

TOKYO CEMENT COMPANY (LANKA) PLC

POLICY MANUAL

The Policy aims to promote accountability, transparency, and efficiency in decision-making processes. These policies ensure that companies comply with high standards of corporate governance, aligning with both local regulations and international best practices.

TABLE OF CONTENTS

<u>CHAPTER</u>	<u>CONTENTS</u>	<u>PAGE</u>
(A)	Policy on the matters relating to the Board of Directors	3
(B)	Policy on Board Committees	6
(C)	Policy on Corporate Governance, Nominations and Re-election	10
(D)	Policy on Remuneration	13
(E)	Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities	16
(F)	Policy on Risk Management and Internal Controls	20
(G)	Policy on Relations with Shareholders and Investors	25
(H)	Policy on Environmental, Social and Governance Sustainability	30
(I)	Policy on Control and Management of Company Assets and Shareholder Investments	34
(J)	Policy on Corporate Disclosures	39
(K)	Policy on Whistleblowing	44
(L)	Policy on Anti-Bribery and Corruption	47

(Approved by all Sub Committees of Tokyo Cement Company (Lanka) PLC on September 27, 2024 - version 1)

(A) Policy on the matters relating to the Board of Directors

The policy and regulations governing the Board of Directors are primarily set out in the Companies Act No. 7 of 2007, the Securities and Exchange Commission of Sri Lanka (SEC) Guidelines, and the Colombo Stock Exchange (CSE) Listing Rules. Additionally, corporate governance codes, such as the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), provide recommendations on the role and responsibilities of boards.

Key Policies Relating to the Board of Directors are :

A1. Composition and Structure of the Board

- The number of directors at any time shall not be less than Five (5) nor more than Fifteen (15). Provided further that the appointment of the number of Independent Non-Executive Directors to the Board shall be in terms of the applicable Statutory Regulations
- Independent Directors: The CSE Listing Rules mandate that at least two or one-third of the directors (whichever is higher) should be independent non-executive directors. Independence is defined based on criteria such as the absence of material relationships with the company, its shareholders, or management, Age of the Director and Length of Directorship.
- Separation of Chairman and CEO: The Code of Best Practice on Corporate Governance recommends that the roles of Chairman and CEO should be separated to avoid conflicts of interest and ensure a balance of power.

A2. Duties and Responsibilities of the Board

- **Fiduciary Duty:** Directors have a fiduciary duty to act in the best interests of the company and its shareholders. This includes acting with care, diligence, and skill, and avoiding conflicts of interest.
- **Oversight and Strategy** The board is responsible for overseeing the company's management and ensuring that the company follows sound business strategies. This includes setting long-term goals and monitoring financial performance.
- **Risk Management:** The board must ensure that the company has adequate systems for risk management and internal controls to protect the company's assets and the interests of shareholders.
- **Compliance:** Board must ensure compliance with all laws, regulations, and internal governance policies, including reporting obligations under the CSE rules and the Companies Act.

A3. Board Committees

The Company shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include;

- (a) Remuneration Committee
- (b) Nominations and Governance Committee
- (c) Audit Committee
- (d) Related Party Transactions Review Committee.

- Remuneration Committee: The remuneration committee is responsible for setting policies on executive compensation, ensuring that remuneration practices align with the company's long-term strategy.
- Nominations & Governance Committee : The Nominations and Governance Committee is tasked with ensuring the board has the appropriate mix of skills and experience, as well as identifying potential board members.
- Audit Committee: The Audit Committee plays a key role in overseeing financial reporting, internal controls, and the relationship with external auditors.
- Related Party Transactions Review Committee. Related Party Transactions Review Committee shall be responsible for reviewing the Related Party Transactions. The objective of these Rules on Related Party Transactions is to ensure that the interests of shareholders as a whole are taken into account when entering into Related Party Transactions and provide specific measures to prevent Directors, CEOs or Substantial Shareholders taking advantage of their positions.

A4. Disclosure and Transparency

- Annual Reporting: Publish annual reports, including information on the board's composition, activities, and key decisions.
- Related Party Transactions: Any transactions between the company and its directors or related parties are disclosed and approved by the board to prevent conflicts of interest.

