# Policy on Matters Relating to the Board of Directors

JAT®

## Contents

## 1. PURPOSE

The purpose of this policy is to establish clear and comprehensive guidelines governing the roles, responsibilities, and operational procedures of the Board of Directors. This policy aims to ensure that the Board functions effectively and in alignment with the company's mission and strategic objectives. It delineates the processes for the appointment, evaluation, and removal of Board members, as well as the procedures for conducting meetings, making decisions, and overseeing company performance. By providing a structured framework, this policy seeks to promote transparency, accountability, and ethical governance, thereby supporting the Board in its crucial role of steering the company towards sustainable success and compliance with relevant laws and regulations.

## 2. SCOPE

The scope of this policy encompasses all aspects related to the governance and operational management of the Board of Directors, including but not limited to the composition, roles, and responsibilities of Board members. It applies to the procedures for Board meetings, decision-making processes, and the evaluation of Board performance. Additionally, this policy addresses the protocols for conflict-of-interest disclosures, Board member qualifications, and succession planning. It is designed to guide the Board in fulfilling its fiduciary duties and oversight functions, ensuring adherence to ethical standards and legal requirements. This policy is applicable to all members of the Board and extends to any committees or sub-groups formed under the Board's authority.

## 3. DEFINITIONS

Terms requiring legal or technical definitions shall be interpreted in accordance with the meanings ascribed to them in the relevant laws of Sri Lanka.

## 4. ROLE AND RESPONSIBILITIES

- **Strategic Oversight**

The Board is responsible for setting and approving the company's strategic direction and ensuring that management implements strategies in line with the approved goals.

- **Fiduciary Duty**

Members must act in the best interest of the company, exercising due care and loyalty while avoiding conflicts of interest and ensuring compliance with legal and regulatory requirements.

- **Financial Stewardship**

The Board oversees the company's financial health by approving budgets, reviewing financial statements, and ensuring the integrity of financial controls and reporting systems.

- **Policy Setting**

The Board establishes and periodically reviews key company policies, including governance, risk management, and operational policies, to ensure they align with the company's mission and objectives.

- **Executive Oversight**

The Board appoints, evaluates, and provides guidance to the Chief Executive Officer (CEO) and other senior executives, ensuring effective leadership and succession planning.

- **Compliance and Risk Management**

The Board monitors compliance with relevant laws and regulations, and assesses and manages company risks to safeguard the company's assets and reputation.

- **Stakeholder Engagement**

The Board represents the company to key shareholders, including shareholders, employees, and the community, ensuring transparent communication and accountability.

- **Board Development**

The Board is responsible for its own governance, including member recruitment, orientation, ongoing education, and evaluation to enhance its effectiveness and performance.

## 5. BOARD COMPOSITION AND SUCCESSION PLANNING

- **Objective**

The objective of the Board composition policy is to ensure that the Board of Directors is composed of members who collectively possess the necessary skills, experience, and diversity to effectively oversee and guide the company.

- **Diversity**

Demographic Diversity: The Board should include members with diverse backgrounds, including different genders, ethnicities, and ages. This diversity is vital for fostering a variety of perspectives and enhancing the Board's ability to address the needs of a broad stakeholder base.

Professional Expertise: The Board must encompass a range of expertise relevant to the company's operations. This includes, but is not limited to, areas such as finance, law, industry-specific knowledge, strategic planning, and risk management.

- **Independence**

The Board of Directors of the Company 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 Company at any given time, whichever is higher.

Independent directors are those who do not have any material relationship with the company beyond their role as Board members, thereby ensuring impartial oversight and decision-making.

- **Skills Matrix**

A skills matrix should be maintained to map the existing skills and experiences of Board members. This tool helps in identifying any gaps in expertise and assists in guiding the recruitment of new Board members to address these gaps.

- **Term Limits**

Term limits for Board members should be established to promote a balance between continuity and the infusion of new perspectives. These limits should be outlined in the company's governance documents and reviewed periodically.

- **Recruitment Process**

The recruitment process for new Board members should be transparent, merit-based, and aligned with the company's strategic needs. The Nomination Committee is responsible for identifying, evaluating, and recommending candidates for Board positions.

- **Succession Planning**
- Objective:

The objective of succession planning is to ensure that the company is prepared for future leadership transitions within the Board. Effective succession planning helps maintain governance continuity and mitigates risks associated with unexpected vacancies.

- **Succession Planning Framework:**
- Identification of Key Roles:

The framework should identify key roles within the Board that are critical to its governance and strategic function.

