

Corporate Governance Report



Chairman's Introduction to Corporate Governance

At Talawakelle Tea Estates PLC (TTE), we believe good governance is a key differentiator that positions us for sustained growth in an ever-changing landscape. Hence our commitment to robust governance goes beyond mere compliance; it is a fundamental pillar woven into the very fabric of our organizational culture. Governance shapes our strategic decision-making, risk management frameworks, and all our stakeholder interactions. We are dedicated to continuously evolving our governance architecture to protect the interests of our shareholders and also to foster trust, confidence, and long-term sustainability in our relationships with employees, customers, suppliers, and the wider community.

The Board

Throughout the year, the Board of Directors remained actively engaged in guiding the Company's strategic direction and ensuring the continued success and sustainability of our operations. The Board convened four times during the year and held an additional session to approve the budget for the upcoming financial year and to review the Company's long-term strategy and business plan.

Board Refreshment

Our ongoing Board refreshment process resulted in several Board changes in the current year. We welcomed Mr. Darshana Gunasekara and Ms. Harshani Randiligama to the TTE Board in December 2024 as a Non Executive and Independent Non Executive respectively. Mr. Gunasekara brings extensive financial and executive expertise from his successive roles as Chief Financial Officer, while Ms. Randiligama brings a wealth of executive experience accumulated through various positions in local

and international companies. Additionally, Mr. Milinda Hewagama, who serves as the Group Chief Financial Officer of the Hayleys Group with extensive experience in financial reporting, ESG, tax, risk, safety, and corporate secretarial functions, also joined the TTE Board in May 2025, as a Non -Executive Director.

Board Committees

I am pleased to report that all Board Committees were actively involved in executing their mandates, as outlined by their respective TOR's. The Audit Committee assisted the Board in monitoring the integrity of financial reporting, reviewing the effectiveness of internal controls, risk management, and compliance.

The Related Party Transaction Review Committee continued its valuable work to ensure that all related party transactions during the year were conducted in an orderly manner and complied with the necessary regulatory requirements.

Likewise, the Remuneration Committee remained proactive in reviewing and strengthening the Company's compensation structures to ensure they remain competitive and effective in retain high-performing executives.

The Nomination and Governance Committee continued to support the Board refreshment process that led to the appointment of three new Directors during the year. The Committee also undertook to monitor the publication of twelve policies mandated under section 9 of the CSE's revised Listing Rules on Corporate Governance issued in 2024.

Conclusion

I would like to confirm that Talawakelle Tea Estates PLC has fully adhered to the corporate governance directives established under the latest regulations issued by the Colombo Stock Exchange for listed entities, as well as the principles set forth in the Code of Best Practices on Corporate Governance (2023), issued by Institute of Chartered Accountants of Sri Lanka. On behalf of the Board, I further declare that the Board of Directors, Corporate Management, and employees of TTE have conducted the affairs of

the Company in good faith, in strict compliance with the provision of the Hayleys Way - Code of Conduct including the Anti-Bribery and Corruption Policy, and all other relevant conduct practices.

The Board is satisfied that it has effectively discharged its duties and obligations during the year, ensuring the highest standards of governance, accountability, and oversight. We also confirm that the fit and proper assessment criteria stipulated in the Listing Rules have been duly met and that the Company has complied with the requirements of the Policy on Matters Relating to the Board.

Mohan Pandithage
Chairman

Corporate Governance Report

Talawakelle Tea Estates PLC (TTE) Corporate Governance Approach

GRI 2-9

TTE's approach to corporate governance is anchored in a strong commitment to transparency, accountability, and ethical conduct across every face of its operations. While fully aligned with the regulatory requirements applicable to entities listed on the Colombo Stock Exchange, TTE goes beyond compliance to integrate global best practices into its governance framework.

The Company's internal constitution, including its Articles of Association, governance policies, charters, and code of conduct, are all carefully designed to uphold both regulatory standards and internationally recognised principles of good governance. This commitment is further accentuated by a strong commitment to ethical behaviour at all levels of the organisation, underpinning decision-making processes and fostering responsible relationships with all stakeholders.

The Board

TTE's Board of Directors functions as the Company's highest governing authority, providing strategic direction and oversight in line with its Terms of Reference as outlined in the Board Charter. As the chief custodian of the organisation, the Board is responsible for establishing TTE's mission, vision, and long-term goals, while offering entrepreneurial leadership to drive the effective execution of strategic initiatives in the best interest of all stakeholders.

The Board is also the main authority responsible for establishing a governance framework that represents the Company's commitment to transparency, accountability, and ethical integrity. Moreover, as the apex governing body entrusted with oversight and control of the Company, certain key matters, particularly those of strategic, financial, operational, and legal significance, are expressly reserved for the Board's direct consideration and approval.

In compliance with the revised Corporate Governance Listing Rules issued by the Colombo Stock Exchange in 2024, a comprehensive Policy on Matters Relating to the Board of Directors was introduced. This policy consolidates the Board's role and responsibilities.

Matters Reserved Expressly for Board Consideration

Risk Capital and Liquidity Planning

- Changes relating to the Company's capital structure
- Approval of the annual capital plan
- Approval of risk appetite

Financial Results and Dividends

- Approval of interim and final financial statements, dividends and any significant change in accounting policies or practices

Strategy

- Approval of the Company's strategic plan
- Reviewing actual performance against strategy
- Approving capital projects, investments, acquisitions, mergers and disposal

