

TRUSTING THE NUMBERS

GOVERNANCE

BOARD AND MANAGEMENT PROFILES

BOARD OF DIRECTORS



**KRISHAN
BALENDRA**



**GIHAN
COORAY**



**AMAL
CABRAAL**



**DR. SHARMINI
COOREY**



**SUREN
FERNANDO**



**MANIL
JAYESINGHE**



**MADHAVAN
KARUNAKARAN MENON**



**RUCHIRA
SHUKLA**



**DR. HANS
WIJAYASURIYA**

KRISHAN BALENDRA

Chairperson-CEO



Krishnan Balendra is the Chairperson-CEO of John Keells Holdings PLC (JKH). He is also the Chairperson of the Ceylon Chamber of Commerce. He is a former Chair of the Employers Federation of Ceylon, Nations Trust Bank PLC and the Colombo Stock Exchange. Krishnan started his career at UBS Warburg, Hong Kong, in investment banking, focusing primarily on equity capital markets. He joined JKH in 2002. Krishnan holds a law degree (LLB) from the University of London and an MBA from INSEAD.

GIHAN COORAY

Deputy Chairperson/Group Finance Director



Gihan Cooray is the Deputy Chairperson/Group Finance Director of JKH and has overall responsibility of the Group's finance and accounting, taxation, corporate finance and strategy, treasury, information technology and corporate communications functions. He is the former Chair of Nations Trust Bank PLC. Gihan holds an MBA from the Jesse H. Jones Graduate School of Management at Rice University, Houston, Texas. He is a Fellow Member of the Chartered Institute of Management Accountants, UK, a Certified Management Accountant of the Institute of Certified Management Accountants, Australia and has a Diploma in Marketing from the Chartered Institute of Marketing, UK. He serves as a committee member of the Ceylon Chamber of Commerce and a council member of the Sri Lanka Institute of Directors.

AMAL CABRAAL

Non-Independent Non-Executive Director



Amal Cabraal brings over four decades of leadership experience across local and international markets. He currently serves as Chair of Lion Brewery (Ceylon) PLC, Ceylon Beverage Holdings PLC, Sunshine Holdings PLC, Silvermill Investment Holdings (Private) Limited and the CIC Feeds Group of Companies. He is a member of the Colombo Port

City Economic Commission and also serves on the committee of the Ceylon Chamber of Commerce and the management committee of the Mercantile Services Provident Society.

He previously held the position of Chair and Chief Executive Officer of Unilever Sri Lanka and completed the maximum nine-year tenure as a Non-Executive Director of Hatton National Bank PLC. A marketer by profession, he is a Fellow of the Chartered Institute of Marketing, UK. He holds an MBA from the University of Colombo and is an executive education alumnus of INSEAD, France.

DR. SHARMINI COOREY

Independent Non-Executive Director



Dr. Sharmini Coorey is a former Department Director of the International Monetary Fund (IMF) and a former member of the Presidential Advisory Group advising the Government of Sri Lanka on multilateral engagement and debt restructuring. Her 35-year experience at the IMF includes surveillance and programme work in a range of advanced, emerging market and developing countries in Africa, Asia, Europe and the Western Hemisphere, as well as Fund policy work.

Prior to her retirement in November 2021, Dr. Coorey served for almost nine years as the Director of the Institute for Capacity Development, the IMF's department for technical assistance. As its first Director - the most senior staff level position at the IMF - she was instrumental in establishing the department and providing strategic direction for the governance, management and funding of the IMF's technical assistance capacity building activities and overseeing the IMF's training of government officials in policy oriented macroeconomics.

Dr. Coorey also served on the Investment Committee of the IMF Staff Retirement Plan and on the Editorial Committee of IMF Staff Papers. She was a visiting researcher at George Washington University's Elliott School of International Affairs and is currently an international policy Fellow at Verité Research in Sri Lanka. Dr. Coorey holds PhD and bachelor's degrees in economics from Harvard University.

SUREN FERNANDO

Senior Independent Non-Executive Director



Counting over 25 years with MAS, Suren Fernando is the Group Chief Executive Officer of MAS Holdings (Private) Limited and was previously the Chief Transformation Officer of the Company overseeing MAS' 2025 transformation. He was also the CEO of MAS Intimates, the largest division of MAS Holdings. Among many roles within the organisation, he also functioned in the capacity of Chief Operating Officer of MAS Intimates in 2014, heading operations and taking leadership in providing strategic management directives.

Suren holds a BSc in Engineering from the University of Moratuwa and is a Fellow Member of the Chartered Institute of Management Accountants, UK. He has received extensive overseas business exposure and training, including executive education at Wharton Business School, University of Pennsylvania, INSEAD Business School, Ashridge Business School, Henley School of Management, University of Waikato in New Zealand and Harvard Business School (Programme for Leadership Development). Suren also serves on the Board of World Vision Sri Lanka as the Vice Chair, a non-profit relief, development and advocacy organisation dedicated to working with children, families and communities to overcome poverty and injustice.

MANIL JAYESINGHE

Independent Non-Executive Director



Manil Jayesinghe is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, a Fellow Member of the Chartered Institute of Management Accountants, UK, a Fellow Member of the Certified Management Accountants of Sri Lanka and a Member of the Chartered Institute of Public Finance and Accountancy.

He began his career at Ernst & Young, where he gained extensive experience across manufacturing, retail, hospitality, wholesale trade and telecommunications, serving as Partner for 30 years. He held several key leadership positions, including Country Managing Partner of Ernst & Young Sri Lanka and Maldives (2021–2023), Head of Assurance Practice in Sri Lanka and Professional Practice Director from 2003–2023.

Manil's expertise in business valuation and strategic planning for financial institutions made him a sought after advisor in the financial services industry. He also led the IFRS/SLFRS Desk in Sri Lanka. Over his 41 year career, he has served as President and Council Member of the Institute of Chartered Accountants of Sri Lanka; Member of the Sri Lanka Accounting and Auditing Standards Monitoring Board; Council Member of Certified Management Accountants Sri Lanka; Member of the Chartered Institute of Management Accountants Sri Lanka Board; Council Member of the University of Moratuwa; Member of the Securities and Exchange Commission of Sri Lanka; Member of the Board of Investment of Sri Lanka; Member of the International Accounting Education Board of International Federation of Accountants; Member of the Audit Advisory Committee of the Central Bank; Advisor to audit committees of listed companies and banks; and Member of the National Chamber of Commerce of Sri Lanka.

He currently serves as a Member of the Statutory Accounting Standards Committee, the Statutory Auditing Standards Committee and other committees of the Institute of Chartered Accountants of Sri Lanka.

He is also a Member of the Financial Reporting Standards Implementation and Interpretation Committee (FRSIIICS), Chair of the Accounting Standards Committee of the South Asian Federation of Accountants (SAFA), Member of the Audit Committee of SLIM, Governing Board Member of the Central Bank of Sri Lanka and an Independent Non-Executive Director of Ceylon Hospitals PLC, C W Mackie PLC, Lanka Milk Foods (CWE) PLC, Lanka IOC PLC, Vallibel One PLC, Royal Ceramics PLC, Lanka Walltiles PLC, Lanka Ceramic PLC, Diesel & Motor Engineering PLC and Lanka Dairies Limited.

MADHAVAN KARUNAKARAN MENON

Independent Non-Executive Director



Madhavan Karunakaran Menon joined Thomas Cook India in 2000 as Executive Director responsible for the Foreign Exchange business and was appointed Managing Director in 2006, Chairperson and Managing Director in 2016 and Executive Chairperson in July 2023. He retired as Executive Chairperson in May 2025 after 25 years with the Thomas Cook Group and stepped down from the Board in September 2025.

He holds an MBA from George Washington University and an undergraduate degree from the American University of Beirut.

Mr. Menon began his career in banking and financial services at Grindlays Bank, Citibank and Emirates Bank, and later at Birla Sun Life Asset Management Company. During his tenure, Thomas Cook India undertook several major acquisitions, including Kuoni's Destination Management Specialists across 17 countries and Digiphoto Entertainment Imaging (DEI), a global leader in imaging solutions and services. He also facilitated the acquisition of the Thomas Cook brand in 2018.

RUCHIRA SHUKLA

Independent Non-Executive Director



Ruchira Shukla is the Founder and CEO of Green Marble, a venture capital fund focused on engineering-led innovation across energy, materials, manufacturing, agritech and healthtech.

Previously, she served as the South Asia Regional Lead for Disruptive Technology Investments at the International Finance Corporation (IFC), World Bank Group. In this role, she led IFC's investments in early-stage technology companies and venture capital funds, and represented IFC on the boards of several start ups and limited partner advisory committees. Her investments include Upgrad, Blackbuck, Tata 1mg, MedGenome, KukuFM and other leading technology ventures.

As IFC's Global Lead for HealthTech, Ruchira oversaw investments and strategic interventions in the health technology ecosystem across emerging markets. She also led IFC's South Asia business in Technology, Media and Telecom, and has prior experience at the Boston Consulting Group and Lehman Brothers.

BOARD AND MANAGEMENT PROFILES

BOARD OF DIRECTORS

Ruchira has over 25 years of experience in venture capital and private equity investing, strategy consulting and investment banking across Asia, the United States and Europe. Her sector focus includes consumer internet, enterprise technologies, B2B e-commerce, healthtech, edtech and e-logistics, with particular interest in business models leveraging AI, IoT and blockchain.

She studied at IIT Delhi and IIM Ahmedabad, graduated as a Palmer Scholar from the Wharton School of the University of Pennsylvania, and is a Chartered Financial Analyst.

DR. HANS WIJAYASURIYA

Non-Independent Non-Executive Director



Dr. Hans Wijayasuriya serves as the Chief Advisor to the President of Sri Lanka on the digital economy, a role he assumed in January 2025 after stepping down as Chief Executive Officer – Telecommunications Business and Group Executive Director at Axiata Group, one of Asia's largest digital connectivity providers.

His career in the telecommunications industry spans 30 years, including over 25 years as a Chief Executive. He was honoured with the 'Chairman's Award' by the GSM Association in 2024 for outstanding contribution to the global mobile industry and served as a member of the GSMA Board from 2022–2024.

Prior to his regional leadership role, he led Axiata's telecommunications operations across Malaysia, Indonesia, Bangladesh, Sri Lanka and Cambodia. Until 2016, Dr. Wijayasuriya served as Group Chief Executive of Dialog Axiata PLC, Sri Lanka's leading multi-play connectivity provider and one of the highest-valued companies on the Colombo Stock Exchange.

He is a Past Chair of the Ceylon Chamber of Commerce and was named 'Sri Lankan of the Year' by LMD in 2008. Dr. Wijayasuriya graduated from the University of Cambridge and holds a PhD in Digital Mobile Communications from the University of Bristol. He is a Chartered Engineer and Fellow of the Institute of Engineering Technology, UK, and holds an MBA from the University of Warwick.

-  Audit Committee
-  Human Resources and Compensation Committee
-  Nominations and Governance Committee
-  Related Party Transactions Review Committee
-  Project Risk Assessment Committee
-  Executive Director. Refer Group Directory for directorships held by Executive Directors in other Group companies

BOARD AND MANAGEMENT PROFILES

GROUP EXECUTIVE COMMITTEE



**DAMINDA
GAMLATH**



**ZAFIR
HASHIM**



**NAYANA
MAWILMADA**



**CHARITHA
SUBASINGHE**

DAMINDA GAMLATH

President

Daminda Gamlath is the President of the Consumer Foods industry group and has been with the Group since 2002. He was the Sector Financial Controller for the Information Technology sector and the Consumer Foods industry group before he was appointed as the Head of Beverages in 2013 and the Sector Head in 2017. Prior to joining JKH, he worked at the Hayleys Group. Daminda holds a BSc in Engineering from the University of Moratuwa, an MBA from the University of Colombo and is a passed finalist of the Chartered Institute of Management Accountants, UK.

ZAFIR HASHIM

President

Zafir Hashim is the Head of the Transportation industry group and the Plantation Services sector and is also responsible for John Keells Information Technology sector. He has been with the Group for 23 years. He joined the Group in 2003 and was seconded to Lanka Marine Services, where he served as Chief Executive Officer from 2005 to 2015. He has also served as a member of the Transportation Sector Committee since 2005.

During his tenure with the Group, he has held the position of Chief Executive Officer at John Keells Logistics Lanka Limited, Mackinnons Mackenzie Shipping Co. Limited, Mack International Freight Limited and Mackinnons Travels Limited. He holds an MSc in Chemical Engineering from the University of Birmingham, UK.

He is a member of the Logistics and Transport Sector Committee of the Ceylon Chamber of Commerce and serves on the Executive Committees of the Sri Lanka - France Business Council and the Indo-Lanka Chamber of Commerce and Industry.

NAYANA MAWILMADA

President

Nayana Mawilmada is the President of the Property and Leisure industry groups at JKH. With extensive international experience in planning, facilitating, and managing large-scale urban development and infrastructure projects across 15 countries, and working within both the private and public domains, Nayana brings a unique perspective to Property and Leisure industry groups endeavours.

Among his previous roles, Nayana has served as the Director General of the Urban Development Authority of Sri Lanka, Managing Director of York Street Partners (Private) Limited, a boutique investment bank in Colombo and as an Urban Development Specialist for the Asian Development Bank based in Manila, Philippines. His academic training includes an MBA from Harvard Business School, a Master of City Planning from Massachusetts Institute of Technology (MIT), and a Bachelor of Architecture from Hampton University in the USA.

CHARITHA SUBASINGHE

President

Charitha Subasinghe is responsible for the Retail industry group at JKH. He has been with the Group since 2003. He was the Sector Financial Controller of the Supermarket business before being appointed as the CEO in 2005. He was also employed at Aitken Spence Hotel Management as the Sector Financial Controller before moving over to JKH. He is an Associate Member of the Chartered Institute of Management Accountants, UK, as well as a Diploma Holder of the Chartered Institute of Marketing, UK. He also holds an MBA from the University of Colombo.

BOARD AND MANAGEMENT PROFILES

GROUP OPERATING COMMITTEE



**SHERIN
CADER**

**NELINDRA
FERNANDO**

**ISURU
GUNASEKERA**

**CHANGA
GUNAWARDANE**

**SENATH
JAYATILAKE**

**ASHA
PERERA**

**INOKE
PERERA**



**NISREEN
REHMANJEE**

**YOLAN
SEIMON**

**DR. RAMESH
SHANMUGANATHAN**

**HISHAN
SINGHAWANSA**

**ARAVINDA
WANNIARACHCHI**

**RAVI
WIJEWANTHA**

SHERIN CADER

Executive Vice President

Sherin Cader is the Chief Financial Officer of the Financial Services industry group of JKH, whilst having overall responsibility of Sustainability, Enterprise Risk Management, Group initiatives and Group Business Process Review (GBPR) functions. She also serves as the Chairperson of Nations Trust Bank PLC.

Sherin has been with the Group since 1998, serving in many capacities across multiple sectors. She has played diverse roles across finance and operations in Financial Services, the IT-enabled services sector and JKH Centre functions. She functioned as the Financial Controller at JKH from 2009 till 2012. Subsequently, she took on the role of General Manager - Finance and Planning at Union Assurance PLC until her current role within the Financial Services industry group of JKH.

She is a Fellow Member of both the Chartered Institute of Management Accountants, UK, and the Association of Chartered Certified Accountants, UK, and is also a Chartered Global Management Accountant. She is also SAP certified in managerial and financial accounting.

NELINDRA FERNANDO

Executive Vice President

Nelindra Fernando is the Chief Financial Officer for the Consumer Foods industry group. Nelindra has been with JKH since 2013. Prior to joining the Group, she worked at the MAS Group for 12 years and Ernst & Young, Chartered Accountants, for four years.

Nelindra serves on the Board of Ceylon Cold Stores PLC as an Executive Director and at Keells Food Products PLC as a Non-Executive Director. She is a member of the Chartered Institute of Management Accountants, UK, and the Institute of Chartered Accountants of Sri Lanka.

ISURU GUNASEKERA

Executive Vice President

Isuru Gunasekera is the Chief People Officer of the Group, whilst also overseeing the Group Corporate Social Responsibility function. He joined the Group in 2001 into the New Business Development division and thereafter headed Group initiatives and new projects for the Transportation industry group.

He was the CEO of John Keells Logistics for 10 years and CEO of Mackinnons Travels for a short period. Prior to joining the Group, he was attached to J.P. Morgan Chase. He holds a bachelor's degree in Business Administration from Loyola Marymount University, USA.

CHANGA GUNAWARDANE

Executive Vice President

Changa Gunawardane oversees the financial health of the Leisure industry group as the Chief Financial Officer and has been with JKH for over 20 years. Changa currently serves as a Non-Executive Director on the Boards of Asian Hotels & Properties PLC, Trans Asia Hotels PLC and also in many of the unlisted companies of JKH.

Changa brings extensive financial leadership experience from his current role and his previous role within JKH as the Chief Financial Officer for the Information Technology sector as well as the Sector Financial Controller for the Airlines and Logistics business unit, within the Transportation industry group. He also has over 31 years of financial experience across diverse industries spanning Pharmaceutical, Manufacturing, Management Services, Electrical Engineering and Construction.

A Fellow Member of the Chartered Institute of Management Accountants in the UK, he holds an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura, Sri Lanka.

GROUP OPERATING COMMITTEE

SENATH JAYATILAKE

Executive Vice President

Senath Jayatilake is the Chief Executive Officer and Executive Director of Union Assurance PLC (UA) and oversees John Keells Stock Brokers (Private) Limited in his capacity as a Director of the company.

Prior to joining UA, he held the position of Chief Executive Officer at John Keells Logistics (Private) Limited. Senath began his career with JKH and has been with the Group since 2007. He brings over two decades of experience across key business verticals, contributing significantly to business transformation and organisational performance throughout his career.

Senath holds a BA (Hons) in Finance, Accounting and Management from the University of Nottingham, UK, and an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura.

ASHA PERERA

Executive Vice President

Asha Perera is the Chief Financial Officer of the Transportation industry group at JKH. She previously held the position of Chief Financial Officer at Union Assurance PLC (UA). Prior to joining UA, she held multisectoral positions in Retail, Leisure, Information Technology and Plantation Services.

Before joining JKH in 2005, she held multiple operational and finance responsibilities in the apparel industry. Asha holds an MBA from the Postgraduate Institute of Management, a BSc in Management (Human Resource Management) from the University of Sri Jayewardenepura and is an Associate Member of the Chartered Institute of Management Accountants, UK.

INOKE PERERA

Executive Vice President

Inoke Perera is the Sector Head of the Property industry group at JKH. He previously held the position of Chief Operating Officer for the Property industry group.

Inoke joined JKH in September 2003 and was appointed Head of Commercial Operations of the Property industry group in July 2006 and Head of Operations of the same industry group in July 2012.

He started his career in accounting, holding positions in financial accounting, system implementation, management accounting, business analysis and finance. He later transitioned to project management, commercial and operations. He has over 25 years' experience in venture capital, consultancy, property management and the property development industry.

He is an Associate Member of the Chartered Institute of Management Accountants, UK and holds an MBA from Postgraduate Institute of Management, University of Sri Jayewardenepura. He is an executive committee member of the Condominium Developers Association of Sri Lanka (CDASL).

NISREEN REHMANJEE

Executive Vice President

Nisreen Rehmanjee is the Head of Corporate Structuring, Strategic Tax, and Social Entrepreneurship project of JKH. Starting her career as an accounts trainee with KPMG in 1995, she rose to the position of Director Tax in 2001. She then joined JKH as Head of Tax Strategy in 2005. Her overseas experience includes a stint with the Global Tax Solutions team in London during her tenure with KPMG and a 3-year secondment to India with the John Keells IT/ITES cluster as Head of Corporate Functions. She was instrumental in conceptualising and launching the Plasticcycle initiative of the JKH, which is focused towards reducing plastic pollution across Sri Lanka.

Nisreen is a Fellow Member of the Association of Chartered Certified Accountants (ACCA), UK and the Institute of Certified Management Accountants. Additionally, she is a member of the Tax-Sub Committee of the Ceylon Chamber of Commerce and a past President of ACCA Sri Lanka.

YOLAN SEIMON

Executive Vice President

Yolan Seimon is the Head of Advanced Analytics of JKH. He started his career in 2004 at the Research Division of John Keells Stock Brokers (Private) Limited and served as Head of Research before being placed at JKH where he served as Head of John Keells Capital and subsequently as Head of the Corporate Finance and Strategy function of the Group.

He has led OCTAVE, the data and advanced analytics division of the Group, since its inception in 2019. He is an Associate Member of the Chartered Institute of Management Accountants, UK.

DR. RAMESH SHANMUGANATHAN

Executive Vice President

Dr. Ramesh Shanmuganathan is the Group's Chief Information Officer, a member of the Group Management Committee for the Information Technology sector, and Chief Executive of John Keells IT. Ramesh is also an Executive Director at John Keells IT and Infomate, as well as John Keells Lanka BPO Services, in addition to being a Non-Executive Director at Nations Trust Bank PLC.

He has over 25 years of experience in the Information and Communication Technology industry in Sri Lanka and the USA, with over 20 years in C-level management. He is a Hayes Fulbright Scholar and holds a Doctor of Philosophy (Technology Management) from Keisei International University, Seoul, South Korea; a Master of Science (Information Technology and Computer Science) with Phi Kappa Phi Honours from Rochester Institute of Technology, New York, USA; a Master of Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura; and a Bachelor of Science in Electronics and Telecommunications Engineering with First Class Honours from the University of Moratuwa.

BOARD AND MANAGEMENT PROFILES

GROUP OPERATING COMMITTEE

He is currently reading for his Doctor of Business Administration (DBA) at the International School of Management, Paris. He is a Chartered Engineer, Chartered IT Professional and a Fellow of the British Computer Society and the Institute of Engineers, UK. He has active memberships in several other professional institutions and is a visiting faculty member for several postgraduate programmes. He is an advocate of digital transformation and open innovation and speaks at many international events and forums.

HISHAN SINGHAWANSA

Executive Vice President

Hishan Singhawansa is the Chief Executive Officer of Cinnamon Hotels & Resorts, overseeing its entire portfolio in Sri Lanka and the Maldives, including the iconic City of Dreams Sri Lanka. He is a Board Member of John Keells Hotels PLC, Asian Hotels & Properties PLC and Trans Asia Hotels PLC.

He joined the Group in 2008 as a JKH Management Trainee and subsequently moved to the Retail industry group, where he held roles in category management and later served as Head of Supply Chain. In 2017, he transitioned to the Leisure industry group and currently leads Cinnamon Hotels & Resorts.

He is also on the Board of Directors of the Sri Lanka Convention Bureau and is a committee member of the Hotels Association of Sri Lanka (THASL). He holds a BSc in Engineering (Hons) from the University of Moratuwa and an MBA from the University of Wales.

ARAVINDA WANNIARACHCHI

Executive Vice President

Aravinda Wanniarachchi is the Chief Financial Officer of the Retail industry group at JKH. He joined JKH in 2007 and was attached to the Corporate Finance and Strategy team prior to joining the Retail industry group.

He was appointed Sector Financial Controller of Retail in 2014 and Chief Financial Officer of Retail in 2018. He is a Chartered Financial Analyst, an Associate Member of the Chartered Institute of Management Accountants, UK, and holds a BBA in Marketing (Sp.) from the University of Colombo.

RAVI WIJEWANTHA

Executive Vice President

Ravi Wijewantha joined JKH in September 2003 and was appointed Sector Financial Controller of the Property industry group in July 2006 and Chief Financial Officer of the same industry group in July 2017.

He has over 25 years of experience in auditing and accounting. He is an Associate Member of the Chartered Institute of Management Accountants, UK, and holds an MBA from ICFAI University, Dehradun, India. He also holds Bachelor of Laws (LLB) and Master of Law (LLM) from Buckinghamshire New University.

CORPORATE GOVERNANCE COMMENTARY

The Group's corporate governance framework is designed to support sustainable long term value creation through effective leadership, accountability and transparent decision-making, while ensuring compliance with applicable laws, regulations and recognised standards of governance.

1 EXECUTIVE SUMMARY

The Group's corporate governance framework provides a structured and disciplined environment within which the Group's strategy is established, performance is monitored and risks are managed, taking into account the interests of a wide range of stakeholders with evolving expectations and a complex operating environment and macroeconomic conditions.

The Group's corporate governance philosophy is institutionalised across all its business units and supported by clearly defined Board and management oversight mechanisms and a suite of policies, processes and an organisational structure that is reviewed and updated to be aligned with evolving regulations, global best practice, and dynamic stakeholder needs. These mechanisms are intended to sustain a consistent governance baseline across business units while remaining grounded in the core principles of accountability, integrity, transparency and participation. Compliance triggers ensure adherence to mandatory regulatory requirements and ensure continuous monitoring and feedback.

As governance processes and controls are well established across the Group, the Board's focus during 2025/26 was on enhancing the clarity, quality and usefulness of governance disclosures, with particular emphasis on areas where governance expectations have increased - sustainability-related disclosures, enterprise financial reporting and data systems, cyber resilience and data protection, while continuing to reinforce a strong compliance culture and ethical conduct.

Compliance with statutory and regulatory requirements is summarised within the narrative and presented in detail in the accompanying compliance tables.

Compliance Summary

Mandatory Regulatory Frameworks – fully compliant

- » The Companies Act No. 7 of 2007, as amended, including applicable regulations
- » Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including rules, regulations, directives and circulars
- » Listing Rules of the Colombo Stock Exchange (CSE), including circulars
- » Code of Best Practices on Related Party Transactions (2013) issued by the SEC
- » SLFRS S1 and S2 – Sustainability Disclosure Standards

Voluntary Frameworks and Standards

- » Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka – complied with to the extent of business exigency and as required by the Group
- » Transparency International Sri Lanka assessment criteria on transparency in corporate reporting

Reporting Frameworks

- » International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC)
- » Global Reporting Initiative (GRI) Standards
- » Sustainability Accounting Standards Board (SASB) disclosures

Internal Mechanisms


- » Articles of Association
- » Board Charter and Board Committee Charters
- » Code of Conduct
- » Board and internal Policies

This Corporate Governance Report outlines the key elements of the Group's governance framework, including:

- » the principal components of the Group's corporate governance system;
- » the mechanisms used to monitor compliance with policies, laws and regulatory requirements;
- » the outlook and emerging governance challenges; and
- » the Group's compliance with mandatory requirements and its adoption of selected voluntary codes and reporting standards.

1.1 Corporate Governance Highlights for 2025/26

- » Pursuant to the adoption of SLFRS S1 and S2 sustainability-related financial and climate-related disclosure standards issued by CA Sri Lanka, the Group undertook a structured implementation programme during the year under review to prepare for compliance with the CSE reporting requirements, effective 1 January 2025. This process commenced with the engagement of an international external consulting firm to conduct a comprehensive Group-wide gap analysis. Based on the findings of this assessment, the Group implemented the requisite frameworks, processes, and governance structures to support the enhanced disclosure requirements. A series of workshops and working sessions for senior leadership and their teams were conducted with the consultants, amounting to over 25 such sessions across the Group, to build internal capability and deepen understanding of the standards and their implications for the Group's reporting and governance processes.

 Refer Section 4.7

- » To strengthen governance and strategic oversight, the Group established the Environmental, Social and Governance (ESG) and Sustainability Steering Committee, which is responsible for overseeing sustainability-related impacts, risks, and opportunities, including sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs). The material SRROs and CRROs from a Group perspective were evaluated and presented to the Group Executive Committee (GEC) for subsequent approval and clearance by the Board as well. The Committee serves as the primary governance forum guiding the Group's sustainability agenda and ensuring alignment with the requirements of SLFRS S1 and S2 as the Group progresses towards full implementation.

 Refer Section 4.7

» Enhanced the Group's enterprise governance and control framework through the phased implementation of SAP RISE, migrating to a standardised, cloud-based core system that improves data integrity, real-time performance visibility, process standardisation, auditability, and internal control effectiveness across operations, supported by enhanced process intelligence through SAP Signavio. The migration was concluded on 9 March 2026 with minimal disruptions and down time of the system, which has now been fully stabilised. All year-end financial closing requirements were completed on the new system with no significant issues encountered.


- The Group conducted a high-level review of the authorisation matrix to validate access levels, address any anomalies and ensure secure and consistent user access controls. By addressing these prior to go-live, the Group ensured a smooth transition while safeguarding system security and the integrity of its controls.

 Refer Section 4.4 and 5.6.2

» Further strengthened cyber and technology governance through the expanded adoption of the Zero-Trust Security Model, including enhanced identity-based access controls, strengthened network security, and migration to a Secure Service Edge architecture, improving threat detection, monitoring, policy enforcement, and overall cyber resilience across the Group.

 Refer Section 4.4

» The Group continued to align its data governance practices with the Personal Data Protection Act, No. 9 of 2022 (PDPA), in line with its internal data protection principles and globally recognised best practices. Dedicated Data Protection Officers oversee compliance, supported by the Data Governance Steering Committee, while ongoing enhancements to technical, security, and organisational controls are implemented to ensure continued compliance with statutory requirements. There were no significant data security related incidents reported during the year and a majority of the gaps across the businesses have been rectified.

 Refer Section 5.6.2

» The Group continued to strengthen its compliance framework in relation to financial misconduct, aligning with the Financial Intelligence Unit of Sri Lanka to enhance monitoring, coordination and implementation of Anti-Money Laundering, Counter-Terrorism Financing and Counter-Proliferation Financing measures, recognising their broader national significance. Given the nature and business model of most of the significant industry groups, there is no significant exposure to the Group although there is continuous engagement with the relevant authorities. During the year, there were no issues raised by the authorities and no sanctions or penalties levied. The secretarial arm of the Group implemented all recommendations based on engagement with the authorities relevant to company service providers.