- Development Plans:

Development plans should be created for potential successors, including mentoring and training opportunities to prepare them for future roles.

- Regular Reviews:

Succession plans should be reviewed and updated regularly to reflect changes in the company's strategy, Board composition, and external environment. This review should occur at least annually.

- Emergency Succession:

The policy should include provisions for emergency succession planning to address unexpected vacancies. This includes guidelines for interim appointments and expedited recruitment processes.

- Performance Evaluations:

Regular performance evaluations of Board members should be conducted to assess their effectiveness and readiness for expanded or different roles. These evaluations help in identifying potential successors and areas for development.

- Documentation:

Succession plans and related decisions should be thoroughly documented. This documentation should be reviewed by the Governance Committee and made accessible to relevant shareholders.

- **Roles and Responsibilities**
- Board of Directors:

The Board is responsible for overseeing the implementation of this policy and ensuring that Board composition and succession planning processes align with the company's strategic objectives.

- Nomination Committee:

The Nomination Committee is tasked with identifying and recommending new Board members, assessing Board composition, and managing succession planning activities.

- Governance Committee:

The Governance Committee oversees adherence to this policy, reviews succession planning frameworks, and ensures that Board composition practices align with best practices.

- **Monitoring and Reporting**
- Annual Reports:

The Board should provide an annual report on Board composition and succession planning to shareholders. This report should include information on diversity, skills matrix updates, succession planning activities, and any changes in governance practices.

- Compliance:

Compliance with this policy should be monitored regularly. Any deviations or non-compliance issues should be addressed promptly to ensure ongoing alignment with best practices and regulatory requirements.

## 6. MEETINGS AND PROCEDURES

- **Purpose and Frequency of Meetings**
- Purpose:

Board meetings are convened to review and make decisions on key strategic matters, oversee the company's performance, and ensure compliance with legal and regulatory requirements.

- Frequency:

The Board should meet at least quarterly. Additional meetings may be scheduled as necessary to address urgent issues or significant developments.

- **Scheduling and Notice**

Meetings should be scheduled in advance for the entire year, with dates and times communicated to all Board members as early as possible.

Notice of each meeting, including the agenda and any relevant materials, should be distributed to Board members at least four days prior to the meeting.

- **Agenda Setting**

The agenda for each meeting should be prepared by the Chairperson in consultation with the CEO and other relevant members. The agenda should include routine items, strategic discussions, and any urgent matters requiring Board action.

Board members are encouraged to propose additional agenda items to the Chairperson before the meeting.

- **Meeting Procedures**
- Quorum:

A quorum must be present for the Board to conduct business. The quorum requirement should be specified in the company's governance documents.

- Minutes:

Detailed minutes of each meeting should be recorded, documenting decisions made, discussions held, and actions assigned. Minutes should be approved by the Board at the subsequent meeting and filed in the company's official records.

- Decision-Making:

Decisions should be made by a majority vote of the directors present. In case of a tie, the Chairperson may cast the deciding vote.

- **Confidentiality**

Discussions and materials related to Board meetings are confidential. Board members must not disclose or discuss Board matters outside of the meeting without proper authorization.

- **Attendance**

Board members are expected to attend all meetings. If a member is unable to attend, they should notify the Chairperson in advance and provide any necessary input or feedback on agenda items.

- **Special and Emergency Meetings**

Special or emergency meetings may be convened as needed. Notice for such meetings should be provided as promptly as possible, outlining the specific issues to be addressed.

## 7. CONFLICT OF INTEREST

- **Types of Conflicts of Interest**

There are 3 types of conflicts of interest discussed in this policy. They are,

- Financial Conflicts:

Direct Financial Interest: When a Board member has a direct financial interest in a transaction or decision being considered by the Board.

Indirect Financial Interest: When a Board member has a financial interest through a family member, business partner, or other close association.

- Personal Relationships:

Family Relationships: When a Board member has a close familial relationship with an individual or entity that is involved in a matter before the Board.

Professional Relationships: When a Board member has a professional or business relationship that could influence their impartiality.

- Outside Employment and Activities:

Outside Business Interests: When a Board member is involved in other businesses or companies that could conflict with their duties to the Board.

Board Memberships: When a Board member serves on the boards of other companies that may have conflicting interests.

- **Disclosure of Conflicts**
- Disclosure Obligations:

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Board members are required to disclose any actual or potential conflicts of interest to the Board as soon as they become aware of them. This includes financial interests, personal relationships, and any other circumstances that could affect their impartiality.