Remuneration

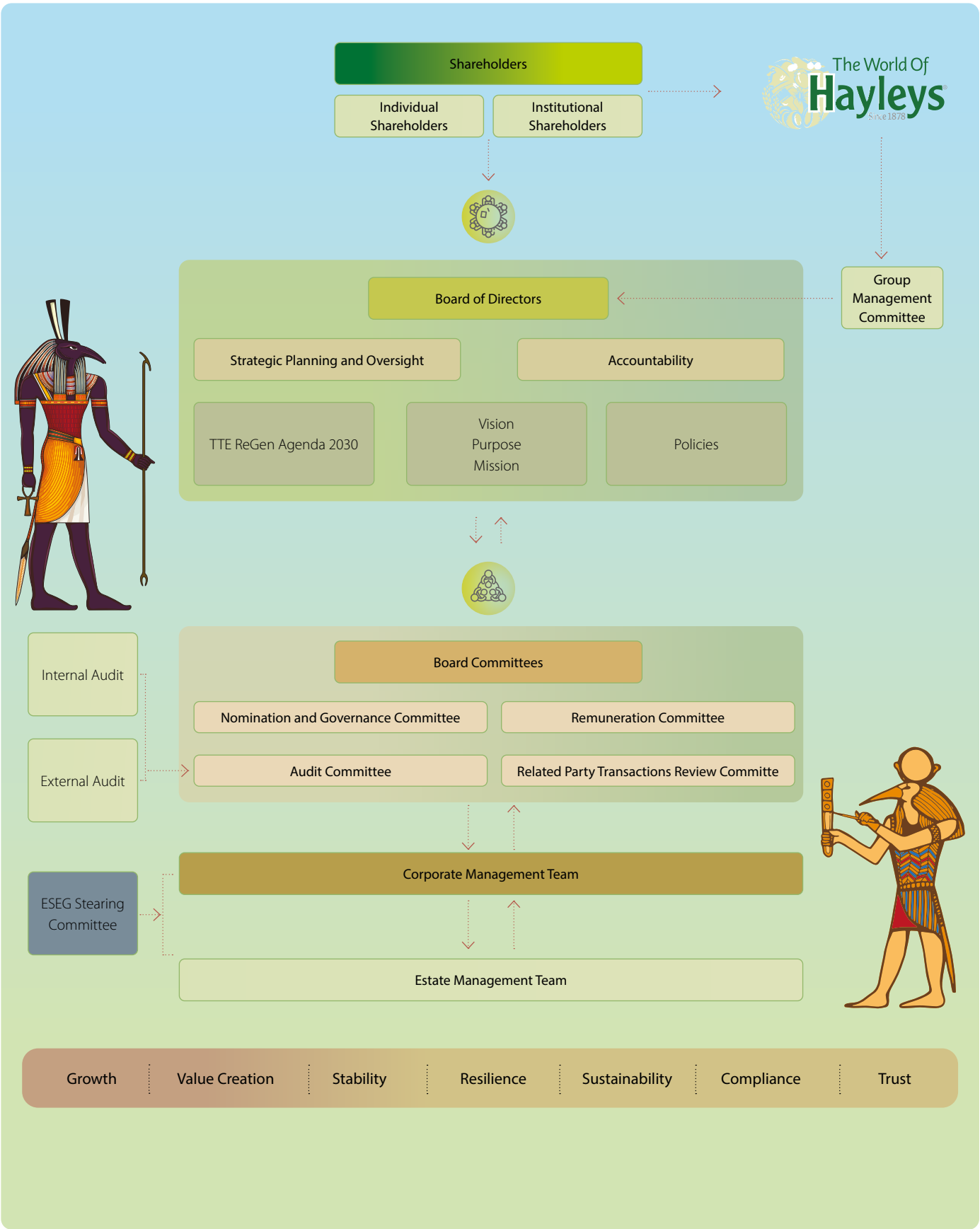
- Approval of the framework for determining the policy and specific remuneration of the MD and Executive Directors and KMP's
- Approval of Non-Executive Director payments

Board and Sub Committee Membership

- Board Appointments and removals
- Establishment of Board Committees and their membership

Governance and Control

- Approval of principal regulatory filings
- Review and update the Terms of Reference (TOR) of Board Sub Committees
- Approval of Board and Board Sub Committees performance evaluation process
- Review and update the Corporate Governance Framework
- Approval of division of responsibilities between the MD and the Chief Executive Officer
- Appointment (or removal) of the Company Secretary or Key Management Personnel (KMPs)



Corporate Governance Report

Board Composition

GRI 2-9, 2-17

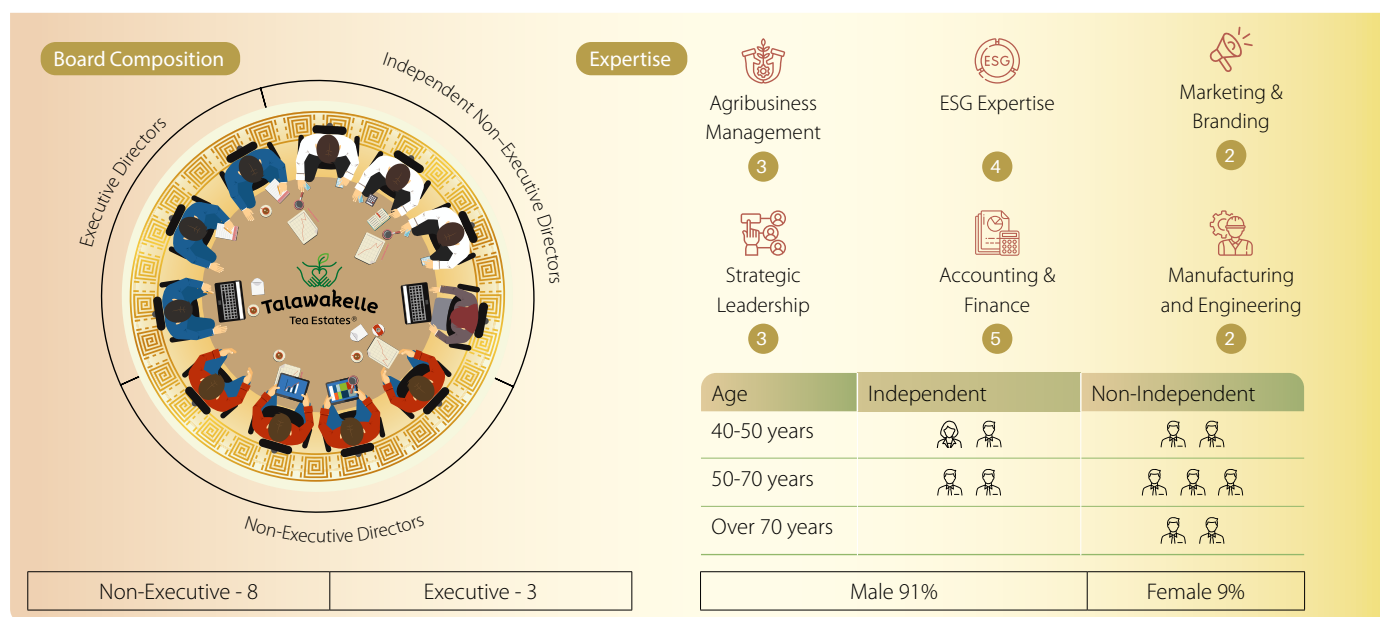
TTE is governed by a well-structured and balanced Board. The Board composition is guided by the Company's Articles of Association along with applicable statutory requirements, including the Listing Rules of the Colombo Stock Exchange and, where relevant, sector-specific regulations.