A5. Directors' Qualifications and Disqualifications

- Fit and Proper Criteria: Directors must meet certain standards of integrity, competence, and experience. The CSE rules require that directors be "fit and proper" to hold office, which includes a clean track record in terms of financial and legal matters.
- Disqualification: The Companies Act outlines circumstances under which a person may be disqualified from acting as a director, such as being declared bankrupt or convicted of certain offenses.

A6. Remuneration of Directors

- Disclosure: Directors' remuneration, including that of executive and non-executive directors, must be disclosed in the company's annual report to ensure transparency.
- Fair Compensation: The remuneration committee is responsible for ensuring that the directors' compensation is aligned with the company's performance and market standards.

A7. Board Meetings and Decision-Making

- **Frequency of Meetings:** The board of directors is required to meet regularly to review the company's performance, financials, and strategic direction. The Code of Best Practice recommends that boards meet at least quarterly.
- **Quorum and Voting:** The company's articles of association and the Companies Act stipulate the requirements for quorum and decision-making during board meetings. Decisions are generally made by majority vote, with the chairman having a casting vote in case of a tie. The quorum necessary for the transaction of the business of the Directors is three Directors

A8. Accountability and Liability of Directors

- **Personal Liability:** Directors may be personally liable for breaches of their duties, especially in cases of fraud, misrepresentation, or gross negligence.
- **Insurance and Indemnity:** Companies provide indemnity to directors against certain liabilities, for any loss occasioned by any error or judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto but this cannot extend to criminal acts or breaches of fiduciary duty.

(B) Policy on Board Committees

Mandatory Board Committees established to ensure proper governance, transparency, and accountability.

B1. Nominations and Governance Committee

- o Purpose: The Nominations and Governance Committee is responsible for overseeing the selection and appointment of new board members and ensuring that the board has an appropriate balance of skills, experience, and diversity.
- o Composition:
 - (a) comprise of a minimum of three (03) Directors out of which a minimum of two (02) members shall be Independent Directors
 - (b) not comprise of Executive Directors
 - (c) An Independent Director shall be appointed as the Chairperson
- o Responsibilities:
 - § Recommend new appointments to the board.
 - § Review the size and composition of the board regularly.
 - § Oversee succession planning for senior management roles.
 - § Ensure diversity and inclusion in board appointments.
- o Reporting: The committee must provide recommendations to the board on new appointments, and details about board composition must be disclosed in the annual report.
- o Other Specialized Committees may establish additional committees to address specific issues or improve governance:

B2. Remuneration Committee

- o Purpose: The remuneration committee is responsible for determining executive directors' and senior management's compensation, ensuring that remuneration is aligned with performance and the company's long-term goals.
- o Composition:
 - (a) comprise of a minimum of three (03) Directors out of which a minimum of two (02) members shall be Independent Directors
 - (b) not comprise of Executive Directors
 - (c) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee
- o Responsibilities:
 - § Establish a transparent policy on executive remuneration.
 - § Determine the remuneration packages of the CEO, executive directors, and other key management personnel.
 - § Ensure the remuneration policy aligns with long-term shareholder value.
 - § Provide recommendations on incentive schemes, and bonuses

- o Reporting: The committee must report its decisions to the board, and disclosure of directors' remuneration must be included in the annual report.

B3. Audit Committee

- o Purpose: The primary responsibility of the audit committee is to oversee the company's financial reporting process, internal controls, and external audits.
- o Composition:
 - (a) comprise of a minimum of three (03) directors, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors.
 - (b) not comprise of Executive Directors
 - (c) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.
 - (d) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market.
 - (e) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.
 - (f) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation.
 - (g) The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body
- o Responsibilities:
 - § Monitor the integrity of financial statements and ensure they comply with legal and regulatory standards.
 - § Review internal control systems and risk management procedures.
 - § Ensure independence and objectivity of external auditors.
 - § Review and recommend the appointment, re-appointment, or removal of auditors.
- o Reporting: The committee must report to the board, and a section on the audit committee's work must be included in the company's annual report.

B4 Related Party Transactions Review Committee

Purpose : Committee's key responsibility is to review all proposed related party transactions prior to entering into or completion of the transaction in line with procedures laid down by the Listing Rules.