 Refer Section 6.4

» The Group partnered with a multinational analytics and advisory company to conduct its periodic employee engagement survey, adopting a more performance and productivity-focused engagement model. Using the globally benchmarked Q12 framework, the survey generated data-driven insights into employee experience and key areas for development in support of a high-performance, inclusive workplace culture. The methodology empowers managers to take ownership

of outcomes through targeted action planning, supported by benchmarking and analytics that drive continuous improvement and strengthen organisational performance. The leadership team of the Group, comprising of the GEC, Group Operating Committee (GOC) and heads of HR participated in a workshop to develop the team's ability to guide and empower their teams to develop and implement action plans and on key tactics to understand and engage more effectively with the relevant teams.

 Refer Section 4.2.1

» During the year under review, the Group concluded phase 1 of a structured initiative to develop and institutionalise a Group-wide Employee Value Proposition (EVP), undertaken with the support of a globally recognised consulting firm. The process encompassed employee surveys, focus group discussions, and consultations with Group leadership, culminating in the articulation of a defined EVP statement and its supporting pillars. Phase 2, planned for 2026/27, will focus on activating and embedding the EVP across the organisation.

 Refer Section 4.2.1

» During the year under review, John Keells CG Auto (Private) Limited (JKCG), the Group's New Energy Vehicle (NEV) business, faced challenges in clearing certain BYD electric vehicle models with Sri Lanka Customs due to an interpretation issue relating to motor power specifications. The matter was actively engaged with the authorities through the submission of manufacturer specifications and compliance documentation, and all vehicles detained have since been released, except for a limited number retained for independent testing purposes. JKCG has fully cooperated with the authorities and continues to advocate testing at an internationally accredited motor laboratory to facilitate a permanent resolution. While EV sales were temporarily affected, the Group strengthened its focus on BYD's hybrid vehicle range and on EV models which are now permitted to be cleared, which has experienced strong customer interest and supported overall sales momentum.

 Refer Retail Industry Group Review

» During the year, the Group launched Vauxhall DSTRCT, a large-scale residential development project in central Colombo. Given the scale and complexity of the project, and in line with the Group's governance framework, the project's risk assessment and feasibility were reviewed by the Project Risk Assessment Committee, providing an additional layer of independent risk oversight prior to Board approval.

 Refer Section 3.2.5

1.2 Key Colombo Stock Exchange Announcements in 2025/26

» In September 2025, Union Assurance PLC (UA), a subsidiary of John Keells Holdings PLC divested its 22% equity stake comprising 30,800,000 ordinary shares in Fairfirst Insurance Limited, a subsidiary of Fairfax Financial Holdings Limited, for a total consideration amounting to Rs.2.64 billion.

» In September 2025, Nations Trust Bank PLC (NTB), an equity accounted investee of John Keells Holdings PLC, entered into a binding Sale and Purchase agreement with Hongkong and Shanghai Banking Corporation, acting through its Sri Lankan Branch (HSBC Sri Lanka), to acquire its Retail Banking franchise for a consideration of Rs.18.00 billion plus applicable taxes. While CBSL granted approval for the transaction in November 2025, the acquisition was successfully completed on 1 May 2026 and NTB commenced live operations of the acquired business on 2 May 2026.

- » The Board declared a final dividend of Rs.0.05 per share in May 2025 for the financial year 2024/25. Given the performance momentum of the businesses, the Board approved a first and second interim dividend of Rs.0.10 per share each, in November 2025 and February 2026. A final dividend of Rs.0.10 per share was declared in May 2026 for the financial year 2025/26. Accordingly, the dividend declared for 2025/26 is Rs.0.30 per share [2024/25: Rs.0.15 per share]. The outlay for the dividend is Rs.4.42 billion, which is an increase compared to Rs.2.59 billion in the previous year.
- » In March 2026, John Keells Hotels PLC, a subsidiary of the Group, divested its equity stake of 98.39% in Kandy Walk Inn Limited, the owning company of Cinnamon Citadel Kandy, to Dedigama Group (Private) Limited, a member of the Dedigama Group, for a total consideration of Rs.2.78 billion.

1.3 Board and Board Committee Changes in 2025/26

- » Mr. M. Menon was appointed to the Board as an Independent, Non-Executive Director with effect from 1 July 2025.
- » Dr. H. Wijayasuriya was redesignated as a Non-Independent, Non-Executive Director with effect from 4 October 2025, following the completion of nine years on the Board, in accordance with Section 9.8.3 (v) of the Listing Rules which stipulates that Directors serving more than nine years on the Board cease to qualify as independent.
- » Mr. S. Fernando was appointed as the Senior Independent Director with effect from 4 October 2025.
- » Mr. M. Menon was appointed to the Human Resources and Compensation Committee (HRCC) with effect from 4 October 2025.
- » Ms. R. Shukla was appointed to the Nominations and Governance Committee (NGC) with effect from 4 October 2025.

1.4 Highlights of the 46th Annual General Meeting Held on 27 June 2025

- » Mr. G. Cooray, who retired in terms of Article 84 of the Articles of Association of the Company, was re-elected as an Executive Director of JKH.
- » Mr. S. Fernando, who retired in terms of Article 84 of the Articles of Association of the Company, was re-elected as an Independent Non-Executive Director of JKH.
- » Mr. M. Jayasinghe, who retired in terms of Article 91 of the Articles of Association of the Company, was re-elected as an Independent Non-Executive Director of JKH.
- » Ms. R. Shukla, who retired in terms of Article 91 of the Articles of Association of the Company, was re-elected as an Independent Non-Executive Director of JKH.
- » Mr. M. Menon, having attained the age of seventy (70) years, was appointed as an Independent Non-Executive Director in terms of Section 211 of the Companies Act No. 7 of 2007 and Section 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange.
- » Ernst & Young (EY) was re-appointed as the External Auditors of the Company and the Directors were authorised to determine the remuneration of EY.

The 47th Annual General Meeting of the Company will be held on 26 June 2026.

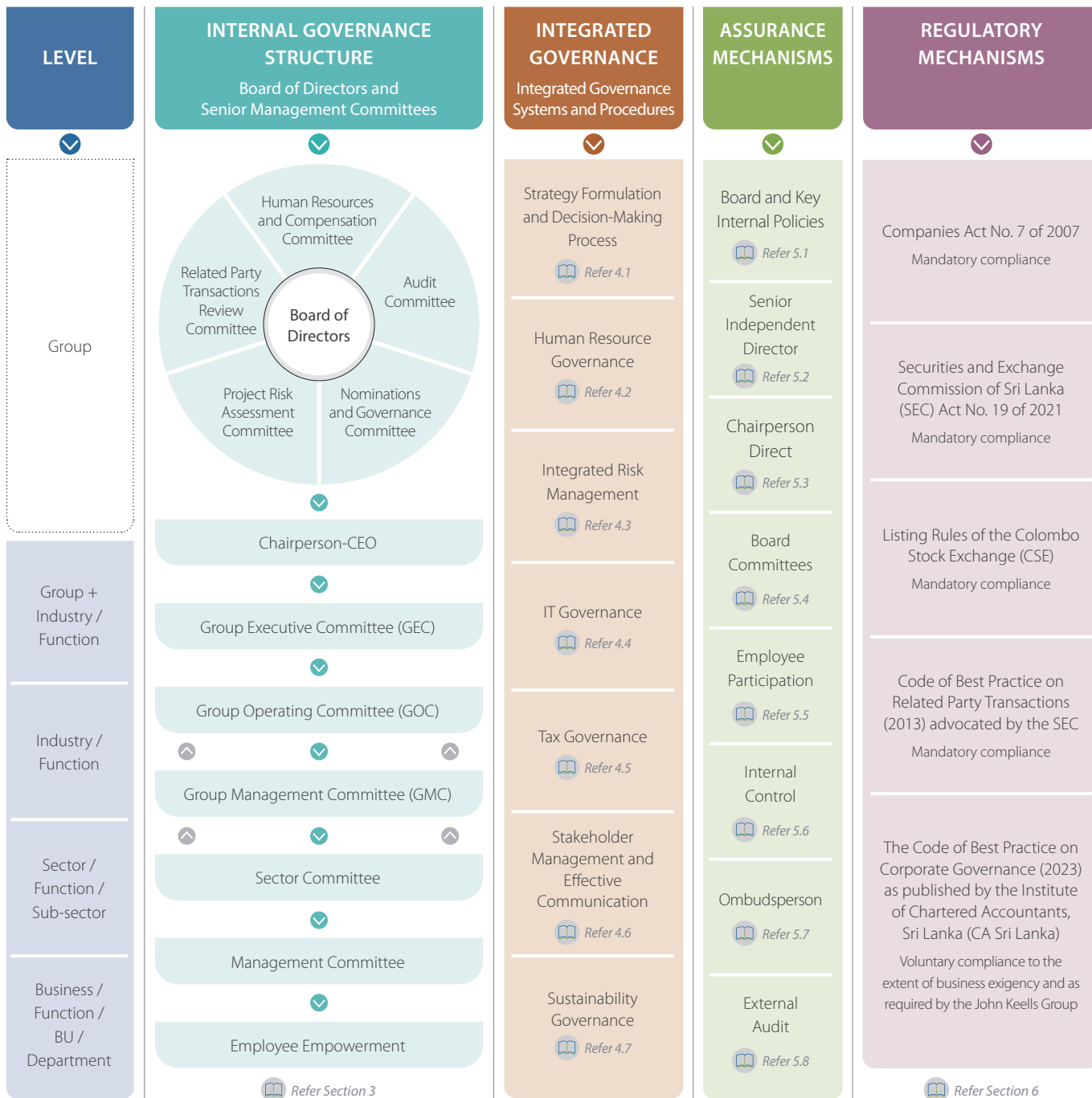
1.5 Extraordinary General Meeting

- » An Extraordinary General Meeting took place on 27 June 2025, during which a special resolution was passed to approve the Employee Share Option Plan 12, in line with the Company's practice of issuing employee share option plans approximately every three years.

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CORPORATE GOVERNANCE COMMENTARY

2 THE CORPORATE GOVERNANCE SYSTEM



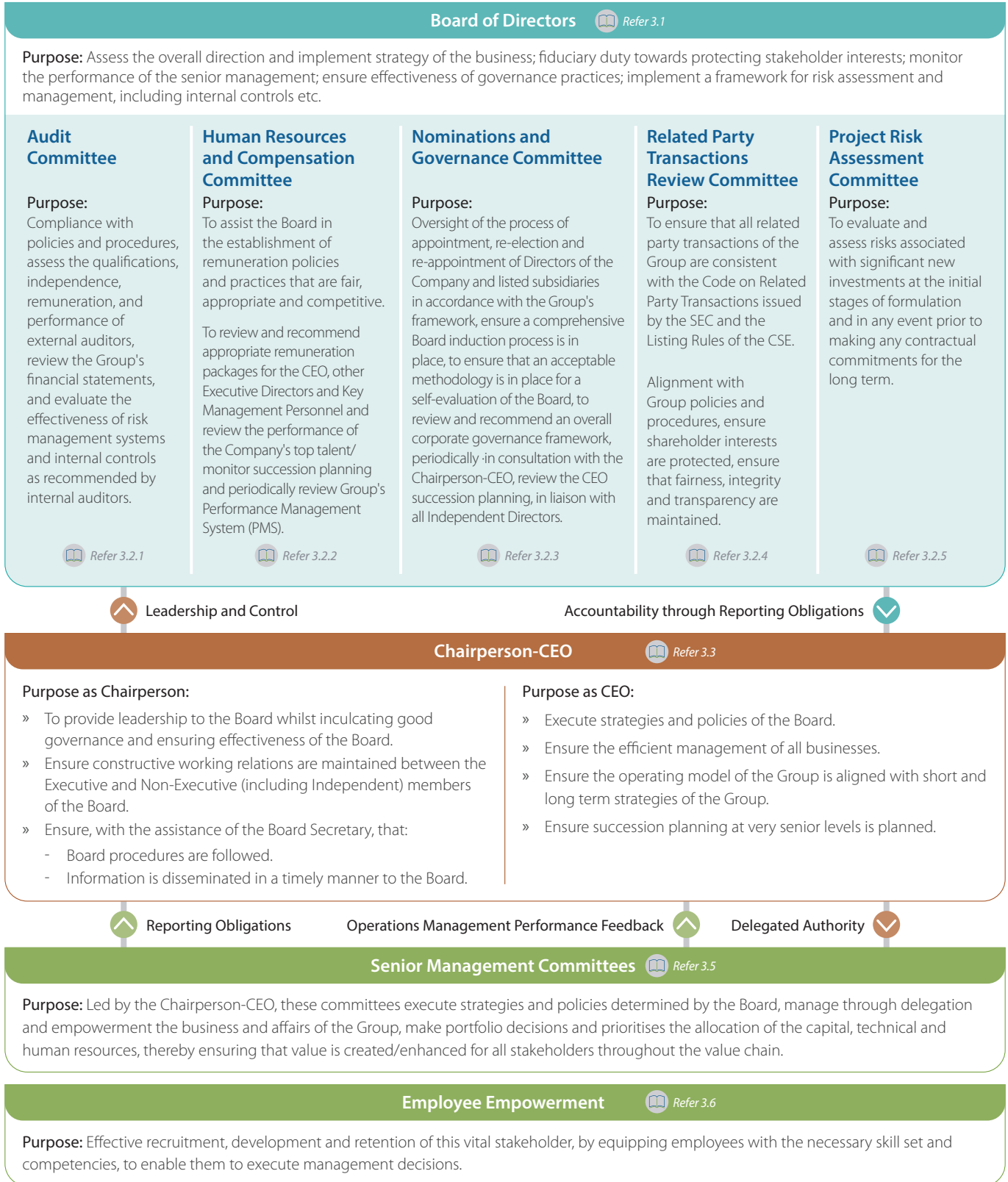
Only the key components are depicted in the above diagram.

- » All four Board Committees mandated under the Listing Rules are chaired by Independent Non-Executive Directors and the Project Risk Assessment Committee is chaired by a Non-Executive Director.
- » The Chairperson-CEO is present at all Human Resources and Compensation Committee meetings unless the Chairperson-CEO's performance assessment or remuneration is under discussion. The Deputy Chairperson/Group Finance Director is invited, as necessary.
- » Audit Committee meetings are attended by the Chairperson-CEO, the Deputy Chairperson/Group Finance Director and the Head of Group Business Process Review, as the Committee Secretary. External Auditors and the Group Financial Controller are regular attendees.
- » The GOC acts as the binding agent to the various businesses within the Group towards identifying and extracting Group synergies.

3 INTERNAL GOVERNANCE STRUCTURE

The Internal Governance Structure comprises of Board Committees which formulate, execute and monitor Group strategies and initiatives and the policies, processes and procedures employed for doing so. These components have an impact on the execution and monitoring of all governance related initiatives, systems and methods.

The components of the internal governance structures are strengthened and complemented by internal policies, processes and procedures, such as, strategy formulation and decision-making, human resource governance, sustainability governance, integrated risk management, IT governance, tax stewardship and stakeholder management and effective communication.



CORPORATE GOVERNANCE COMMENTARY

3.1 The Board of Directors

The Board of John Keells Holdings PLC (JKH), in its capacity as the Board of the parent Company of the John Keells Group, is entrusted with the overall stewardship of JKH and the Group.

The Board provides strategic direction and oversight, including the establishment of the Group's purpose and values, and ensures that the Group's culture and conduct are aligned with its strategic objectives, in compliance with the Company's Articles of Association, applicable legal and regulatory requirements, and the Group's operating model. This Group-level authority and oversight are complementary to, and do not derogate from, the statutory and fiduciary responsibilities of the Boards of subsidiary companies, including listed subsidiaries, which exercise authority within their respective company domains in accordance with their own Articles of Association, Board Charters, and Committee Terms of Reference, as applicable, with governance instruments aligned at Group-level to promote consistency, accountability, and effective coordination across the Group.

All decisions of the Board are made collectively and in a manner that upholds the principles of accountability, transparency, and good governance. Appropriate checks and balances are in place, as discussed in detail within this Commentary, to prevent the concentration of power in a single individual and to promote effective decision-making.

3.1.1 Board Oversight and Delegation of Authority

While the Board is accountable and responsible for the strategic direction and management of the Group, it delegates the authority to the Chairperson-CEO and senior management to carry out day-to-day operations of the businesses. Once the Board has delegated broad authority, its primary responsibility is to oversee management's performance and ensure compliance with the broad policies and established governance principles. The Board reserves the right to withdraw or change any delegation of authority as deemed appropriate.

Board oversight involves the continual inquiry by Directors into whether the Board's delegation of authority to management is reasonable, and whether the Board has received sufficient and accurate information from management to make that determination.

Typical areas of oversight include the Group's structure, capital management and company securities, strategic initiatives, portfolio decisions, financial performance, the integrity of financial statements, accounting and financial reporting processes, internal controls, risk management, environmental, social and governance (ESG) matters, information technology and security, governance and compliance, workplace ethics and sustainability matters.

The Group's governance framework ensures that Directors are well-positioned to satisfy their oversight responsibility through periodic assessment of Board agenda priorities and the related structures, processes, and controls that are in place to ensure that the Board is well-informed on a timely basis of matters requiring attention. Appropriate and sufficiently detailed reports are furnished at regular intervals in a form, timeframe and quality that enables the Board to discharge its duties effectively.

3.1.2 Board Responsibilities and Duties

The Board's principal role is to oversee the management and governance of the Group, ensuring that it operates in the best interests of its shareholders and stakeholders. The Board Charter sets out the overall governance framework and the roles and responsibilities of the JKH Board. It is designed to ensure clarity and consistency in the Board functions and promotes effective oversight and accountability in the Group's operations.

While the Board assumes these responsibilities on behalf of the shareholders, the Directors recognise that other stakeholders including employees, customers, business partners, regulators and, ultimately, the general public will benefit from effective performance and enhanced governance processes.

The Board's key responsibilities include:

- » Providing direction and guidance to the Group in the formulation of sustainable, high-level, medium, and long term strategies which are aimed at promoting the long term success of the Group.
- » Reviewing and approving annual plans and long term business plans.
- » Tracking actual progress against plans.
- » Overseeing and guiding the Group's sustainability-related impacts and risks by monitoring material topics, ensuring alignment with long term value creation, its due diligence processes in relation to sustainability impacts, and maintaining the systems and capabilities needed for timely, decision-useful sustainability information.
- » Overseeing the development and implementation of strategies for the identification, assessment, mitigation and management of sustainability-related risks and opportunities, including climate-related risks and opportunities, and ensuring that such strategies are integrated into the Group's overall strategy, risk management framework and capital allocation decisions*.
- » Reviewing HR processes with emphasis on top management succession planning, including the diversity, equity and inclusion (DE&I) strategy.
- » Ensuring operations are carried within the scope of the Enterprise Risk Management (ERM) framework.
- » Ensuring that IT governance aligns with the Group's strategic objectives, addressing risks related to cybersecurity, data privacy, compliance, and technology investments.
- » Appointing and reviewing the performance of the Chairperson-CEO.
- » Ensuring compliance with laws, regulations and ethical standards and monitoring systems of governance and compliance, including concerns on ethics, bribery and corruption.
- » Overseeing systems of internal control, risk management and establishing whistle-blowing conduits.
- » Determining any changes to the discretions/authorities delegated from the Board to the executive levels.
- » Reviewing and approving major acquisitions, disposals and capital expenditure.



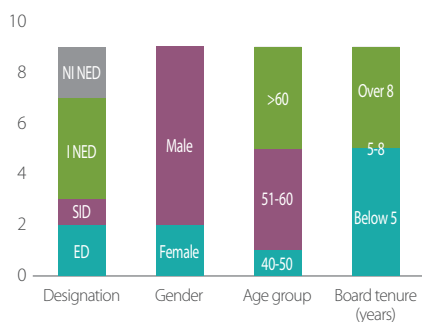
*Refer 4.7 - Sustainability Governance section for a detailed discussion – page 337.

- » Approving any amendments to constitutional documents.
- » Approving the issue of JKH equity/debt/hybrid securities.
- » Ensuring all related party transactions are compliant with statutory obligations.
- » Ensuring that the Group's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.
- » Ensuring all stakeholder interests are considered in corporate decisions.
- » Ensuring sustainable business development in corporate strategy decisions and activities.
- » Fulfilling such other Board functions as are vital, given the scale, nature and complexity of the business concerned.

3.1.3 Board Composition

The Group policy is to maintain a healthy balance between Executive, Non-Executive and Independent Directors, in keeping with the applicable rules and codes, with the Executive Directors bringing in deep knowledge of the businesses and the Non-Executive Directors bringing in experience, objectivity and independent oversight. Independent Non-Executive Directors add value to strategic discussions and decision-making, whilst enhancing fair-mindedness.

Composition of the JKH Board



NI NED – Non-Independent Non-Executive Director
 INED – Independent Non-Executive Director
 SID – Senior Independent Director
 ED – Executive Director

In terms of composition, the Board shall comprise of not less than three and not more than twelve Directors, unless otherwise permitted by the Articles of Association. The optimal number of Directors ranges from five to ten Directors, in compliance with applicable law, to facilitate effective group dynamics, foster individual responsibility, ensure adequate expertise and support decision-making.

The Board includes at least two Independent Directors or such number equivalent to one third of the total number of Directors, whichever is higher, at any given time to be compliant with the applicable laws.

The key changes to the Board composition during the year under review are as follows:

- » Mr. M. Menon was appointed to the Board with effect from 1 July 2025 as an Independent Non-Executive Director.
- » Dr. H. Wijayasuriya was redesignated as a Non-Independent Non-Executive Director of the Company, with effect from 4 October 2025, following his completion of nine years on the Board, in accordance with Section 9.8.3 (v) of the Listing Rules, which stipulates that Directors serving more than nine years on the Board cease to qualify as independent. It is the view of the Board that the retention of Non-Executive Directors such as Dr. Wijayasuriya and Mr. A Cabraal has supplemented the deliberations of the Board by providing more institutional knowledge, particularly with long-gestation projects such as City of Dreams Sri Lanka and the Colombo West International Terminal coming into fruition and ramping up to full scale operations.
- » Mr. S. Fernando, Independent Non-Executive Director, was appointed as the Senior Independent Director of the Company, with effect from 4 October 2025, consequent to Dr. H. Wijayasuriya's redesignation as a Non-Independent Non-Executive Director of the Company.

As at 26 May 2026, the Board comprised of nine Directors, with five of them being Independent Non-Executive Directors, ensuring a strong element of independence on the Board, and two Directors being Non-Independent Non-Executive Directors (due to their service on the Board exceeding nine years).

Name of Director	Executive/Non-Executive Director	Independent/Non-Independent Director	Year of Appointment	Age (as at 31 March 2026)	Board Meeting Attendance (Eligible to Attend/Attended)	Board Sub-Committee Membership (as at 31 March 2026)					Tenure on the Board (Years as at May 2026)
						AC	HRCC	NGC	RPTRC	PRAC	
A. Cabraal	NED	NID	2013/14	69	6/6	●	●	●	●	●	12
S. Coorey	NED	ID	2022/23	67	6/6			▲			3
S. Fernando*	NED	ID	2023/24	52	6/5	●	▲		●		2
M. Jayasinghe	NED	ID	2024/25	63	6/6	▲			▲		1
M. Menon**	NED	ID	2025/26	71	5/5		●				11 months
R. Shukla	NED	ID	2024/25	53	6/4			●			1
H. Wijayasuriya***	NED	NID	2016/17	58	6/6		●	●		▲	9
K. Balendra	ED	NID	2016/17	53	6/6					●	9
G. Cooray	ED	NID	2016/17	49	6/6					●	9

● Member ▲ Chair

*Senior Independent Director with effect from 4 October 2025

** Appointed to the Board with effect from 1 July 2025

*** Senior Independent Director until redesignation as a Non-Independent Non-Executive Director with effect from 4 October 2025

AC - Audit Committee

HRCC - Human Resources and Compensation Committee

NGC - Nominations and Governance Committee

RPTRC - Related Party Transactions Review Committee

PRAC - Project Risk Assessment Committee

CORPORATE GOVERNANCE COMMENTARY

3.1.4 Board Skills


The Group is conscious of the need to maintain an appropriate mix of skills and experience in the Board through an annual review of its composition in order to ensure Board balance, diversity and appropriate levels of relevant skills and expertise aligned with the current and future needs of the Group.

The Board regularly assess its collective skills and experience to align with the Group's strategic needs and will use its best endeavours to promote gender diversity and the representation of females on the Board in compliance with applicable law.

Collectively, the Board brings in a multi-dimensional wealth of exposure in the fields of management, business administration, banking, finance, economics, taxation, global multinational operations, information technology, marketing and human resources. All Directors possess the skills, expertise and knowledge complemented with a high sense of integrity and independent judgement.

In addition, the Board possesses collective knowledge and competence to oversee sustainability-related matters and to ensure that environmental, social and governance considerations are integrated into the Group's strategy, risk management and reporting processes.

Following the implementation of SLFRS S1 and S2, the Group Deputy Chairperson/Group Finance Director has been actively and closely engaged in strengthening the Group's sustainability governance architecture, including the development and enhancement of underlying frameworks, policies, and processes. This included close engagement with external consultants, which also served as a capacity-building exercise, with key insights subsequently shared with the Board.

 Refer Board and Management Profiles section for further details of their qualifications and experience – page 295.

3.1.5 Board Access to Independent Professional Advice

To preserve the independence of the Board and to strengthen decision-making, the Board is encouraged to seek independent professional advice, where applicable and relevant, in furtherance of their duties, at the Group's expense. This is coordinated through the Board Secretary, as and when requested.

3.1.6 Board Appointment

Board appointments follow a structured and formal process within the purview of the Nominations and Governance Committee. The Committee has overall responsibility for making recommendations to the Board on all new appointments and for ensuring that the Board and its Committees have the appropriate balance of skills. The Board considers the recommendations of the Nominations and Governance Committee for appointment or re-election by the Board and, where relevant, by the shareholders at the Annual General Meeting.

Details of new Director appointments are disclosed to the CSE and media at the time of their appointment through a public announcement, covering the following:

- » A brief résumé of the Director.
- » The nature of their expertise in relevant functional areas.
- » The names of companies in which the Director holds directorships or memberships in Board committees.
- » Whether such Director can be considered independent.

Details of such appointments are also carried as relevant in Annual Reports, Interim releases and Investor Relations publications.

The Group has implemented requisite measures to ensure that the Directors and the CEO consistently meet the fit and proper criteria stipulated in Section 9.7 of the Listing Rules. In addition, the independence of Independent Non-Executive Directors is assessed in accordance with the applicable independence criteria set out in Section 9.8.3 of the Listing Rules. The Nominations and Governance Committee evaluates the fulfilment of the fit and proper and independence criteria outlined in the Listing Rules prior to presenting any nominations for appointment to the Board and at shareholder meeting, as relevant. Additionally, annual declarations are obtained from the Directors and the CEO confirming that each individual has met, throughout the relevant financial year, the fit and proper criteria and, where applicable, independence criteria set out in the Listing Rules, continues to meet such criteria as at the date of the declaration, and that any non-compliances have been disclosed.

 Refer Nominations and Governance Committee section of this Report for the Terms of Reference for the members of the Nominations and Governance Committee, and the Committee report – page 319.

3.1.7 Board Induction and Training

When Directors are newly appointed to the Board, they undergo a comprehensive induction where they are apprised, inter-alia, of the Group's values and culture, its operating model, policies, governance framework and processes, the Code of Conduct (which includes provision on anti-corruption and anti-bribery) and the operational, environmental and social strategies of the Group.

Additionally, the newly appointed Directors are granted access to relevant segments of the business and are given the opportunity to meet with Key Management Personnel and other key third-party service providers such as External Auditors and consultants, as required.

The Board of Directors recognise the need for continuous training and expansion of knowledge and undertakes such professional development, as they consider necessary, to assist them in carrying out their duties as Directors. To this effect, the Chairperson, Senior Independent Director (SID), and the Nominations and Governance Committee periodically reviews any training and development needs of the Board and recommends any identified gaps to the Board.

Each Director is responsible for ensuring continuous learning and development in their areas of expertise and that their professional qualifications/licenses and memberships are maintained.

The Chairperson ensures that the Board and the Nominations and Governance Committee is informed of significant developments in applicable laws, rules, regulations and corporate governance practices and their potential impact on the Group and ensures that the senior management reports on the Group's compliance with applicable legal and regulatory requirements.

3.1.8 Re-Election

All Non-Executive Directors are appointed for a period of three years, aligned with the Annual General Meeting, and are eligible for re-appointment, subject to the recommendation of the Nominations and Governance Committee and approval of the Board. All Non-Executive Directors may serve a maximum of three (3) successive terms, totalling nine (9) years unless otherwise permitted under Applicable Law or unless an extended Board tenure is necessitated by the requirements of the Group.

All contracts are renewed by the Board based on the recommendation of the Nominations and Governance Committee and such recommendation will be based on the Directors meeting fit and proper criteria and, where relevant, independence criteria in addition to other requirements pertaining to qualifications, skills and experience, strategic demands facing the Company and time commitments, diversity, etc., which are considered.

In terms of the Articles of Association, one third of all the Executive and Non-Executive Directors retire by rotation, except for the Chairperson-CEO, and are eligible for re-election at the Annual General Meeting by the shareholders.

Annually, the Board discusses the possible impairment to Director independence and collectively evaluates the independence of such Board members.