- Disclosure Procedure:

Conflicts of interest should be disclosed in writing and reported to the Chairperson or the Governance Committee. The disclosure should include details of the nature and extent of the conflict.

- Annual Disclosure:

Board members must complete an annual conflict of interest disclosure form to ensure that any potential conflicts are identified and managed proactively.

- **Management of Conflicts**
- Recusal from Decision-Making:

Board members who have a conflict of interest must recuse themselves from participating in discussions and decisions related to the matter in which the conflict exists. They should leave the room during such discussions and decision-making processes.

- Review and Resolution:

The Governance Committee, or another designated committee, is responsible for reviewing disclosed conflicts of interest and determining appropriate actions to manage them. This may include recommending recusal, divestment of conflicting interests, or other measures.

- Documentation:

All disclosures and actions taken to manage conflicts of interest should be documented in the Board minutes and maintained in the company's records.

- Conflict of Interest Policy Review:

The policy should be reviewed regularly, at least annually, to ensure its effectiveness and to incorporate any necessary updates.

- **Enforcement and Consequences**
- Enforcement:

The Chairperson and Governance Committee are responsible for enforcing this policy. They must ensure that all Board members adhere to the disclosure and management procedures outlined.

- Consequences of Non-Compliance:

Failure to disclose a conflict of interest or to comply with the policy may result in disciplinary action, which could include removal from the Board or other appropriate measures.

- Ethical Conduct:

Board members are expected to adhere to the highest standards of ethical conduct, ensuring that their personal interests do not compromise their duties and responsibilities to the company.

- **Training and Awareness**
- Education:

Board members should receive regular training on conflict of interest policies and procedures to ensure they understand their obligations and the importance of managing conflicts effectively.

- Orientation:

New Board members should be provided with information about the conflict of interest policy during their orientation to ensure they are aware of and can comply with the requirements from the outset.

## 8. CODE OF CONDUCT AND ETHICS

- **Ethical Principles**
- Integrity

Members of the Board must conduct themselves with integrity, honesty, and fairness. Decisions should be made based on merit, free from personal biases or conflicts of interest.

- Accountability

Board members are accountable for their actions and decisions. They must act in the best interests of the company and its shareholders, ensuring that their conduct is transparent and subject to scrutiny.

- Transparency

The Board should operate with transparency, ensuring that key decisions and actions are clearly communicated to shareholders. Full and accurate disclosure of relevant information is required to maintain trust and confidence.

- Confidentiality

Confidentiality must be maintained regarding sensitive information disclosed during Board meetings and related activities. Board members should not use or disclose such information for personal gain or to the detriment of the company.

- Compliance

Adherence to applicable laws, regulations, and company policies is mandatory. Board members must stay informed about legal and regulatory requirements and ensure that the company complies with all relevant standards.

- **Conflict of Interest**
- Definition and Disclosure

A conflict of interest arises when a Board member's personal interests, financial or otherwise, interfere with their ability to act in the best interests of the company. Board members must disclose any actual or potential conflicts of interest immediately upon identification.

- Management

Conflicts of interest should be managed through recusal from discussions and decisions where a conflict exists. The Board should implement processes for reviewing and addressing disclosed conflicts to mitigate any adverse impact on decision-making.

- Prohibited Conduct

Board members must avoid engaging in activities that could undermine their impartiality or the company's objectives. Accepting gifts, favors, or other benefits from parties with business dealings with the company is prohibited unless such actions are disclosed and approved in accordance with the company's policies.

- **Confidentiality and Privacy**
- Obligations

Board members are obligated to maintain the confidentiality of all non-public information received in their capacity as Board members. This obligation extends beyond their term on the Board.

- Handling of information

Sensitive information should be handled and stored securely to prevent unauthorized access. Board members must follow established protocols for the handling and disposal of confidential documents.

- **Compliance with Legal and Regulatory Requirements**
- Legal Framework

Board members must adhere to all relevant laws and regulations, including but not limited to corporate governance laws, securities regulations, and anti-corruption statutes.

- Internal Policies

In addition to legal compliance, Board members must follow the company's internal policies and procedures. Regular training and updates on legal and regulatory changes should be provided to ensure ongoing compliance.

- **Ethical Decision-Making**
- Decision-Making Process

Board members should apply ethical principles in decision-making processes, considering the long-term impact on the company and its shareholders. Decisions should be made impartially and with due consideration of ethical implications.

- Seeking Guidance

When in doubt about the ethical implications of a decision or action, Board members should seek guidance from the Chairman, legal counsel, or Nominations and Governance Committee.