Composition : The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors, out of which two (02) members shall be Independent Directors. It may also include executive directors. An Independent Director shall be appointed as the Chairperson of the Committee

Responsibilities	<p>Assessing proposed related party transactions and recommending procedures for the Company to comply with Listing Rules and the Code of Best Practices.</p> <p>Review any post quarter confirmations on related party transactions.</p> <p>Review the threshold for related party transactions to decide whether it requires shareholders' approval or immediate market disclosures.</p> <p>Review and assess ongoing relationships with any related party to determine whether they are in compliance with the Committee's guidelines and that the related party transaction remains appropriate.</p>
Reporting	<p>Quarterly related part transaction review reports to be submitted to the Audit Committee/Board of Directors</p>

B5. Risk Management Committee

o Purpose:	Oversee the company's risk management strategy and processes to ensure that significant risks are identified, assessed, and mitigated.
o Composition:	Generally consists of directors with experience in risk management or related fields.
o Responsibilities:	<p>§ Monitor key risks that could affect the business.</p> <p>§ Ensure that the company has adequate systems to manage financial, operational, and compliance risks.</p>
o Reporting:	Regular reports on risk management practices must be submitted to the board.

B6. Sustainability or Corporate Social Responsibility (CSR) Committee

o Purpose:	Address issues related to the company's environmental, social, and governance (ESG) performance.
o Composition:	includes directors with expertise in sustainability or corporate responsibility.
o Responsibilities:	<p>§ Monitor the company's compliance with sustainability regulations.</p> <p>§ Ensure the implementation of social responsibility initiatives.</p>
o Reporting:	Reports on sustainability initiatives should be included in the annual report.

B7. General Principles for Board Committees

o Independence:	To ensure impartiality, the committees, especially the audit and remuneration committees, must consist mainly of independent directors.
-----------------	---

- o Transparency: All major decisions, particularly those related to compensation, risk, and board appointments, must be disclosed in the annual report.
- o Accountability: Committees are accountable to the full board and must report their findings and recommendations regularly.
- o Rotation and Refreshing of Committee Members:
Periodic rotation of committee members is encouraged to bring fresh perspectives and prevent stagnation.

B8 Disclosure and Reporting Obligations

- o Each committee's activities, decisions, and membership must be disclosed in the company's annual report.
- o disclose composition of their board committees and whether they comply with the mandatory governance requirements.\

B9 Evaluation of Committee Performance

- o It is recommended that committees conduct periodic evaluations of their effectiveness, both individually and collectively. The results of these evaluations should be reported to the board.
- o Committees must ensure that they receive adequate training and resources to fulfill their responsibilities effectively.

(C) Policy on Corporate Governance, Nominations and Re-election

Corporate governance, nominations, and re-election policies are primarily shaped by Companies Articles of Association, the Companies Act No. 7 of 2007, the Colombo Stock Exchange (CSE) Listing Rules, and the Code of Best Practice on Corporate Governance by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). These regulations ensure transparency, accountability, and the alignment of the interests of shareholders and management.

Corporate Governance Policy

Corporate governance is centered around ensuring the protection of shareholders' interests, promoting transparency in decision-making, and enhancing the accountability of the board of directors. Key aspects include:

C1. Board of Directors

- The board is responsible for overseeing the overall management of the company and ensuring that it operates in the best interests of shareholders.
- The board must comprise a mix of executive and non-executive directors. At least one-third of the board must consist of independent non-executive directors (INEDs), ensuring balance and objectivity.
- The board should be headed by a Chairman who may be distinct from the Chief Executive Officer (CEO) to avoid concentration of power.
- Directors should act in good faith, exercise due diligence, and avoid conflicts of interest.

C2. Board Independence and Committees

- The board has a majority of independent directors on important committees, particularly on the audit, remuneration, and nominations and governance committees.
- The independence of board members is assessed based on criteria such as financial independence, lack of close ties to management, and no recent employment with the company.

C3. Disclosure and Transparency

- disclose significant information regarding board composition, related-party transactions, and executive remuneration in their annual reports.
- Regular reporting and financial disclosures to meet the standards set by the CSE Listing Rules and comply with international financial reporting standards (IFRS).

C4. Ethics and Accountability

- The board has established an ethical framework for the company, promoting good corporate conduct and addressing any violations of governance principles.
- An annual corporate governance statement is included in the company's annual report, outlining adherence to corporate governance principles and any deviations.

C5. Nomination Policy

The nominations policy focuses on the process of selecting and appointing directors who contribute to the effectiveness of the board. This policy is generally executed through a Nominations Committee.