3.1.9 Board Meetings

3.1.9.1 Regularity of Meetings and Pre-Board Meetings

The quarterly Board meetings are scheduled well in advance to ensure full attendance. Directors joining the Board and the Board Committees meetings through audio visual means are accounted for attendance. All pre-scheduled Board meetings are generally preceded by a Pre-Board Meeting, which is usually held on the day prior to the formal Board meeting. In addition to these Pre-Board meetings, the Board of Directors communicate, as appropriate, when issues of strategic importance requiring extensive discussions arise.

The Board may increase the frequency of meetings based on the needs of the Board and the business exigencies of the Group. The Chairperson presides at all Board and Pre-Board meetings, unless excused or absent, in which circumstance either the Deputy Chairperson or Senior Independent Director shall lead proceedings. Directors are required to attend a minimum of two or 50% of the meetings held during the financial year, whichever is higher, unless otherwise excused by the Board.

Pertinent Board discussions and decisions are recorded by the Board Secretary in the Board minutes, and such minutes are put forward for approval of the Board at the next Board meeting. All records pertaining to Board meetings and decisions are maintained in the minute book by the Board Secretary.

During the financial year under review, there were six Board meetings. The attendance at the Board meetings held during the financial year 2025/26 is given below:

Name	Year of Appointment to the Board	27 / 05 / 2025	30 / 07 / 2025	04 / 11 / 2025	10 / 11 / 2025	28 / 01 / 2026	12 / 03 / 2026	Eligibility	Attended
A. Cabraal	2013/14	✓	✓	✓	✓	✓	✓	6	6
S. Coorey	2022/23	✓	✓	✓	✓	✓	✓	6	6
S. Fernando	2023/24	✓	✓	✓	✓	✓	✗	6	5
M. Jayasinghe	2024/25	✓	✓	✓	✓	✓	✓	6	6
M. Menon*	2025/26	N/A	✓	✓	✓	✓	✓	5	5
R. Shukla	2024/25	✓	✓	✓	✗	✗	✓	6	4
H. Wijayasuriya	2016/17	✓	✓	✓	✓	✓	✓	6	6
K. Balendra	2016/17	✓	✓	✓	✓	✓	✓	6	6
G. Cooray	2016/17	✓	✓	✓	✓	✓	✓	6	6

*Appointed with effect from 1 July 2025.

3.1.9.2 Timely Supply of Information

The Directors were provided with the necessary information, including but not limited to financial, non-financial, enterprise risks and opportunities, sustainability impacts and the process of determining sustainability-related and climate-related risks and opportunities well in advance, by way of electronic Board papers and proposals, as relevant, for all Board meetings held during the year, in addition to the monthly and quarterly information submitted pertaining to the Group, in order to ensure robust discussion, informed deliberation and effective decision-making.

The Directors continue to have access to, and independent contact with, the corporate and senior management of the Group.

3.1.9.3 Board Agenda

The agenda for meetings is determined by the Chairperson, where relevant, consulting the Deputy Chairperson, the Senior Independent Director and Board Secretary, with information relevant to such meetings disseminated to the Board in a timely manner. During the period under review, the Chairperson-CEO ensured that all Board proceedings were conducted smoothly and efficiently, approving the agenda for each meeting prepared by the Board Secretary.

The typical Board agenda in 2025/26 entailed, discussion of matters arising from the previous minutes, submission of Board Committee reports, status updates of major projects, review of performance, strategy formulation, approval of quarterly and annual financial statements, review of risk, sustainability and corporate social responsibility related aspects, ratification of capital expenditure and ratification of the use of Common Seal, among others.

Added emphasis was also placed on the operationalisation of the Group's landmark investments, at the City of Dreams Sri Lanka as well as the West Container Terminal at the Port of Colombo.

CORPORATE GOVERNANCE COMMENTARY

3.1.10 Board Secretary

Upon the retirement of the Board Secretary, who also served as the President Legal, Secretarial and CSR of the Group, on 31 December 2025, the Head of Governance and Compliance, and Vice President of JKH, who is an Attorney-at-Law by profession and a registered company secretarial practitioner, assumed the role of the Board Secretary with effect from 1 January 2026.

The key responsibilities of the Board Secretary:

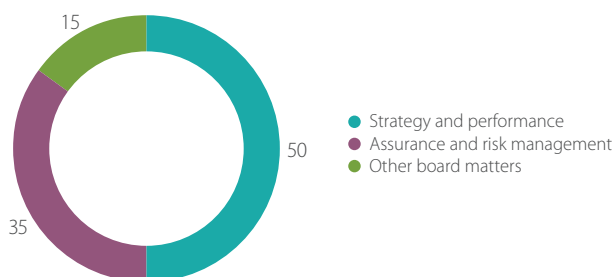
- » Assist the Board with compliance related matters pertaining to the Articles of Association, Applicable Law and corporate governance practices adopted by the Group.
- » Organise, coordinate, and support the scheduling of Board meetings, ensuring that all required documents and agendas are distributed in advance.
- » Attend Board meetings and record minutes and ensure that all decisions are accurately documented.
- » Facilitate regular updates to the Board on key developments in Applicable Law and corporate governance practices.
- » Assist in monitoring the Board's compliance with internal policies.
- » Facilitate communications between the Board and the management of the Group.

3.1.11 Time Dedicated by Non-Executive Directors

The Board has dedicated adequate time for the fulfilment of their duties as Directors of the Group. The general time allocation is illustrated below.

Time Commitment

(%)



In addition to attending Board meetings and Pre-Board meetings, the Directors have attended the respective Board Committee meetings and have also contributed to decision-making via Circular Resolutions and one-on-one meetings with Key Management Personnel, when necessary.

3.1.12 Board Evaluation

The Board conducted its annual Board performance appraisal for the financial year 2025/26. The process for the annual evaluation of the performance of Board and CEO is established under the oversight of the Senior Independent Director, Nominations and Governance and Human Resources and Compensation Committees, respectively. This formalised process of individual appraisal enabled each member to self-appraise, on an anonymous basis, the performance of the Board under the areas of:

- » Role clarity and effective discharge of responsibilities
- » People mix, balance and structures
- » Systems and procedures
- » Quality of participation
- » Board and corporate image and reputation

The scoring and open comments are collated by the Senior Independent Director to ensure an independent evaluation process. The results are analysed to give the Board an indication of its effectiveness as well as areas that require addressing and/or strengthening. Despite the initial anonymity of the remarks, the subsequent open and frank discussions often result in some Directors voluntarily identifying themselves as the source of the feedback, reflecting the openness of the Board. This process has, over time, contributed to improved Board dynamics through ongoing evaluation and deliberation.

More recent deliberations have centred around the operationalisation of the large ticket investments of the Group, continuous enhancement on the approach to proactively managing identification of risks, particularly in relation to cybersecurity risks, business resilience and enterprise risk management, including holistic sustainability and ESG-related policies.

It also includes periodic 360-degree appraisals for Executive Directors and other key management personnel.

3.1.13 Ensuring Independence and Managing Conflicts of Interests

As at 26 May 2026, the Board comprised of nine Directors, with five of them being Independent Non-Executive Directors, ensuring a strong element of independence on the Board. Two Directors are Non-Independent Non-Executive Directors due to their service on the Board exceeding nine years. Two Directors are Executive Directors.

The Group takes necessary steps to ensure that Directors avoid situations in which they have, or could have, a direct or indirect interest which conflicts with, or might possibly conflict, with the interests of the Group.

In order to avoid such potential conflicts or biases, the Directors make a general disclosure of interests, as illustrated below, at appointment, at the beginning of every financial year, and during the year, as required. The confirmatory statement shall include declaration of all material interests in contracts involving the Company and whether they have refrained from voting on materially interested matters.

Such potential conflicts are reviewed by the Board from time to time to ensure the integrity of the Board's independence. The details of companies in which Board members hold Board or Board Committee membership are available with the Company Secretary for inspection by shareholders, on request.

Prior to Appointment

- » Nominees are requested to make known their various interests.
- » Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria (to the extent applicable).

Once Appointed

- » Directors obtain Board clearance prior to:
 - Accepting a new position.
 - Engaging in any transaction that could create or potentially create a conflict of interest.
- » All NEDs are required to notify the Chairperson-CEO of any changes to their current Board representations or interests and a new declaration is made annually.
- » Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria (to the extent applicable).

During Board Meetings

- » Directors who have an interest in a matter under discussion:
 - Excuse themselves from deliberations on the subject matter.
 - Abstain from voting on the subject matter (abstention from decisions is duly minuted).

The independence of all its Non-Executive Directors was reviewed on the basis of criteria summarised as follows. The Non-Executive Independent Directors did not have a conflict of interest, as per the criteria for independence outlined below.

Criteria for Defining Independence	Status of Conformity of NEDs
1. Shareholding carrying not less than 10% of voting rights.	None of the NED/IDs' shareholding exceed 1%.
2. Director of another company.*	None of the NED/IDs are Directors of another related party company.
3. Income/non-cash benefit equivalent to 20% of the Director's annual income excluding income/non-cash benefits received which are applicable on a uniform basis to all Non-Executive Directors on the Board.	NED/ID income/cash benefits are less than 20% of an individual Director's annual income.
4. Employment at JKH and/or material business relationship with JKH, currently or in the three years immediately preceding appointment as a Director.	None of the NED/IDs are employed or have been employed at JKH.
5. Close family member is a Director, Chief Executive Officer (CEO) or a Key Management Personnel.	No family member of the NED/IDs is a Director or CEO or a Key Management Personnel.
6. Has served on the Board continuously for a period exceeding nine years from the date of the first appointment.	All NEDs, except Mr. A. Cabraal and Dr. H. Wijayasuriya, satisfied this criterion for the year 2025/26. Both Mr. A Cabraal and Dr. H. Wijayasuriya no longer met the independence criteria outlined in the Listing Rules of the CSE, due to their tenure on the Board exceeding nine years.
7. Is employed, is a Director, has a material business relationship and/or significant shareholding in other companies.* Entails other companies that have significant shareholding in JKH and/or JKH has a business connection with.	None of the NED/IDs are employed, are Directors, or have a material business relationship or a significant shareholding of another related party company as defined.
8. Is below 70 years of age, unless Nominations and Governance Committee recommends the appointment, the Board of Directors approves the recommendation and the shareholders approve by passing a resolution through a majority vote of the public shareholders at a general meeting of the Company.	All NEDs, except Mr. M. Menon, are below the age of 70. Mr. Menon, having attained the age of seventy (70) years, was appointed as an Independent Non-Executive Director to the Board with effect from 1 July 2025, following the recommendation of the Nominations and Governance Committee, the approval of the Board on 26 May 2025, and the approval of the Shareholders in terms of Section 211 of the Companies Act No. 7 of 2007 and Section 9.8.3(ix) of the Listing Rules of the CSE at the AGM held on 27 June 2025.

* Other companies in which a majority of the other Directors of the listed company are employed or are Directors or have a significant shareholding or have a material business relationship or where the core line of business of such company is in direct conflict with the line of business of the listed company.

CORPORATE GOVERNANCE COMMENTARY

3.1.13.1 Details in Respect of Directors

In accordance with the Group policy and subject to applicable law, the Directors shall not hold more than fifteen directorships in listed companies.

The following table illustrates the total number of Board seats held and employed as key management personnel in other companies by each Director.

Name of Director	No. of Board Seats Held in Other Listed Sri Lankan Companies			No. of Board Seats Held in Other Unlisted Sri Lankan Companies and Membership in Other Entities
	Executive Capacity	Non-Executive Capacity	Key Management Personnel	
A. Cabraal	-	<ul style="list-style-type: none"> » Ceylon Beverage Holdings PLC - Chairman » Lion Brewery (Ceylon) PLC - Chairman » Sunshine Holdings PLC - Chairman » Watawala Plantations PLC 	-	<ul style="list-style-type: none"> » CIC Feeds (Private) Limited – Chairman/NED » CIC Vetcare (Private) Limited – Chairman/NED » CIC Poultry Farms (Private) Limited – Chairman/NED » CIC Bio Security Breeder Farms (Private) Limited – Chairman/NED » Asiavet Lifescience (Private) Limited – Chairman/NED » Silvermill Investment Holdings (Private) Limited – Chairman/NED » Sunshine Consumer Lanka Limited – Chairman/NED » Sunshine Healthcare Lanka Limited – Chairman/NED » Healthguard Pharmacy Limited – Chairman/NED » Lina Manufacturing (Private) Limited – Chairman/NED » Century Properties Limited – INED » Sunshine Foundation for Good – NED » Sunshine Tea (Private) Limited – Chairman/NED » Moose Clothing Colombo (Private) Limited – Chairman/NED
S. Coorey	-	<ul style="list-style-type: none"> » Dialog Axiata PLC 	-	-
S. Fernando	-	-	<ul style="list-style-type: none"> » CEO of MAS Holdings (Private) Limited 	<ul style="list-style-type: none"> » Aqua Trading Global (Private) Limited » Bodyline (Private) Limited » Bodyline Trading (Private) Limited » Linea Aqua (Private) Limited » MAS Active (Private) Limited » MAS Capital (Private) Limited » MAS Fabrics (Private) Limited » MAS Investments (Private) Limited » MAS Innovation (Private) Limited » Noyon Lanka (Private) Limited » Silueta (Private) Limited » Texo (Private) Limited » Unichela (Private) Limited » Synapse (Private) Limited » World Vision Lanka
M. Jayasinghe	-	<ul style="list-style-type: none"> » Diesel and Motor Engineering PLC » Ceylon Hospitals PLC » C W Mackie PLC » Lanka Milk Food (CWE) PLC » Lanka IOC PLC » Vallibel One PLC » Royal Ceramics PLC » Lanka Ceramic PLC » Lanka Walltiles PLC 	-	<ul style="list-style-type: none"> » Lanka Dairies Limited » NMJ Leisure (Private) Limited <p>Other</p> <ul style="list-style-type: none"> » Governing Board Member Central Bank of Sri Lanka » Member of the Accounting Standards Committee Sri Lanka » Chairman of the Accounting Standards Committee of the South Asia Federation of Accountants (SAFA) » Member Auditing Standards Committee of Sri Lanka » Sunera Foundation - Trustee

Name of Director	No. of Board Seats Held in Other Listed Sri Lankan Companies			No. of Board Seats Held in Other Unlisted Sri Lankan Companies and Membership in Other Entities
	Executive Capacity	Non-Executive Capacity	Key Management Personnel	
M. Menon*	-	-	-	-
R. Shukla	-	-	-	-
H. Wijayasuriya	-	-	-	» Director of Colours of Courage Trust (Guarantee) Limited » Sigiriya Leisure (Private) Limited » Sigiriya Residencies (Private) Limited » Tangalle Leisure (Private) Limited Other » Dialog Foundation – Trustee » Sigiriya Trust – Trustee
K. Balendra	-	» Asian Hotels & Properties PLC » Ceylon Cold Stores PLC » John Keells PLC » John Keells Hotels PLC » Keells Food Products PLC » Trans Asia Hotels PLC » Union Assurance PLC	-	Director of several unlisted companies in the John Keells Group.**
G. Cooray	-	» Asian Hotels & Properties PLC » Ceylon Cold Stores PLC » John Keells PLC » John Keells Hotels PLC » Keells Food Products PLC » Trans Asia Hotels PLC	-	Director of several unlisted companies in the John Keells Group.**

*Appointed with effect from 1 July 2025.

**Refer Group Directory of the Annual Report for further details

 Refer Board and Management Profiles for other appointments held in trade associations, regional and sectoral councils, regulatory bodies, among others – page 295.

Directors' Shareholding (John Keells Holdings PLC)	31 March 2026	31 March 2025
A. Cabraal	2,767,030	2,767,030
S. Coorey	-	-
S. Fernando	477,400	477,400
M. Jayasinghe	525,670	525,670
M. Menon	-	N/A
R. Shukla	-	-
H. Wijayasuriya	-	-
K. Balendra*	139,216,897	129,519,027
G. Cooray	6,834,614	4,524,450

*Includes shareholding of spouse.

Executive Directors' Shareholding in Listed Group Companies:	Number of Shares as at 31 March 2026	
	K Balendra*	G Cooray
Ceylon Cold Stores PLC	819,040	-
Asian Hotels and Properties PLC	-	10,600
Trans Asia Hotels PLC	-	1,200

*Includes shareholding of spouse.

CORPORATE GOVERNANCE COMMENTARY

3.1.14 Director Remuneration

3.1.14.1 Executive Director Remuneration

The Human Resources and Compensation Committee (HRCC) is responsible for determining the compensation of the Chairperson-CEO and the Deputy Chairperson/Group Finance Director, both Executive Directors of the Group. The HRCC operates in conformity with applicable rules and regulations and its Terms of Reference.

The Committee is comprised of a majority of Independent, Non-Executive Directors and serves as an independent conduit for shareholder and other stakeholder interests.



A material proportion of Executive Director remuneration is variable. The variability is linked to the peer-adjusted consolidated Group bottom line and expected returns on shareholder funds, which aligns with the interest of shareholders by incentivising sustainable value creation over time. In determining remuneration, other non-financial key performance indicators (KPIs), including ESG considerations, are also given due prominence. Further, the HRCC consults the Chairperson-CEO about any proposals relating to the Executive Director remuneration, other than that of the Chairperson-CEO.

During the year, employee share options (ESOPs), valued using a binomial pricing model, were granted to the Executive Directors as well as to all other eligible employees.



Options available to Executive Directors under Employee Share Options Scheme:

Year of Expiry	K Balendra			G Cooray		
	Granted Shares	Immediately Vesting	To be Vested	Granted Shares	Immediately Vesting	To be Vested
2026/27	4,510,637	4,510,637	-	4,310,164	4,310,164	-
2027/28	4,510,637	3,382,978	1,127,659	4,129,739	3,097,305	1,032,434
2028/29	3,608,510	1,804,255	1,804,255	3,303,791	1,651,896	1,651,895
2029/30	4,460,519	1,115,130	3,345,389	4,104,680	1,026,170	3,078,510
2030/31	5,732,500	-	5,732,500	5,274,500	-	5,274,500
Total	22,822,803	10,813,000	12,009,803	21,122,874	10,085,534	11,037,340

3.1.14.2 Non-Executive Director Remuneration

The compensation of Non-Executive Directors is determined by the Board, based on the principles of non-discriminatory pay practices and with reference to fees paid to other Non-Executive Directors of comparable companies, macroeconomic conditions, time commitments to be made by such Directors and the complexities of the Company and/or Group.

Non-Executive Directors were paid additional fees for either chairing or being a member of a Board Committee and did not receive any performance/incentive payments/share option plans.

The total aggregate of Non-Executive Director remuneration for the year was Rs.34 million [2024/25: Rs.30 million].

Directors' Remuneration of JKH for the year ended 31 March 2026:

Rs.million	2025/26	2024/25
Remuneration to Executive Directors	483	349
Fixed	219	193
Variable	264	156
Remuneration to Non-Executive Directors	34	30



3.1.14.3 Compensation for Early Termination

In the event of an early termination of a Director, there are no compensation commitments other than for:

- » Executive Directors: as per their employment contract similar to any other employee.
- » Non-Executive Directors: accrued fees payable for Board and Board Committee membership, if any, as per the terms of their contract.

Apart from the remuneration and compensation disclosed above, no other considerations such as recruitment incentives, termination benefits, or retirement benefits have been made to the Directors and no clawbacks have been reported during the year.

3.2 Board Committees

Whilst retaining final decision rights, the Board has delegated certain functions to Board Committees. Members of these Committees focus on their designated areas of responsibility and impart knowledge and oversight in areas where they have greater expertise.

The five Board Committees are as follows:

- i. Audit Committee
- ii. Human Resources and Compensation Committee
- iii. Nominations and Governance Committee
- iv. Related Party Transactions Review Committee
- v. Project Risk Assessment Committee

Out of the five Board Committees, four are mandatory, whilst the Project Risk Assessment Committee was formed voluntarily, considering the need to understand the risks and feasibility of material new investments at an earlier stage for better alignment with the Board, given the diverse nature of businesses within the Group.

Important matters arising from the Board Committee meetings are deliberated at the Board meetings, and any concerns identified are referred to the Board for oversight.

The Board Committees comprise predominantly of Independent Non-Executive Directors.

The membership of the five Board Committees is as follows:

Board Committee Membership as at 26 May 2026	Audit Committee	Human Resources and Compensation Committee	Nominations and Governance Committee	Related Party Transactions Review Committee	Project Risk Assessment Committee
Senior Independent Non-Executive					
S. Fernando	●	▲			●
Independent Non-Executive					
M. Jayasinghe	▲			▲	
S. Coorey			▲		
M. Menon		●			
R. Shukla			●		
Non-Independent Non-Executive					
A. Cabraal	●	●	●	●	●
H. Wijayasuriya		●	●		▲
Executive					
K. Balendra – Chairperson-CEO					●
G. Cooray – Deputy Chairperson/Group Finance Director					●

● Committee Member ▲ Committee Chair

3.2.1 Audit Committee

Composition

- » Comprises three members, a majority of whom are Independent Non-Executive Directors, with the chairperson of the committee having significant, recent and relevant financial management and accounting experience, and membership in a recognised professional accounting body.
- » The Chairperson-CEO and the Group Finance Director are permanent invitees for all Committee meetings. The Group Financial Controller is also present at discussions relating to Group reporting.
- » The Head of the Group Business Process Review division is the Secretary of the Committee.

Scope

- » Overseeing the preparation, presentation and review of the quarterly and annual financial statements, including the quality, transparency, integrity, accuracy and compliance with accounting standards, laws and regulations, prior to tabling the same for the approval of the Board of Directors.
- » Assess the adequacy and effectiveness of the internal control environment in the Group and ensure that appropriate action is taken by management on the recommendations of the internal auditors and to prevent the leakage of material information to unauthorised persons.
- » Obtain and review assurance received from the CEO, Group Finance Director and other Key Management Personnel, as relevant, that the financial records have been properly maintained, and the financial statements give a true and fair view of the Company's and Group's operations and finances.
- » Evaluate the competence and effectiveness of the risk management systems and internal controls of the Group and ensure robustness and effectiveness in monitoring and controlling risks, as recommended by the internal auditors.
- » Review the adequacy and effectiveness of internal and external audit arrangements.
- » Review the risk policies adopted by the Company on an annual basis.
- » Recommend the appointment, re-appointment and removal of the External Auditors including their remuneration and terms of engagement by assessing qualifications, expertise, resources and independence.

3.2.1.1 Audit Committee Meeting Attendance

No. of meetings – five

	Eligible to Attend	Attended	Date of Appointment
M. Jayasinghe – Chairperson	5	5	01/07/2024
A. Cabraal	5	5	07/11/2013
S. Fernando	5	5	09/08/2023
By invitation			
K. Balendra	5	4	-
G. Cooray	5	5	-

Note: The Committee convened at least once every quarter.

CORPORATE GOVERNANCE COMMENTARY

3.2.1.2 Report of the Audit Committee

The role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the integrity of the financial statements of the Company and the Group, the internal control and risk management framework and systems of the Group, compliance with legal and regulatory requirements, the External Auditors' suitability, performance, and independence, and, the adequacy and performance of the Internal Audit function undertaken by the Group Business Process Review division (GBPR). The scope of functions and responsibilities are adequately set out in the terms of reference of the Committee which has been approved by the Board and is reviewed annually. The Committee's responsibilities pertain to the Group as a whole and in discharging its responsibilities, the Committee places reliance on the work of other Audit Committees in the Group without prejudicing the independence of those Committees. However, to the extent, and in a manner, it considers appropriate, the Committee provides feedback to those entities for their consideration and necessary action.

The effectiveness of the Committee is evaluated annually by each member of the Committee and the results are communicated to the Board.

Composition of the Committee and Meetings

The Audit Committee comprises the undersigned and the following Directors:

M. Jayasinghe (INED) - Chairperson
A. Cabraal (NED)
S. Fernando (INED)

The Head of the GBPR division served as the Secretary to the Audit Committee.

The Audit Committee met five times during the financial year. Information on the attendance at these meetings by the members of the Committee is given in the ensuing section. The Chairperson-CEO, the Deputy Chairperson/Group Finance Director, Group Financial Controller and the External Auditors attended most parts of these meetings by invitation. The Internal Auditors carried out outsourced assignments and relevant executives of the Company and the Group also attended these meetings when needed. The Committee engaged with management to review key risks faced by the Group as a whole and the main sectors with a view to obtaining assurances that appropriate and effective risk mitigation strategies were in place.

The activities and views of the Committee were communicated to the Board of Directors quarterly through verbal briefings by the Chairperson of the Committee, and by tabling the minutes of the Committee's meetings.

Financial Reporting

The Audit Committee has reviewed and discussed the Group's quarterly financial statements and the annual statements with the Management. The External Auditors were engaged to conduct a limited review of the Group's interim financial statements for the six months ended 30 September 2025. The results of this review were

discussed with the External Auditors prior to publication of these statements. The scope of the review included ascertaining compliance of the statements and disclosures with the Sri Lanka Accounting Standards, the appropriateness and changes in accounting policies and material judgemental matters. Discussions were also held with the External Auditors and management on matters communicated to the Committee by the External Auditors in their reports to the Committee on the audit for the year.

The Committee obtained independent input from the External Auditors on the effects of any new Sri Lanka Accounting Standards that came into effect for the year under review and satisfied themselves that the necessary preparatory work was carried out, to enable the Company to comply with these new standards.

Internal Audit, Risks and Controls

The Committee reviewed the adequacy of the Internal Audit coverage for the Group and the Internal Audit Plans for the Group with the Head of the GBPR division and the Management. The Internal Audit function of most Group companies is outsourced to leading professional firms under the direction and control of the GBPR division.

The GBPR division regularly reported to the Committee on the adequacy and effectiveness of internal controls in the Group and compliance with laws and regulations and established policies and procedures of the Group. Reports from outsourced Internal Auditors on the operations of the Company and some of the unlisted subsidiaries of the Company were also reviewed by the Committee. Follow-up action was taken on the recommendations of the outsourced Internal Auditors and any other significant follow-up matters were documented and presented to the Committee on a quarterly basis by the Head of GBPR. The Committee also reviewed the effectiveness of digital forensic tools used by GBPR.

The Sustainability and Enterprise Risk Management division reported to the Committee on the process of identification, evaluation and management of all significant risks faced by the Group. The report covered the overall risk profile of the Group for the year under review in comparison with that of the previous year, and the most significant risks from a Group perspective together with mitigatory action. The Group functions in an environment where not all risks can be completely eliminated and in this context the Committee reviews remedial measures taken to manage risks that do materialise and the level of residual risk.

Formal confirmations and assurances were obtained from the senior management of Group companies on a quarterly basis regarding the efficacy and status of the internal control systems and risk management systems and compliance with applicable laws and regulations.

The Committee reviewed the whistleblowing arrangements for the Group and had direct access to the Ombudsperson for the Group. The effectiveness and resource requirements of the GBPR division were reviewed and discussed with management and changes were affected where considered necessary.

External Audit

The External Auditors' Letter of Engagement, including the scope of the audit, was reviewed and discussed by the Committee with the External Auditors and management prior to the commencement of the audit.

The External Auditors kept the Committee advised on an on-going basis regarding matters of significance that were pending resolution. Before the conclusion of the Audit, the Committee met with the External Auditors and management to discuss all audit issues and to agree on actions. This included the discussion of formal reports from the External Auditors to the Committee. The Committee also met the External Auditors, without management being present, prior to the finalisation of the financial statements to obtain their input on specific issues and to ascertain whether they had any areas of concern relating to their work. No matters other than those already discussed with management and resolved were raised by the External Auditors.

The External Auditors' final management reports on the audit of the Company and Group financial statements for the year 2025/26 were discussed with the management and the Auditors.

The Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. Due consideration has been given to the nature of the services provided by the Auditors and the level of audit and non-audit fees received by the Auditors from the John Keells Group and preclearance was given for these services. The Committee also reviewed the arrangements made by the Auditors to maintain their independence and confirmation has been received from the Auditors of their compliance with the independence guidance given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

The performance of the External Auditors has been evaluated with the aid of a formal assessment process with input provided by the senior management of the Company. Based on the performance assessment, the Committee has recommended to the Board that Ernst & Young be re-appointed as the Lead/Consolidation Auditor of the Group for the financial year ending 31 March 2027, subject to approval by the Shareholders at the Annual General Meeting.



M. Jayesinghe

Chairperson of the Audit Committee

26 May 2026

3.2.2 Human Resources and Compensation Committee

Composition

- » The Committee comprises of Non-Executive Directors, out of which two Directors are Independent Non-Executive Directors.
- » The Chairperson of the Committee is an Independent Non-Executive Director.
- » The Chairperson-CEO and Group Finance Director are invited to all Committee meetings unless the Chairperson-CEO or Executive Director remuneration is under discussion, respectively.
- » The Deputy Chairperson/Group Finance Director is the Secretary of the Committee.

Scope

- » Review and recommend overall remuneration philosophy, strategy, policies and practice and performance-based pay plans for the Group.
- » Determine and agree with the Board a framework for the remuneration of the Chairperson-CEO and Executive Directors based on performance targets, benchmark principles, performance related pay schemes, industry trends and past remuneration.
- » Succession planning and talent management of Key Management Personnel.
- » Ensure the integrity of the Group's compensation and benefits programme is maintained.
- » Commission compensation and benefit surveys as appropriate to assist the Committee in its deliberations.
- » In performing these functions, to ensure that stakeholder interest are aligned and that the Group is able to attract, motivate and retain talent.
- » While external consultants are not directly involved in determining remuneration, the Committee may invite independent external specialists to provide advice and information on relevant remuneration and Human Resource development practices, at its discretion.
- » Determining compensation of Non-Executive Directors is not under the scope of this Committee.