- **Reporting and Accountability**
- Reporting Mechanisms

The Board members must report ethical concerns, misconduct, or violations of the Policy of Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities to the Chairman of the Company. Board members should have access to confidential reporting channels to raise concerns without fear of retaliation.

- Investigation and Enforcement

All reported concerns should be investigated promptly and thoroughly. The Board must ensure appropriate disciplinary action is taken for violations of the Policy of Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities.

- Regular Reviews

The Policy of Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities should be reviewed regularly to ensure its relevance and effectiveness. The Board is responsible for updating the said policy as needed to reflect changes in laws, regulations, and company needs.

## 9. FINANCIAL OVERSIGHT

- **Financial Oversight Responsibilities**
- Financial Reporting

The Board is responsible for overseeing the preparation and presentation of accurate and timely financial statements. This includes:

- Approval of Financial Statements:

The Board must review and approve quarter and annual financial statements, ensuring they present a true and fair view of the company's financial position and performance.

- External Audits:

The Board should engage and oversee an independent external auditor to conduct audits. The auditor's report should be reviewed to address any findings or concerns.

- Regular Reporting:

The Board should receive regular financial reports from management, including interim financial statements and forecasts, to stay informed about the company's financial health.

- **Internal Controls**

The Board's responsibilities for strong internal controls and safeguarding the Company's assets and ensuring the accuracy of financial reporting including;

- Assessment of Internal Controls:

The Board should review and approve the internal control framework established by management and ensure it is robust and effective.

- Monitoring:

The Board should ensure that there is ongoing monitoring of internal controls to detect and prevent errors, fraud, and mismanagement.

- Audit Committee Oversight:

The Board should establish an Audit Committee to focus on internal controls, risk management, and compliance with financial regulations.

- **Risk Management**

The Board is responsible for effective risk management and for financial oversight include;

- Risk Assessment:

Identifying and assessing financial risks that could impact the company's stability and performance.

- Risk Mitigation:

Ensuring that appropriate risk management strategies and controls are in place to mitigate identified risks.

- Regular Reviews:

Regularly reviewing risk management policies and practices to adapt to changes in the financial environment or company operations.

- **Budgeting and Financial Planning**

The Board should provide strategic oversight on budgeting and financial planning, including:

- Approval of Budgets:

Reviewing and approving annual budgets to ensure alignment with the company's strategic goals and financial capabilities.

- Long-Term Financial Planning:

Overseeing long-term financial planning to support sustainable growth and strategic initiatives.

- Monitoring Performance:

Monitoring budget performance against actual results and addressing significant variances.

- **Compliance and Legal Obligations**

Compliance with financial regulations and legal obligations is a critical aspect of financial oversight. The Board should,

- Ensure Compliance:

Ensure that the company complies with relevant financial laws, regulations, and accounting standards.

- Address Non-Compliance:

Address any instances of non-compliance or financial misconduct promptly and effectively.

- Regular Updates:

Stay informed about changes in financial regulations and accounting standards that could affect the company.

- Internal Audit:

Overseeing the internal audit function, including reviewing audit reports and ensuring follow-up on recommendations.

- **Board Training and Development**

The Board should fulfil financial oversight responsibilities effectively.

- Ongoing Training:

Engage in ongoing training and education on financial management, accounting principles, and regulatory changes.

- Expertise:

Ensure that Board members possess or acquire the necessary financial expertise to provide informed oversight.

- **Reporting and Accountability**
  - Reporting Mechanisms

The Board should have a clear reporting mechanism for financial matters, including;

Reporting Channels: Defining channels for reporting financial irregularities or concerns.

Review Procedures: Implementing procedures for reviewing and addressing reported issues.

  - Accountability

The Board must ensure accountability by;

Documenting Decisions: Documenting all significant financial decisions and discussions.

Performance Evaluation: Evaluating the performance of financial management and control systems regularly.

## 10. STRATEGIC PLANNING AND RISK MANAGEMENT

- **Strategic Planning Oversight**
- Strategic Direction

The Board is responsible for providing high-level guidance on the company's strategic direction, which includes;

Approval of Strategic Plans: Reviewing and approving the company's long-term strategic plans, ensuring they align with the vision, mission, and values of the company.

Strategic Goals and Objectives: Setting and endorsing strategic goals and performance objectives that are achievable, measurable, and consistent with the company's mission.

Alignment with Resources: Ensuring that the strategic plan is realistic and achievable given the company's resources, capabilities, and market conditions.