C.5.1. Nominations and Governance Committee

- The Nominations and Governance committee is responsible for recommending new appointments to the board.
- The committee is made up of a majority of non-executive directors and chaired by an independent director.
- The committee evaluates potential candidates based on their skills, experience, and fit with the company's strategic objectives.

C.5.2. Criteria for Appointment

- The nominations process aims to maintain the right mix of expertise, diversity, and experience on the board.
- Directors possess the relevant qualifications and skills required to contribute effectively to board deliberations.
- Diversity in gender, age, professional background, and industry experience is encouraged to ensure a balanced board.

C.5.3 Selection Process

- The nominations committee recommends candidates to the full board for approval.
- The company must ensure that independent directors maintain their independence throughout their tenure and are not unduly influenced by the management.

C6. Re-election Policy

Re-election policy for board members ensures accountability and fresh perspectives. This policy is governed by the Articles of Association of the company and supported by CSE Listing Rules.

C.6.1. Retirement and Re-election

- **Rotation:** Directors are subject to retirement by rotation and may offer themselves for re-election.
- **Term Limits:** Independent directors who have served on the board for a period of over 9 years and those over the age of 70 years are not eligible for appointment as independent directors; but may serve on the Board as Non Independent Directors, subject re-election those who are over 70 years of age at a shareholders meeting.
- * Directors have power at any time and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Articles of Association
- * one of the Directors shall retire from office at every Annual General Meeting.

C.6.2. Re-election Process

- Directors who are retiring by rotation are subject to a vote by shareholders at the AGM.
- Shareholders can approve or reject the re-election of directors, and a majority vote is typically required for a director to continue in their position.
- Independence and Performance Reviews: Independent directors offering themselves for re-election must undergo an assessment to ensure they continue to meet independence criteria.
- The board evaluation process also informs the decision of whether a director should be re-elected, focusing on performance, attendance at board meetings, and contribution to board discussions.

C.6.3. Shareholder Approval

- Shareholders (those with voting rights) have the right to vote on the appointment and re-election of directors at the AGM.
- Majority voting: Directors are usually re-elected by a majority vote.

C7. Disclosures and Accountability

Adhere to disclosure requirements in relation to the composition of the board and any re-elections:

- A statement on board composition, including details of the executive, non-executive, and independent directors, to be included in the annual report.
- To disclose criteria used to determine the independence of directors and justify the re-election of independent directors who have served on the board for a prolonged period.
- Re-election results from the AGM to be disclosed promptly to ensure transparency with shareholders.

(D) Policy on Remuneration

The policy on remuneration is primarily governed by the Companies Act No. 7 of 2007, the Colombo Stock Exchange (CSE) Listing Rules, and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), Shop and Office Act and Workmen's Compensation Act. This framework aims to ensure that executive remuneration is fair, transparent, and aligned with the company's performance and long-term objectives.

D1. Remuneration Policy Overview

The remuneration policy is designed to attract, motivate, and retain skilled directors, executives and staff who can contribute to the company's long-term success. The policy aligns the interests of the board, management, and shareholders while ensuring accountability and fairness.

D.1.1. Remuneration Committee

- A Remuneration Committee has been established by the board of directors to oversee and recommend remuneration packages for executive and non-executive directors.
- The Remuneration Committee consist primarily of non-executive directors, with a majority of independent directors.
- The chairperson of the committee should be an independent non-executive director.
- The committee is responsible for establishing clear and transparent remuneration policies that ensure executives are rewarded fairly for performance and contributions to the company.

D.1.2. Remuneration Structure

The remuneration structure consists of fixed and variable components that ensure a balance between rewarding performance and safeguarding shareholder interests.

- Fixed Remuneration:
 - o This refers to base salary or fixed pay, which is determined based on market conditions, the director's or executive's role, experience, and responsibilities.
 - o It provides financial stability and is subject to periodic reviews to reflect changing market conditions and company performance.
- Variable Remuneration:
 - o Performance-Based Incentives: Executives may be awarded bonuses or short-term incentives based on the company's financial performance and the achievement of specific key performance indicators (KPIs).
- Non-Executive Directors' Remuneration:
 - o Non-executive directors (NEDs), including independent directors, are paid fees or allowances for attending board and committee meetings. They are typically not included in performance-based incentive schemes to preserve their independence.