In the year under review, the composition of the TTE Board was realigned to reflect the enhanced focus on balance and diversity outlined in the revised Corporate Governance Listing Rules introduced by the Colombo Stock Exchange

The new Board balance and diversity guidelines were incorporated into the new Policy on Matters Pertaining to the Board of Directors, implemented in line with section 9 of the new CSE listing rules issued in 2024. .

As at 31st March 2025, the TTE Board consisted of 10 Directors, consisting of 03 Executive Directors and 07 Non-Executive Directors, of whom 04 were Independent Non-Executive Directors. On May 5, 2025, Mr Milinda Hewagama was appointed as a non-executive non-independent director. This composition is considered appropriate and compliant with all relevant regulatory frameworks applicable to the Company's scope of operations.

Corporate Governance Framework



Board Changes for FY 2024/25

New Appointments	Resignations	Retirement	Re-election
Mr. A. M. J. Fernando was appointed as Non-Executive Director with effect from 1st August 2024	Mr. D. C. Fernando, Non-Executive Director, resigned with effect from 1st August 2024	Mr. M. J. Fernando, Non-executive Director, retired by rotation	Mr. M.J. Fernando, Non-executive Director, being eligible offer for re-election.
Mr. J. D. N. Gunasekera was appointed as an Non-executive Director with effect from 27th December 2024	Mr. M. H. Jamaldeen, Non-executive Director resigned with effect from 14th November 2024	Lt.Col Janak Manuja Kariapperuma, independent Non-executive Director, retired by rotation	Lt.Col Janak Manuja Kariapperuma, independent Non-executive Director, being eligible offer for re-election.
Ms. H. Randiligama was appointed as an Independent Non-executive Director with effect from 27th December 2024	Ms. M. D. A. Perera, Non-executive Director resigned with effect from 24th December 2024		
Mr. T Milinda Hewagama was appointed as an Non-executive Director with effect from 5th May 2025	Mr. A. M. J. Fernando, resigned as an Alternative Director to Mr. D.C Fernando w.e.f 1st August 2024 and in 24th December 2024 resigned as a Non-Executive Director		

Non-Executive Directors

The presence of Non-Executive Directors (NEDs) on the TTE Board brings an essential layer of independent oversight, contributing to sound decision-making and strengthening the integrity of Board processes. By actively engaging in Board deliberations, sub-committees, and governance activities, NEDs reinforce transparency, accountability, and ethical conduct across the organisation in turn building stakeholder confidence and trust.

To preserve their independence, all Independent Non-Executive Directors are required to be free from any relationships or associations that could materially impair, or be perceived to impair, their ability to act in the best interests of the Company. The independence of each NED is assessed in accordance with the criteria set out in the Corporate Governance Code issued by the Institute of Chartered Accountants of Sri Lanka.

The Board affirms that all currently serving Non-Executive Directors meet the established independence criteria and continue to contribute meaningfully to the effective oversight and governance of TTE.

Process for Determining Directors' Independence

Definition	Assessment	Outcome for FY 2024/25
Independence is determined against criteria as set out in the Listing Rules of the Colombo Stock Exchange and in compliance with Schedule C of the CA Sri Lanka Code of Best Practice on Corporate Governance 2023.	<div>Independent assessment of directors is conducted annually by the Board, based on annual declaration and other information submitted by Non-Executive Directors</div> <div>The Board discusses the possibility of any impairment of Directors independence due to extended Board tenures, and collectively evaluates the re-election of such Board members</div>	<div>The Board is satisfied there are no relationships or any other circumstances likely to affect or appear to affect directors' independence during the period under review.</div> <div>Mr S L Athukorala remains on the Board as Non-Executive Directors</div> <div>With effect from 27th December 2024, Mr. Darshana Gunasekera was appointed as an Non-executive Director and Ms. H. Randiligama was appointed as an Independent Non-executive Director. Mr. Milinda Hewagama was also appointed on 05th May 2025 as Non Executive Independent Director</div>

Appointment / Re-Election / Resignation / Retirement of Directors

GRI 2-10

To institutionalise clear guidelines for Director appointments, re-elections, resignations, and retirements, TTE adopted a Policy on Corporate Governance, Nominations and Re-election, effective from September 2024, in line with the revised CSE Listing Rules on Corporate Governance.

Under this policy, the Board Nominations and Governance Committee (NGAC) was assigned the responsibility of evaluating potential candidates for new appointments. The Committee will conduct a rigorous assessment of each nominee's professional qualifications, industry experience, integrity, and overall reputation, while also checking for any conflicts of interest or excessive external commitments that may impair their ability to fulfil their duties. Due consideration will also be given to each candidate's profile, including factors such as age, gender, and other attributes that may enhance the Board's diversity and overall effectiveness. Recommended candidates are then submitted to the Board for approval, with any interim appointments formally ratified by shareholders at the subsequent AGM.

In accordance with the Company's Articles of Association, one-third of all the Directors except the Managing Director and those who have been appointed to the Board since the last AGM, retire by rotation and submit themselves for re-election at the AGM. The Board undertakes to review directors' eligibility for re-election taking into account their past performance, including participation, engagement, and contributions to Board matters.

In compliance with corporate governance and regulatory requirements, all new Board appointments are promptly disclosed to the Colombo Stock Exchange (CSE). These disclosures include a profile of the appointee, outlining their qualifications, sectoral experience, directorships in other companies, and any shareholding in TTE. The same disclosure process is followed in the event of a Director's resignation.

Profiles of all current Board members are featured on pages 38 to 41 of the annual report.

Duties and Responsibilities of Individual Directors

All Board members are expected to commit the necessary time and effort to fulfill their responsibilities effectively. This includes active participation in Board meetings, where they leverage their expertise, skills, and experience to contribute to informed decision-making. Additionally, all Directors are required to participate in the annual self-assessment process, a key component of the comprehensive Board evaluation framework, ensuring continuous enhancement of governance effectiveness and strategic oversight.

Conflicts of Interest

GRI 2-15

All Directors of the TTE Board are expected to act with the highest standards of good faith in all dealings on behalf of the Company, while proactively avoiding situations that could give rise to actual or perceived conflicts of interest.

Clear protocols have been established for identifying, disclosing, and managing conflicts of interest. Directors are required to exercise due diligence in identifying such situations and are obligated to disclose any potential conflicts to the Board without delay.

Upon appointment, and thereafter on a quarterly basis, all Directors are required to formally declare their direct, indirect, beneficial, and non-beneficial interests in any existing or proposed contracts involving the Company. These declarations are recorded in the Directors' Interests Register, which remains available for inspection in accordance with applicable regulations.

