

02nd November 2023

Mr Renuka Wijewardene
Chief Regulatory Officer,
Colombo Stock Exchange
World Trade Centre
Colombo 01.

Dear Sir,

**Subject: Compliance with section 9.6 of the Corporate Governance Rules of CSE-
Lee Hedges Plc.**

We write with reference to Corporate Governance Rules of CSE which came into effect from 1st October 2023.

In terms of rule 9.6.1 of the Corporate Governance rules of Colombo Stock Exchange, the Chairman has to be a Non-Executive Director of the Company. However as per the current operating model, at Lee Hedges PLC, the Chairman in his executive capacity has been very successful in operating its business for many years with no interruptions.

Mr S R Vamathevan founder and a pioneer in the development of real estate has converted many establishments into upmarket commercial and residential properties. He is a well-known figure, where he has over the years proved himself as a leader in the real estate business within Sri Lanka and globally. His vast knowledge and the acumen he possess is considered to be very vital for the day to day operations of the business which has so much potential to expand and develop in the coming years when the property market picks up by next year or beyond with the improvement of the Economy of Sri Lanka.

Due to this reason, the Board members unanimously acknowledged his invaluable contribution over the years to the Company as an Executive Chairman of the company. Hence, a separate cost center to be borne by the Company by appointing a CEO is not considered with the recession and where the Company costs are kept to the minimal level. Further the Executive Chairman is covering all technical aspects of the core business of the company.

Further we wish to place on record that, to be in compliance with Rule 9.6.3 of the listing rules, the company is in the process of identifying a senior Independent Director to the Board and expects to conclude this matter very soon.

For and on behalf of the Board of
LEE HEDGES PLC

DELOITTE CORPORATE SERVICES (PRIVATE) LIMITED
PV 4190


DIRECTOR/COMPANY SECRETARY
Deloitte Corporate Services (Private) Limited
Secretaries