- Executive Directors' Remuneration:
 - o Executive directors, such as the CEO, are compensated with a combination of salary, performance incentives, and long-term rewards. Their remuneration package is more heavily weighted toward performance-related pay compared to non-executive directors.

D.1.3. Remuneration Disclosures

Transparency is a critical element of the remuneration policy, and comply with extensive disclosure requirements:

- Annual Report Disclosures: disclose the total remuneration of directors and key management personnel in the annual report. This includes both fixed and variable components of pay.
- A statement of compliance with the Code of Best Practice on Corporate Governance is included in the annual report, outlining how the remuneration policy aligns with best practices.
- Company discloses the remuneration policy, the role of the Remuneration Committee, and the criteria used to assess performance and determine rewards.

D2. Principles of Executive Remuneration

The remuneration policy is guided by the following principles:

D.2.1. Fairness and Equity

- Executive pay should be competitive and in line with the company's financial capability while ensuring fairness across all levels of employees.
- Remuneration should reflect the individual's performance and contribution to the company, as well as the company's overall success.

D.2.2. Performance Alignment

- A significant portion of executive remuneration is linked to company performance, ensuring that executives are rewarded for delivering value to shareholders.
- KPIs should be clearly defined and include both financial and non-financial performance indicators.

D.2.3. Long-Term Focus

- Remuneration packages is designed to promote long-term success by aligning the interests of directors and executives with those of the shareholders.

D.2.4. Avoidance of Excessive Risk-Taking

- The remuneration policy discourages excessive risk-taking by executives.
- The policy include provisions for clawback in cases where performance incentives are awarded based on inaccurate or misleading financial statements.

D3. Approval and Accountability

- Remuneration Committee Accountability: The Remuneration Committee must report annually to the shareholders, explaining how executive pay aligns with the company's performance and strategic objectives.
- The committee should ensure that remuneration policies are regularly reviewed and updated to reflect changes in the company's circumstances and broader market conditions.

D4. Revisions to Remuneration Policy

- to review and, if necessary, revise their remuneration policies periodically to ensure that they remain competitive and continue to align with the interests of shareholders.
- In the event of significant corporate changes, such as mergers or restructuring, the Remuneration Committee should reassess the appropriateness of the existing policy to reflect new realities.

D5. Remuneration Policy and Market Comparison

- The Remuneration Committee may consider industry benchmarks and market comparisons when determining the pay levels for directors and senior executives.
- Surveys of pay practices in similar companies, both in Sri Lanka and internationally, will be used to inform decisions and ensure that the company's remuneration practices are competitive.

(E) Policy on Internal Code of Business Conduct and Ethics for all Directors and Employees, including policies on trading in the Entity's listed securities

The Internal Code of Business Conduct and Ethics for all directors and employees including policies on trading in the entity's listed securities, is critical in promoting ethical behavior, integrity, and accountability. This policy is influenced by the Companies Act No. 7 of 2007, Colombo Stock Exchange (CSE) Listing Rules, and the Code of Best Practice on Corporate Governance issued by CA Sri Lanka. It aims to ensure all stakeholders are aligned with the company's ethical standards and legal responsibilities.

E1. General Policy Overview

The Code of Business Conduct and Ethics serves as a guide for all directors, officers, and employees to:

- Promote honest and ethical conduct.
- Encourage compliance with applicable laws, regulations, and company policies.
- Ensure confidentiality and responsibility in handling the company's assets and information.
- Promote fair dealing with stakeholders, including shareholders, customers, suppliers, and employees.

E2. Core Elements of the Code

The following are core components have been included in the Code of Conduct and Ethics for all directors and employees

E.2.1. Integrity and Ethical Conduct

- All directors and employees must act with integrity and adhere to the highest ethical standards in every action taken on behalf of the company.
- Ethical behavior is expected in all interactions, whether internal or external, including with customers, suppliers, shareholders, and regulatory authorities.
- Conflicts of interest must be avoided or fully disclosed when they arise.

E.2.2. Compliance with Laws and Regulations

- All employees and directors must comply with applicable laws, rules, and regulations in Sri Lanka and any other jurisdictions in which the company operates.
- This includes compliance with laws related to corporate governance, financial reporting, taxation, labor laws, and anti-corruption statutes.