3.2.2.1 Human Resources and Compensation Committee Meeting Attendance

No. of meetings – one

	Eligible to Attend	Attended	Date of Appointment
S. Fernando - Chairperson	1	1	01/07/2025
A. Cabraal	1	1	29/01/2015
H. Wijayasuriya	1	1	05/11/2016
By invitation			
S. Coorey	1	1	-
M. Menon*	1	1	04/10/2025
R. Shukla	1	1	-
M. Jayesinghe	1	1	-

*Attended as an invitee as the meeting was held in July 2025 but was appointed to the Committee in October 2025.

CORPORATE GOVERNANCE COMMENTARY

3.2.2.2 Report of the Human Resources and Compensation Committee

The Human Resource and Compensation Committee forms a key part of the governance framework of the Group and carries the mandate to oversee the compensation and benefits policies adopted by the Group, and in doing so, review and recommend overall remuneration philosophy, strategy, policies and practices and performance-based pay plans. Furthermore, it reviews performance, compensation and benefits of the CEO, the other Executive Directors, and key executives who support and implement decisions at an apex level, the overall business strategy and make recommendations, thereon to the Board. The Committee also reviews and monitors the performance of the Group's top talent for the purposes of organisational growth and succession planning, with particular emphasis on succession at key executive levels.

In performing this role, the Committee is conscious of the need to ensure that stakeholder interests are aligned, and the Group is able to attract, motivate, retain talent and ensure their loyalty; the integrity of the Group's compensation and benefits programme is maintained and importantly, that the compensation policy and schemes are compliant with applicable laws and regulations.

In this context, the Committee determined the remuneration of the Executive Directors including the Chairperson-CEO in terms of the methodology set out by the Board, upon an evaluation of their performance by the Non-Executive Directors. The evaluation of the members of the Group Executive Committee was considered by the Committee and remuneration was determined based on performance, market comparators for similar positions and in accordance with the Company's Compensation and Benefits policy.

As per the mandate outlined, the report from the Chairperson of the Human Resources and Compensation Committee continues to be a standing agenda item at the quarterly Board meetings. The Chairperson of the Committee reports on the developments which have taken place since the last Board meeting, if any, and updates the Board on various matters, as relevant and requested.

The Committee wishes to report that the Company has complied with the Companies Act in relation to remuneration of Directors. The annual performance appraisal scheme and the calculation of short term incentives were executed in accordance with the approvals given by the Board, based on discussions conducted between the Committee and the management. The employee share option scheme (ESOPs), including the award of ESOPs, was implemented in accordance with the Listing Rules of the Colombo Stock Exchange and in line with approval granted by the Board and shareholders.



S. Fernando

Chairperson of the Human Resources and Compensation Committee

26 May 2026

3.2.3 Nominations and Governance Committee

Composition

- » The Committee comprises of Non-Executive Directors, out of which two Directors are Independent Non-Executive Director.
- » The Chairperson of the Committee is an Independent Non-Executive Director.
- » The Secretary to the Board is the Secretary of the Committee.

Scope

- » Develop and maintain a formal and transparent procedure and criteria to evaluate, select and appoint/re-appoint Directors, the CEO and Key Management Personnel (KMP)
- » Assess the skills and capabilities required by the Board in light of the Group's business needs and the extent to which the required skills are represented at the Board.
- » Periodically review the Board's structure, size, composition, diversity, and competencies, and recommend any changes considered necessary.
- » Identify and recommend suitable candidates for appointments/re-appointment to the Board.
- » Ensure, on appointment to the Board, Non-Executive Directors receive a formal letter of appointment specifying clear expectations in terms of time commitment, involvement outside of the formal Board meetings and participation in Committees, amongst others.
- » Ensure that every appointee undergoes an induction to the Group.
- » The appointment of the Chairperson-CEO and Executive Directors is a collective decision of the Board.
- » Succession planning of Board of Directors.
- » Periodically, and in consultation with the Chairperson-CEO and all Independent Non-Executive Directors of the Board, review the Company's succession planning for CEO.
- » Establish the framework and processes for the periodic evaluation of the Board and the CEO to ensure that their responsibilities are satisfactorily discharged.
- » Periodically review the independence of all Independent Non-Executive Directors in terms of independence criteria specified by applicable laws, rules and regulations.
- » Review and recommend the overall corporate governance framework considering the requirements of applicable laws, rules, regulations and international best practices and annual update to the Board.
- » Receive and review reports from management on compliance/non-compliance (reason and rationale for non-compliance) with the corporate governance framework.
- » Ensure the adoption of a process to inform Independent Non-Executive Directors of major issues relating to the Company.
- » At its discretion, seek appropriate professional advice from within and outside the Company as and when it considers necessary.

3.2.3.1 Report of the Nominations and Governance Committee

The Nominations and Governance Committee, appointed by the Board, is constituted in accordance with the Listing Rules and the Company's Corporate Governance Framework. Its mandate, scope of functions, composition, and operating procedures are expressly set out in the Committee Charter (Terms of Reference).

During the year, the Committee undertook a review of its Charter to ensure continued alignment with applicable regulatory requirements, including the Listing Rules of the Colombo Stock Exchange. The Committee's responsibilities are guided by Section 9.11.5 of the Listing Rules, together with corporate governance best practices voluntarily adopted by the Company. The Board Secretary serves as the Secretary to the Committee.

Mandate

The Committee reaffirms its mandate to:

- » Lead the process of Board appointments and make recommendations to the Board on all new appointments, as well as the re-election or reappointment of Directors retiring under the Articles of Association, contract or Applicable Law.
- » Oversee the appointment, re-election, and reappointment processes for Directors of the Company's listed subsidiaries, in accordance with the John Keells Group's philosophy and framework governing Director appointments and tenure.
- » Ensure that a comprehensive Board induction programme is established and implemented for newly appointed Directors.
- » Define and maintain the processes for the nomination and re-appointment and re-election of Independent Non-Executive Directors and Non-Independent Non-Executive Directors.
- » Ensure that an appropriate methodology is in place to periodically conduct a Board self evaluation, administered by the Senior Independent Director, with outcomes discussed at Board level.
- » Review and recommend the overall corporate governance framework, taking into account Applicable Laws, regulatory requirements, and recognised industry and international best practices.
- » Periodically review CEO succession planning, in consultation with the Chairperson-CEO, and in liaison with all Independent Non-Executive Directors, including the Senior Independent Director

Activities During the Year

For the financial year ended 31 March 2026, the Committee undertook the following key activities:

- » Collaborated with the Board to review the skills and competencies required for effective Board functioning.
- » Prioritised Board balance and diversity by considering a wide range of attributes, including experience, skills, age, gender, and other relevant factors, to ensure a well rounded mix of perspectives that enhance Board performance and decision-making. These considerations were embedded into the Director appointment process.
- » Evaluated all Board appointments and re-appointments, ensuring alignment with the Company's corporate governance policies and framework, including succession planning. All evaluations were carried out in an informed, equitable, and impartial manner, with Directors abstaining from decisions relating to their own appointment or re-appointment.

The Committee recommended the following Director appointments and contract renewals to the Boards of the Company and its listed subsidiaries, in accordance with the Nominations and Re-Election Policy, the Listing Rules, the Companies Act, and following due diligence on qualifications, experience, fit and proper requirements, and independence criteria where applicable:

John Keells Holdings PLC

- » Mr. M. K. Menon, Independent Non-Executive Director (new appointment)
- » Mr. D. A. Cabraal, Non-Independent Non-Executive Director (renewal)*
- » Dr. S. S. H. Wijayasuriya, Non-Independent Non-Executive Director (renewal)*
- » Dr. S. A. Coorey, Independent Non-Executive Director (renewal)*

**Each Director abstained from the determination of the Committee with respect to the renewal of their contract.*

Union Assurance PLC

- » Ms. C. M. L. Dias Bandaranaike, Independent Non-Executive Director (new appointment)
- » Mr. S. A. J. S. Jayatilake, Executive Director (new appointment)
- » Mr. P. T. Wanigasekara, Independent Non-Executive Director (renewal)

Asian Hotels and Properties PLC

- » Mr. N. N. Mawilmada, Non-Independent Non-Executive Director (new appointment)
- » Mr. M. H. Singhawansa, Non-Independent Non-Executive Director (new appointment)

Trans Asia Hotels PLC

- » Mr. N. N. Mawilmada, Non-Independent Non-Executive Director (new appointment)
- » Mr. M. H. Singhawansa, Non-Independent Non-Executive Director (new appointment)
- » Ms. S. A. Atukorale, Independent Non-Executive Director (renewal)
- » Mr. N. L. Gooneratne, Non-Independent Non-Executive Director (renewal)

John Keells Hotels PLC

- » Mr. N. N. Mawilmada, Non-Independent Non-Executive Director (new appointment)
- » Dr. K. A. Gunasekera, Independent Non-Executive Director (renewal)
- » Mr. H. Premaratne, Independent Non-Executive Director (renewal)

Keells Food Products PLC

- » Ms. A. Nanayakkara, Independent Non-Executive Director (new appointment)
- » Mr. K. C. S. Fernando, Independent Non-Executive Director (new appointment)
- » Mr. M. M. J. W. Jayasekara, Independent Non-Executive Director (new appointment)

John Keells PLC

- » Mr. P. T. Wanigasekara, Independent Non-Executive Director (new appointment)

- » Ms. N. A. S. Akuratiyagama, Independent Non-Executive Director (new appointment)
- » Ensured that in accordance with Article 84 of the Company's Articles of Association, one-third of the Directors on the Board, being subject to retirement by rotation by virtue of being the longest-serving members in office (excluding the Chairperson), retired by rotation at each Annual General Meeting. Additionally, ensured adherence to Article 91, requiring Directors appointed during the year to retire at the first Annual General Meeting following their appointment.

The following Directors, retired under Articles 84 and 91, and being eligible for re-election, were presented along with their respective profiles, to the shareholders of the Company for re-election at the Annual General Meeting held on 27 June 2025:

- » Mr. J. G. A. Cooray, Executive Director (Article 84)
- » Mr. D. V. R. S. Fernando, Independent Non-Executive Director (Article 84)
- » Mr. H. M. A. Jayasinghe, Independent Non-Executive Director (Article 91)
- » Ms. R. Shukla, Independent Non-Executive Director (Article 91)
- » Ensured that the newly appointed Director, Mr. M. K. Menon, Independent Non-Executive Director, was provided with a formal induction programme and an induction pack.
- » Ensured that all Directors, including Independent Non-Executive Directors, were kept informed of regulatory updates, governance developments, and significant matters through periodic briefings at Board and Committee meetings, as well as through Board notes.
- » Reviewed general disclosure of interests, statutory and fit and proper declarations submitted by Directors and confirmed their eligibility in accordance with the Listing Rules and applicable governance requirements.
- » Reviewed the independence declarations submitted by Independent Non-Executive Directors and confirmed their compliance with the criteria outlined in Rule 9.8.3 of the Listing Rules.
- » Reviewed the Board Charter and key Company policies ensuring compliance with Rule 9.2 of the Listing Rules.

Directors retiring at the Annual General Meeting of the Company for the Financial Year ended 31 March 2026

The following Directors will be retiring under Article 84 of the Company's Articles of Association and will be placed before the shareholders at the Annual General Meeting of the Company on 26 June 2026 for re-election:

- » Mr. D. A. Cabraal, Non-Independent Non-Executive Director
- » Mr. H. M. A. Jayasinghe, Independent Non-Executive Director

Mr. M. K. Menon will be retiring in terms of Section 210 of the Companies Act and will be placed before the shareholders at the Annual General Meeting for re-appointment in terms of Section 211 of the Companies Act and for his designation as an Independent Non Executive-Director under Section 9.8.3 (ix) of the Listing Rules.

Director Profiles and Information Disclosures

The profiles of the Company's Directors, including details of their first appointment to the Board, most recent re-appointment, nature of Directorship, appointments to Board Committees, principal commitments and positions held and any relevant relationships (including relationships with other Directors, the Company, or significant shareholders of the Company), are provided in the Board and Management Profiles, Corporate Governance Commentary and Annual Report of the Director sections of this Annual Report.

Board, Chairperson-CEO and Board Committee Evaluations

- » The Committee conducted a self-evaluation of its performance for the year and determined that it had discharged its responsibilities effectively in accordance with the Committee Charter.
- » All other Committees of the Board underwent similar performance assessments.
- » The Board completed an annual self-assessment of its performance and the performance of the Chairperson-CEO for the financial year 2024/25, the outcome of which were discussed between the Board and the Committee.

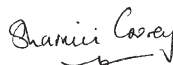
The evaluation of the Board for the financial year 2025/26 was conducted in May 2026. In line with this process, the evaluation of the Chairperson-CEO is scheduled to be undertaken in June 2026, with the results to be reviewed and discussed with the Board thereafter.

Reporting

The Committee periodically reports on its activities to the Board during the Company's Board meetings.

Governance Practices and Compliance with Listing Rules

The Committee reviewed the management report confirming compliance with the corporate governance framework and confirms that all applicable requirements under Section 9 of the Listing Rules have been met. The Company continues to strengthen governance practices to promote transparency, accountability, and stakeholder confidence. A detailed statement of compliance with the Listing Rules is provided in the Corporate Governance Commentary section of this Annual Report.



S. Coorey

Chairperson of the Nominations and Governance Committee

26 May 2026

3.2.3.2 Nominations and Governance Committee Meeting

Attendance

No. of meetings – one

	Eligible to Attend	Attended	Date of Appointment
S. Coorey - Chairperson	1	1	08/11/2023
A. Cabraal	1	1	07/11/2013
R. Shukla*	N/A	N/A	04/10/2025
H. Wijayasuriya	1	1	05/11/2016

*Appointed with effect from 4 October 2025.

3.2.4 Related Party Transactions Review Committee

Composition

- » The Committee comprises of three Non-Executive Directors, out of which two Directors are Independent Non-Executive Director.
- » The Chairperson of the Committee is an Independent Non-Executive Director.
- » The Chairperson-CEO and the Group Finance Director are permanent invitees for all Committee meetings. The Group Financial Controller is also present at discussions relating to Group reporting.
- » The Head of the Group Business Process Review division is the Secretary of the Committee.

Scope

- » All proposed Related Party Transactions shall be reviewed in advance and in the event of any material changes, such changes shall also be reviewed by the Related Party Transactions Review Committee prior to the completion of the transaction.
- » Develop and recommend for adoption by the Board of Directors of JKH and its listed subsidiaries, a Related Party Transaction Policy which is consistent with the operating model and the delegated decision rights of the Group.
- » The Group has broadened the scope of the Committee to include senior decision makers in the list of Key Management Personnel, whose transactions with Group companies also get reviewed by the Committee, in addition to the requisitions of the CSE.
- » Update the Board on Related Party Transactions of each of the listed companies of the Group on a quarterly basis and formally request the Board to approve the related party transactions following the determination of whether such approval is needed.
- » Define and establish the threshold values for each of the subject listed companies in setting a benchmark for Related Party Transactions, Related Party Transactions which have to be pre-approved by the Board, Related Party Transactions which require to be reviewed annually, such as recurrent Related Party Transactions and similar issues relating to listed companies.
- » Ensure that they have or have access to expertise to assess all aspects of proposed Related Party Transactions, and where necessary, obtain expert advice from an appropriately qualified person.
- » Where a Director has personal material interest in a matter being reviewed by the Committee, such Director shall not be present in the Meeting and shall not vote in the matter, except at the request of the Committee.

3.2.4.1 Report of the Related Party Transactions Review Committee

Composition

The following Directors served as members of the Committee during the financial year:

M. Jayasinghe (INED) - Chairperson
A. Cabraal (NED)
S. Fernando (INED)

The Chairperson-CEO, Deputy Chairperson/Group Finance Director, and Group Financial Controller attended meetings by invitation. The Head of Group Business Process Review served as the Secretary to the Committee. The Committee held four meetings during the financial year, which were held on a quarterly basis. Information on the attendance at these meetings by the members of the Committee is given alongside. Urgent transactions that required prior approval of the Committee were dealt with by circulation among the members.

Objective and Governing Policies

The objective of the Committee is to exercise oversight on behalf of the Board of John Keells Holdings PLC and its listed subsidiaries, to ensure compliance with all applicable rules and regulations, namely the Code on Related Party Transactions, as issued by the Securities and Exchange Commission of Sri Lanka ('The Code') and the Listing Rules of the Colombo Stock Exchange (CSE). The Committee has also adopted best practices as recommended by the Institute of Chartered Accountants of Sri Lanka and ensures that transactions are in line with the Groups' internal governance framework and associated policies.

Procedure

The Committee in discharging its functions primarily relied on processes that were validated from time to time and periodic reporting by the relevant entities and Key Management Personnel (KMP) with a view to ensuring that:

- » there is compliance with 'The Code' and the Listing Rules of the CSE;
- » shareholder interests are protected, and;
- » fairness and transparency are maintained.

Non-recurrent Related Party Transactions (RPTs) of Listed Entities:

The Committee reviewed and pre-approved all proposed non-recurrent Related Party Transactions (RPTs) of John Keells Holdings PLC for the full period under consideration.

Recurrent RPTs of Listed Entities:

The Committee has endorsed guidelines to facilitate disclosures and assurances to be provided by the senior Management of so as to validate compliance with the Listing Rules and thus exclusion from the mandate for review and pre-approval of such transactions by the Committee.

Accordingly recurrent RPTs as well as the aforesaid disclosures and assurances were reviewed annually by the Committee.

CORPORATE GOVERNANCE COMMENTARY

Other Significant Transactions of Non-Listed Subsidiaries:

Material transactions of non-listed subsidiaries in the Group were presented to the Committee for information.

The Group continued to adopt a broader scope in defining Key Management Personnel including therein all senior decision makers. Accordingly, in addition to the Directors, all Presidents, Executive Vice Presidents, Chief Executive Officers, Chief Financial Officers and Financial Controllers of respective companies/sectors have been designated as KMPs in order to increase transparency and enhance good governance. Annual disclosures from all KMPs setting out any RPTs they were associated with, if any, were obtained and reviewed by the Committee.

The activities and views of the Committee have been communicated to the Board of Directors, quarterly, through verbal briefings, and by tabling the minutes of the Committee's meetings.



M. Jayesinghe

Chairperson of the Related Party Transactions Review Committee

26 May 2026

3.2.4.2. Related Party Transactions Review Committee Meeting Attendance

No. of meetings – four

	Eligible to Attend	Attended	Date of Appointment
M. Jayesinghe – Chairperson	4	4	01/07/2024
A. Cabraal	4	4	29/01/2014
S. Fernando	4	4	08/11/2023
By invitation			
K. Balendra	4	3	-
G. Cooray	4	4	-

Note: The Committee convened at least once every quarter.

3.2.5 Project Risk Assessment Committee

Composition

- » The Committee comprises of two Non-Executive Directors and two Executive Directors.
- » The Chairperson of the Committee is an Independent Non-Executive Director.
- » The Deputy Chairperson/Group Finance Director is the Secretary of the Committee.

Scope

- » Review and assess risks associated with large-scale investments and the mitigatory plans thereto, if mitigation is possible, and identify risks that cannot be mitigated.
- » Ensure stakeholder interests are aligned, as applicable, in making this investment decision.
- » Where appropriate, obtain specialised expertise from external sources to evaluate risks, in consultation with the Group Finance Director.
- » Recommend to the Board, necessary action required, to mitigate risks that are identified in the course of evaluating a project in order to ensure that those risks are captured by the Group Risk Matrix for monitoring and mitigation.
- » The Committee shall convene only when there is a need to transact in business as per the terms of its mandate.

3.2.5.1 Report of the Project Risk Assessment Committee

H. Wijayasuriya (Chairperson)
A. Cabraal
K. Balendra
G. Cooray

The Project Risk Assessment Committee was established with the purpose of augmenting the Group's Investment Evaluation Framework. The Committee provides the Board with enhanced illumination of risk perspectives with respect to large scale new investments and also assists the Board in assessing the potential impact of risks associated with such investments. Investments which are referred to the Committee are those which exceed a Board-agreed threshold in terms of quantum of investment and/ or potential impact to the Group. The Committee, accordingly, provides early-stage recommendations to the Board with respect to the extent of risk and adequacy of mitigation strategies.

During the year under review, the Committee reviewed the proposed Vauxhall Street development project comprising of ~750 apartment units in Colombo 2. The Committee evaluated the potential risks to the Group arising from the Project, including the financial risks arising from the proposed development under various scenarios. The assessment of the Committee included stress-testing of key operating assumptions and consideration of de-risking strategies. The risks were also evaluated in the context of the project being developed on land presently owned by the Group as a part of its Land Bank. The Committee took cognizance of the fact that additionally, the project aligned well with the Group's broader objective of monetising the said land bank. The Committee also considered the emerging opportunities for apartment living in Colombo and the market dynamics, including insights and findings from independent market research. The Committee noted the competitive landscape and the value proposition of the proposed development. The Committee was satisfied with the risk parameters of the proposed development and approved the initiation of the next steps of the project and for subsequent submission for formal approval of the Board. The project has now been formally approved by the Board and launched in the market as Vauxhall DSTRCT by the Group.

Key Strategic Project Risk Assessments also included the two landmark investment projects - City of Dreams Sri Lanka and the West Container Terminal. Given the scale and impact of the risks and opportunities associated with the said projects and the commencement of operations in both projects, the Committee and Board were of the view that related deliberations should take place with participation of the full Board as regular Board agenda items.



H Wijayasuriya

Chairperson of the Project Risk Assessment Committee

25 May 2026

3.2.5.2 Project Risk Assessment Committee Meeting Attendance

No. of meetings – one

	Eligible to Attend	Attended	Date of Appointment
H. Wijayasuriya - Chairperson	1	1	25/05/2018
A. Cabraal	1	1	01/10/2024
K. Balendra	1	1	25/05/2018
G. Cooray	1	1	25/05/2018

3.3 Combined Chairperson-CEO Role

The Group's Chairperson continued to play the role of the CEO, in addition to the role of Chairperson. The appropriateness of combining the two roles is discussed in detail in the ensuing section.

Responsibilities as Chairperson:

- » To provide leadership to the Board whilst inculcating good governance and ensuring the effective discharge of the Board's responsibilities for the business and affairs of the Company, including oversight of management.
- » Ensure constructive working relations are maintained between the Executive and Non-Executive members of the Board.
- » Ensure, with the assistance of the Board Secretary, that:
 - Board procedures are followed.
 - Information is disseminated in a timely manner to the Board, and all Directors are adequately briefed on pertinent matters, including those arising at Board meetings.
- » Ensure that appropriate steps are taken to provide effective communication with shareholders and other stakeholders.

Responsibilities as CEO:

- » Provide effective leadership to the Company and Group by fostering a culture of integrity, performance and accountability.
- » Execute strategies and policies of the Board.
- » Ensure the efficient management of all businesses.
- » Ensure the identification and management of operational risks, with particular focus on those that could materially impact the Company and Group.
- » Ensure the operating model of the Group is aligned with short and long term strategies of the Group.
- » Ensure succession at the senior-most levels is planned.

3.3.1 Appropriateness of Combining the Roles of Chairperson and CEO

The appropriateness of combining the roles of the Chairperson and CEO was established after evaluation and debate, internally and externally. The appropriateness of continuing with the combined role is revisited and rigorously evaluated periodically. For the Group, the Board maintains the view that, the combination of the two roles is the most effective structure to meet stakeholder objectives in a large, diversified conglomerate setting. This position reflects the Group's presence within multiple industries and exposure to dynamic macroeconomic

environment, which require leadership that is both nimble and agile. These deliberations are informed by benchmarking against international best practices, industry standards, and insights drawn from published research and advisory frameworks.

- » Over the past years, some companies in certain geographies have moved toward separating the Chairperson and CEO roles, based on the theoretical view that an independent Chairperson strengthens the Board's ability to oversee management.
- » However, more recently, empirical research has suggested that combining the roles is likely to yield better performance of the Company, and that the independence status of the Chairperson is not a material indicator of firm performance or governance quality [Liu, R. (2019), Mubeen, R. et al. (2021)].
- » The objective of enhancing governance and independence can often be more effectively achieved through complementary mechanisms that provide assurance when the Chairperson and CEO roles are combined. Where these mechanisms ensure robust oversight, introducing a separate Chairperson role may not materially improve governance or the operating model of a company, including JKH, particularly in the absence of evidence demonstrating the superiority of segregation. Key assurance mechanisms include:
 - (i) Establishing a strong independent governance element, such as:
 - Presence of a Senior Independent Director who will act as the independent party to whom concerns could be voiced on a confidential basis, including at separate meetings with Non-Executive and Independent Directors, to enable independent deliberation on key matters and ensure that matters discussed at the Board level are done so in an environment which facilitates independent thought by individual Directors.
 - A Nominations and Governance Committee that ensures the nomination of Non-Executives who are truly independent.
 - The presence of a Board which comprises of a majority Independent Directors.
 - Presence of an Ombudsperson.
 - (ii) Use of systematic, comprehensive Board and Chairperson-CEO evaluations.
 - (iii) Ensuring active involvement of the Board in CEO succession and strategy formulation.

In terms of Section 9.6.2 of the Listing Rules, the Chairperson of the Company is an Executive Director, and the Chairperson and Chief Executive Officer (CEO) positions of the Company are held by the same individual. Since the Company already has in place the role of a Senior Independent Director, the Company is compliant under the alternative option under Section 9.6.1 and Section 9.6.3 of the Listing Rules.

The role of a Senior Independent Director has been in place for over a decade at JKH. It is the view of the Board, and the Group's experience has proven that the JKH Board composition of a majority of Independent Non-Executive Directors, coupled with the role of the

CORPORATE GOVERNANCE COMMENTARY

Senior Independent Director, and other supporting Board dynamics, have enabled the Chairperson-CEO to effectively balance the dual role as the Chairperson of the Board and the CEO of the Company, particularly given the diversified conglomerate structure of the Group.

In view of the combined Chairperson-CEO role, the Chairperson is not required to stand for re-election, unlike other Executive and Non-Executive Directors, consistent with the provisions of the Company's Articles of Association.

3.3.2 Chairperson-CEO Appraisal

The Human Resources and Compensation Committee, appraised the performance of the Chairperson-CEO on the basis of pre-agreed goals for the Group, set in consultation with the Board. These goals cover the ensuing broad aspects and is also based on the Group's performance assessed against the goal and peers which involve other listed companies on the CSE:

- » Creating and adding shareholder value
- » Success in identifying and implementing projects
- » Sustaining a first-class image
- » Developing human capital
- » Promoting collaboration and team spirit
- » Building sustainable external relations
- » Leveraging Board members and other stakeholders
- » Ensuring good governance and integrity in the Group
- » Oversight of sustainability impacts and sustainability-related risks and opportunities

3.3.3 Direct Discussions with the Non-Executive Directors

The Senior Independent Director convenes meetings exclusively for Non-Executive Directors to discuss matters independently of management. The Chairperson-CEO is subsequently briefed on issues arising from these discussions, which are then addressed in consultation with the relevant parties.

During the year under review, the Non-Executive Directors met twice without the presence of the Executive Directors.

3.4 Senior Independent Director (SID)

Considering the combined role of the Chairperson-CEO, the presence of the Senior Independent Director is important in ensuring that no one person has unfettered decision-making powers, and that matters discussed at the Board level are done so in an environment which facilitates independent thought by individual Directors. The Senior Independent Director also acts as the independent party to whom concerns could be voiced on a confidential basis. The Senior Independent Director is made available to discuss shareholder concerns including those of minority shareholders.

The Senior Independent Director meets with other Non-Executive Directors, without the presence of the Chairperson-CEO, at least twice every year to evaluate the effectiveness of the Chairperson-CEO and has regular meetings with the other Non-Executive Directors on matters relating to the effectiveness of the Board or the Board as appropriate. The Senior Independent Director acts as a trusted point of contact for the Non-Executive Directors, particularly when concerns arise regarding

strategy, governance, or the Chairperson-CEO's dual role. The Senior Independent Director is also kept informed by the Ombudsperson of any matters in respect of the JKH Code of Conduct which has come to his attention.

The role and responsibilities of the SID is evaluated annually by the Board. In the event of any conflicts of interest on the part of the SID in relation to any particular aspect of his/her role, another Independent Director will be required to perform that aspect of the SID's role. The SID will remain in office unless otherwise determined by the Board or in the event the SID ceases to be an Independent Non-Executive Director of the Company.

3.4.1 Report of the Senior Independent Director

A. Cabraal
S. Coorey
M. Jayasinghe
M. Menon - Appointed with effect from 1 July 2025
R. Shukla
H. Wijayasuriya

The independence of each Director has been established based on the information and declarations submitted by the respective Directors.

During the course of the period under review, the Independent/ Non-Executive Directors held two meetings, excluding the participation of Executive Directors.

Board representation of INED's was augmented this year with the addition of Mr. Madhavan Menon. The majority of the Board continues to be represented by INED's, where they bring diverse representation across multiple industry segments.

Discourse among Independent Non-Executive Directors have consistently focused on the evolving corporate governance landscape, globally and locally. There is confidence in the approach to risk and compliance of the Group as well as the corporate governance framework in place. The Independent Non-Executive Director's views and recommendations are carefully considered and effectively implemented. JKH as a Group continues to stay abreast of Corporate Governance and best practice by fostering an effective and collaborative relationship between the Board and the Group Executive Committee (GEC).

