

**POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS  
SINGHE HOSPITALS PLC  
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**01. INTRODUCTION**

The Board of Directors (the “Board”) of Singhe Hospitals PLC (the “Company”) recognizes the critical importance of adhering to good corporate governance and corporate social responsibility practices. These practices are essential for promoting and enhancing the trust and confidence of our shareholders, stakeholders, and the broader community.

The Board is committed to conducting its affairs with the highest standards of ethics, ensuring compliance with all applicable laws and regulations. Our goal is to create sustainable value for our shareholders and stakeholders, reflecting the principles of transparency, accountability, and integrity.

In accordance with section 9.2.1(a) and 9.5 of the Colombo Stock Exchange Corporate Governance rules, the Company shall establish and maintain a formal policy that governs all matters relating to the Board of Directors. This policy will serve as a framework for the Board’s decision-making process, outlining procedures, roles, and responsibilities to ensure that the Board operates effectively and in the best interest of the Company and its stakeholders.

We remain dedicated to upholding and continuously improving our corporate governance and corporate social responsibility efforts as an integral part of our business philosophy.

**02. BALANCE BETWEEN EXECUTIVE AND NON-EXECUTIVE DIRECTORS**

The Board recognizes the importance of maintaining a balanced representation between Executive and Non-Executive Directors to ensure robust governance and effective decision-making. Our approach to corporate governance emphasizes the following key areas:

1. **Board Composition:** The Board shall maintain a composition that balances Executive and Non-Executive Directors, ensuring diverse perspectives and expertise are represented. This balance is critical to the objective oversight of the company's operations and the formulation of sound strategies.
2. **Roles and Functions:** The roles and functions of the Chairperson and the Chief Executive Officer (or equivalent position) will be clearly defined.
3. **Board Balance:** A well-structured balance between Executive and Non-Executive Directors helps ensure independence in decision-making and effective governance. Non-Executive Directors provide critical oversight, while Executive Directors bring operational insights, creating a dynamic and informed Board.
4. **Appraisal Procedures:** The Board will establish formal procedures for the appraisal of its own performance and that of individual directors, ensuring that all members contribute effectively to the company's governance. Additionally, there will be a structured appraisal process for the Chief Executive Officer to assess their leadership and the company's performance under their guidance.

The Board remains committed to upholding these principles of corporate governance in compliance with the Colombo Stock Exchange regulations, and to continuously improving governance practices to benefit shareholders, stakeholders, and the wider community.

### 03. BOARD COMPOSITION

The Board of Directors of Singhe Hospitals PLC shall consist of no fewer than 5 and no more than 15 Directors, in compliance with applicable statutes and regulations. The appointment of Directors is a structured process overseen by the Board, based on the recommendations of the Board Nominations and Governance Committee. This Committee is responsible for identifying suitable candidates for the Board, ensuring that all nominees meet the necessary qualifications and bring the required expertise to the organization. All appointments are subject to the relevant statutory approvals, ensuring full compliance with regulatory requirements and corporate governance standards. These procedures are designed to ensure that the Board appointments reflect the company's commitment to strong governance and the best interests of shareholders and stakeholders.

### 04. BOARD MEETINGS

Held every quarterly and special meetings held as and when necessary Such regular board meetings shall normally involve active participation in person of a majority of directors entitled to be present. Regular Board meetings and sub-committee meetings are scheduled well in advance and Board papers circulated 1 week prior to the meetings, giving adequate time to prepare. Resolutions are passed for all Board approvals and minutes are kept. All directors have access to the advice of the Company Secretary. The Chairman ensures that meetings are conducted in an orderly manner and that each Board Member and Member of

staff is given an opportunity to present his views/concerns on matters. Members of the Board and Management have sufficient financial knowledge and thus are able to provide guidance on financial matters.

## 05. ROLE OF THE BOARD

The Board of Directors of Singhe Hospitals PLC plays a vital role in steering the company towards its strategic objectives and maintaining sound governance practices. Key responsibilities of the Board include:

1. **Strategy Development:** The Board is focused on developing long-term strategies for business development. By providing strategic direction and oversight, the Board ensures that the management is aligned with the company's vision and goals.
2. **Budget Setting and Review:** The Board sets the annual budget, defining financial priorities for the year. Progress is reviewed at quarterly meetings, where financial performance is assessed, and necessary adjustments are made to ensure adherence to the set goals.
3. **Approval of Major Capital Expenditure:** The Board is responsible for approving significant capital investments, ensuring that such expenditures align with the company's overall strategy and deliver value to the business and its stakeholders.
4. **Internal Control and Risk Management:** The Board ensures that the company has an effective internal control system and a robust risk management framework. This is essential to safeguard the company's assets, manage risks, and ensure compliance with legal and regulatory requirements.

These core responsibilities enable the Board to provide strong governance, ensure financial discipline, and foster the long-term success of the company.

## 06. COMPLIANCE WITH LAWS AND ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

The Board seeks independent professional advice when deemed necessary, particularly before making any decisions that could have a significant impact on the Company. Further, the Board is always mindful of the new laws/regulations that are implemented and ensures compliance with them.

## 07. REQUIREMENTS ON TRADING IN SECURITIES OF THE LISTED ENTITY

Directors shall immediately inform the company secretary if they trade in securities of the listed entity. Directors shall not trade in listed entities securities within the stipulated time frames, as per section 8.6.