Where a conflict of interest arises, the Director concerned is expected to recuse himself or herself from all related Board deliberations and to abstain from voting on the matter in question.

Corporate Governance Report

Oversight of conflict of interest matters falls under the purview of the Related Party Transactions Review Committee (RPTRC), which is tasked with reviewing disclosures made by Directors and recommending appropriate courses of action to the Board to address and mitigate any conflicts in a fair and transparent manner.

The Company confirms that no Director holds a direct or indirect interest in any contract or proposed contract with the Company, other than those disclosed in Note 32 of the Financial Statements.

Board Directors Access to Information and Resources

GRI 2-16

During the reporting period, no critical concerns were formally communicated to the highest governance body. Board Members continued to receive Board Packs well in advance, ensuring adequate time for review and informed decision-making. Directors maintained unrestricted access to additional information and resources as needed. Continuous professional development was supported through company-funded training and learning opportunities. An annual self-assessment process also helped identify director training needs. A structured induction program was conducted for new Board Members during the year, covering essential governance and operational modules to ensure alignment with fiduciary responsibilities and strategic oversight.

Directors Remuneration

GRI 2-19, 20

The TTE Board is committed to ensuring that its remuneration practices are fair, responsible, and transparent. The Company aligns with the Remuneration Policy giving priority to responsible and performance-driven remuneration based on the following principles:

- Rewarding performance in the context of prevailing industry benchmarks;
- Ensuring remuneration is commensurate with the level of expertise, contribution, business performance, and shareholder value creation

In keeping with these guidelines, the Company's Remuneration Committee is entrusted with the responsibility of recommending appropriate remuneration

structures for Executive Directors and Key Management Persons (KMPs), to attract and retain top-tier professionals by offering industry-competitive packages that reflect the responsibilities and risk profile of each role. Executive remuneration includes a variable component linked to the achievement of sustainable business objectives, including performance against ESG-related targets.

Remuneration of Executive Directors is fully compliant with the provisions set out in Schedule G of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (2023). There are no contractual clauses entitling Executive Directors to additional compensation in the event of early termination. Any such payments, if applicable, would be at the sole discretion of the Board.

In preserving the independence, objectivity, and quality of oversight, Non-Executive Directors (NEDs) are remunerated through fixed fees for their service on the Board and its Committees. These fees are benchmarked annually against market norms to ensure they remain competitive and aligned with best practices in corporate governance.

In the current year the Board adopted a formal Policy on Remuneration, in line with the revised CSE Listing Rules on Corporate Governance.

For Financial Year 2024/25, the aggregate remuneration paid to Executive and Non-Executive Directors amounted to Rs. 53.6 million.

Board Succession Planning

TTE has a well-structured Board succession planning process in place to ensure continuity of executive leadership at Board level. This process is guided by a formal Board Succession Procedure. The NGC plays a central role in reviewing Board succession matters, evaluating potential successors from the Company's Key Management Personnel (KMPs), while identified potential candidates are onboarded for targeted development, under the oversight of the Nominations and Governance Committee.

Induction and Training for Directors

GRI 2-17

All newly appointed Directors undergo a structured induction programme designed to familiarise them with TTE's structure, strategy, and operations. As part of this process, each Director receives an orientation pack

containing key internal policies and external reference materials to help them gain a well-rounded understanding of the business. The induction also includes meetings with the Board chairman, MD, members of the senior management team and site visits to meet estate management to gain an insight into day-to-day activities.

Further, Directors are provided with access to ongoing training, both internal and external to help them stay informed on emerging issues, regulatory changes, and industry best practices.

Directors Training - FY 2024/25

MD	CEO
<ul style="list-style-type: none">• UN Global Compact Regional Flagship Event• Sustainability Spotlight: Case Studies from Asia & Oceania Moving Companies Forward Faster• Asia Tea Alliance Meeting in India	<ul style="list-style-type: none">• UNIDO Sustainable Finance Training• The Sri Lanka Climate Summit 2024 -The Ceylon Chamber of Commerce

Key Board Responsibilities

GRI 2-27

Regulatory Compliance

The Board of Directors of TTE assumes the ultimate responsibility for ensuring that the Company operates with integrity and in strict adherence to all applicable legal, regulatory, and ethical standards.

In discharging this responsibility, the Board, supported by its Committees and the Senior Leadership Team maintains ongoing vigilance of the Company's compliance requirements to ensure enterprise-wide conformance with regulatory obligations.

Moreover, the Board strives to stay abreast of evolving regulatory requirements and developments through proactive engagement with regulatory authorities, legal counsel, and subject matter experts to ensure that the Company's practices remain aligned with the latest governance expectations and promote early adoption of new regulations where possible.

Recognising the importance of fostering a culture of compliance, the Board has also instituted formal communication channels through which employees and stakeholders may confidentially report concerns or suspected breaches of regulatory or ethical standards.

During the year under review, the Board oversaw the implementation of the new requirements introduced under Section 9 of the CSE Listing Rules on Corporate Governance, with all requisite measures taken in a timely manner to ensure full compliance with the stipulated timelines and regulatory expectations.

There were no incidents of non-compliance of regulations reported in the current financial year.

Financial Reporting and Assurance

The Board holds ultimate responsibility for ensuring the integrity and accuracy of the Company's financial reporting. This includes overseeing the preparation of financial statements that reflect a true and fair view of the Company's financial position and performance. The Board responsibility extends to ensuring appropriate internal controls and accounting policies are in place to safeguard assets, prevent irregularities, and support transparent, timely, and reliable financial disclosures in line with applicable laws, regulations, and reporting standards.

As part of the overall responsibility for financial reporting, The Board reviews and approves all financial reporting outputs, including quarterly and annual reports, thereby ensuring the transparency and integrity of published financial information.

To align with the revised Corporate Governance provisions of the CSE Listing Rules, the Board approved the Policy on Control and Management of Company Assets and Shareholder Investments in September 2024 setting out clear guidelines for asset utilisation, risk mitigation, and internal controls. Likewise the Policy on Corporate Disclosures was approved by the Board in September 2024, to promote greater transparency, accuracy, and consistency in the communicating financial and operational information to stakeholders.

The Board seeks independent assurance regarding the Company's internal control and financial reporting ecosystems. Internal Auditors assure the efficacy of the internal control environment while the external Auditors validates the integrity of the Company's financial position. The Board Audit Committee, on behalf of the Board reviews the plans and work output of both external and internal auditors, including coordinating activities to support the combined assurance model.