The Independent Non-Executive Directors have spent time on topics salient to the directional strategy of the Group, including, but not limited to, opportunities arising from the rebound of the national economy, portfolio evolution, sectoral dynamics, capital deployment priorities and short and long term levers for value creation. As the Group expands further into consumer-facing sectors, the Board will place greater emphasis on consumer-centric metrics that support the development of a stronger customer-focused culture across the Group.

Given the critical importance of leadership talent and succession planning, the Independent Non-Executive Directors regularly reviewed talent management at Board and Senior Management

levels. This included oversight of leadership depth, continuity, gender representation, and succession readiness, as well as the performance and delivery of key executive leaders. The remuneration of Executive Directors was determined by the Human Resources and Compensation Committee (HRCC), which comprised Independent Non-Executive Directors.

Closed door meetings of the Independent Non-Executive Directors are followed by a discussion with the Chairperson-CEO, who the Independent Non-Executive Directors have found to consistently address matters raised, either in the form of immediate clarification or subsequent follow-up action, which in turn, have been reported to the Board.

The minutes of meetings of the GEC are circulated to the Independent Non-Executive Directors to ensure a high degree of transparency and interaction between the Executive and Non-Executive members of the Board. The Independent Non-Executive Directors are also kept advised on the progress of key investments and strategic initiatives.

During the period under review, one procedural complaint was received by the Ombudsperson, citing a delay in adhering to internal processes in addressing the issue in a timely manner. This matter has since been addressed and closed as at 15 May 2026, being the date of his report. No other issues that fall under the purview of the Ombudsperson have been brought to his attention during the financial year that would indicate mismanagement, unfair treatment or justified discontent on the part of any employee or ex-employee during the financial year.

The Independent Non-Executive Directors thank the Chairperson-CEO, Deputy Chairperson/Group Finance Director, members of the Group Executive Committee, Sector Heads and members of the management team for their transparent and cooperative engagement with the Independent Non-Executive Directors, at all times.



S. Fernando
Senior Independent Director

26 May 2026

3.5 Group Executive Committee, Other Management Committees and ESG and Sustainability Steering Committee

The Group Executive Committee and the other Management Committees met regularly as per a timetable communicated to the participants six months in advance. In the absence of a compelling reason, attendance at these Committee meetings is mandatory for the Committee members. All the Committees carried out specific tasks entrusted to each component, as expected.

Whilst the Chairperson-CEO, Deputy Chairperson/Group Finance Director and Presidents are ultimately accountable for the Company/Group and the industry groups/sectors/business functions respectively, all decisions are taken on a committee structure as described below.

3.5.1 Group Executive Committee (GEC)

As at 26 May 2026, the six-member GEC consisted of the Chairperson-CEO, the Deputy Chairperson/Group Finance Director and the Presidents of each business/function. The GEC is the overlay structure that implements, under the leadership and direction of the Chairperson-CEO, the strategies and policies determined by the Board, manages through delegation and empowerment, the business and affairs of the Group, makes portfolio decisions and prioritises the allocation of all forms of capital.

A key responsibility of the members of the GEC is to act as enablers of the Group's operating model, ensuring that strategic objectives are effectively implemented across all business functions, including operations, finance, human resources, technology, and risk management. The GEC members bring a wealth of experience, diverse perspectives, and deep expertise, strengthening both operational efficiency and strategic decision-making.

In addition, the Board delegates executive decision-making on sustainability impacts and strategies to address operational, sustainability- and climate-related risks and opportunities to the GEC, which is supported by the ESG and Sustainability Steering Committee and further assisted by the Presidents and the Sustainability and ERM division in managing these matters.*



*Refer Sustainability Governance Section for further details – page 337.

The GEC meets twice a month, in addition to the meetings that are scheduled as necessitated by the requirements of the Group.



Refer GEC Profiles for further details – page 298.

3.5.2 Group Operating Committee (GOC)

As at 26 May 2026, the 19-member GOC consisted of the Chairperson-CEO, the Deputy Chairperson/Group Finance Director, the Presidents and the Executive Vice Presidents in charge of sectors and the finance functions of the industry groups and Executive Vice Presidents who are functional heads of their respective Centre Functions. The GOC provided a forum to share learnings, and identify synergies, across industry groups, sectors, business units and functions.

The GOC meets once a month during the year and is instrumental in preserving a common group identity across diverse business units.



Refer GOC Profiles for further details – page 299.

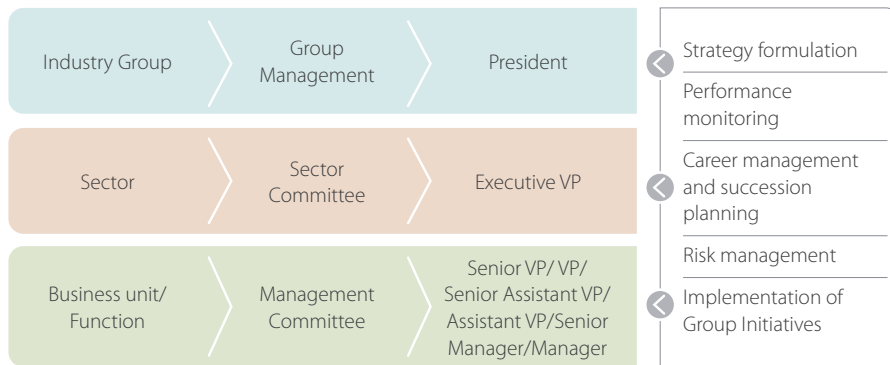
3.5.3 Other Management Committees

These include the Group Management Committee, Sector Committee and Management Committee which are responsible at the industry group level, sector level and business unit level respectively. The underlying intention of forming these Committees is to encourage the respective business units to take responsibility and accountability at the grass-root level via suitably structured Committees and teams by objective setting.

The agendas of these Committees are carefully structured to avoid duplication of effort and to ensure that discussions and debate are complementary, both in terms of a bottom-up and top-down flow of information and accountability. These Committees met regularly and carried out their tasks in keeping with their scope. The Management Committees proved to be key in enhancing employee engagement and empowerment.

CORPORATE GOVERNANCE COMMENTARY

Illustrated below is the structure of the three Committees.



Note: Vice President (VP)

3.5.4 ESG and Sustainability Steering Committee

ESG and Sustainability Steering Committee is a senior-level governance body that guides, oversees and supports the development, execution, and reporting of the Group's ESG strategy. It ensures ESG and sustainability priorities are embedded across the organisation by advising the Group Executive Committee, reviewing goals and performance, overseeing stakeholder engagement and materiality, managing sustainability-related risks, and ensuring strong ESG reporting, policies, and governance structures.

 Refer 4.7 - Sustainability Governance section for a detailed discussion – page 337.

3.6 Employee Empowerment

The Group ensures that the necessary policies, processes and systems are in place to ensure effective recruitment, development and retention of the Group's employees, a vital stakeholder and key asset of the Group. The bedrock of these policies is the Group's competency framework, which has been further refined and updated to reflect the current needs of the Group. To support these policies, the Group continued with, and further strengthened, the following practices.

- » Top management and other senior staff are mandated to involve, as appropriate, all levels of staff in formulating goals, strategies and plans.
- » Decision rights are defined for each level of employment in order to instil a sense of ownership, reduce bureaucracy and speed-up the decision-making process.
- » A bottom-up approach was taken in the preparation of annual and long term plans and the Group also ensured employee involvement in strategy, and thereby empowerment.
- » Organisational and Committee structures are designed to enable, and facilitate, high accessibility of all employees to every level of management.
- » Open, honest, frank and constructive communication is encouraged at all levels. The Group strongly believes that constructive disagreement is essential for optimal decision-making.

The Group prioritises a safe, secure and conducive environment for all its employees, allows freedom of association and collective bargaining, prohibits child labour, forced or compulsory labour and any discrimination based on gender, race, religion, gender identity, sexual orientation or any other difference, and promotes workplaces which are free from physical, verbal or sexual harassment.

4 INTEGRATED GOVERNANCE SYSTEMS AND PROCEDURES

Listed below are the main governance systems and procedures of the Group. These systems and procedures strengthen the elements of the JKH Internal Governance Structure and are benchmarked against industry best practice.

- | | |
|---|---|
| i. Strategy formulation and decision-making process | v. Tax governance |
| ii. Human resource governance | vi. Stakeholder management and effective communications |
| iii. Integrated risk management | vii. Sustainability governance |
| iv. IT governance | |

4.1 Strategy Formulation and Decision-Making Processes

4.1.1 Strategy Mapping

Strategy mapping exercises, concentrating on the short, medium and long term aspirations of each business, are conducted annually and reviewed, at a minimum, quarterly/half-yearly or as and when a situation so demands.

This exercise entails the following key aspects, among others.

- » Progress and deviation report of the strategies formed.
- » Customer insights and value proposition.
- » Competitor analysis and competitive positioning.
- » Analysis of key risks and opportunities.
- » Review of ESG considerations.
- » Digitisation and IT strategy.
- » Management of stakeholders, such as, suppliers.
- » Value enhancement through initiatives centred on the various forms of Capital under an integrated reporting framework.

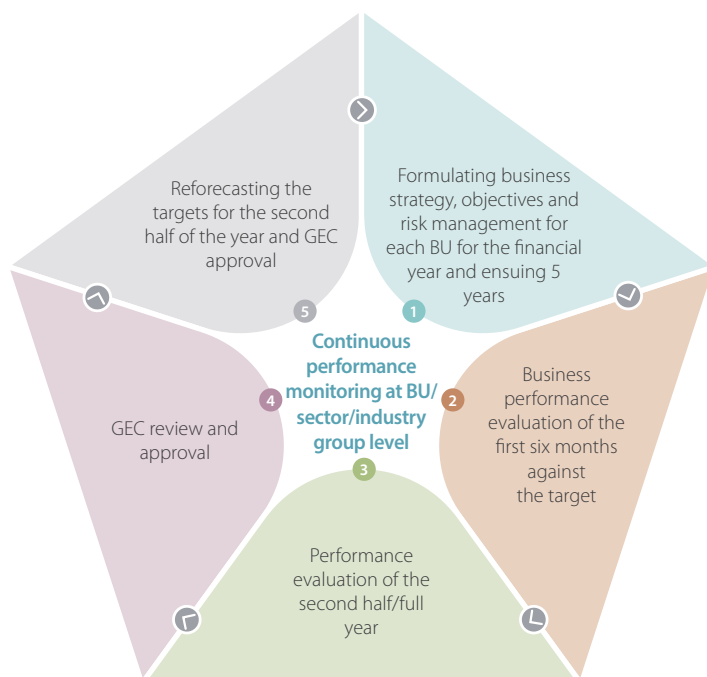
The strategies of the various business units, operating in diverse industries and markets, revolves around Group strategy, while considering their domain specific factors. The primary focus is to enhance value for all stakeholders.

The Group's investment appraisal methodology and decision-making process ensures the involvement of all key stakeholders that are relevant to the evaluation of the decision.

In this manner:

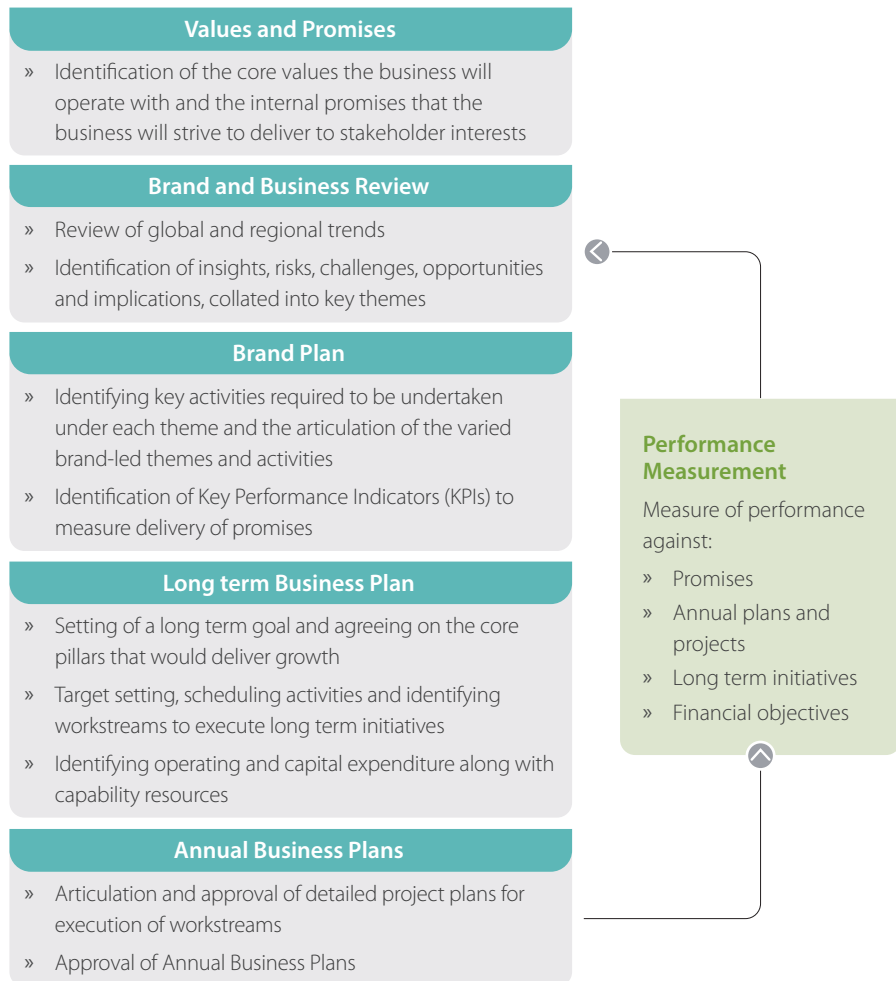
- » A broad range of views, opinions and advice are obtained prior to making an investment decision.
- » A holistic view is taken on the commercial viability and potential of any project, including operational, financial, funding, legal, risk, sustainability and tax implications.
- » Sensitivity and scenario analysis are conducted to understand the impacts from the macroeconomic environment, especially during periods of volatility and uncertainty.
- » All investment decisions are consensual in nature, made through the afore-discussed management Committee structure where no single individual has unfettered decision-making powers over investment decisions.
- » The ultimate responsibility and accountability of the investment decision rests with the Chairperson-CEO.

The following section further elaborates on the Group's strategy formulation and planning process.



4.1.2 Medium Term Strategy

The ensuing section illustrates the comprehensive process followed by each business in developing its strategy for the medium term.



4.1.3 Project Approval Process

Projects undertaken at the Group entail a detailed feasibility report covering key business considerations under multiple scenarios, within a framework of sustainability. The feasibility stage is not restricted to a financial feasibility and encompasses a wider scope of work covering risk management, sustainable development, ESG and HR considerations, among others.

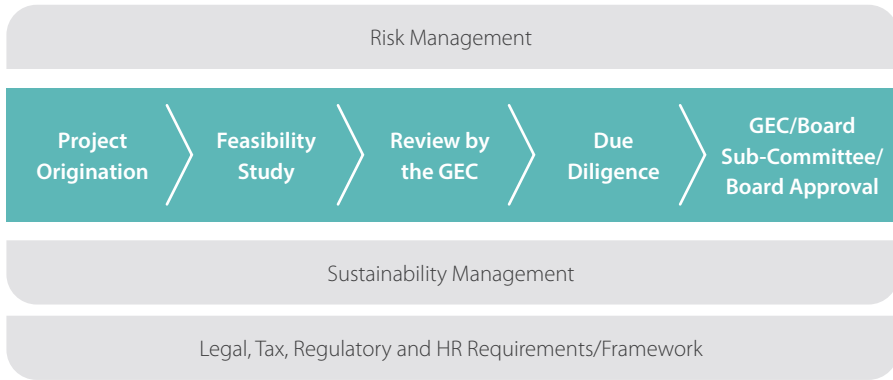
Based on the decision rights matrix, subsequent to review by the relevant leadership committee of the feasibility report and post in-principle approval, a multi-disciplined project team will proceed to the next phase of the project evaluation which will focus on detailed operational, commercial, financial and legal due diligence, including a deep dive into ESG impacts and risks. Discussions will also commence with regulatory and licensing authorities, financial institutions and possible partners, worker representatives, as relevant and deemed necessary.

- » Where the transaction involves the transfer or lease of land, title searches would be conducted for both private and State land. In case of State land, every action would be taken to ensure compliance with the relevant rules and regulations as well as obtaining written authority and approvals, as appropriate.
- » Any project which involves bidding on contracts and tenders, including to those of local and foreign Government and related bodies, is executed in conformance with the Group's policy on bidding on contracts and tenders. In such an event, the Company will make the required corporate disclosures.
- » Where the project is a part of a privatisation, the entire process will be conducted in line with the directives of the relevant administrative authority as communicated through expressions of interests, request for proposals, pre-bid meetings, official approvals and correspondence.

Subsequent to the project satisfying the above highlighted criteria, the final approval to proceed will be granted by the Board. Based on thresholds of the investment quantum, the Project Risk Assessment Committee, on behalf of the Board, will review and assess risks associated with such investments and the mitigatory plans thereto,

CORPORATE GOVERNANCE COMMENTARY

if mitigation is possible, and identify risks that cannot be mitigated. The aim of this intervention is to ensure alignment with the interest of various stakeholders and to recommend to the Board, necessary action required, to mitigate risks that are identified in early stages during the course of evaluating a project in order to ensure that those risks are captured by the Group Risk Matrix for monitoring and mitigation. When appropriate, the GEC is empowered to approve such proposals in terms of the delegated decision rights with the Board being kept informed.



"The Group human resource governance framework is designed in a manner that enables high accessibility by any employee to every level of management. Constant dialogue and facilitation is also maintained, ranging from work related issues to matters pertaining to general interest that could affect employees and their families. The Group follows an open-door policy for its employees which is promoted at all levels of the Group."

4.2 Human Resource Governance

The Group human resource governance framework is designed in a manner that enables high accessibility by any employee to every level of management. Constant dialogue and facilitation is also maintained, ranging from work related issues to matters pertaining to general interest that could affect employees and their families. The Group follows an open-door policy for its employees which is promoted at all levels of the Group.

The state-of-the-art cloud based human resource information system (HRIS) manages the entire lifecycle of the employee from onboarding to performance management, succession planning, compensation, learning and development, through to offboarding.

4.2.1 Performance Management

The Performance Management System, as illustrated below, is at the heart of many supporting human resource management processes such as learning and development, competency mapping, career development, succession planning, talent management, rewards/recognition and compensation/benefits.

Identification of:

- » Performance rating
- » Competency ratings

Identification of:

- » Chairperson's Award
- » Employee of the Year
- » Champion of the Year

Identification of:

- » High performers
- » High potential



Identification of:

- » Long term development plans
- » Competency-based training needs
- » Business focused training needs

Identification of:

- » Promotions
- » Inter-company transfers
- » Inter-department transfers


Identification of:

- » Jobs at risk
- » Suitable successors
- » Readiness level of successors
- » Development plans
- » External recruitments

Whilst the employees are appraised for their performance, equal emphasis is placed on how well they embody Group Values, namely: Caring, Trust, Integrity, Excellence and Innovation.

Key Initiatives During the Year

- » The Temporary Crisis Allowance, which was originally introduced to support employees amid challenging macroeconomic conditions in January 2023, was consolidated into the basic salary as part of the annual increment cycle.
- » As a response to the devastating impacts of Cyclone Ditwah, in December 2025, employees were given the option to voluntarily donate one day's wages toward flood relief, channelled through the Chamber of Commerce of Sri Lanka. Additionally, the Group Executive Committee approved a special relief framework to support employees impacted by Cyclone Ditwah.
- » The Group offers all employees 100 days of parental leave, underscoring its commitment to employee well-being, work-life balance, gender equity, and shared parenting responsibilities. During the period, 218 males and 75 females opted for 100 days parental leave.
- » The Group partnered with a multinational analytics and advisory company to conduct its annual employee engagement survey, adopting a more performance and productivity focused engagement model. Using the globally benchmarked Q12 framework, the survey generated data-driven insights into employee experience and key areas for development in support of a high-performance, inclusive workplace culture. The methodology empowers managers to take ownership of outcomes through targeted action planning, supported by benchmarking and analytics that drive continuous improvement and strengthen organisational performance. The leadership team of the Group, comprising of the GEC, GOC and heads of HR participated in a workshop to develop the teams ability to guide and empower their teams to develop and implement action plans and on key tactics to understand and engage more effectively with the relevant teams.
- » The Group embarked on a project to develop, articulate and institutionalise the Group Employee Value Proposition (EVP). A series of programmes and initiatives have been identified for implementation to support the EVP, with the support of a globally recognised consulting firm. The process was anchored in listening to employee voices through a Group-wide survey and focus group discussions, complemented by leadership consultations with the Group Operating Committee and the Human Resources Group Management Committee (HRGMC). Phase 1 included the development of a clear EVP statement and supporting pillars, articulating the value the Group offers its employees in return for the knowledge, skills and capabilities they bring to the organisation. Phase 2, scheduled for rollout in 2026/27, will focus on taking the EVP to market and embedding it across the organisation.
- » In collaboration with a global consulting company, the Group embarked on a project to review the Group's total rewards philosophy.
- » The Group introduced financial well-being programmes led by internal and external experts, offering practical guidance on financial discipline and decision-making. Individual business units also implemented tailored well-being initiatives suited to their specific operational contexts.
- » The Group reviewed and renewed its employee Code of Conduct to broaden its reach and content and to ensure relevance with current workplace trends and culture.

 Refer the Human Capital Review section for further details – page 95.

4.2.2 Performance Based Compensation Philosophy

The JKH Group Compensation Policy is as follows:

Performance Management

'Pay for performance'

Greater prominence is given to the incentive component of the total target compensation.

Satisfaction

'More than just a workplace'

Continuously focuses on creating a sound work environment covering all aspects of employee satisfaction.

Compensation Policy

- » Compensation comprises of fixed (base) payments, short term incentives, and long term incentives.
- » Higher the authority levels within the Group, higher the incentive component as a percentage of total pay.
- » Greater the decision influencing capability of a role, higher the weight given to organisational performance as opposed to individual performance.
- » Long term incentives are in the form of Employee Share Options and cash payments.

Internal Equity

- » Remuneration policy is built upon the premise of ensuring equal pay for equal roles.
- » Manager and above level roles are banded using the Mercer methodology for job evaluation, on the basis of the relative worth of jobs.

External Equity

- » Fixed compensation is set at competitive levels using the median, 65th percentile and 75th percentile of the best comparator set of companies (from Sri Lanka and the region, as relevant) as a guide.
- » Regular surveys are done to ensure that employees are not under/over compensated.

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4.2.2.1 Equity Sharing

Employee Share Option Plans are offered at defined career levels based on pre-determined criteria which are uniformly applied across the eligible levels and performance levels. These long term incentives have been significantly instrumental in inculcating a deep sense of ownership in the recipients and is seen to be a key driver of performance-driven rewards. Share options are awarded to individuals on the basis of their immediate performance and potential importance of their contribution to the Group's future plans.

The Company issues share options not exceeding a specified percentage of the total issued shares of the Company as at the date of awarding every such option, which is subject to in-principle approval of the CSE and shareholder approval, by way of a Special Resolution at a General meeting.

Awards and Accolades

- » John Keells Holdings PLC was recognised as one of the 'Top 10 best employers' at the EFC National Best Employer Awards 2025.

4.3 Integrated Risk Management

JKH's Group-wide risk management programme focuses on wider sustainability development, to identify, evaluate and manage significant Group risks and to stress test various risk scenarios, including a review of materiality. The programme ensures that a multitude of risks, arising as a result of the Group's diverse operations, are effectively managed in creating and preserving stakeholder wealth. The Group manages its enterprise risk, and incident management processes through an automated risk management platform that enables the maintenance of live, dynamic and virtual risk registers which are linked to business goals and responsible personnel. Features such as the provision of timely alerts on action plans and escalation processes for risks, where action plans are over-due, ensure maintenance of live risk grids.

The risk management process and information flow is portrayed below:



Continuous steps taken towards promoting the Group's integrated risk management process are:

- » Integrating and aligning activities and processes related to planning, policies/procedures, culture, competency, internal audit, financial management, monitoring and reporting with risk management.
- » Supporting executives/managers in moving the organisation forward in a cohesive integrated and aligned manner to improve performance, while operating effectively, efficiently, ethically and legally within the established limits for risk taking. The risk management programmes have allowed greater visibility and understanding of risk appetites. Enabled by the automated risk management platform, key management personnel have virtual visibility of the risks, as relevant, while the Board has visibility of all Group risks.
- » Update of the Enterprise Risk Management (ERM) platform to improve performance and include the latest features.

The Board, GEC and Group Management Committees, oversee risk management across the Group to ensure that risks are brought within tolerance, managed and/or mitigated.

4.3.1 Risk Management Process

The Group's ERM process is designed to ensure businesses are proactively identifying, assessing, and mitigating risk events. The risk management framework ensures consistency in methodology across diverse businesses and functions and follows both a top-down and bottom-up integrated approach, alongside strategic planning and decision-making. The annual cycle involves business-level risk identification and review on a quarterly basis, which is consolidated upwards at sector and industry group management committees, while Group risks are reviewed on a biannual basis by the Group Executive Committee. Risk appetite thresholds are set at a Group level and captured in the annual Group Risk Report, which also details Group-wide risk ratings, risk profile and analysis and is presented to the JKH Audit Committee where the salient aspects of this is reviewed by the Board, thereby concluding the annual risk management process. Policy level changes emerging from the discussion at the JKH Audit Committee are then incorporated in the following cycle to ensure alignment with the changing risk environment.

Risk Management System

The Group ERM review process is facilitated through an online Enterprise Risk Management System. The system is firmly embedded across the Group, hosted internally, and controlled access is provided to all employees as relevant. The system was upgraded during the financial year to include additional features, increase user friendliness and improve overall performance.

Quarterly risk reviews are carried out via the system, with all business unit risk registers hosted online. Its functionality allows for a dynamic risk management environment, enabling analysis of ratings and movement of risks over time, access to historical data and risk reporting. The system also aggregates and records risk under the Group's ERM framework and provides an integrated approach to risk and risk mitigation across Group businesses.

Steps were taken to assist identification and categorisation of sustainability- and climate-related risks in the risk platform.

4.3.2 Key Impacts, Risks and Opportunities

The Group takes a holistic approach to risk management, covering risks that are both financial and non-financial in nature, including its own operations as well as risks that may emanate from its supply chain partners. The Precautionary Principle influences the Group's approach to risk management of environmental impacts while, management of human and social capital risks is also highlighted and prioritised.

The ERM framework operates in concurrence with the Group's corporate governance structure and is linked to sustainability, corporate social responsibility and internal audit functions and processes, ensuring that regulatory compliance, ethical guidelines and sustainability concerns are integrated seamlessly across businesses when identifying risks and opportunities.

Risk Management Framework

- » Financial, strategic, operational, information technology, governance and sustainability-related risks are considered.
- » All risks are categorised within a common Risk Universe.
- » Headline and Related Risk classification of all Group risks to allow consistency across Group businesses.
- » 5x5 risk matrix for rating of risks with respect to likelihood and anticipated impact.

 Refer the Key Risks section under Outlook and Risks – page 143 and Notes to the Financial Statements – page 470 for further details.

During the year, the Group commenced the implementation of SLFRS S1 and S2 sustainability reporting standards, with the support of an international external consultancy firm. As part of this process, a comprehensive, life cycle-based value chain assessment was conducted across the Group to identify key dependencies, impacts, and sustainability- and climate-related risks and opportunities.

Based on this assessment, the Group identified and prioritised its Sustainability-related Risks and Opportunities (SRROs) and Climate-related Risks and Opportunities (CRROs). Given this being the first year of adoption, these were assessed qualitatively, incorporating financial impact parameters and judgement-based financial materiality considerations.

The governance and management of SRROs and CRROs are aligned to the four pillars of Governance, Strategy, Risk Management, and Metrics and Targets. Further details on the Group's prioritised SRROs and CRROs, together with the related governance structures and mitigation strategies, are presented in the SLFRS S1 and S2 Disclosure section of this Report.

 Refer SLFRS S1 and S2 Disclosure section for further details – page 370.

During the forthcoming year, the Group intends to quantitatively assess the financial materiality of SRROs and CRROs and integrate them into the ERM framework, based on impact and likelihood. In parallel, the ERM policy will be updated to incorporate relevant thresholds, and the Group's risk appetite and tolerance statements will be reviewed to ensure alignment.

Mitigation actions and opportunity realisation plans will be embedded within the existing ERM Risk Register, taking into account short, medium, and long term horizons. Risk ownership will be assigned to ensure accountability, and SRROs and CRROs will be integrated into the existing risk governance structure.

This integration enables risk identification at business unit level, aggregation at sector and Group levels, and oversight through established governance forums. The Group Business Process Review (GBPR) function will provide independent assurance on the implementation of mitigation actions, while the Sustainability and ERM Division will consolidate and report the Group's overall risk profile to the relevant management and Board committees.

This approach positions the Group's ERM framework within a double materiality perspective, incorporating both financial risks and risks arising from environmental and social impacts and dependencies.

4.4 Information Technology (IT) Governance

IT governance stewardship roles are governed through layered and nested committees, cascading from the Board, GEC, GOC, the Group IT Steering Committee and to the Group IT Operations Committee with well-defined roles and responsibilities across the Group with a federated governance structure to cater to the holistic Group-level as well as specific industry level nuances. This ensures empowerment and enablement to act with a singular and more robust governance and policy framework across the Group, whilst being agile and nimble.

The Group's IT governance framework focuses on five broader segments, namely, strategic alignment, value delivery, performance management, risk management, and resource management.