- **Monitoring and Evaluation**

The Board should monitor the implementation of strategic plans and evaluate progress by;

- Regular Updates:

Receiving periodic updates from management on the progress of strategic initiatives and adjusting plans as necessary.

- Performance Metrics:

Review key performance indicators (KPIs) and other metrics to assess the effectiveness of strategic initiatives and overall company performance.

- Strategic Reviews:

Conduct regular strategic reviews to reassess the company's direction, market conditions, and internal capabilities.

- **Strategic Risk Consideration**

The Board must consider potential risks associated with strategic decisions by;

- Risk Assessment:

Evaluating the risk implications of strategic initiatives and decisions.

- Mitigation Strategies:

Ensuring that risk mitigation strategies are developed and incorporated into strategic plans.

- **Risk Management Oversight**
- Risk Framework and Policies

The Board is responsible for overseeing the development and implementation of a comprehensive risk management framework, which includes;

- Risk Management Policy:

Approving and reviewing the company's risk management policy to ensure it is robust and aligned with industry standards and best practices.

- Risk Appetite and Tolerance:

Defining the company's risk appetite and tolerance levels, which guide decision-making and risk management strategies.

- **Risk Identification and Assessment**

The Board should ensure that processes are in place for identifying and assessing risks, including;

- Risk Identification:

Ensuring that management identifies potential risks across various areas, including strategic, operational, financial, and compliance risks.

- Risk Assessment:

Reviewing risk assessments conducted by management to understand the potential impact and likelihood of identified risks.

- **Risk Mitigation and Management**

To make the management effective the Board should.

- Review Risk Mitigation Strategies:

Evaluate and approve risk mitigation strategies and action plans developed by management to address identified risks.

- Monitor Risk Management:

Oversee the effectiveness of risk management practices and ensure that risks are managed within acceptable levels.

- Crisis Management:

Ensure that there are plans and protocols in place for managing and responding to crises and emergencies.

- **Risk Reporting and Accountability**

The Board should have clear reporting and accountability mechanisms for risk management;

- Regular Reporting:

Receiving regular risk management reports from management that highlight key risks, mitigation efforts, and emerging issues.

- Accountability:

Ensuring accountability by holding management responsible for effective risk management and the implementation of risk mitigation strategies.

- **Integration of Strategic Planning and Risk Management**
- Alignment of Strategies and Risks

The Board must ensure that strategic planning and risk management are integrated by;

Strategic Risk Assessment: Incorporating risk assessments into the strategic planning process to align strategic goals with risk management practices.

Risk-Adjusted Strategy: Adjusting strategic plans based on risk evaluations to minimize potential negative impacts and capitalize on opportunities.

- Communication and Collaboration

The Board and management should have effective communication and collaboration for integrating strategy and risk management;

Strategic Discussion: Engaging in regular discussions with management about strategic priorities, risks, and mitigation strategies.

Collaborative Approach: Promoting a collaborative approach to strategic planning and risk management to ensure that all perspectives are considered.

- **Training and Development**
- Board Education

To effectively oversee strategic planning and risk management, the Board should;

Ongoing Training: Participate in ongoing training and development programs to stay informed about best practices, emerging trends, and regulatory changes related to strategic planning and risk management.

Expertise Development: Ensure that Board members have or develop the necessary expertise to provide informed oversight and decision-making.

- Management Support

The Board should obtain support from management for effective oversight;

Expert Input: Engaging experts or consultants as needed to provide insights and recommendations on strategic planning and risk management.

Regular Updates: Ensuring that management provides timely and comprehensive updates on strategic and risk management matters.

## 11. IMPLEMENTATION AND COMPLIANCE

- **Internal Communication**
- Board Meetings

The Board should maintain effective internal communication within the Board for efficient governance.

Meeting Agendas and Materials: Agendas and relevant materials should be distributed to all Board members in advance of meetings.

Meeting Procedures: Meetings should be conducted according to established procedures to ensure that discussions are orderly, focused, and productive. Minutes should be recorded accurately to reflect decisions and action items.

Confidentiality: Sensitive discussions and information shared during Board meetings must be treated with confidentiality to protect the company's interests and maintain trust.

- Communication Channels

Board members should use appropriate communication channels to facilitate effective discussions;

Email and Digital Platforms: Utilize secure email and digital platforms for routine communications and document sharing. Ensure that all communications are professional and adhere to company policies.

Direct Communication: Encourage direct communication between Board members for specific issues or clarifications, fostering a collaborative environment.