E.2.3. Fair Dealing

- Directors and employees are expected to deal fairly with the company's stakeholders, including shareholders, customers, suppliers, and competitors.
- Unethical behavior such as manipulation, concealment, abuse of privileged information, and misrepresentation of facts is prohibited.

E.2.4. Confidentiality

- Directors and employees must maintain the confidentiality of information entrusted to them by the company or its customers, except where disclosure is required by law.
- Confidential information should not be used for personal gain or to the detriment of the company.
- Insider trading is strictly prohibited and is discussed in more detail below.

E.2.5 Proper Use of Company Assets

- All directors and employees must protect the company's assets and ensure their efficient use. Misuse or theft of company resources is not tolerated.
- Assets include physical property, intellectual property, confidential information, and financial resources.

E.2.6. Disclosure and Reporting

- The company's financial disclosures should be full, fair, accurate, and timely.
- Employees and directors must report any violations of the code or any suspected unethical behavior through appropriate internal channels such as whistle blowing mechanisms.
- The company should provide protections to whistle blowers to ensure transparency and ethical accountability.

E3. Policy on Trading in the Company's Listed Securities (Insider Trading Policy)

The company prohibits insider trading by any of its directors, officers, and employees. Insider trading refers to the buying or selling of the company's securities by individuals who possess material non-public information (MNPI) that could influence the price of those securities.

E.3.1. Prohibition on Insider Trading

- Directors, officers, and employees are prohibited from trading the company's listed securities while in possession of material non-public information about the company.
- Material non-public information includes:
 - o Earnings reports and financial results not yet released to the public.
 - o Mergers, acquisitions, or disposals.
 - o Significant changes in management or strategy.
 - o Major contracts or litigation.
- The policy applies to buying or selling shares, as well as other transactions like options, derivatives, or short selling.

E.3.2. Trading Windows and Blackout Periods

- Directors and employees may only trade the company's securities during designated trading windows when no material non-public information is expected to be released.
- Trading windows generally open after the release of financial results and close prior to any major announcements.
- Blackout periods are implemented during sensitive times (e.g., leading up to earnings reports or corporate actions), during which no trading is allowed by insiders.

E.3.3. Pre-Clearance of Trades

- Senior executives and directors must pre-clear any trades in the company's securities with the compliance officer or the company secretary.
- This ensures that no trades are made based on non-public information or during blackout periods.

E.3.4. Disclosure of Trades

- Directors, officers, and key management personnel are required to disclose any trades in the company's securities in accordance with CSE Listing Rules.
- The disclosure must be made to the company and the Colombo Stock Exchange.

E.3.5 Consequences of Violations

- Violations of the insider trading policy may result in disciplinary action, including termination of employment and referral to regulatory authorities for criminal prosecution.
- Insider trading is illegal and could result in fines, penalties, and imprisonment under Sri Lankan law.

E4. Responsibilities of Directors and Senior Management

- Directors and senior management are expected to lead by example and demonstrate high ethical standards in all their actions.
- They should foster a culture of compliance and ethics across the company by ensuring all employees understand and follow the Code of Conduct.
- Regular training sessions should be conducted to keep all employees and directors informed about the Code of Conduct and any updates to laws and regulations.

E5. Monitoring and Enforcement

- The company should appoint a compliance officer or establish an ethics committee responsible for monitoring adherence to the Code of Conduct.
- Regular audits and compliance reviews should be carried out to ensure that ethical standards are being upheld.
- The company must ensure that its whistleblowing mechanisms are robust, allowing employees to report concerns without fear of retaliation.

E6. Continuous Improvement

- The Code of Conduct and Ethics is periodically reviewed and updated to reflect changes in laws, regulations, and best practices.
- The Board of Directors must approve any changes to the Code and ensure that employees are informed of new policies or amendments.

(F) Policy on Risk Management and Internal controls

The Policy on Risk Management and Internal Controls focuses on ensuring the identification, assessment, management, and mitigation of risks while maintaining strong internal controls to safeguard assets, ensure the accuracy of financial reporting, and comply with legal and regulatory requirements. The policy is aligned with the guidelines set by the Colombo Stock Exchange (CSE), the Code of Best Practice on Corporate Governance by CA Sri Lanka, and international standards on risk management and internal control frameworks

F1. Objective of the Policy

The main objectives of the policy on risk management and internal controls are to:

- Identify, assess, and manage risks that may impact the company's ability to achieve its objectives.
- Develop internal controls that mitigate risks and ensure operational efficiency, reliable financial reporting, and compliance with laws.
- Provide a framework for the company's Board of Directors, management, and employees to effectively handle risks and internal controls.
- Establish accountability and transparency in risk management practices.