For more information, please refer to the Directors' Statement on Internal Control, the Annual Report of the Board of Directors on the Affairs of the Company (pages 230 to 234), and the Statement of Directors' Responsibility (page 235).

Risk Management and Internal Control

The Board discharges its risk oversight responsibilities through a well-structured Integrated Risk Management Framework supported by a robust internal control framework. Oversight of critical risk areas is delegated to the Board Audit Committee. The Board regularly reviews these insights to determine appropriate responses in alignment with the Company's strategic objectives.

In fulfilling this role, the Board also fosters a strong risk-aware culture across the organisation, setting the tone from the top and ensuring that risk management is embedded into day-to-day operations and decision-making at every level.

Reflecting this commitment, a formal Policy on Risk Management and Internal Control was adopted with effect from September 2024, in compliance with the revised Corporate Governance provisions of the CSE Listing Rules. This policy reinforces the Company's proactive approach to identifying, assessing, and mitigating risks in a dynamic business environment.



For more information - please refer to the Risk and opportunity Management Report on page 198.

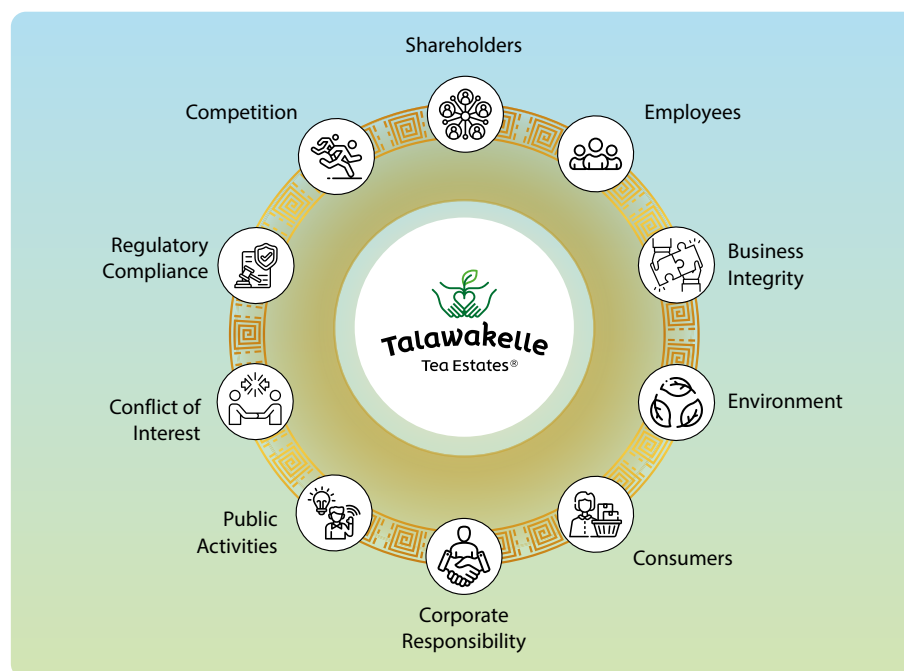
Conduct and Ethics

GRI 2-16, 23, 24, 25, 26 | 3-3 | 13.26.1

As a member of the Hayleys Group, TTE is guided by a strong commitment to ethical leadership and integrity, with the Board setting a clear tone from the top to embed ethical practices across all aspects of the Company's operations. This commitment is further reinforced through the company's Policy on Internal Code of Business Conduct and Ethics which aligned with the "Hayleys Way" – which serves as the foundation to promote responsible decision-making and ethical behaviour at every level of the organisation.

The "Hayleys Way" sets out the standards of conduct expected from all employees and Directors of the Hayleys Group Companies, providing clear guidance on appropriate business behaviour, reinforcing core values and establishing a unified ethical framework to promote a culture of responsibility, accountability, and transparency.

All members of TTE are expected to uphold the principles outlined in the "Haleys Way," which includes key policies such as the Anti-Bribery and Corruption and Whistleblowing – both essential in safeguarding integrity and ethical standards.



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Policy on Anti-Bribery and Corruption Policy

In line with the revised Corporate Governance provisions of the CSE Listing Rules, the TTE Board approved the Policy Anti-Bribery and Corruption in the current year. The policy reinforces a zero tolerance approach to bribery and corruption, including kickbacks, and facilitation payments. It also sets out specific guidelines regarding the giving and receiving of gifts in the course of business, ensuring that such practices do not compromise integrity or create conflicts of interest.

This Policy applies uniformly to all TTE Directors and employees without exception. To ensure continued awareness and compliance, regular training sessions are conducted for both employees and the Board. Furthermore, business partners and third parties acting on the Company's behalf are strongly encouraged to uphold the core principles of the Policy, thus ensuring TTE's operations and relationships are not at risk for bribery or corruption.

Policy on Whistleblowing

In line with the revised Corporate Governance provisions of the CSE Listing Rules, the TTE Board approved the Policy on Whistleblowing. The policy provides a safe, confidential, and structured channel for employees and other stakeholders to report concerns related to unethical behaviour, misconduct, violations of laws or regulations, or breaches of conduct.

The policy is designed to promote a culture of openness, accountability, and integrity, ensuring that individuals feel empowered to raise genuine concerns without fear of retaliation, harassment, or victimisation. Reports made under the Whistleblower Policy are treated with the utmost confidentiality and are independently reviewed to ensure objectivity and fairness.

Policy awareness is reinforced through regular communication and training to ensure employees and all stakeholders understand their rights and responsibilities under the policy.

No complaints were received through the Whistleblower Channel in the current financial year.

The IT Steering Committee provides oversight over key IT initiatives, ensuring they are strategically aligned, efficiently executed, and deliver tangible value to the business. The Group IT Policy and Group Information Security Policy, together governs the management of IT resources, data protection, and safeguarding the integrity and confidentiality of critical information assets. Periodic audits are conducted to evaluate the performance and security of IT systems, with findings used to drive continuous improvement. The Group Head of IT also serves as the Chief Information Security Officer (CISO), overseeing the TTE's information security posture. Cybersecurity remains a critical focus, regularly featured on the agenda of the Group Management Committee and escalated to the Board when necessary based on risk exposure, impact, and materiality.

Human Capital Governance

As a large plantation Company with operations spread across multiple estates and factory operations, the Board ensures that a structured governance framework is in place to manage the complexities of human resource management effectively.

While overall strategic direction and Policy oversight remain with the Board, day-to-day responsibilities are systematically delegated. The Central HR Head is entrusted with translating Board directives into Company-wide HR policies and frameworks covering areas such as recruitment, performance management, learning and development, and employee engagement. The Board has directed DE&I (Diversity, Equity and Inclusion) as a key theme across all these aspects.

