed for re-election.

9. Independence of Directors

The Board shall annually assess the independence of Non-Executive Directors in accordance with the Listing Rules of the Colombo Stock Exchange.

Independent Directors must submit an annual declaration confirming that they meet the independence criteria.

10. Board Evaluation

The Board shall conduct an annual evaluation covering:

- The effectiveness of the Board.
- The performance of Board Committees.
- The contribution of individual Directors.

The results of the evaluation shall be reviewed by the Nominations and Governance Committee.

11. Periodic Review of the Policy

The Policy shall be reviewed periodically by the Nominations and Governance Committee to ensure alignment with:

- Corporate governance best practices.
- Regulatory requirements.
- The Listing Rules of the Colombo Stock Exchange.

12. Disclosure

The Company shall disclose the following information in its Annual Report:

- Composition of the Board.
- Independence of Directors.
- The process for nomination and re-election of Directors.
- Compliance with corporate governance requirements.

13. Effective Date of Implementation

The Policy shall come into effect on 1st April 2026.