- Information Sharing

The Board should ensure that information is shared effectively among its members;

Regular Updates: Board members should receive regular updates on key issues, including financial performance, strategic initiatives, and risk management.

Briefing Sessions: Hold briefing sessions or workshops as needed to provide in-depth information on complex matters or to prepare for significant decisions.

- **External Communication**
- Shareholder Communication

Maintaining clear and effective communication with external Shareholders.

Shareholders: Provide regular updates to shareholders through CSE disclosures, annual reports, financial statements, and general meetings. Ensure that shareholders are informed about key decisions, performance metrics, and strategic developments.

Employees: Communicate significant company changes, policies, and strategic goals to employees. Foster open discussions to address concerns and provide clarity on the Board's decisions and directions.

Public and Media: The Board should work with the company's communications team to manage public and media relations. Ensure that all public statements are accurate, consistent, and aligned with the company's values and objectives.

- Crisis Communication

In the event of a crisis, the Board should oversee and support effective communication strategies.

Crisis Communication Plan: Ensure that a crisis communication plan is in place, detailing how information will be communicated to shareholders during emergencies or significant issues.

Spokesperson: Designate appropriate spokespersons, including Board members or senior executives, to manage external communications during a crisis.

- **Communication Protocols**
- Policy Development

Develop and implement communication protocols to guide interactions and information distribution.

Communication Policy: Establish a communication policy that outlines procedures for internal and external communication, including approval processes and responsibilities.

Information Access: Define guidelines for accessing and sharing information, ensuring that sensitive data is handled appropriately.

- Training and Awareness

Ensure that Board members are trained on effective communication practices.

Communication Training: Provide training on communication skills, including public speaking, media relations, and digital communication best practices.

Awareness Programs: Conduct programs to increase awareness of the importance of communication and the role it plays in governance and company success.

- Evaluation and Improvement

Communication Effectiveness: Regularly evaluate the effectiveness of communication practices within the Board.

Feedback Mechanisms: Implement feedback mechanisms to assess the clarity, timeliness, and effectiveness of communications among Board members and with shareholders.

Continuous Improvement: Use feedback to make necessary improvements to communication strategies and protocols, ensuring they remain effective and relevant.

- Best Practices

Stay informed about best practices in communication and incorporate them into Board activities.

Industry Standards: Keep abreast of industry standards and emerging trends in communication to enhance practices and maintain effectiveness.

Benchmarking: Compare communication practices with those of other companies to identify areas for improvement and adopt best practices

### 12. TRAINING

- **Training Needs Assessment**
- Identifying Training Needs

Identifying training needs thorough assessment for tailoring the training program to the Board's requirements.

Role-Specific Competencies: Identify the specific competencies required for Board members based on their roles and responsibilities, including financial oversight, strategic planning, risk management, and legal compliance.

Skill Gaps: Evaluate current skill levels and knowledge gaps among Board members to determine areas requiring development.

Regulatory Requirements: Assess training needs based on legal and regulatory requirements pertinent to the company and its industry.

- Inputs for the training

Gather input from various shareholders to ensure the training program meets the Board's needs.

Board Members: Solicit feedback from current Board members regarding their training needs and areas where they seek additional support.

Senior Management: Consult with senior management to identify key areas where Board members may benefit from enhanced understanding.

- **Training Program Design**
- Training Curriculum

Design a comprehensive training curriculum that addresses the identified needs and competencies:

Orientation Training: Provide initial orientation for new Board members covering the company's mission, values, structure, and key policies.

Ongoing Education: Develop ongoing education programs on relevant topics such as governance best practices, financial management, legal and regulatory updates, and emerging industry trends.

Specialized Training: Offer specialized training on topics relevant to the company's strategic priorities or areas of particular risk.

- Training Methods

Utilize a variety of training methods to enhance learning and engagement:

Workshops and Seminars: Conduct interactive workshops and seminars led by experts in relevant fields.

Webinars and Online Courses: Offer online training modules for flexibility and accessibility.

Case Studies and Simulations: Use case studies and simulations to provide practical insights and enhance problem-solving skills.

- Resource Materials

Provide comprehensive resource materials to support training and ongoing development:

Manuals and Guides: Distribute manuals, guides, and reference materials covering key governance topics and company policies.

Knowledge Base: Maintain an online knowledge base with access to training materials, best practices, and regulatory updates.

- **Implementation and Delivery**
- Scheduling and Logistics

Plan and manage the logistics of training sessions to ensure effective delivery.

Training Calendar: Develop and maintain a training calendar that outlines scheduled sessions and topics.