Additionally, the IT governance framework used within the Group leverages on best practice and industry leading models such as CoBIT (Control Objectives for Information and Related Technology), ISO 35800,

Key Initiatives During the Year

Zero Trust Security Model:

- » The Group strengthened its adoption of the Zero Trust Security Model, enhancing controls across identity, devices, networks, applications, and data.
- » Key improvements during the year included enhanced identity-based access controls, strengthened network security, and the transition to a Secure Service Edge (SSE) architecture, enabling more effective threat detection, monitoring, and policy enforcement.
- » These enhancements support secure, location-agnostic access to systems and data, while reducing reliance on traditional perimeter-based security models. A structured implementation approach, supported by cross-sector validation through User Acceptance Testing (UAT) teams, ensured consistent adoption across the Group, while the incorporation of audit recommendations further strengthened the control environment and overall cyber resilience. The overall threat posture of the Group declined during the year, supported by improved responsiveness in addressing and resolving alerts.

4.5 Tax Governance

The Group's tax governance framework is designed to ensure responsible tax practices and is aligned with the Group's broader ESG commitments focusing on compliance, transparency and stakeholder engagement. It ensures that tax decisions contribute to sustainable business practices, respect societal norms and are aligned with ethical corporate behaviour.

Key components of the framework are:

- » Keeping abreast with local and international tax laws and regulations to avoid non-compliance and reputational damage.
- » Transparency in tax disclosures to stakeholders, ensuring clarity on tax strategies and practices.
- » Accountability to stakeholders, ensuring that tax obligations are met in a socially responsible manner, balancing shareholder interests with societal responsibilities.

To ensure that this approach is embedded across the organisation, all business units are required adopt the Group Tax Policy on identified issues developed from time to time as tax legislation and regulatory practices evolve as part of operational and financial decision-making. The policy is documented and/or communicated through the respective heads of tax having oversight of the industry groups. This integration ensures alignment of day-to-day decisions by finance and operations teams with the Group's overall tax principles and tax related ESG commitments.

Governance Structure

- » The Group's Tax Governance Structure is overseen by the Deputy Chairperson/Group Finance Director who provides oversight to ensure that the tax strategies align with the Group's overall ESG objectives.
- » Voluntary compliance, transparency and efficient tax management are key aspects of the Group's overall tax strategy.
- » This is enabled through a decentralised tax structure where expertise is built at each industry group level to oversee tax compliance and execute the tax strategy, ensuring compliance with existing laws and changes to legislation, and managing tax risks for the Group.
- » The Head of Tax of each industry group, reporting functionally to the Group Head of Tax Strategy, ensures uniformity of interpretation, robust compliance management and rollout of Group tax strategy across all businesses.
- » The Group Head of Tax Strategy provides periodic updates to the GOC and senior finance teams on significant tax matters, including risk exposures, compliance outcomes, and strategic tax positions, at the scheduled monthly meetings, ensuring executive-level accountability.

Policy and Strategy

- » Ensures the following, taking into account the Group's business models, supply and value chains, structure, assets, investments and financing:
 - Integrity of all reported tax disclosures.
 - Robust controls and processes to manage tax risk.
 - Openness, honesty, and transparency in all dealings.
 - Presence of legitimate business transactions underpinning any tax planning or structuring decision/opportunity.
- » Contribute to fiscal policy formulations constructively in the interest of all stakeholders.
- » The Group's approach to tax risks follows a structured process.
 - Tax risks are identified through periodic tax risk assessments, review of transactions prior to transactions, and ongoing monitoring of relevant legislative developments.
 - These risks are managed through appropriate mitigation measures, including technical assessments, obtaining external tax opinions where necessary, and established approval processes for significant tax positions.
 - Monitoring of such risks is carried out through compliance dashboards, regular tax team meetings, and escalation of material risks to the Deputy Chairperson/Group Finance Director, GEC or the Board of Directors as appropriate.

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Role

- » Implement and maintain strong tax compliance and review processes for current and potential business operations and transactions.
- » Analyse and disseminate business impact from changes in tax legislation.
- » Provide clear, timely, and relevant business focused advice across all aspects of tax.
- » Ensure availability of strong and well documented technical support for all tax positions.
- » Obtain independent/external opinions where the law is unclear or subject to interpretation.
- » Foster healthy professional relationships with all regulatory authorities.

Review and Monitoring

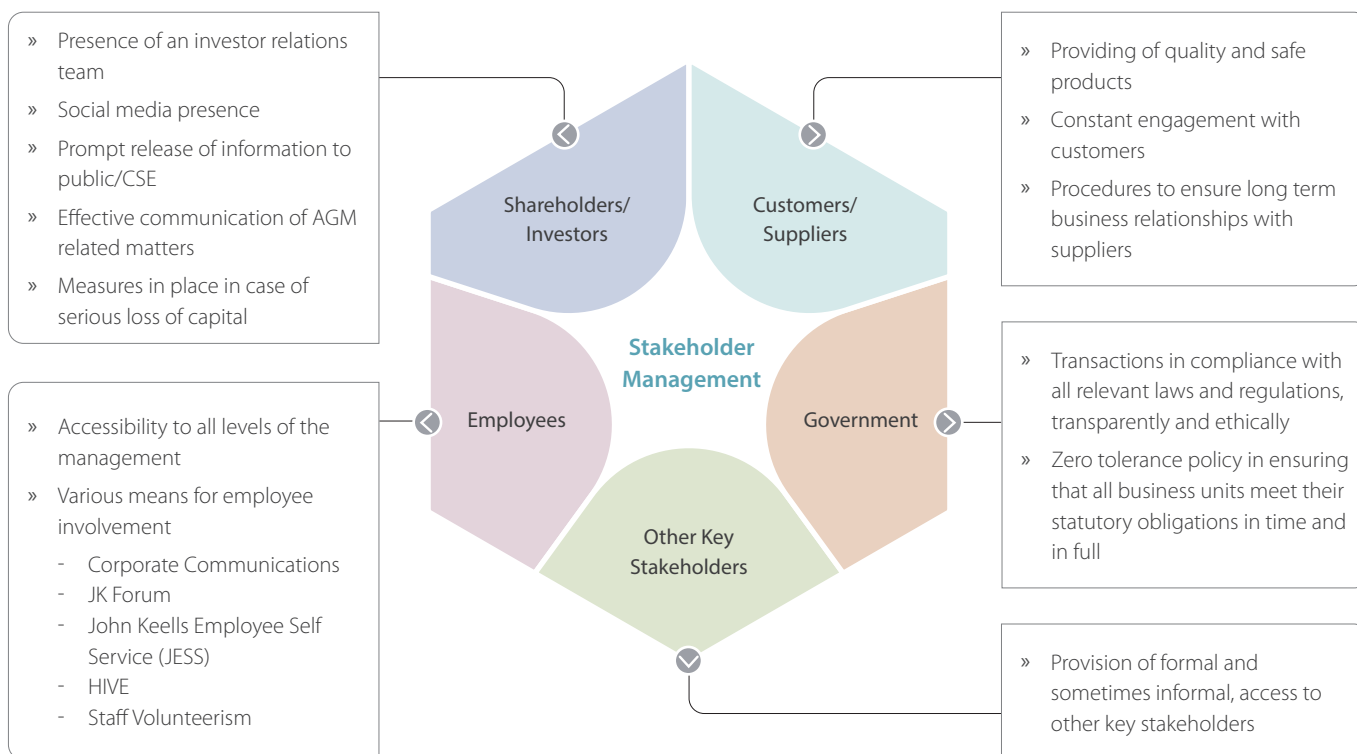
- » Leverage on digital platforms to support, record and report on tax compliance status across the Group.
- » Continuous dialog and scheduled meetings of the Group Tax team to ensure uniformity of tax interpretation and application.
- » Monitored through internal controls including compliance reporting measures and, external audit reviews.
- » Discussion and signoff by the Board of Directors on any significant tax positions with supporting legal rationale.
- » Quarterly updates and submissions, as applicable, to the Board of Directors on Group Tax positions.
- » Compliance with the tax governance framework is evaluated annually through internal and external audit reviews and periodic independent assessments, with findings and remediation plans reported to the respective Audit Committees/Group Audit Committee.

By adhering to this framework, the Group ensures that its tax practices are both legally compliant and ethically responsible, supporting sustainable growth while creating value for all stakeholders.

4.6 Stakeholder Management and Effective Communication

Following are the key stakeholder management methodologies adopted by the Group. The Group has multiple channels enabling effective communication, where material concerns regarding the operations of the Group are communicated to the stakeholders.

 Refer the Stakeholder Engagement section and Retail industry group section for a detailed discussion.



4.6.1 Communication with Shareholders

The Group maintains several communication channels with the shareholders which include the Annual Report, interim financial statements, investor presentations, AGMs, EGMs, announcements to the CSE, press releases, the corporate website, shareholder surveys on a need's basis, the investor feedback form and through the Company Secretaries. These practices are supported by a dedicated Board-approved policy on corporate disclosures and shareholder relations, which ensures that information is disclosed in a timely, accurate, and transparent manner, in compliance with regulatory requirements and best practices. Mechanisms are also in place to ensure that Directors are apprised of major shareholder issues and concerns.

Engagement Mechanism	Frequency
Annual Reports and AGMs	Annually
Extraordinary General Meetings	As required
Interim financial statements	Quarterly
Investor relations webinar	Quarterly
Investor presentations	As required, quarterly at a minimum
Transcript of the investor relations webinar	Quarterly
Press releases	As required
Announcements to CSE	As required
One-to-one discussions	As required
Investors' section in the Corporate website	Continuous
Feedback surveys	As required

4.6.1.1 Investor Relations

The Investor Relations team of the Group is responsible for maintaining an active dialogue with shareholders, potential investors, investment banks, analysts and other interested parties in ensuring effective investor communication.

- » The Investor Relations team has regular discussions with shareholders, as and when applicable, as well as analysts and stockbroking firms to disseminate highlights of the Group's performance as well as to obtain constructive feedback.
- » The online quarterly investor forums provide stakeholders the opportunity to directly engage with the Group's Chairperson-CEO and the Deputy Chairperson/Group Finance Director. The recording and the transcript of the investor forum is made available on the corporate website for reference of all stakeholders/shareholders.
- » Quarterly Investor Presentations, which include an update on the latest financial results, are made available on the corporate website, to provide easier access and in-depth detail of the operational performance of the Group.
- » Annual investor presentations, detailing an overview of the Group and industry group's financial and non-financial performance indicators, are made available on the corporate website, to provide easier access and an in-depth insight to the overall Group.
- » Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or management of the Group by contacting the Investor Relations team, Secretaries, the Chairperson-CEO or Senior Independent Director.

- » Whilst the Group will assist shareholders and investors to the extent permissible, in line with applicable regulations and internal policies, individual shareholders are encouraged to carry out adequate analysis or seek independent advice on their investing, holding or divesting decisions at all times.

Awards and Accolades



- » Bronze award for 'Best Investor Relations' at the Capital Market Awards 2025 of CFA Society Sri Lanka.

4.6.1.2 Release of Information to the Public and CSE

The Board of Directors, in conjunction with the Audit Committee, where applicable, is responsible in ensuring the accuracy and timeliness of published information and in presenting a true and fair view, and balanced assessment of results in the quarterly and annual financial statements. Accordingly, JKH has reported a true and fair view of its financial position and performance for the year ended 31 March 2026 and at the end of each quarter of the financial year 2025/26.

All other material and price-sensitive information about the Company, and where relevant the Group, is promptly communicated to the CSE, and, where appropriate, to employees, shareholders and the press. Shareholders and investors are encouraged to engage with the Company by directing questions, request for publicly available information or providing feedback relevant to Directors or Management of JKH, which may be addressed to the Company Secretary.

The Group is committed to open, transparent, and fair communication, with a strong focus on integrity, timeliness, and relevance of information. All disclosures are carefully managed to ensure accuracy, clarity, and consistency, and to prevent the creation or continuation of a false or misleading market.

4.6.1.3 Annual General Meeting (AGM)

Year of the AGM	Number of Attendees/ Proxy Holders	Shareholding (No. of Shares)	% of Total Shareholding
2024/25	82	13,533,954,630*	77%
2023/24	61	863,993,288	58%
2022/23	74	847,476,032	61%
2021/22	82	820,115,386	59%

*Number of shares increased due to the Rights issue and Sub-division of shares.

Information is provided to the shareholders prior to the AGM to give them an opportunity to exercise the prerogative to raise any issues relating to the businesses of the Group. Annual Reports are made available to shareholders in electronic form. Shareholders may also elect to receive an Annual Report in printed form, which is provided free of charge.

The Company maintains records of all resolutions and applicable information upon a resolution being considered at any General meeting and provides copies upon request to the CSE and/or the SEC and communicates the outcomes of these meetings via an announcement to the CSE.

CORPORATE GOVERNANCE COMMENTARY

The AGM is also used constructively to engage with shareholders, with the following practices observed:

- » Notice of the AGM and related documents are made available to the shareholders along with the Annual Report within the specified time period.
- » Summary of procedures governing voting at the AGM are clearly communicated.
- » The Board ensures that the external auditors are present at the AGM.
- » Most Executive and Non-Executive Directors are available to answer queries.
- » The Chairperson-CEO ensures that the relevant senior managers are also available at the AGM to answer specific queries.
- » Separate resolutions are proposed for each item that is required to be voted on.
- » Proxy votes, those for, against, and withheld (abstained) are counted.

The AGM for the year ended 2024/25 was held virtually, complying with the guidelines issued by the CSE.

4.6.1.4 Serious Loss of Capital

In the unlikely event that the net assets of a company fall below half of its stated capital, shareholders will be notified, and the requisite resolutions would be passed on the proposed way forward.

4.6.1.5 Extraordinary General Meetings, including Shareholder Approval through Special Resolution

The Company seeks shareholder approval, either via special or ordinary resolutions at an Extraordinary General Meeting (EGM), for transactions and events that are material to the Group or Company, in accordance with applicable law and the Articles of Association.

During the year under review, shareholder approval was obtained for the Employee Share Option Plan 12 by way of a special resolution at the EGM held on 27 June 2025, with the outcome promptly announced to the CSE following the conclusion of the meeting.

4.7 Sustainability Governance

The Group remains committed to responsible business practices and the integration of environmental, social and governance (ESG) considerations into its operations. Sustainability is a strategic priority and is integrated within the business operations through the Group's overarching Sustainability Management Framework (SMF).

The Group's SMF involves annual internal materiality assessment which are from the reporting year carried out on a double materiality basis, independent stakeholder engagements that occur approximately biennially. The outcomes of these engagements enable the group to identify its impact and financial materiality topics. The Group's SMF requires the review and development of policies, procedures and standard operating procedures to manage the material topics, as well as the integration of financial material topics within the Group's Enterprise Risk Management (ERM) process. Key Performance Indicators are then established to track and monitor the performance of the material topics which are based on the GRI Standards to capture impact materiality-based performance, and the Sustainability Accounting Standard Board (SASB) Standards and scenario analysis to capture financial materiality-based implications on the Group's financial statements.

The Group has implemented a sustainability performance management system which enables the collection of data at business unit level, including any critical concerns, which is then consolidated and presented to the GEC, the GMCs and the GOC on a quarterly basis for performance review and course corrective action.

Sustainability Initiatives are identified based on the Group's current performance and the desired performance, thereby ensuring that the Sustainability Initiatives identified have a return on investment from a sustainability perspective. The SMF concludes its annual cycle with external and internal assurance, and the development of a communication of a progress report in line with the GRI Standards, SLFRS Standards and the UNGC principles.



The Group's sustainability integration processes and management framework operate alongside key functions such as human resources, health and safety, product responsibility, risk management, internal audit, legal and regulatory compliance, and corporate social responsibility. The framework is regularly updated to reflect evolving global sustainability requirements.

Pursuant to the adoption of SLFRS S1 and S2 - the sustainability-related financial and climate-related disclosure standards issued by CA Sri Lanka - the Group undertook a structured implementation programme during the year under review to prepare for compliance with the Colombo Stock Exchange (CSE) reporting requirements, effective 1 January 2025. This process commenced with the engagement of an international consulting firm to conduct a comprehensive, Group-wide gap analysis. Based on the findings of this assessment, the Group implemented the requisite frameworks, processes, and governance structures to support the enhanced disclosure requirements.

During the year, a series of workshops and working sessions for senior leadership and their teams were conducted with the consultants, amounting to over 25 such sessions across the Group, to build internal capability and deepen understanding of the standards and their implications for the Group's reporting and governance processes. These sessions were attended by key stakeholders, including the

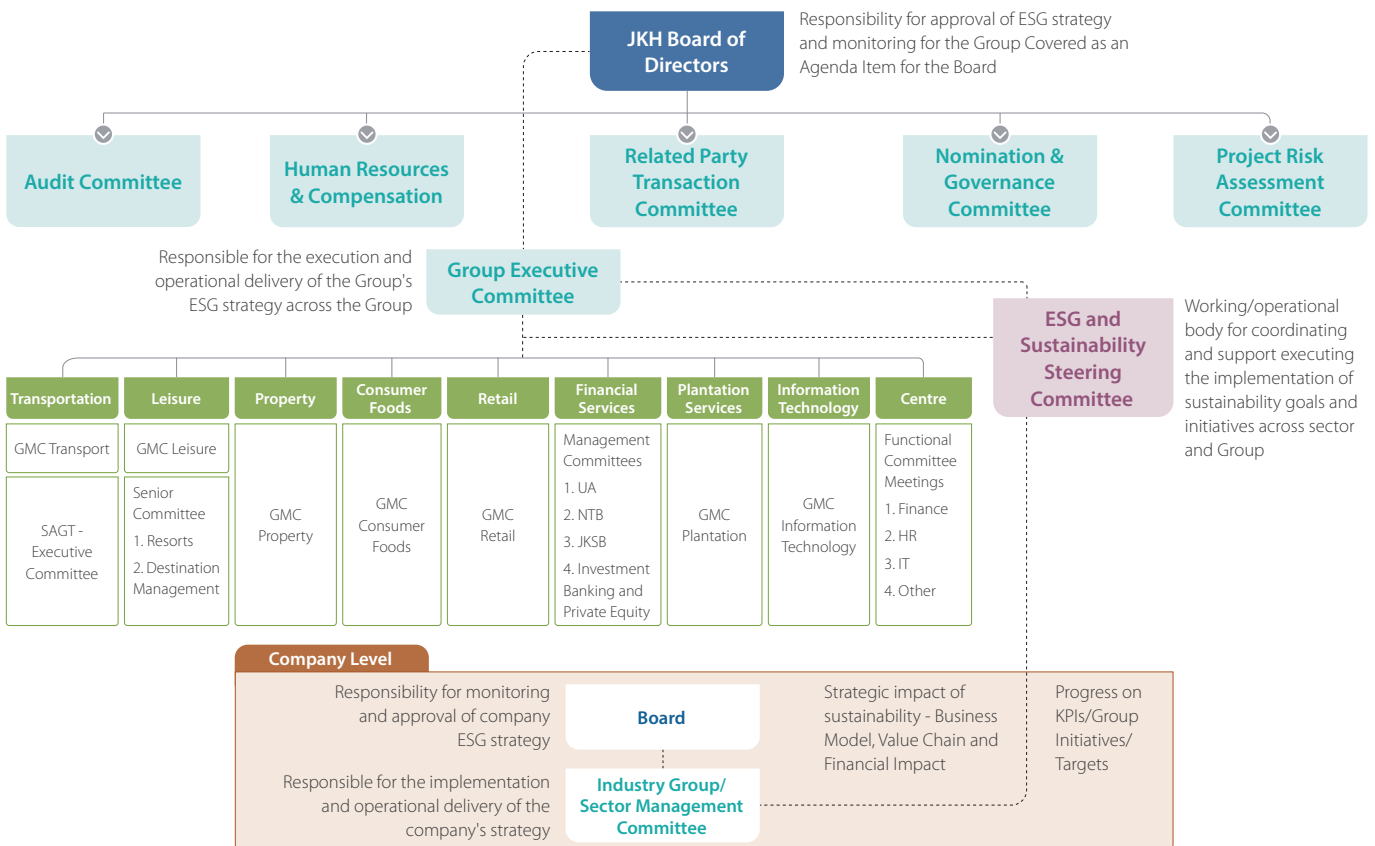
Deputy Chairperson/Group Finance Director, members of the Group Executive Committee, and representatives from the Sustainability, Risk, Corporate Finance, and Finance teams, reflecting their roles in the implementation and ongoing oversight of sustainability-related disclosures.

To strengthen governance and strategic oversight, the Group established a ESG and Sustainability Steering Committee, which is responsible for overseeing sustainability-related impacts, risks, and opportunities, including sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs). The material SRROs and CRROs from a Group perspective were evaluated and presented to the GEC for subsequent approval and clearance by the Board as well. The Committee serves as the primary governance forum guiding the Group's sustainability agenda and ensuring alignment with the requirements of SLFRS S1 and S2 as the Group progresses towards full implementation.

The Board holds ultimate responsibility for overseeing of the Group's sustainability impacts on the economy, environment and people, sustainability- and climate-related risks and opportunities (SRROs/CRROs) that could reasonably be expected to affect the Group's financial position, performance and resilience over the short, medium and long term.

Board oversight is supported by the Group Executive Committee (GEC), the ESG and Sustainability Steering Committee and industry group level Group Management Committees (GMCs), described below. This governance architecture reflects the emphasis of SLFRS S1/S2 on clear processes, controls and procedures for monitoring and managing sustainability and climate-related matters, while simultaneously supporting the management of the Group's sustainability impacts on the economy, environment and society in alignment with the governance disclosures of the GRI Standards.

Governance structure of the ESG and Sustainability Steering Committee:



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As the Group develops its sustainability ambitions, including climate ambitions and a transition pathway, governance remains focused on ensuring robust oversight, data integrity and decision-readiness, to support future target-setting and effective integration of sustainability and climate considerations into strategy and capital allocation decisions.

4.7.1 Governance: Roles, Mandates, Procedures

Responsibilities for the oversight of the SRROs/CRROs, as well as broader sustainability impact, are embedded within Group's governance framework and formalised through the Board Charter, GEC and the terms of reference of the ESG and Sustainability Steering Committee, together with the relevant policy documents.

These responsibilities extend to the governance and management of material sustainability impacts identified through the Group's double materiality assessment, with impact materiality considered as the starting point for identifying related risks and opportunities.

Aligned with the Group's corporate governance framework, the Board has delegated primary responsibility for the implementation and management of the Group's impacts and CRROs/SRROs to the GEC (which includes Executive Directors of the Group).

Such delegated responsibilities seek to ensure the effective execution and monitoring at management level while ensuring that the Board retains clear oversight of the Group's impact on the environment, society and economy as well as the sustainability- and climate-related risks and opportunities arising from the Group's activities. This governance framework supports the alignment with both the Global Reporting Initiative's (GRI) impact materiality focusing on broad range of stakeholder groups, and the SLFRS S1 and S2 requirements on financial materiality focusing on investors and primary users of financial reports.

The governance structure ensures that the sustainability impacts on the economy, environment and society as well as SRROs/CRROs are embedded in operational decision-making, resource allocation and Group-wide performance management, while maintaining appropriate Board-level oversight.

Performance related to the Group's material sustainability impacts, SRROs/CRROs together with the effective mitigation actions and related metrics are communicated through a structured reporting cycle (dashboards, ERM reports, targeted briefings), with clear escalation to the appropriate decision-making level on a timely basis. Impact-related information, including material impacts identified across the value chain, is communicated through the same reporting mechanism, ensuring a unified governance and escalation framework for impacts, risks and opportunities.

The ESG and Sustainability Steering Committee will meet periodically and report to the GEC, highlighting key outcomes, recommendations, follow-up actions and emerging regulations and frameworks related developments relevant to sustainability- and climate-related matters.

4.7.1.1 The Board

The Board of Directors is responsible for overall governance and oversight of the Group's sustainability topics that have an impact on broader stakeholder groups, as well as the SRROs and CRROs, as set out in the Board Charter. The Board's responsibilities include:

- » Overseeing the strategic direction and material sustainability impact topics, SRROs/CRROs, and considers their implications for long term value creation, approving related major sustainability commitments, including the climate ambitions and transition plans, and governance actions where required.
- » Reviewing sustainability impacts, impact management and mitigation strategies, and SRROs and CRROs at Board meetings held quarterly, ensuring alignment with the Group's strategic direction and evolving external expectations.
- » Ensure adequacy of systems, policies, controls and capabilities to facilitate timely flow of decision-useful to the Board relating to sustainability impacts, SRROs and related performance metrics.

4.7.1.1.1 Information flow and frequency

The Board receives regular and structured information, primarily through the GEC, unless otherwise noted. These include:

- » Quarterly reports on sustainability disclosures, internal controls and assurance outcomes.
- » Consolidated Sustainability and ESG reports from the ESG and Sustainability Steering Committee via Board Papers.
- » ERM reports incorporating climate-related risks within the Group risk register.
- » Dashboards, sector summaries and ad hoc briefings on significant regulatory developments, sustainability matters or ESG-related incidents.

Historically, the Board has overseen sustainability impact management through the approval of Group policies, impact-based KPIs and oversight of capital allocation and operational initiatives. As the Group's climate ambitions are being developed, the Board's current focus includes assessment of emerging climate risks and integration of climate considerations into long term strategic planning. The Board will review and approve the Group's climate ambitions and transition plan upon completion.

4.7.1.1.2 Skills and expertise

The Board's collective expertise across finance, strategy, risk management, governance, operations, technology and regulation, supported by structured briefings from the GEC, training programmes and engagement with external subject matter specialists, ensures robust oversight of the Group's impact management and SRROs/CRROs.

Following the implementation of SLFRS S1 and S2, the Group has further strengthened its sustainability governance architecture, including the development and enhancement of underlying frameworks, policies and processes. This has involved sustained engagement with management and cross-functional teams, dedicating significant time to building organisational understanding and capabilities, and establishing the foundational building blocks necessary to support robust, consistent and decision-useful sustainability reporting.

In parallel, the Deputy Chairperson/Group Finance Director has participated in targeted training and knowledge-sharing engagements with external consultants and members of international sustainability standard-setting bodies, thereby further strengthening the Board's collective understanding of, and oversight over, evolving sustainability reporting and governance developments.

 Refer the Board Profiles section for further details. – page 295.

4.7.1.2 Group Executive Committee (GEC)

In line with the Group's Operating Model, as further outlined in the Corporate Governance Commentary of this Report, the Board has designated the GEC as the principal governance body with delegated decision-making authority for the management and mitigation of sustainability impacts and SRROs/CRROs. The GEC ensures that sustainability impacts and SRROs/CRROs are appropriately incorporated into its meeting agenda for regular discussion and consideration.

The responsibilities of the GEC includes:

- » Overseeing the Group's sustainability and ESG framework; including the approval of strategies, targets, policies and key sustainability disclosures.
- » Ensuring integration of sustainability impact mitigation and SRROs/CRROs into strategic planning, ERM and long term value creation initiatives.
- » Reviewing recommendations from the ESG and Sustainability Steering Committee to monitor and manage material stakeholder expectations, regulatory requirements and recognised good practice.
- » Evaluating whether material sustainability impacts, dependencies and SRROs/CRROs are appropriately reflected in the Group's risk management framework and business strategy.
- » Overseeing the integrity, completeness and consistency of internal and external sustainability reporting and ESG disclosures.

4.7.1.2.1 Information flow and frequency

The GEC receives structured quarterly updates on sustainability impacts, SRROs/CRROs, mitigation progress and related performance metrics; In addition, GEC receives annual updates on outcomes of materiality assessments, assurance requirements and key stakeholder insights. These updates are prepared by the ESG and Sustainability Steering Committee with inputs from the relevant sector GMCs.

4.7.1.2.2 Skills and expertise

The GEC draws on the collective strength of its members, including expertise in governance, financial oversight and strategic leadership. Its competence is reinforced by structured updates from the ESG and Sustainability Steering Committee, including the inputs from the Sustainability function and the Working Groups on ambitions, as well as targeted capacity-building initiatives aligned to evolving priorities.

The GEC remains current with emerging sustainability- and climate-related regulations, voluntary standards and reporting developments and, where specialist input is required, engages internal and external subject-matter experts. These arrangements enable the GEC to effectively evaluate material sustainability impacts and SRROs/CRROs, oversee execution of the Group's sustainability agenda, and to support robust, consistent and reliable sustainability and ESG disclosures.

 Refer the Management Profiles section for further details – page 299.

4.7.1.3 ESG and Sustainability Steering Committee

The ESG and Sustainability Steering Committee serves as the structured conduit to the GEC, coordinating and operationalising the Group's sustainability and climate agenda. The Committee receives relevant information and updates from the Sustainability and ERM function as well as the respective sector level GMCs, as applicable.

The ESG and Sustainability Steering Committee is headed by the Deputy Chairperson/Group Finance Director. The committee convenes at least once a quarter or at appropriate intervals and otherwise as required.

The responsibilities of the ESG and Sustainability Steering Committee includes:

- » Consolidating value-chain and life-cycle analyses across sectors to identify key dependencies, impacts, risks and opportunities.
- » Recommending Group-wide sustainability and ESG strategies, policies and targets to the GEC and Board for review and approval and supporting execution across sectors and functions.
- » Monitoring Sustainability impacts and ESG/climate risks and opportunities, including reviewing the outcomes of impact and financial materiality assessments, and emerging sustainability-related issues.
- » Assessing the effectiveness of the sustainability governance structures, processes and controls; and supporting stakeholder engagement and disclosure readiness.
- » Supporting compliance with Group-wide Sustainability and ESG policies, codes of conduct and relevant external standards.
- » Ensuring that key stakeholder insights are appropriately reflected in the Group's sustainability priorities and decision-making.
- » Reviewing disclosure readiness, including the adequacy of Sustainability and ESG-related reporting, and ensuring that relevant policies remain current, effective and fit for purpose.
- » Reviewing the need for internal and external assurance over ESG-related matters and overseeing Group-level assurance arrangements, where applicable.
- » Supporting the integration of ESG and sustainability objectives into performance management and evaluation frameworks across the Group.
- » Adopting a Group-wide view of ESG resourcing and funding requirements and making recommendations to the GEC accordingly.