At the operational level, Estate HR Managers are responsible for implementing these policies on the ground. They act as the primary touch-points for employees across estates, ensuring that all HR initiatives are aligned with the Company's principles of fairness, equity, and inclusion. This includes managing employee welfare, addressing grievances, and creating a safe, healthy, and respectful work environment that supports the physical and mental wellbeing of all employees.

Anti-Corruption

GRI 205-1, 2, 3 | 13.26.2, 13.26.3, 13.26.4

In 2024/25, all (16 estates, 15 factories, and Head Office) representing 100% of operations were assessed for corruption risks. No significant risks were identified.

TTE's Anti-Bribery and Corruption Policy was communicated and/or trained as follows:

- Governance Body: 10 Directors (100%) received the policy communication.
- Employees: 60% of employees across all estate and factory regions have received the anti-corruption policy communication. All staff at the supervisory level (100%), as well as all employees at the management and executive levels (100%), have been covered and formally communicated on the anti-corruption policies and procedures.
- Business Partners: 503 active contractors and suppliers (23%) received the policy through onboarding or contract clauses, mostly operating in the Central and Sothern province.
- Training Coverage: 97 employees (21%) in relevant roles received tailored, role-specific anti-corruption training, with all operational regions covered. None of the Board Directors received anti-corruption training during this reporting year.

There were no confirmed incidents of corruption during the year, and no dismissals, contract terminations, or legal proceedings were reported.

Information Technology (IT) and Digital Governance

The Board holds ultimate accountability for IT governance, ensuring that strategic investments in technology and digital infrastructure are aligned with the Company's long-term business goals and risk management priorities.



For more information - please refer to the Human Capital Report on page 164

ESG Governance

GRI 2-9, 12, 13, 14

The TTE Board holds ultimate responsibility for ESG governance, ensuring that sustainability considerations are integrated into the Company's overall strategy and operations. TTE's approach is aligned with the Hayleys Group's broader ESG structures, where the Hayleys Board holds overall responsibility for formulating the Group's aspirations, strategies, and policies relating to ESG and sustainable development. Supporting these efforts, the Company's ESEG Steering Committee, chaired by the CEO of TTE monitors, manages, and oversees Sustainability-related Risks and Opportunities (SRROs) and Climate-related Risks and Opportunities (CRROs), provides quarterly updates to the TTE Board and the Hayleys Group Management Committee. In addition, the Audit Committee also reviews the Company's principal risks, including those related to sustainability.

TTE's principle approach to ESG is based on integrating CRROs and SRROs into the overall strategy in line with short, medium, and long term business targets. Performance against SRROs and CRROs targets is carefully measured and reported, ensuring transparency and accountability to stakeholders.

The Board also acknowledges its responsibility to report transparently to stakeholders on TTE's commitment to sustainable value creation through the Annual Report.

In compliance with the provisions of the CSE's new listing rules on Corporate Governance issued in 2024, a formal Policy on Environmental, Social and Governance Sustainability was approved by the Board and implemented with effect from September 2024.

Stakeholder Engagement

GRI 2-25, 26

While the Board retains high-level responsibility for stakeholder engagement, the day-to-day management of these relationships has been delegated to the Company's leadership. As per the guidelines set by the Board, operational management are tasked with implementing appropriate initiatives to interact with stakeholders to understand their concerns and expectations.

Further details on the methodologies employed for engaging with different stakeholders, including the frequency of engagement and other pertinent information, can be found in the Stakeholder Engagement section on page 61 to 65 of this report.

Shareholder Relations

The Board is firmly committed to cultivating strong, trust-based relationships with shareholders through timely, accurate, and transparent communication. Shareholders are kept apprised of the Company's strategic direction, financial performance, and material developments through periodic disclosures to the Colombo Stock Exchange (CSE), the publication of quarterly and annual financial statements, and TTE's Annual Integrated Report.

In keeping with its commitment to inclusive and meaningful engagement, the Board actively encourages shareholder participation at the Annual General Meeting, which serves as a vital platform for dialogue and accountability. Shareholders are further afforded the opportunity to engage directly with the Company Secretary, thereby ensuring their perspectives are acknowledged and addressed beyond formal assemblies.

In compliance with the provisions of the CSE's new listing rules on Corporate Governance issued in 2024, the Board approved the Policy on Relations with Shareholders and Investors.

Annual General Meeting (AGM)

The AGM serves as the main platform for shareholders to connect with the TTE's leadership. All Directors and senior management members are present at the AGM, facilitating two-way dialogue between shareholders and key decision makers of the Company.

The Annual Report, notice of the AGM, resolutions requiring shareholder approval, and voting instructions are distributed to shareholders at least 15 working days prior to the meeting, thus allowing ample time for shareholders to prepare for the AGM.

TTE's 2023/24 AGM held on June 2024 concluded successfully with a high degree of shareholder participation. The Company's 2024/25 AGM is scheduled to be held on 23rd June 2025.

BOARD MEETINGS



Board meetings are held every quarter or more often when needed. The Chairman takes the lead in ensuring effective Board meetings by ensuring all Directors have the opportunity to contribute, thereby promoting open, constructive discussions and encouraging diverse perspectives, while keeping a strict focus on addressing all agenda items, including deliberation of Board resolutions.

Senior management members are also often attend Board meetings on invitation.

Access to Information

All Board Directors are entitled to access information necessary for effective preparation and meaningful participation in meetings. Directors can request to review details pertaining to operations, financial performance, risks, and strategic plans, as well as access any relevant documents at any time. They are also permitted to engage with members of the senior management to seek clarifications as required. Additionally, Directors have the option to obtain independent professional advice as needed to enable them in fulfilling their responsibilities as Board members. All such expenses are borne by the Company.

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The Company Secretary is responsible for preparing and maintaining the minutes of each Board meeting. These minutes are first reviewed and approved by the Chairman before being circulated to the Directors and relevant members of the Corporate Management who participated in the meeting.

A total of 04 Board meetings were held in FY 2024/25.