Facilitator Selection: Engage qualified facilitators with expertise in relevant areas to deliver training.

Location and Accessibility: Ensure that training sessions are held at convenient locations or provided online to accommodate all Board members.

- Participation and Engagement

Encourage active participation and engagement in training programs.

Attendance Tracking: Monitor attendance and participation in training sessions to ensure full engagement.

Interactive Elements: Incorporate interactive elements such as discussions, Q&A sessions, and group activities to enhance learning.

### 13. MONITORING

- **Monitoring Responsibilities**
- Performance Monitoring

The Board is responsible for overseeing the company's performance to ensure it meets strategic objectives:

Performance Metrics: Establish and review key performance indicators (KPIs) and other metrics to assess company performance and progress towards strategic goals.

Performance Reports: Receive and review regular performance reports from management, including financial statements, operational updates, and performance analyses.

Benchmarking: Compare performance against industry standards and benchmarks to evaluate relative success and identify areas for improvement.

- Compliance Monitoring

Ensuring adherence to legal, regulatory, and internal policy requirements is a key responsibility of the Board:

Regulatory Compliance: Monitor compliance with relevant laws, regulations, and industry standards. Ensure that management implements effective compliance programs and addresses any issues.

Policy Adherence: Oversee adherence to internal policies and procedures, including ethics and conduct codes, financial controls, and operational guidelines.

Internal Audits: Review findings from internal audits to ensure compliance and address any identified deficiencies or issues.

- Risk Management Monitoring

Effective risk management is crucial for the company's stability and success:

Risk Assessment: Monitor the identification and assessment of key risks, including financial, operational, strategic, and compliance risks.

Risk Mitigation: Oversee the implementation of risk mitigation strategies and evaluate their effectiveness in managing identified risks.

Crisis Management: Ensure that crisis management plans are in place and regularly tested to address potential emergencies or significant issues.

- Strategic Alignment

The Board must ensure that company activities are aligned with strategic goals:

Strategic Initiatives: Monitor the implementation of strategic initiatives and projects to ensure they are executed effectively and contribute to the company's objectives.

Strategic Adjustments: Evaluate the need for adjustments to strategic plans based on performance results, emerging trends, or changes in the external environment.

- Monitoring Processes and Tools

Reporting Systems: The board shall establish robust reporting systems to facilitate effective monitoring.

Regular Reports: Implement a system for regular reporting to the Board, including financial reports, operational updates, and risk management summaries.

Dashboards: Utilize dashboards and other reporting tools to provide real-time insights and facilitate data-driven decision-making.

- Meetings and Reviews

The Board shall conduct regular meetings and reviews to monitor key aspects of the company's performance.

Board Meetings: Hold regular Board meetings to review performance reports, compliance updates, and risk management issues.

Committee Meetings: Utilize specialized committees, such as Audit or Risk Committees, to focus on specific areas of oversight and provide detailed reports to the full Board.

- Performance Evaluation

The Board shall evaluate the effectiveness of monitoring processes and make necessary improvements.

Process Review: Regularly review monitoring processes to ensure they are effective and aligned with best practices.

Feedback Mechanisms: Implement feedback mechanisms to gather input from Board members and management on the effectiveness of monitoring practices.

- **Communication and Accountability**
- Communication Protocols

The Board shall establish clear communication protocols to support effective monitoring:

Information Flow: Ensure that relevant information flows efficiently between the Board, management, and committees to support informed decision-making.

Issue Escalation: Implement procedures for escalating significant issues or concerns to the Board for timely resolution.

- Accountability

The Board shall ensure accountability in monitoring practices by;

Responsibility Assignment: Clearly define and assign responsibilities for monitoring activities to Board members, committees, and management.

Performance Reviews: Conduct regular performance reviews of Board members and management to assess their effectiveness in fulfilling monitoring responsibilities.

- Training and Development

Board Training: Provide training and development opportunities for Board members to enhance their monitoring capabilities.

Ongoing Education: Offer ongoing education on governance, risk management, and compliance to keep Board members informed about best practices and regulatory changes.

Specialized Training: Provide specialized training on areas such as financial oversight, strategic planning, and industry-specific issues.

Management Training: Ensure that management receives training on effective reporting and compliance practices.

Management Workshops: Conduct workshops and training sessions for management to enhance their skills in reporting, compliance, and risk management.

- Evaluation and Improvement

Regularly evaluate the effectiveness of monitoring practices,

Performance Metrics: Assess the effectiveness of monitoring processes based on performance metrics and feedback from shareholders.