4.7.1.3.1 Information flow and frequency

The ESG and Sustainability Steering Committee receives quarterly dashboards and formal reporting from Sector level GMCs to coordinate Group-level oversight, including Group-level risk reporting, sector ESG performance reviews, and updates on sustainability and ESG-related disclosures, metrics, targets and methodologies.

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4.7.1.3.2 Skills and expertise

The ESG and Sustainability Steering Committee maintains and strengthens its collective competence through a combination of strong professional expertise and continuous development. This includes periodic briefings on emerging sustainability, climate and regulatory developments; participation in targeted training and internal capacity-building programmes; and engagement with internal and external subject matter experts. Drawing on access to multidisciplinary technical and sustainability knowledge within the Group, the Committee ensures that its approach to impact mitigation, target-setting, metrics, methodologies and disclosure requirements remains current and robust. This enables the ESG and Sustainability Steering Committee to effectively identify, assess and oversee the implementation of strategies to manage and mitigate sustainability-related impacts, risks and opportunities, review performance against established targets, and provide well-founded, informed recommendations to the GEC.

4.7.2 Management's Responsibilities and Role

Management is responsible for operationalising the Group's sustainability impacts and sustainability- and climate-related strategies and initiatives through defined committees, reporting lines and internal controls. Execution is delegated to sector level GMCs, with oversight exercised through structured reporting as outlined previously.

4.7.2.1 Delegation and Oversight

Execution of sustainability impact management strategies, and sustainability- and climate-related strategies and initiatives, is delegated to the industry group/sector level GMCs at a business level.

These GMCs play a central role in the Group's sustainability governance architecture by serving as the leadership bodies responsible for embedding sustainability impact management, SRROs/CRROs into operational and strategic decision-making. Their primary responsibility is to translate the Group's material Sustainability topics, ESG and climate ambitions set through the ESG and Sustainability Steering Committee, guided by GEC oversight and Board approval, into actionable, sector-specific strategies.

The responsibilities of GMC's include:

- » Translating Group level sustainability priorities into sector-specific plans and roadmaps, by embedding long term sustainability value creation objectives and considerations into the sector business plan, budgets, operational enhancements and resource allocation decisions with clear ownership, timelines and performance indicators.
- » Identifying SRROs and CRROs across the sector value chain; assessing associated sustainability impacts; and defining appropriate mitigation, adaptation or opportunity capture. This process is informed by business-level value chain and life-cycle assessments and supported by senior management review and approval.
- » Monitoring emerging regulatory, market and technological developments; assessing implications for the sector; and strengthening readiness through targeted training and capacity-building initiatives, supported by documented policy and regulatory readiness tracking.

- » Proposing sector level goals, targets and KPIs for Group-level consideration; establishing baselines and measurement methodologies; tracking and reporting progress; and validating the completeness, accuracy and credibility of sector data and supporting documentation to enable assurance readiness.
- » Ensuring that sustainability impacts and SRROs/CRROs are explicitly considered in material investments, including implications for asset and supply-chain resilience, operating costs, value creation, transition alignment and key implementation dependencies, with documented trade-offs and mitigation measures presented for decision-makers.
- » Reviewing sector sustainability reporting inputs and escalating material matters, including significant impacts, incidents, emerging risks or material deviations, in accordance with established reporting and escalation procedures.

The GMCs will take these sustainability-related matters up at least quarterly with the above responsibilities forming standing agenda items.

Oversight of business level execution is exercised through a structured escalation framework as follows:

- » Sector GMCs submit quarterly updates to the ESG and Sustainability Steering Committee covering sector performance, sustainability impacts, changes in SRROs and CRROs, emerging issues and progress against key deliverables.
- » The ESG and Sustainability Steering Committee consolidates sector insights, applies cross-Group consistency checks, and elevates material matters and recommendation from a double materiality perspective to the GEC.
- » The GEC reviews material items and strategic implications and escalates issues to the Board where strategic direction or significant decisions are required.

This governance approach ensures that sector-level execution remains closely connected to Group-level oversight and decision-making, with clear escalation pathways for material sustainability impacts, SRROs and CRROs, enabling the preparation of transparent, decision useful sustainability- and climate-related disclosures.

4.7.2.2 Controls and Procedures

Sustainability impacts, and sustainability- and climate-related information, are identified and captured at the business unit level and channelled through a defined reporting pathway, assessed from both an impact and financial materiality perspective, are escalated in accordance with the Group's sustainability governance framework and ERM processes. Management uses formal controls and procedures to support effective oversight of the Sustainability Management Framework, integrated ESG data management systems, internal audit and assurance processes, cross-functional coordination mechanisms, and standardised risk identification, assessment and reporting practices. These controls are designed to support data quality, consistency, accountability and decision readiness across the governance structure.

4.7.3 Integration into Strategy and Decisions

The Board considers sustainability impacts, CRROs and SRROs as part of its oversight of the Group's overall strategy, major decisions and Group risk management framework and impact mitigation activities. In doing so, the Board considers how these matters may influence the Group's business model, its corporate responsibility efforts ensuring that impacts on the economy, environment and society are managed, ensuring organisational resilience and long term value creation, and ensures they are addressed through appropriate governance, policies and management actions.

The GEC assesses sustainability impacts, CRROs and SRROs when developing and refining the Group's strategic priorities. This includes evaluating how sustainability impacts, CRROs and SRROs may affect long term competitiveness across business units, considering opportunities related to energy efficiency, resource optimisation, and emerging regulatory expectations and assessing the readiness of business units to support future climate ambitions, whilst ensuring responsible business operations meeting the expectations of a broad stakeholder groups including but not limited to investors.

When evaluating material investments, the GEC assessment will include exposure to physical and transition climate risks, potential impacts on operating costs, asset resilience, and long term value and alignment with emerging climate-related commitments. These evaluations also consider material impacts on society and the environment, including potential trade-offs between short term financial performance and longer term impact-related outcomes.

The ESG and Sustainability Steering Committee translates Group priorities into sector-level actions, decision inputs and performance monitoring. It provides the GEC with structured analysis by consolidating cross-functional insights from operational leaders and functional experts (including finance, risk, legal/compliance, HR and operations), ensuring recommendations reflect both execution realities and governance expectations.

In practice, the ESG and Sustainability Steering Committee supports strategy by:

- » supporting sector plans and key initiatives to ensure they are aligned to Group Sustainability and ESG priorities and identifying delivery gaps.
- » assessing emerging SRROs and CRROs and translating these into clear implications for business plans; and
- » ensuring that material investment include decision-useful sustainability inputs - such as key impacts on broader stakeholder Groups, SRROs/CRROs affecting business operations, implementation readiness, data and metrics considerations, and proposed mitigation strategies.

When material investments are reviewed, the ESG and Sustainability Steering Committee applies a consistent evaluation lens to surface what management needs to address before decisions are taken - e.g. impact to key stakeholders, society and the environment, organisational resilience considerations, cost and feasibility implications, delivery dependencies and reporting requirements. The ESG and Sustainability Steering Committee also supports the quality of trade-off discussions by setting out practical options and helping decision-makers balance short term performance with longer term commitments and risk exposure.

4.7.4 Targets, Monitoring, and Remuneration

The Board of Directors oversees the development of targets related to the Group's sustainability impact topics, SRROs and CRROs and monitors progress toward those targets as they are established. The Board has delegated responsibility for the formulation and operationalisation of such targets to the GEC in collaboration with the ESG and Sustainability Steering Committee and sector GMCs, who are currently leading the development of the Group's sustainability impact targets including its climate ambitions and associated performance indicators.

During the 2025/26 reporting cycle and going forward, the GEC's focus through the ESG and Sustainability Steering Committee is on validating baseline metrics and assessing the feasibility of future targets, with periodic updates provided to the Board to support oversight and decision-making.

As permitted under SLFRS S1 transition reliefs, the Group has not yet introduced climate-related targets or linked remuneration metrics to such specific aspects although the broader ESG considerations form part of the key strategic priorities for key executives; however, the Board and the Human Resources and Compensation Committee (HRCC) shall evaluate how future sustainability-related performance measures may be incorporated into executive remuneration frameworks once targets are finalised.

The Board, through the HRCC, shall review and approve the integration of such metrics into remuneration policies when the Group's climate ambitions, and transition pathways are developed by the ESG and Sustainability Steering Committee and approved following the Group approval matrix.

5 ASSURANCE MECHANISMS

The Assurance Mechanisms comprise of the various supervisory, monitoring and benchmarking elements of the Group Corporate Governance System which are used to measure actuals against plan with a view to highlighting deviations, signalling the need for corrective action, and quick redress when necessary. These mechanisms also act as safety nets and internal checks in the Governance system. The Group also conducts internal and external audits on a periodic basis, with a minimum frequency of one per year.

As outlined in the ensuing sections, the Group has various mechanisms in place for concerns to be escalated and raised to the GEC or to the Board as relevant and required.

5.1 Key Internal Policies

The integrated governance systems and procedures and the various frameworks as discussed under Section 4 of this Commentary are operationalised and sustained through a comprehensive set of internal policies and implementation procedures established by the Group. The Group maintains a robust set of internal policies and implementation procedures and any changes to such policies shall be communicated to the stakeholders as relevant. The Board delegates the responsibility for monitoring compliance with such policies to the Chairperson-CEO or relevant Board Committees. The Board shall monitor adherence to the policies and where relevant, will inquire into and take requisite steps to address any material departures.

Key Internal Policies of the JKH Group

- » Policy on Conduct and Business Ethics supported by the:
 - Code of Conduct, encompassing policies on gifts, entertainment, facilitation payments, the protection of proprietary, confidential and personal information, insider trading and conflicts of interest.
 - Supplier Code of Conduct, outlining expected adherence to applicable legal requirements, governance standards, ethical business practices, and responsible conduct in alignment with the Group's values.
- » Policy on Corporate Governance
- » Policies at a Board level, including the Policy on Matters Relating to the Board of Directors (BoD), Policy on Board Committees and Policy on Nominations and Re-election
- » Policy on Remuneration
- » Policy on diversity, equity and inclusion, including a gender policy
- » Policies on equal opportunities, non-discrimination, career management and promotions, including on employees with disabilities
- » Recruitment and selection, rewards and recognition, and learning and development policies
- » Leave (which also encompasses the equal parental leave), flexi-hours, tele-working and agile working policies including health and safety enhancements and protocols
- » Policy against sexual harassment
- » Policy on forced, compulsory child labour and child protection
- » Group accounting procedures and policies which includes the Policy on Control and Management of Company Assets and Shareholder Investments and the Policy on the Engagement of the External Auditor for Non-Audit Services
- » Policies on fund management and foreign exchange risk mitigation
- » Environmental, Social and Governance (ESG) and Sustainability Policy and the Group's sustainability policies including policies on energy, emissions, water, waste management and biodiversity conservation
- » Policies on products and services
- » Policies on Information Technology (IT), classification of information assets, Personal Data protection and security
- » Enterprise Risk Management and Internal Controls Policy
- » Policy on Anti-Bribery, Anti-Corruption, Anti-Fraud, Anti-Money Laundering, Anti-Terrorism and Proliferation Financing and Sanctions.
- » Policy on Corporate Disclosures and Relations with Shareholders and Investors
- » Policy on communications and ethical advertising, complemented by social media and crisis communication guidelines
- » Policies on Whistleblowing (Speak up Policy), grievance handling and disciplinary procedures, including the Ombudsperson policy

Strengthening of Group's ESG Policy

During the year under review, the Group strengthened its Environmental, Social and Governance (ESG) and Sustainability Policy in alignment with the implementation of SLFRS S1 and S2 disclosure requirements. The policy was updated to reflect the governance, accountability and process enhancements introduced as part of this implementation, including further clarity on the Board oversight of sustainability- and climate-related risks and opportunities, strengthened management ownership and accountability, and the integration of climate-related risks into the Group's Enterprise Risk Management framework.

In addition to aligning with SLFRS S1 and S2, the policy was further refined to incorporate the principles of double materiality, enabling the Group to systematically consider both the financial impacts of sustainability- and climate-related risks and opportunities, as well as the Group's impacts on the economy, environment and society. The update also incorporated the adoption of more standardised metrics and reporting processes.

Collectively, these enhancements support a more structured approach to the identification, assessment and management of sustainability- and climate-related impacts, risks and opportunities, while embedding both impact and financial materiality considerations into strategic decision-making and disclosures.

5.1.1 The Code of Conduct

The Code of Conduct acts as a vital conduit between the Group's overarching governance framework (which includes the Group's internal policies) and its employees, as it is the primary tool that operationalises the governance framework.

During the year the Group revisited and updated its Code of Conduct to provide employees with a clearer, more comprehensive, and practical guide that reflects the evolving regulatory landscape, strengthened compliance requirements, and emerging environmental and workplace considerations. The updated Code addresses issues most relevant to employees and reinforces the Group's core values of Integrity, Trust, Excellence, Caring, and Innovation, promoting ethical behaviour, accountability, and a culture of responsible business practices across the organisation.

The Group's policies are available to all employees via the Group's employee portal, and such policies are made available to the shareholders upon a written request. These policies are approved by the GEC with Board oversight.

During the year under review, the Group strengthened its ESG and Sustainability Policy in alignment with the implementation of SLFRS S1 and S2 disclosure requirements. The policy was updated to reflect the governance and process enhancements introduced as part of the implementation of these standards. No other material changes were done to the Group policies during the reporting period, and all the policies were complied with and no waivers from compliance or exemptions for the internal code of conduct and business ethics were granted during the year under review.

The Code of Conduct is incorporated as part of the contract of employment of every employee. For new joiners in the executive and above levels, the content of the Code of Conduct and Group policies is covered via an induction to the Group and a mandatory e-learning module whilst copies of the Code are available in Sinhala and Tamil languages for employees who are more conversant in those languages.

Through the Code of Conduct, all Group policies apply to all employees and Directors. The Company Leadership, both the Board of Directors and the Group Executive Committee, spearheads the implementation of the Code.

The objectives of the Code of Conduct are strongly affirmed by the strong set of values and four key principles, which are enumerated below, and are well institutionalised at all levels within the Group through structured communication.

JKH Code of Conduct

- » Allegiance to the Company and the Group, that ensures the Group will do the right thing, by going further than the letter of any contract, the law and the Group's written policies.
- » Compliance with rules and regulations applying in the territories that the Group operates in.
- » Conduct all businesses in an ethical manner at all times in keeping with acceptable business practices and demonstrate respect for the communities the Group operates in and the natural environment.
- » Exercise of professionalism and integrity in all business and public and personal transactions.

Employee alignment with these values and key principles, as well as their adherence to the JKH Code of Conduct, are integral factors in the Group's reward and recognition programmes.

There were 24 reported incidents of fraud, 18 of which resulted in employee terminations. The majority of these incidents were reported from the Supermarket business.

The Group Values continue to be consistently referred to by the Chairperson-CEO, Presidents, Sector and Business Unit Heads during employee and other key stakeholder engagements, in order to instil these values in the DNA of the employees.

 Refer the Business Model section for Group Values – page 48.

Ethical Business Practices of the Group

- » Seeks to ensure that ethical business practices are the norm from the most senior to the most junior employee, stemming from, and including the Board of Directors. All Group companies have procedures and processes to enable the prevention and reduction of corruption and bribery. Each business unit is also expected to evaluate the risk of corruption as part of its risk management process and put in place mitigation measures to reduce such risks. Its transparent control and prevention mechanisms also extend this expectation to its value chain comprising of its customers, suppliers and business partners. The Group is required to analyse all its business units and functions and include the risk of corruption as part of its risk management process. The Group has a zero-tolerance policy towards bribery and corruption.
- » Stringent checks during the recruitment process ensures that minimum age requirements are met.
- » The Group Business Process Review (GBPR) audits processes, systems, and people-related controls are susceptible to corruption. No process-level gaps indicating significant corruption risk were identified during the year.
- » Ensures that all businesses are educated on the possible sources of forced and compulsory labour.
- » Committed to upholding the universal human rights of all its stakeholders.
- » Is an equal opportunity employer and has zero-tolerance for physical or verbal harassment based on gender identity, race, religion, nationality, age, social origin, disability, sexual orientation, political affiliations or opinion or any other difference.

Deep-dive into Giving and Receiving Gifts, Favours and Entertainment

The Group's policies prohibit the giving or receiving of gifts, entertainment or favours where a reasonable person could perceive a risk to independence or impartiality or view it as an inducement for an official or business favour. This covers interactions with clients, service providers, customers, business associates, political parties, or any stakeholder and also applies to charitable donations and sponsorships. Any modest gifts or tokens of appreciation, whether given or received, are permitted when aligned with business exigencies and provided they are well-intentioned, without ulterior motives or personal gain. All such gifts must be approved by the supervisor and reported to the relevant Finance Head (Chief Financial Officer or Sector Financial Controller) for clearance and are centrally recorded and monitored.

5.2 Senior Independent Director (SID)

The Senior Independent Director serves as a key point of contact for shareholders and Board members, providing independent oversight, supporting the Chairperson, and addressing any concerns that may arise regarding the leadership or governance of the Board.

 Refer the Senior Independent Director section for further details – page 325.

5.3 Chairperson Direct

The Group has a formal mechanism in place that enables both shareholders and employees to directly communicate with the Chairperson via email regarding any critical grievances or concerns. This platform ensures transparency, accountability, and open dialogue, allowing stakeholders to voice their issues in a structured and confidential manner.

5.4 Board Committees

The Board Committees play an important supervisory and monitoring role by focusing on the designated areas of responsibility passed to it by the Board.

 Refer the Board Committees section for further details – page 315.

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5.5 Employee Participation in Assurance

The Group is continuously working towards introducing innovative and effective modes of employee communication and employee awareness. The importance of communication - top-down, bottom-up, and lateral - in gaining employee commitment to organisational goals has been conveyed extensively through various communications issued by the Chairperson-CEO and the management. Whilst employees have many opportunities to interact with senior management, the Group has created the ensuing formal channels for such communication through feedback, without the risk of reprisal.

- » Skip level meetings
- » Exit interviews
- » 360 degree evaluation
- » Employee surveys
- » Monthly staff meetings
- » Chairperson Direct
- » Ombudsperson
- » Access to Senior Independent Director
- » Continuous reiteration and the practice of the Open-Door policy

Additionally, the Group continued with its policies on whistle-blowing and securities trading. The Group has witnessed an increased level of communication flow from employees. Such communication and feedback received from the employees by the management are recorded, irrespective of the level of anonymity, and subsequently discussed and followed up, to the extent possible, to ensure two-way communication. The respective outcomes are duly recorded.

5.6 Internal Controls

The Board has taken necessary steps to ensure the integrity of the Group's accounting and financial reporting systems, and internal control systems remain robust and effective via the review and monitoring of such systems on a periodic basis.

5.6.1 Internal Compliance

A quarterly self-certification programme requires the Presidents, Sector Heads and Chief Financial Officers of industry groups to confirm compliance with statutory and other regulatory procedures, and also to identify any significant deviations from the expected norms. The compliance statement which gets collated every quarter and tabled at the respective Audit Committee meetings is subject to periodic review and where applicable revised, to reflect and capture any material changes that drive the macro and micro operating contexts, for reporting and monitoring purposes.

5.6.2 System of Internal Control

The Board has taken steps to obtain assurance that systems, designed to safeguard the Company's assets and provide management information, are functioning according to expectations and proper accounting records are in place through the involvement of the Group Business Process Review function.

This also entails automated monitoring and workflow based escalation in order to facilitate timely clearing of all transactional entries including complete reconciliation, unreconciled and open entries being flagged and periodically scrutinised, and formal disclosure being made to the relevant Audit Committees, efficient management and tracking of cash and cheques deposits, in line with international best practice. This also enables the continual streamlining and optimisation of the Internal Audit function via identification of focus areas, improvement opportunities and feedback reporting in order to reinforce governance and assurance.

The Group has in place two integrated frameworks, the Fraud Deterrent and Investigation Framework and the Process Review Framework that complement each other to strengthen the Group's effort to promote anti-fraud, anti-corruption and anti-bribery by proactively recognising the changing context and operating landscape. The integrated fraud deterrent and investigation framework, which enables an integrated platform for handling all aspects of fraud and stakeholder assurance, reinforces uniformity across common processes in matters relating to fraud, employs a data-driven approach to the continuous assessment of control efficacy and assesses and deploys appropriate preventive and detective controls against frauds. The Integrated Process Review Framework provides an innovative approach to internal audits, which enable audits to be specific and highly focused on matters relevant to a business entity. Emphasis is placed on use-cases and events stemming from the current business strategy, which must be facilitated by participating processes, systems, and personnel which form micro-value chains with special attention to the efficacy of control and its placement to ensure the integrity of transactions as each traverse through each micro-value chain, at the time of audit reviews.

The digital system implemented for quarterly financial and operational information management, continues to perform as per expectations facilitating data capturing for compliance reporting, providing a sustainable and structured mechanism to enable top-down and bottom-up stakeholder engagement, and tracking the progression of how the compliance posture at an entity level has evolved, among others. The Forensic Data Analytics platform feeds into Internal Audit Scoping and continues to be used to identify areas for process optimisation, strengthening controls and in feedback reporting to reinforce governance (management) and assurance structures.

"The integrated fraud deterrent and investigation framework, which enables an integrated platform for handling all aspects of fraud and stakeholder assurance, reinforces uniformity across common processes in matters relating to fraud, employs a data-driven approach to the continuous assessment of control efficacy and assesses and deploys appropriate preventive and detective controls against frauds."

Initiatives to Strengthen Internal Controls

- » In alignment with the Group's migration to SAP S/4HANA (RISE), a high-level review of the authorisation matrix was executed to validate access levels, address any anomalies and ensure secure and consistent user access controls. By addressing these prior to go-live, the Group ensured a smooth transition while safeguarding system security and the integrity of its controls.
- » Strengthened its risk governance capabilities through the continued development of an Integrated Credit Risk Intelligence System under the Group-wide Forensic Data Analytics Platform initiative. The system enables a shift from reactive to proactive risk management by providing timely insights on customer creditworthiness, portfolio concentration risks, collections prioritisation, and sector-level risk trends, thereby supporting faster and more informed credit decisions. Designed with strong governance and accuracy controls, the system incorporates safeguards to validate model outputs against underlying data to ensure reliability and auditability.
- » In parallel, a structured review of key operational processes was initiated - including Order-to-Cash, Procure-to-Pay, and Record-to-Report cycles - to identify opportunities for automation, digital reengineering, and improved data integrity across shared services, reinforcing the Group's commitment to data-driven decision-making and responsible governance.
- » Enhanced its Business Continuity Management (BCM) framework, adopting a structured, process-driven approach to safeguard operational resilience and protect stakeholder interests, while aligning with globally recognised standards such as ISO 22301:2019 and best practices recommended by Disaster Recovery Institute International (DRI). The framework incorporates proactive risk mitigation measures, regular testing, and governance oversight to support the uninterrupted functioning of critical operations during periods of disruption.
- » Continued to strengthen its data governance framework to ensure compliance with the Personal Data Protection Act No. 9 of 2022, aligning practices with internal data protection principles and globally recognised standards.
- » Dedicated Data Protection Officers (DPOs) are in place across industry groups, with oversight of data protection practices within their respective domains. DPOs report to Sector Data Governance Leads and Presidents and are supported by a Data Governance Steering Committee, which provides strategic direction and oversight. Building on the previously completed gap analysis by external consultants, the Group continued to enhance its technical, security, and organisational controls during the year. Compliance is monitored through structured reporting channels, with regular updates submitted by DPOs and periodic reporting to the Audit Committee on compliance status, emerging risks, and ongoing improvements.

The Group also continues to monitor regulatory developments and engage with the Data Protection Authority of Sri Lanka to ensure alignment with evolving requirements. No substantiated complaints relating to breaches of customer privacy or loss of customer data were reported during the year.



Refer *Intellectual Capital Review* section for further details – page 129.

5.6.3 Segregation of Duties (SoD) under Sarbanes-Oxley (SOX)

The Group recognises the importance of ensuring that no individual has excessive system access to execute transactions across entire or several business processes which have critical approval linkages. With growing reliance on information technology and integrated financial controls, there is an increased risk of unintended exposures within the Group. SoD dictates that problems such as fraud, material misstatements and manipulation of financial statements have the potential to arise when the same individual is able to execute two or more conflicting, sensitive transactions. Separating disparate jobs into task-oriented roles can often result in inefficiencies and costs which do not meet the cost versus benefit criteria. Whilst the attainment of a zero SoD conflict state is utopian, the Group continues to take steps to identify and evaluate existing conflicts through the maintenance and monitoring of a SoD matrix with defined parameters for identifying, approving and reporting on conflicting roles and how they are dealt with. The residual risks is then reduced to an acceptable level under a cost versus benefit rationale. No material conflicts were reported during the year.

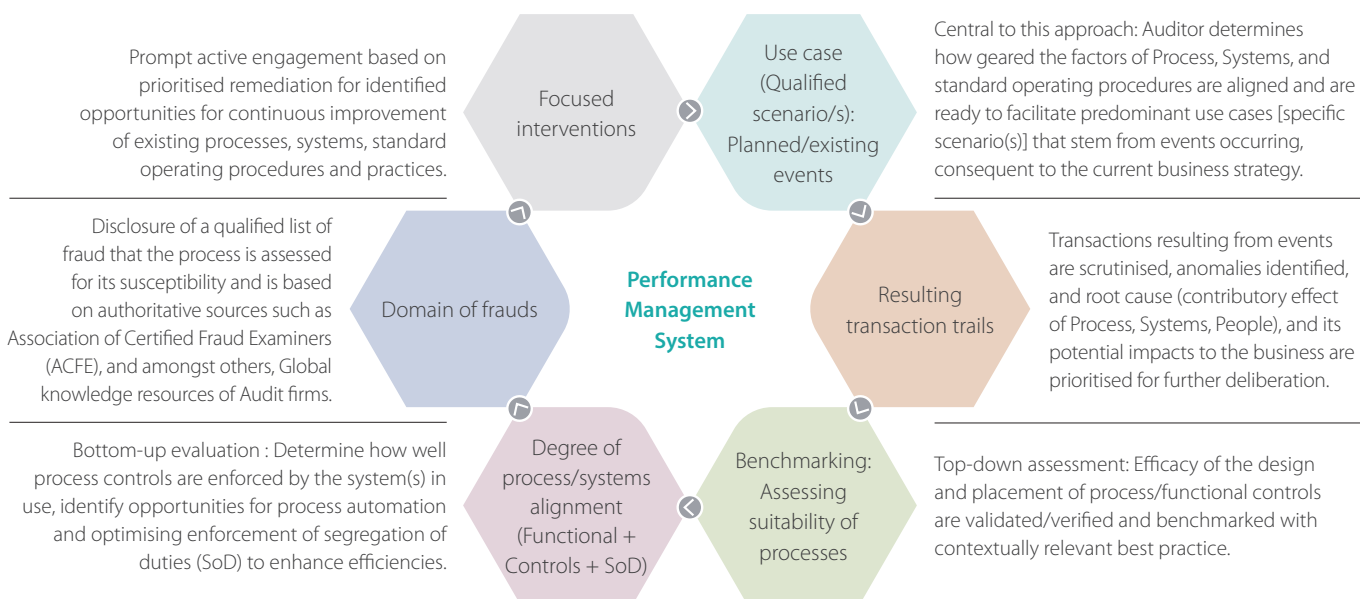
5.6.4 Internal Audit

The following diagram provides a helicopter view of the Internal Audit Approach that has been rolled out within the Group. Central to this approach is the business strategy and how the current processes, systems, and people, are geared to efficiently and effectively handle the deliverables of the current business strategy at the time of review. The outer elements reflect the reporting elements which are noted in audit reports, either as observations and/or value-added recommendations.

The risk review programme covering the internal audit of the whole Group is outsourced. Reports arising out of such audits are, in the first instance, considered and discussed at the business/functional unit levels and, after review by the Sector Head and the President of the industry group, are forwarded to the relevant Audit Committee on a regular basis. Further, the Audit Committees also assess the effectiveness of the risk review process and systems of internal control on a regular basis.

CORPORATE GOVERNANCE COMMENTARY

The new internal audit approach: Continuous emphasis on context



Whilst there are merits and demerits associated with outsourcing an internal audit, the Group is of the view that having an external based auditor is more advantageous. However, there are certain industries where the domain is very operationally specific and requires an internal auditor in addition to the external auditor.

5.6.4.1 Forensic Data Analytics to Identify Anomalies and Facilitate Behavioural Oversight

Traditionally, internal auditing followed an approach which was based on a cyclical process that involves manually identifying control objectives, assessing and testing controls, performing tests, and sampling only a relatively small population of the dataset to measure control effectiveness and operational performance. Today, the Group operates in a complex and dynamic business environment where the number of transactions has increased exponentially over the years, and traditional cyclical/sample based internal auditing techniques are becoming less effective. As such, the Group continues to use big data analysis techniques on the total data using standard deviations, z-scores and other statistical measures in establishing real-time, user-friendly outlier identification and early warning triggers.