Attendance at Meetings

Directors	Status	Year of Appointment	Board	Audit Committee	Related Party Transactions Review Committee	Remuneration Committee	Nomination and Governance Committee
Mr A M Pandithage (Chairman)	ED	2009	4/4				
Dr W G R Rajadurai (MD)	ED	2013	4/4				
Mr S B Alawattegama (Director/CEO)	ED	2020	4/4				
Mr Malik J Fernando	NED	1998	2/4				
Mr D C Fernando (resigned w.e.f. 1st August 2024)	NED	2023	1/1				
Mr S L Athukorala (Ceased to sub-committee chairman 27/12/2024)	NED	2016	4/4	4/4	4/4	1/1	3/3
Lt.Col J M Kariapperuma	INED	2020	4/4				
Mr N Ekanayake (Appointed as Committee Chairman 27/12/2024)	SID	2024	4/4	4/4	4/4	1/1	3/3
Mr M C B Talwatte	INED	2024	4/4	4/4	4/4	1/1	3/3
Ms H Randiligama (appointed on 27/12/2024)	INED	2024	2/2				
Mr J D N Gunasekera (appointed on 27/12/2024)	NED	2024	2/2				
Mr T M Hewagama (appointed on 05/05/2025)	NED	2025	1/1				
Mr M H Jamaldeen (resigned w.e.f 14/11/2024)	NED	2017	1/2				
"Mr A M J Fernando(resigned as an Alternative Director to Mr. Dilhan Fernando w.e.f. 1st August 2024. appointed as a Non Executive Director w.e.f. 1st August 2024 and resigned w.e.f 24th December 2024)"	NED	2023	2/2				
Ms M D A Perera (resigned w.e.f 24/12/2024)	NED	2012	2/2	2/2	2/2	1/1	2/2

ED – Executive Director | NED – Non Executive Director | INED – Independent Non Executive Director | SID Senior Independent Director

Division of Responsibilities

GRI 2-11

The division of responsibilities at the leadership level is designed so that no one individual has unfettered decision making powers, enabling both governance and management functions to be conducted with the highest standards of professionalism and integrity.

To this end, there is a clear separation of roles between TTE's Chairman and Managing Director (MD)/ CEO, ensuring that their respective responsibilities are distinct and effectively managed.

Moreover, given that TTE's Chairman - Mr. A.M. Pandithage serves in an Executive capacity, the Company has appointed a Senior Independent Director - Mr. N. Ekanayake who has served in this capacity since 27 December 2024.

Chairman

- Provides strategic leadership and direction to the Board
- Ensures Board effectiveness by fostering active participation, balanced debate, and collaboration among members
- Sets the Board's annual work plan and agenda in coordination with the Company Secretary and MD/CEO
- Promotes transparent and regular communication with shareholders, ensuring their views are conveyed to the Board
- Upholds stakeholder trust and ensures an appropriate balance of power between Executive and Non-Executive Directors
- Oversees the performance and effectiveness of the Board and its Sub-Committees

Managing Director / CEO

- Prepares and recommends budgets aligned with the Company's strategic objectives for Board approval
- Monitors organisational performance, ensuring compliance with applicable regulatory and policy frameworks, with regular reporting to the Board
- Ensures that operations are conducted within the risk appetite approved by the Board
- Establishes an efficient and well-structured organisational framework for the Company
- Oversees succession planning and performance evaluation of the Executive Team
- Fosters a corporate culture aligned with the Company's core values

Senior Independent Director (SID)

- Acts as a trusted intermediary, representing the views of Non-Executive Directors and supporting open dialogue on governance matters
- Addresses Board effectiveness issues by raising concerns with the Chairman or relevant Board members
- Supports the Chairman and MD/CEO on Board matters and facilitates Director interactions
- Serves as the primary contact for Directors to confidentially discuss unresolved concerns, including those related to the Chairman-MD/CEO relationship
- Meets annually with Non-Executive and Executive Directors separately to discuss governance matters and communicates key concerns to the Board
- Attends shareholder meetings and remains informed of shareholder concerns

Company Secretary

- Guides the Board in discharging its duties in line with corporate governance best practices
- Keeps the Board informed of relevant legislative and regulatory developments
- Ensures Board and General Meetings comply with the Articles of Association and applicable laws and regulations
- Maintains accurate minutes of Board meetings, ensures review by the Chairman, circulation to members, and formal approval
- Keeps the official minute book accessible for inspection by any Director
- Provides Directors with access to necessary advice and services to ensure compliance with governance procedures
- Facilitates Directors' requests for independent professional advice at the Company's expense

Corporate Governance Report

Board Sub Committees

To assist in performing its oversight role, the Board has appointed several sub-committees to provide oversight in specific key areas. In keeping with good governance best practices, the Chairman of each Board sub-committee is required to present an update to the Board outlining any significant matters discussed at their respective Board sub-committee meetings held since the previous Board meeting.

The Committee	Areas of Oversight	Composition 2024/25	More Information
Audit Committee (AC)	<ul style="list-style-type: none"> Financial Reporting Internal Control Internal and External Audit Risk Management 	Mr N Ekanayake (SI) Chairman Mr M C B Talwatte (INE) Mr S L Athukorala (NE) Chairman	AC Report on Page 224
Nominations and Governance Committee (NGC)	<ul style="list-style-type: none"> Appointment of Key Management Personnel KMPs and Directors Succession Planning Monitoring and evaluating the effectiveness of the Board, its composition and its Committees Reviews company's overall corporate governance framework Ensure complies with the Listing Rules and other relevant regulations 	Mr N Ekanayake (SI) Chairman Mr M C B Talwatte (INE) Mr S L Athukorala (NE) Chairman	NGC Report on Page 222
Remunerations Committee (RC)	<ul style="list-style-type: none"> Remuneration policy for KMPs Goals and Targets for KMPs Monitoring and evaluation of performance of MD and KMPs Review annual salary increment and bonuses 	Mr N Ekanayake (SI) Chairman Mr M C B Talwatte (INE) Mr S L Athukorala (NE) Chairman	RC Report on page 227
Related Party Transactions Review Committee (RPTRC)	<ul style="list-style-type: none"> Review related party transactions 	Mr N Ekanayake (SI) Chairman Mr M C B Talwatte (INE) Mr S L Athukorala (NE) Chairman	RPTRC Rept on page 228

In compliance with the provisions of the CSE's new listing rules on Corporate Governance issued in 2024, the Policy on Board Committees was approved by the Board to standardise the governance processes of all Board sub-committees, detailing their respective Terms of Reference (TOR), reporting obligations, and structural composition.

Company Secretary

The Company Secretary plays a crucial role in ensuring the effectiveness of the Board and its governance framework. As a trusted advisor to the Board, the Company Secretary is responsible for providing guidance on corporate governance practices, regulatory compliance, and Board procedures. Directors have unrestricted access to the Company Secretary.