Continuous Improvement: Use evaluation results to make continuous improvements to monitoring practices and ensure they remain effective and relevant.

- Best Practices

Stay informed about best practices in monitoring and incorporate them into Board activities.

Industry Trends: Keep abreast of industry trends and emerging best practices to enhance monitoring practices.

Benchmarking: Compare monitoring practices with those of other companies to identify areas for improvement and adopt best practices.

### 14. REVIEW AND REVISION

- **Review Process**
  - Scheduled Reviews

The Board shall schedule regular reviews of Board policies to ensure they remain current.

Review Frequency: Determine the frequency of policy reviews based on factors such as regulatory requirements, company changes, and industry standards. Common intervals include annually or biennially.

Review Calendar: Maintain a review calendar that outlines the timing for each policy review and the responsible parties.

- Ad-Hoc Reviews

Conduct ad-hoc reviews in response to significant changes or events.

Regulatory Changes: Initiate a review when there are changes in laws or regulations that impact the policies.

Company Changes: Review policies following major company changes such as mergers, acquisitions, or structural company.

Emerging Issues: Address emerging issues or risks that necessitate updates to existing policies.

- Review Responsibilities

Assign clear responsibilities for conducting policy reviews:

Policy Review Committee: Nominations and Governance Committee or similar body responsible for overseeing the review process.

Board Members: Involve relevant Board members in the review process to ensure comprehensive evaluation and input.

Management Input: Engage management to provide insights and feedback on the effectiveness and applicability of policies.

- **Revision Process**
  - Identifying Need for Revisions

Determine when revisions are necessary based on the review findings.

Policy Gaps: Identify gaps or deficiencies in existing policies that need to be addressed.

Improvement Opportunities: Recognize opportunities to enhance policies based on best practices, stakeholder feedback, or operational requirements.

- Revision Procedures

Follow established procedures for revising policies.

Draft Revisions: Develop draft revisions to policies based on review findings and identified needs. Ensure that drafts are clear, comprehensive, and aligned with legal and regulatory requirements.

Consultation: Consult with relevant Board members, legal advisors, and management, to gather input on proposed revisions.

Approval: Submit revised policies to the Board for approval. Ensure that the approval process includes thorough review and discussion.

- Implementation and Communication

Implement and communicate revised policies effectively.

Policy Dissemination: Distribute revised policies to all relevant shareholders, including Board members, management, and staff.

Training: Provide training or briefings on significant policy changes to ensure understanding and compliance.

Documentation: Update policy documents and records to reflect the revised policies and ensure accessibility for future reference.

- **Monitoring and Evaluation**
- Monitoring Policy Effectiveness

Monitor the effectiveness of revised policies to ensure they achieve their intended outcomes.

Performance Metrics: Develop and track metrics to assess the impact of policy changes on company performance and compliance.

Feedback Mechanisms: Implement mechanisms for ongoing feedback from shareholders to evaluate the effectiveness of revised policies.

- Continuous Improvement

Use monitoring results to drive continuous improvement:

Review Feedback: Analyse feedback and performance data to identify areas for further enhancement or adjustment.

Update Processes: Regularly update the policy review and revision processes based on lessons learned and evolving best practices.

- **Documentation and Records**
- Record Keeping

Maintain accurate records of the review and revision process.

Review and Revision Logs: Keep detailed logs of all policy reviews and revisions, including dates, participants, and key decisions.

Version Control: Implement version control to track changes to policies over time and ensure the availability of historical records.

- Compliance Documentation

Ensure that documentation meets legal and regulatory requirements.

Regulatory Compliance: Adhere to any regulatory requirements related to the documentation and approval of policy changes.

Audit Trail: Maintain an audit trail of policy revisions for transparency and accountability.

- **Training and Awareness**
- Board Training

Provide training to Board members on the policy review and revision process:

Training Sessions: Offer training sessions on the importance of policy review and revision, and how to effectively contribute to the process.

Ongoing Education: Include policy review and revision as part of ongoing Board education programs.

- Management Training

Ensure that management understands the implications of policy changes:

Policy Briefings: Provide briefings or training sessions for management on revised policies and their impact on operations and compliance.

## 15. AMENDMENTS

This policy may be amended or revised by the Company's Board of Directors from time to time. Personnel will be notified of any changes and must comply with the updated provisions.

### 16. DOCUMENTATION

The Company Secretary shall maintain all records related to this policy.

### 17. VERSION CONTROL

This policy was adopted by the Board of Directors of JAT Holdings PLC and shall become effective from 01st October 2024.