Forensic Data Analytics

The Group continues to strengthen its use of forensic data analytics as a key mechanism to enhance financial governance and risk oversight. The system facilitates the identification and investigation of unusual transactions within large data populations through the application of well-established analytical algorithms, enabling timely management attention and reinforcing process and system controls to safeguard transaction integrity.

A critical success factor of this oversight mechanism is the deployment of advanced machine learning algorithms that are continuously calibrated to reflect the operating conditions of each business. This enables the system to remain relevant and insightful, enhancing its effectiveness in supporting Continuous Controls Monitoring (CCM), enabling early detection of anomalies, and creating opportunities for optimisation and proactive intervention.

As part of this initiative, the Group continues to enhance its Forensic Data Analytics platform for automated Transaction Outlier Detection, which monitors datasets relating to accounts payable, accounts receivable, the general ledger, and other financial transactions. The system detects anomalies and routes alerts to Management for timely review and response, functioning as a robust oversight tool that helps deter fraud while further strengthening the overall control environment.

"The Group continues to strengthen its use of forensic data analytics as a key mechanism to enhance financial governance and risk oversight. The system facilitates the identification and investigation of unusual transactions within large data populations through the application of well-established analytical algorithms, enabling timely management attention and reinforcing process and system controls to safeguard transaction integrity."

5.7 Ombudsperson

The Group has appointed an Ombudsperson to serve as an independent, impartial, and confidential channel for addressing complaints, disputes, or grievances raised by employees, stakeholders, or other parties in relation to alleged violations of the Code of Conduct. The Ombudsperson complements existing mechanisms such as Chairperson Direct and formal whistleblowing channels and may be approached where concerns are not addressed satisfactorily through internal processes.

The findings and the recommendations of the Ombudsperson, subsequent to an independent inquiry, are confidentially communicated to the Chairperson-CEO or to the Senior Independent Director upon which the involvement duty of the Ombudsperson ceases.

On matters referred to him by the Ombudsperson, the Chairperson-CEO or the Senior Independent Director, as the case may be, will place before the Board:

- i. the decision and the recommendations.
- ii. action taken based on the recommendations.
- iii. where the Chairperson-CEO or the Senior Independent Director disagrees with any or all of the findings and or the recommendations thereon, the areas of disagreement and the reasons, thereof.

In situation (iii), the Board is required to consider the areas of disagreement and determine the way forward. The Chairperson-CEO or the Senior Independent Director is expected to take such steps as are necessary to ensure that the complainant is not victimised, in any manner, for having invoked this process.

The Ombudsperson also provides periodic reports to the Board or the Audit Committee, including a summary of the number and nature of complaints received, investigation outcomes, and recommendations for systemic improvements, without disclosing personal or confidential information unless required by law. Safeguards have been established to ensure that complainants are not subjected to victimisation for invoking this process.

The current Ombudsperson is an attorney-of-law by profession. Typically, the appointment of the Ombudsperson is for a fixed term between three to five years, which may be renewed at the option of the Board.

Mandate and Role

For purposes of easy reference, the Ombudsperson's mandate and role is set out below:

- (a) legal and ethical violations of the Code of Conduct for employees, but in an appellate capacity, when a satisfactory outcome using existing procedures and processes has not resulted or when the matter has been inadequately dealt with;
- (b) violations referred to above by individuals at the Executive Vice President, President and Executive Director levels, including that of the Chairperson-CEO, in which case the complainant has the option of either complaining to the Ombudsperson in the first instance, or first exhausting the internal remedies;
- (c) sexual harassment, in which event the complainant has the option of either complaining to the Ombudsperson in the first instance or first exhausting the internal remedies.

The mandate excludes disciplinary issues from the Ombudsperson's responsibilities. The right to take disciplinary action is vested exclusively in the Chairperson-CEO and those to whom this authority has been delegated.

During the period under review, one procedural complaint was received by the Ombudsperson, citing a delay in adhering to internal processes in addressing the issue in a timely manner. This matter has since been addressed and closed as at 15 May 2026, being the date of this report.

No other issues that fall under the purview of the Ombudsperson have been brought to the attention of the Ombudsperson during the financial year that would indicate mismanagement, unfair treatment, or justified discontent on the part of any employee or ex-employee.

Ombudsperson
15 May 2026

5.8 External Audit

Ernst & Young are the external auditors of the Company as well as many of the Group companies. The individual Group companies also employed KPMG as an external auditor. The appointment/re-appointment of these auditors was recommended by the individual Audit Committees to their respective Boards of Directors.

The Audit Committee, comprising majority of Independent Non-Executive Directors of JKH, annually review the appointment of external auditors and recommend the appointment of auditors for shareholder approval at the Annual General Meeting. The Committee has recommended retaining Ernst & Young as the Group lead consolidating auditor given the various complexities of the Group and related nuances. The Auditors maintain independence through routine rotation of partners.

The audit fees paid by the Company and Group to its auditors are separately classified in the Notes to the Financial Statements of the Annual Report.

6 GOVERNANCE OUTLOOK AND EMERGING CHALLENGES

Operating in a volatile and evolving global geo political and local socio economic environment, the Group recognises the importance of maintaining a strong and effective corporate governance framework. Robust governance underpins accountability, transparency, fairness and sustainable value creation for stakeholders. The Board continues to assess governance readiness against emerging internal and external challenges, while aligning practices with global best standards. The key governance focus areas and challenges being continuously addressed by JKH are outlined below.

CORPORATE GOVERNANCE COMMENTARY

6.1 Board Diversity and Succession Planning

JKH values Board diversity and strives to attract skilled Directors who align with its vision and values, while understanding the complexities of its diverse business interests. The Group believes diversity enhances stakeholder insights and responsiveness. Efforts are focused on recruiting qualified individuals from various demographics, experiences, and backgrounds, all within a strong culture of meritocracy. Considering the diversity of the Group and the institutional knowledge, proactive succession planning of the Board and, more importantly, key executive leadership will enable continuity of strategy, governance and culture of the business.

6.2 Board Independence

Board independence remains a cornerstone of the Group's governance framework and is fundamental to stakeholder confidence. Effective governance structures, nomination processes and safeguards are in place to promote objective decision-making and minimise conflicts of interest. The Group continues to strengthen independence through balanced checks and assurance mechanisms, while ensuring alignment with its diversified conglomerate operating model.

6.3 Beneficial Ownership of the Company

While the Group does not have a controlling shareholder or any shareholder interest represented on the JKH Board, the Group recognises that beneficial ownership disclosure is critical to transparency and stakeholder trust and has proactively begun collating and preliminarily verifying relevant information. The Companies (Amendment) Act No. 12 of 2025 introduced mandatory beneficial ownership requirements effective from 30 March 2026 onwards. The Group continues to engage with shareholders and monitor regulatory developments to ensure full compliance with the framework.

6.4 Anti-Fraud, Anti-Corruption and Anti-Bribery and Financial Crime Compliance

The Group enforces a zero-tolerance stance on fraud, bribery, corruption, and financial crime through its Code of Conduct and comprehensive compliance policies. Ongoing monitoring and remediation processes support ethical conduct and behaviours.

Given the nature and business model of most of the significant industry groups, there is no material regulatory exposure to the Group; nevertheless, the Group maintains continuous and proactive engagement with the relevant authorities to ensure ongoing compliance. During the year, no issues were raised by the authorities and no sanctions or penalties were levied. The secretarial arm of the Group implemented all recommendations arising from such engagements in a timely manner, further strengthening governance and compliance processes.

The Group continues to work with the Financial Intelligence Unit of Sri Lanka, as applicable, to further strengthen its compliance framework and enhance monitoring and coordination in the implementation of Anti-Money Laundering, Counter-Terrorism Financing and Counter-Proliferation Financing measures, recognising the broader implications for the country.


6.5 Increasing Emphasis on Environmental, Social and Governance (ESG) Aspects

ESG considerations continue to gain prominence among investors, regulators and other stakeholders. The Group integrates ESG factors into strategy, operations and decision-making to support sustainable growth, responsible resource management, stakeholder well being and strong governance.

Material ESG priorities have been identified through sector specific studies, stakeholder engagement and benchmarking exercises. Following the release of IFRS S1 and S2 by the International Sustainability Standards Board and their localisation to SLFRS S1 and S2 by CA Sri Lanka, JKH implemented the standards during the year under review.

6.6 Continual Strengthening of Internal Controls

The Group continues to strengthen its internal control environment by integrating financial, operational and technology enabled controls in line with international best practice. These initiatives are intended to improve efficiency, enhance oversight, strengthen fraud detection and prevention, and enable data driven monitoring and compliance. The implementation of SAP RISE and the related system enhancements will also facilitate further improvement in the Group's internal control and monitoring environment.

 Refer Section 5.7.2 of this Commentary for initiatives during the year aimed at strengthening internal controls – page 346 and Section 4.2 for initiatives on IT Governance – page 333.

6.7 Digital Oversight and Cyber Security

As digitalisation expands across operations, the Group recognises increased exposure to cyber and technology related risks. The Board and Audit Committee place significant emphasis on digital oversight, cyber security and data protection, with these matters periodically reviewed to ensure the adequacy of infrastructure, controls and risk mitigation measures.

6.8 Data Protection, Information Management and Adoption

The Group embeds a strong culture of data privacy and responsible data stewardship, aligned with the Personal Data Protection Act No. 9 of 2022. Governance is supported by robust policies, security controls, role-based access, training, and oversight by designated Data Protection Officers and the Group Data Governance Steering Committee. Continuous enhancements are guided by external assessments and regulatory developments, and no substantiated customer data breaches or data losses were reported during the year. The requirements under data protection laws will necessitate businesses to devise their strategies and stakeholder engagements in a manner that complies with the law while enabling better insights and understanding of its stakeholder needs.

6.9 Greater Employee Involvement in Governance

The Group recognises employees as a critical pillar of effective governance. Ongoing training on the Code of Conduct and governance policies, strengthened performance management processes, enhanced communication and increased empowerment are used to reinforce accountability, ethical behaviour and engagement across the organisation.

6.10 Need for Increased Transparency

Transparency remains an evolving journey driven by changing regulations, global best practice and stakeholder expectations. Open, balanced and relevant reporting strengthens trust, credibility and organisational legitimacy, while supporting informed stakeholder decision-making. The Group continues to enhance transparency in a manner that prioritises material information and long term value creation.

6.11 Geopolitical Risk and Resilience

Global volatility and heightened geo-political risks have required businesses to reinforce risk management processes. While Sri Lanka has developed the necessary macroeconomic buffers to withstand external shocks, more frequent or prolonged global volatility will create the need for building resilience in the business model and value chains of corporates. Given the experience from the economic crisis, certain business resilience plans are in place while the emerging global trends will need to be continuously monitored to assess the impact on the country and the macro environment.

7 COMPLIANCE SUMMARY

The Board, through its operating structures, strived to ensure that the Company and all its subsidiaries and associates complied with the laws and regulations of the countries they operated in. Accordingly, the Group complied with all applicable laws and regulations of the countries it operates in, including anti-corruption and anti-bribery laws.

The Board of Directors also took all reasonable steps in ensuring that all financial statements were prepared in accordance with the Companies Act No 7 of 2007, the Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by CA Sri Lanka, Sri Lanka Sustainability Disclosure Standards and the requirements of the CSE and other applicable authorities. Information contained in the financial statements of the Annual Report is supplemented by a detailed Management Discussion and Analysis which explains to shareholders the strategic, operational, investment, sustainability and risk related aspects of the Company, and the means by which value is created and how it is translated into the reported financial performance and is likely to influence future results.

7.1 Statement of Compliance Pertaining to the Companies Act No. 7 of 2007

MANDATORY PROVISIONS - FULLY COMPLIANT

Rule	Compliance Status	Reference (within the JKH Annual Report)
168 (1) (a) The nature of the business of the Company or classes of business in which it has an interest together with any change thereto	Yes	Group Directory
168 (1) (b) Signed financial statements of the Group and the Company	Yes	Financial Statements
168 (1) (c) Auditors' Report on financial statements	Yes	Independent Auditors' Report
168 (1) (d) Accounting policies and any changes thereto	Yes	Notes to the Financial Statements
168 (1) (e) Particulars of the entries made in the Interests Register	Yes	Annual Report of the Board of Directors
168 (1) (f) Remuneration and other benefits paid to Directors of the Company	Yes	Notes to the Financial Statements
168 (1) (g) Total corporate donations made by the Company	Yes	Notes to the Financial Statements
168 (1) (h) Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	Yes	Group Directory
168 (1) (i) Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	Yes	Notes to the Financial Statements
168 (1) (j) Auditors' relationship or any interest with the Company and its subsidiaries (other than as auditor)	Yes	Report of the Audit Committee/Financial Statements
168 (1) (k) Acknowledgement of the contents of this Report and signatures on behalf of the Board	Yes	Financial Statements/ Annual Report of the Board of Directors
168 (2) Information specified in paragraphs (b) to (j) of subsection (1) in relation to subsidiaries	Yes	Financial Statements/ Annual Report of the Board of Directors

CORPORATE GOVERNANCE COMMENTARY

7.2 Statement of Compliance under Section 7 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures

MANDATORY PROVISIONS - FULLY COMPLIANT

Rule	Compliance Status	Reference (within the Corporate Governance Commentary or the JKH Annual Report 2025/26)
Section 7.5		
a (i) The Annual Report shall comply with applicable regulatory requirements and include audited Financial Statements prepared in accordance with Sri Lanka Accounting Standards and Sri Lanka Auditing Standards, together with disclosures prepared in accordance with Sri Lanka Sustainability Disclosure Standards.	Yes	Independent Auditor's Report and Independent Assurance Statement
Section 7.6		
(i) Names of persons who were Directors of the Company	Yes	Corporate Governance Commentary – Section 3.1
(ii) Principal activities of the Company and its subsidiaries during the year, and any changes therein	Yes	Management Discussion and Analysis
(iii) The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR and the percentage of such shares held	Yes	
(iv) a) The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Companies complies with the Minimum Public Holding requirement in respect of voting ordinary shares	Yes	Share Information
The public holding percentage in respect of non- voting Shares (where applicable)	Not Applicable	
b) The public holding percentage in respect of Foreign Currency denominated Shares	Not Applicable	
(v) A statement of each Director's holding and CEO's holding in shares of the Company at the beginning and end of each financial year	Yes	Corporate Governance Commentary – Section 3.1.13.1
(vi) Information pertaining to material foreseeable risk factors of the Company	Yes	Key Risks
(vii) Details of material issues pertaining to employees and industrial relations of the Company	Yes	Stakeholder Engagement and Determining Materiality sections
(viii) Extents, locations, valuations and the number of buildings of the Company's land holdings and investment properties	Yes	Group Real Estate Portfolio
(ix) Number of shares representing the Company's stated capital	Yes	
(x) A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Yes	Share Information
(xi) Ratios and market price information	Yes	
(xii) Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value	Yes	Notes to the Financial Statements
(xiii) Details of funds raised through a public issue or further issue of securities, the manner in which the funds of such issue have been utilised, details of the number of securities, class and consideration received and the reason for the issue and any material change in the use of funds	Yes	Share Information
(xiv) Information in respect of Employee Share Ownership or Share Purchase Schemes	Yes	
(xv) Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Yes	Corporate Governance Commentary – Section 7/
(xvi) Related Party transactions exceeding 10% of the equity or 5% of the total assets of the Company as per audited financial statements, whichever is lower, with requisite details	Yes	Note 44 of the Notes to the Financial Statements
(xvii) to (xxi) Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds, Compliant Debt Securities and/or High Yield Corporate Debt Securities listed on the CSE	Not Applicable	-

7.3 Statement of Compliance under Section 9 of the Listing Rules of the CSE on Corporate Governance

MANDATORY PROVISIONS - FULLY COMPLIANT

Rule		Compliance Status	JKH Action / Reference (within the Report)
9.1 Corporate Governance Rules			
9.1.3	A statement confirming compliance with Corporate Governance Rules	Yes	Chairperson's message
9.2 Policies			
9.2.1	Specified set of policies to be maintained together with the details relating to the implementation of such policies mentioned of, in the website	Yes	
9.2.2	Disclosure of any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by Company	Yes	Corporate Governance Commentary – Section 5.1
9.2.3 (i) (ii)	List of policies to be disclosed along with any changes made to policies	Yes	
9.2.4	Policies to be made available on written request to shareholders	Yes	
9.3 Board Committees			
9.3.1 a/b/c/d	Maintenance of minimum required Board Committees	Yes	
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees	Yes	Corporate Governance Commentary – Section 3.2
9.3.3	Chairperson of the Board to not serve as the Chairperson of the Board Committees referred in 9.3.1	Yes	
9.4 Meeting Procedures and the Conduct of all General Meetings with Shareholders			
9.4.1	Maintenance of records relating to all resolutions considered at any General Meeting including requisite information. Making available copies of the same on request to the CSE and/or SEC	Yes	Corporate Governance Commentary – Section 4.6.1
9.4.2 a-d	Communication and relations with shareholders and investors	Yes	Corporate Governance Commentary – Section 4.6
9.5 Policy on Matters Relating to the Board of Directors			
9.5.1 a	Balanced representation between EDs and NEDs, covering Board composition, roles of the Chairperson and CEO, Board balance, and procedures for evaluating Board and CEO performance	Yes	Corporate Governance Commentary – Section 3
9.5.1 b	Rationale for combining the roles of Chairperson and CEO, terms of reference of SID, and measures implemented to protect the interests of the SID in the event the Chairperson and CEO roles are combined	Yes	Corporate Governance Commentary – Section 3.3 and 5.2
9.5.1 c	Require diversity in Board composition for Board effectiveness	Yes	Corporate Governance Commentary – Section 3.1.4
9.5.1 d	The rationale and the maximum number of Directors		Corporate Governance Commentary – Section 3.1.3
9.5.1 e	Frequency of Board meetings	Yes	Corporate Governance Commentary – Section 3.1.9
9.5.1 f	Establish mechanisms to keep Directors informed of Listing Rules and the Company's status of compliance/non-compliance	Yes	Corporate Governance Commentary – Section 3.1.7
9.5.1 g	Minimum number of meetings (number and percentage) that a Director must attend	Yes	Corporate Governance Commentary – Section 3.1.9

CORPORATE GOVERNANCE COMMENTARY

Rule	Compliance Status	JKH Action / Reference (within the Report)
9.5.1 h	Yes	Corporate Governance Commentary – Section 3.1.13.1
9.5.1 i	Yes	
9.5.1 j	Yes	Corporate Governance Commentary – Section 3.1.9
9.5.2	Yes	Corporate Governance Commentary – Section 5.1
9.6 Chairperson and CEO		
9.6.1	Yes	Corporate Governance Commentary – Section 5.2
9.6.2	Yes	Announcement dated 27 October 2023, as published in the CSE.
9.6.3 a-d	Yes	
9.6.3 e	Yes	Corporate Governance Commentary – Section 5.2
9.6.4	Yes	
9.7 Fitness of Directors and CEO		
9.7.1	Yes	
9.7.2	Yes	Corporate Governance Commentary – Section 3.2.3
9.7.3	Yes	
9.7.4	Yes	Corporate Governance Commentary – Section 3.1.13.1
9.7.5	Yes	Corporate Governance Commentary – Section 3.2.3.1
9.8 Board Composition		
9.8.1	Yes	
9.8.2	Yes	Corporate Governance Commentary – Section 3.1.3
9.8.3 (i) to (ix)	Yes	Corporate Governance Commentary – Section 3.1.13
9.8.5 a-c	Yes	Corporate Governance Commentary – Section 3.1.13.1
9.9 Alternate Directors		
a-e	Yes	The Articles were amended in 2024, subsequent to shareholder approval, to incorporate changes necessitated by the Rules. No Alternate Directors were appointed during the financial year.

Rule		Compliance Status	JKH Action / Reference (within the Report)
9.10 Disclosures Relating to Directors			
9.10.1	Disclose policy on the maximum number of directorships Board members are permitted to hold	Yes	Corporate Governance Commentary – Section 3.1.13.1
9.10.2 / 9.10.3	Market announcement upon the appointment of a new Director and any changes to the Board and Board Committee composition, including necessary details	Yes	Corporate Governance Commentary – Section 1.3
9.10.4a-i	Disclosure of details relating to the Board members	Yes	Board Profiles
9.11 Nominations and Governance Committee (NGC)			
9.11.1	Establishment of a NGC	Yes	
9.11.2	Formal procedure for the appointment and re-election of Directors	Yes	
9.11.3	NGC to have a written Terms of Reference	Yes	
9.11.4 (1) a-b	The Composition of NGC	Yes	Corporate Governance Commentary – Section 3.2.3
9.11.4 (2)	Chairperson of NGC to be an ID	Yes	
9.11.4 (3)	Disclosure of names of the NGC Chairperson and members	Yes	
9.11.5 (i) – (x)	Functions of NGC	Yes	Corporate Governance Commentary – Section 3.2.2
9.11.6 a-m	NGC Report with requisite information to be disclosed in Annual Report	Yes	Corporate Governance Commentary – Section 3.2.3
9.12 Remuneration Committee (RC)			
9.12.2	Establishment of a RC	Yes	
9.12.3	RC to establish and maintain a formal and transparent procedure for developing policy on EDs and individual Director's remuneration, ensuring that no Director is involved in fixing their own remuneration	Yes	Corporate Governance Commentary – Section 3.2.2
9.12.4	Remuneration for NEDs shall be based on a policy of non-discriminatory pay practices to ensure their independence	Yes	Corporate Governance Commentary – Section 3.1.14
9.12.5	The RC to have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes	
9.12.6 (1)	Composition of RC	Yes	
9.12.6 (2)	Chairperson of RC to be an ID	Yes	Corporate Governance Commentary – Section 3.2.2
9.12.7	Functions of the RC	Yes	
9.12.8 a	Disclosure of names of Chairperson and members of RC	Yes	
9.12.8 b	Disclosure of statement of Remuneration policy	Yes	
9.12.8 c	Aggregate remuneration paid to EDs and NEDs	Yes	
9.13 Audit Committee			
9.13.1	AC to handle Risk functions where Company does not have separate Committees for Audit and Risk	Yes	
9.13.2	AC to have written Terms of Reference	Yes	Corporate Governance Commentary – Section 3.2.1
9.13.3 (1) a-b	Composition of AC	Yes	

CORPORATE GOVERNANCE COMMENTARY

Rule	Compliance Status	JKH Action / Reference (within the Report)
9.13.3 (2)	The quorum for AC meeting shall require a majority of those in attendance to be IDs	Yes
9.13.3 (3)	AC to meet as often as required, provided it meets compulsorily on a quarterly basis, at minimum, prior to recommending the release of financials	Yes
9.13.3 (4)/(6)	ID who is a member of a recognised professional accounting body to be appointed as Chairperson of the AC	Yes Corporate Governance Commentary – Section 3.2.1
9.13.3 (5)	CEO and the Chief Financial Officer (CFO) to attend the Audit Committee meetings by invitation.	Yes
9.13.4	Functions of AC	Yes
9.13.5 (1)	Report of the AC	Yes
9.13.5 (2) a-i	Disclosures to be included in the AC report	Yes
9.14 Related Party Transactions Review Committee		
9.14.1	Establishment of a Related Party Transactions Review Committee (RPTRC)	Yes
9.14.2 (1)	Composition of RPTRC	Yes
9.14.3	Functions of the RPTRC	Yes
9.14.4 (1) – (4)	General Requirements including requirement for RPTRC to meet at least once a quarter, access to all aspects of Related Party Transactions (RPTs), RPTRC to request Board to approve RPTs reviewed by it and requirements relating to Director's material personal interest in a matter being considered at a Board meeting in relation to a RPT	Yes Corporate Governance Commentary – Section 3.2.4
9.14.5	Review of RPTs by the RPTRC	Yes
9.14.6	Shareholder approval for RPTs	Yes Corporate Governance Commentary – Section 4.6.1.5 During the year under review there were no requirements for Shareholder approval.
9.14.7	Immediate disclosures	Yes Corporate Governance Commentary – Section 3.2.4
9.14.8 (1)	Details and disclosures pertaining to Non-Recurrent RPTs in the Annual Report	Yes Notes to the Financial Statements
9.14.8 (2)	Details and disclosures pertaining to Recurrent RPTs in the Annual Report	Yes
9.14.8 (3)	Report of the RPTRC	Yes Corporate Governance Commentary – Section 3.2.4
9.14.8 (4)	Declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to RPTs, or a negative statement otherwise	Yes Annual Report of the Board of Directors
9.14.9 (1)/(2)	Shareholder approval for acquisition and disposal of substantial assets	Yes Corporate Governance Commentary – Section 4.6.1.5 During the year under review there were no requirements for Shareholder approval.
9.14.9 (4)/(5)/(6)	RPTRC to obtain competent independent advice on acquisition and disposal of substantial asset	Yes There were no acquisitions and disposals of substantial assets during the year 2025/26.

Rule	Compliance Status	JKH Action / Reference (within the Report)
9.17 Additional Disclosures		
(i)	Yes	Corporate Governance Commentary – Section 3.1.13
(ii)	Yes	Corporate Governance Commentary – Section 5.5
(iii)	Yes	Corporate Governance Commentary – Section 3.1.7
(iv)	Yes	There were no significant instances of non-compliance with laws and regulations during the reporting period. The total number of fines for instances of non-compliance with laws and regulations that were paid during the reporting period was one hundred and twenty instances, which added to a total monetary value of Rs.4 million mainly from the Supermarket business.

7.4 Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka

VOLUNTARY PROVISIONS

The Company is compliant with almost the full 2023 Code of Best Practice on Corporate Governance issued by the CA Sri Lanka to the extent of business exigency and as required by the Group.

Directors

- » The Company is led by an effective Board that possesses the skills, experience and financial acumen enabling independent judgement on a variety of subjects.
- » Regular meetings of the Board are held and at the minimum once a quarter, with access to information, the advice of Company Secretary and independent professional advice, as required.
- » The Board (collectively) and Directors (individually) are aware of their obligation to act in accordance with the laws of the Country. The combined role of Chairperson and CEO is justified given the nature of the Group with an annual performance appraisal in place.
- » Board balance is maintained in line with the Code, supported by a majority of Independent Directors and the appointment of a Senior Independent Director, given the combined role of Chairperson and CEO.
- » Whilst there is a transparent procedure for Board Appointments under the oversight of the Nominations and Governance Committee, election and re-election, subject to shareholder approval, takes place at regular intervals.
- » Specified information regarding Directors, such as annual appraisal of the Board and the CEO is shared in the Corporate Governance Commentary.

Directors' Remuneration

- » The Human Resource and Compensation Committee, consisting of exclusively NEDs is responsible for determining the remuneration of Chairperson-CEO and EDs.
- » ED compensation includes performance related elements in the pay structure.
- » Compensation commitments in the event of early termination, determination of NED remuneration by the Board as a whole, remuneration policy and aggregate remuneration paid is disclosed under the Director Remuneration section and is in line with the Code.

Relations with Shareholders

- » There is constructive use of the AGM, as per the Code. Notice of Meeting, with adequate details, is circulated to shareholders as per statute.
- » The Group has in place multiple channels to reach shareholders as discussed under the Stakeholder Management and Effective Communication section.
- » Disclosure of material transactions and requisite shareholder approvals for major transactions.

CORPORATE GOVERNANCE COMMENTARY

Accountability and Audit

- » Interim and other price sensitive and statutorily mandated reports are disclosed to Regulators. As evident from the Annual Report of the Board of Directors, the Company carried out all business in accordance with regulations and Applicable Laws, equitably and fairly.
- » The Company continues to be a going concern and remedial action for any material events is in place. All related party transactions are reported under the Notes to the Financial Statements.
- » There is an annual review of the effectiveness of the Group's risk management and internal controls which ensures the maintenance of a sound system of internal control which is reported on under the Internal Controls section.
- » The internal audit function and the Audit Committee functions as stipulated by the Code and are discussed under the Audit Committee section.
- » A Related Party Transactions Review Committee is in place and functions in line with the Code.
- » There were no violations of the Group Code of Conduct, the Code of Business Conduct and Ethics during the year, which is mentioned under the Chairperson's Message section.
- » All Corporate Governance disclosures under the CSE rules have been complied with.

Institutional Investors

- » The Company conducts regular and structured dialogue with shareholders based on a mutual understanding of objectives. This is done via the Investor Relations team and through the AGM or other General meetings as convened on a need basis.

Other Investors

- » Individual shareholders investing directly in shares of the Company are encouraged to carry out adequate analysis and seek independent advice in all investing and/or divesting decisions. They are encouraged to participate at the AGM and any General meetings that are convened and to exercise their voting rights and seek clarity, whenever required.

Sustainability

- » ESG (environmental, social, and governance) is a pivotal consideration in the Group's decision-making. In reporting performance, the Annual Report covers ESG disclosures through the (IR) framework, GRI standards and operations in conformity with the Principles of the United Nations Global Compact and United Nations Sustainable Development Goals.
- » The Company has established a governance framework and structure which includes conformance, performance and sustainability/ESG factors in line with the Code.

Internet and Cybersecurity

- » The Board has prioritised cybersecurity by appointing a dedicated member responsible for overseeing it within the Group. The Company has implemented a group policy, conduct periodic reviews to ensure its effectiveness, discuss cybersecurity risks at the Board level, and disclose the management of risks in the Annual Report. Furthermore, measures have been taken to secure connectivity for both internal and external devices.

Special Considerations for Listed Entities

- » The Company maintains policies relating to its governance and matters relating to Board of Directors in line with the Listing Rules of the CSE and the Code.