Board and Board Sub Committee Evaluation

GRI 2-18

The effectiveness of the Board and its sub-committees is assessed on an annual basis through a comprehensive self-assessment completed by all Directors. This assessment provides valuable insights into the Board's composition, balance, strategic focus, decision-making processes, and overall performance. It serves as a critical tool for identifying both strengths and areas for improvement to ensure the Board remains aligned with best practices and is equipped to meet the evolving challenges and opportunities faced by the organisation.

Evaluating the Performance of the Managing Director / CEO

The performance of TTE's Managing Director/CEO is subject to an annual evaluation conducted through a structured process designed to assess the achievement of pre-established targets and objectives. This process is overseen by the Board and involves a thorough review of pre-agreed performance metrics. Based on this evaluation, the Board considers and makes necessary adjustments to the MD/CEO's remuneration in recognition of accomplishments and to drive continued performance improvement.

Number of directorships held in Sri Lankan companies and their names

Classification	Directorships Count	Company
Mr. Mohan Pandithage - Chairman		
ED	11	Hayleys PLC
		Dipped Products PLC
		Singer (Sri Lanka) PLC
		Hayleys Fabric PLC
		The Kingsbury PLC
		Horana Plantations PLC
		Kelani Valley Plantations PLC
		Hayleys Leisure PLC
		Hayleys Fibre PLC
		Alumex PLC
		Haycarb PLC
NED	1	Diesel & Motor Engineering PLC
ED	120	Hayleys Group - 120 Companies
NED	10	Beata Power (Pvt) Ltd
		Joule Power (Pvt) Ltd
		Ocean Network Express Lanka (Private) Limited
		The Beach Resorts Ltd
		Delmege Forsyth & Co. Exports (Pvt) Ltd
		Delmege Coir (Pvt) Ltd
		Delmege Forsyth & Co. (Shipping) Ltd
		Delmege Freight Services (Pvt) Ltd
		Lwwis Shipping (Pvt) Ltd
		Lewis Brown Air Services (Pvt) Ltd
Dr. Roshan Rajadurai - MD		
ED	2	Kelani Valley Plantations PLC
		Horana Plantations PLC
ED	9	Hayleys Group - 9 Companies
Mr. S. B. Alawattagama - CEO		
ED	2	Hayleys Group - 2 Companies
Mr. Nandana Ekanayake -INED		
NED	2	Kelani Valley Plantations PLC
		Hayleys Fabric PLC
ED	3	Siam City Cement (Lanka) Ltd
		Mahaweli Marine (Pvt) Ltd
		Insee Ecocycle Lanka (Pvt) Ltd
Mr. Malaka Talwatte - INED		
NED	2	Kelani Valley Plantations PLC
		Hayleys Fabric PLC

Classification	Directorships Count	Company
EX	3	Saffron Leisure (Pvt) Ltd
		Saffron Solutions (Pvt) Ltd
		Saffron Investments (Pvt) Ltd
Mr. S. L. Athukorala - NED		
NED	3	Hayleys Consumer Products Limited
		Asset Line Finance Limited
		David Pieris Group of Companies
Mr. Darshana Gunasekera - NED		
ED	1	Dilmah Ceylon Tea Company PLC
NED	1	Kahawatte Plantations PLC
ED	3	Patiagama Estates (Pvt) Ltd
		MJF Epigro Renewables (Pvt)Ltd
		Teatime Rocks (Pvt)Ltd
Ms. Harshani Randiligama- INED		
NED	1	Hayleys Leisure PLC
Mr. Milinda Hewagama - NED		

INED - Independent Non-Executive Director

NED - Non -Executive Director

ED - Executive Director

Light Green: Listed entity

Dark Green: Unlisted Entity

Corporate Governance Report

Classification	Directorships Count	Company
NED	2	Kingsbury PLC Hayleys Leisure PLC
NED	18	Hayleys Group -18 Companies
Mr. Malik Fernando NED		
ED	1	Dilmah Ceylon Tea Company PLC
NED	5	Aitken Spence Plantation Management PLC
		Elpitiya Plantations PLC
		Kahawatte Plantations PLC
		Printcare PLC
		Renuka Hotels PLC
NED	13	Durdens Medical & Surgical Hospitals (Pvt) Ltd
		Eastern Resources Holdings (Pvt) Ltd
		Elpitiya Lifestyle Solutions (Pvt) Ltd
		E P P Hydro Power Company (Private) Limited
		Forbes & Walker (Pvt) Ltd
		Hayleys Plantations Services (Pvt) Ltd
		Packages Lanka (Private) Limited
		Printcare Universal (Private) Limited
		Printcare Secure Ltd
		TTEL Hydro Power Company (Private) Limited
		TTEL Somerset Hydro Power Company (Private)Limited
		La Forteresse (Private) Limited
		Water Villas (Pvt) Ltd
ED	41	Brown Hills Development (Pvt) Ltd
		Cape Weligama (Pvt) Ltd
		Ceylon Tea Farmers (Private) Limited
		City Properties (Private) Limited
		Coco Palm Beach (Private) Limited
		Dilma Property Development (Pvt) Ltd
		Dilmah Ceylon Cinnamon Company (Pvt) Ltd
		Ereula Hotels (Private) Limited
		Forbes Plantations (Pvt) Ltd
		Kahawatte Cinnamon (Pvt) Ltd

Classification	Directorships Count	Company
		Leopard Research Association
		LLC Dilmah Rus
		Manel Dream House (Private) Limited
		Merrill J Fernando & Sons (Private) Limited
		Merrill J Fernando Company Limited
		MJF Beverages (Private) Limited
		Dilmah Properties (Private) Limited
		Epoch Investments Lanka (Pvt) Ltd
		MJF Charitable Foundation
		MJFCF-CPLF Centre for Children with Cerebral Palsy and Other Developmental Disorders
		MJF Corporate Services (Private) Limited
		MJF Management Trust (Guarantee) Limited
		MJF Exports (Private) Limited
		MJF Foundation Investments (Private) Limited
		MJF Holdings (Private) Limited
		MJF Leisure (Private) Limited
		MJF Media (Private) Limited
		MJF Properties (Private) Limited
		MJF Tea Gardens (Private) Limited
		MJF Teas (Private) Limited
		PCL Solutions (Private) Limited
		Patiagama Estates (Private) Limited
		Red Rock Beach (Private) Limited
		Resplendent Ceylon (Pvt) Ltd
		Tea Time Rocks (Private) Limited
		Tea Time Rocks Limited
		Tea Trails (Private) Limited
		Timber Concepts (Private) Limited
		Tourism Alliance (Guarantee) Limited
		Wild Island Botanicals (Pvt) Ltd
		Wild Coast Lodge (Pvt) Ltd