F2. Scope

The policy applies to the Board of Directors, senior management, and all employees within the company. It covers:

- Strategic risks (e.g., market competition, industry changes).
- Operational risks (e.g., supply chain disruptions, human resources).
- Financial risks (e.g., credit risk, liquidity risk).
- Compliance risks (e.g., regulatory compliance, legal risks).
- Reputational risks (e.g., brand value, stakeholder confidence).

F3. Risk Management Framework

The company adopts a structured approach to risk management, which includes the following key elements:

F.3.1. Risk Identification

- Risks are identified through ongoing risk assessments across various business operations and functions.
- Input is sought from all levels of the organization, including senior management and department heads.
- The Risk Management Committee is responsible for reviewing identified risks.

F.3.2. Risk Assessment

- Once identified, risks are assessed in terms of their likelihood of occurrence and potential impact on the company's objectives.
- Risks are categorized as high, medium, or low based on their assessment.
- The Board Risk Committee oversees the risk assessment process to ensure it is comprehensive and aligned with strategic goals.

F.3.3. Risk Mitigation and Control

Risk mitigation involves developing strategies to manage identified risks. This can include:

- o Avoiding the risk where possible.
- o Transferring the risk through insurance or contractual agreements.
- o Reducing the risk through internal controls and process improvements.
- o Accepting the risk where it aligns with business objectives.

The Risk Management Committee and relevant department heads are responsible for implementing risk mitigation plans.

F.3.4. Monitoring and Reporting

- Risks and controls are continuously monitored, and the effectiveness of risk mitigation measures is assessed regularly.
- Periodic reports on the status of risks and internal controls are submitted to the Audit Committee and the Board of Directors.
- Any significant changes in risk exposure are immediately reported to the Board.

F4. Internal Control System

The internal control system ensures the integrity of financial reporting, operational efficiency, asset safeguarding, and compliance with laws and regulations.

F.4.1. Components of Internal Control

The internal control system of the company generally includes the following components:

- **Control Environment:** The Board and management establish a culture of integrity and accountability, ensuring the importance of controls is communicated across the company.
- **Risk Assessment:** Internal controls are designed based on an assessment of the risks faced by the company.
- **Control Activities:** Policies and procedures are put in place to ensure that the company's objectives are achieved (e.g., approvals, reconciliations, authorizations, physical security of assets).
- **Information and Communication:** Internal and external reporting channels are used to provide reliable information to management and the Board.

- Monitoring: The effectiveness of internal controls is regularly evaluated through internal audits and management reviews.

F.4.2. Responsibilities for Internal Control

- The Board of Directors are ultimately responsible for ensuring an effective system of internal control is in place.
- The Audit Committee oversees the internal control system, ensuring that it is regularly reviewed and updated.
- Senior management is responsible for designing, implementing, and maintaining internal controls within their areas of operation.
- An Internal Audit function ensures independent evaluation of the effectiveness of internal controls and risk management processes.

F.4.3. Internal Audit Function

- The internal audit function provides independent assurance on the adequacy and effectiveness of internal controls, risk management, and governance processes.
- Internal audits are carried out based on an annual audit plan, approved by the Audit Committee.
- Internal audit reports are presented to the Audit Committee, highlighting any deficiencies or weaknesses in internal controls, along with recommendations for improvement.

F.4.4. Fraud Prevention and Detection

- The company adopts a zero-tolerance policy towards fraud and unethical behavior.
- Internal controls are specifically designed to prevent, detect, and report fraudulent activities.
- A whistleblower policy enables employees and third parties to report any suspected fraudulent activity anonymously.

F5. Responsibilities of the Board and Committees

F.5.1. Board of Directors

- The Board is responsible for overseeing the entire risk management process and ensuring the company has adequate internal controls in place.
- The Board reviews the company's risk appetite and ensures it aligns with strategic objectives.

F.5.2. Audit Committee

- The Audit Committee plays a key role in monitoring the internal control system, reviewing internal audit reports, and ensuring compliance with regulatory requirements.
- It also assesses the adequacy of financial controls and reports to the Board.

F.5.3. Risk Management Committee

- The Risk Management Committee oversees the implementation of the risk management framework and ensures that all business risks are adequately mitigated.
- It reviews risk management policies, reports on key risks to the Board, and ensures alignment with business strategy.

F.5.4. Senior Management

- Senior management is responsible for identifying risks within their respective areas of operation and implementing controls to mitigate those risks.
- Management ensures that employees are aware of their role in managing risks and maintaining internal controls.

F6. Continuous Review and Improvement

The risk management and internal control system should be regularly reviewed and updated to address:

- Changes in the external business environment (e.g., new regulations, market conditions).
- Internal changes (e.g., new business processes, mergers, and acquisitions).
- Feedback from internal and external audits.

The Board of Directors ensures that the risk management and internal control policies remain effective and that there is a continuous focus on improving processes, technology, and governance mechanisms.

F7. Risk Appetite and Tolerance

- The company must define its risk appetite - the level of risk it is willing to accept in pursuing its business objectives.
- The Risk Management Committee ensures that the company operates within this predefined risk appetite, while the Board reviews any deviations.

F8. Disclosure Requirements

- The company should disclose relevant information about its risk management and internal control framework in its annual report.
- This includes a summary of the company's approach to managing risks, significant risks faced during the reporting period, and how they were addressed.

(G) Policy on Relations with Shareholders and Investors

In compliance with corporate governance principles, it maintains transparent and responsible relationships with their shareholders and investors. The Policy on Relations with Shareholders and Investors is designed to ensure effective communication, accountability, and engagement with shareholders while promoting long-term value and protecting their rights. The policy is aligned with the Listing Rules of the Colombo Stock Exchange (CSE), the Code of Best Practice on Corporate Governance issued by CA Sri Lanka, and international standards on investor relations.

G1. Objectives of the Policy

The main objectives of this policy are:

- To foster open, transparent, and timely communication between the company and its shareholders and investors.
- To ensure that all shareholders are treated equitably, with their rights and interests safeguarded.
- To promote engagement between the company and shareholders to facilitate informed decision-making.
- To disclose material information in accordance with legal, regulatory, and stock exchange requirements.
- To enhance shareholder confidence in the company's governance, financial performance, and strategic direction.

G2. Scope

This policy applies to all categories of shareholders, including:

- Individual shareholders.
- Institutional investors.
- Majority and minority shareholders.
- Domestic and international investors.

It covers all forms of communication and interaction between the company, its shareholders, and investors.

G3. Shareholder Rights and Equitable Treatment

The company is committed to protecting and respecting shareholders' rights, including the right to:

- Shareholders having voting rights to Vote on significant matters at general meetings, such as the election of directors and approval of key decisions.
- Receive timely and accurate information regarding the company's financial performance, corporate strategies, and risks.
- Participate in decision-making on issues that affect the company, such as mergers, acquisitions, and major capital investments.

- Be treated fairly and equitably, regardless of the number of shares owned or the status of the shareholder (minority or majority).
- Receive dividends in accordance with the company's dividend policy.

G4. Communication with Shareholders and Investors

The company maintains an open and effective channel of communication with shareholders through multiple platforms, including:

- Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs).
- Annual reports, interim financial statements, and other regular disclosures.
- Investor presentations, webcasts, and company announcements.
- Corporate website, where material information is posted and updated regularly.
- Investor relations (IR) department, which serves as the key contact point for shareholders and investors.

G.4.1. Annual General Meetings (AGMs)

The company encourages active participation of shareholders in the AGM, which provides a platform for:

- Discussing the company's performance.
- Voting on key resolutions, including the election of directors and approval of financial statements according to their voting rights.
- Engaging with the Board of Directors and management.
- Raising concerns and providing feedback on the company's operations and strategy.

G.4.2. Disclosures and Transparency

- The company is committed to making timely and accurate disclosures in compliance with the CSE Listing Rules, Securities and Exchange Commission (SEC) guidelines, and applicable laws.
- Information that may materially affect the company's stock price or shareholders' decisions is promptly disclosed.
- The annual report is made available to all shareholders prior to the AGM, containing comprehensive information on the company's financial performance, corporate governance, and sustainability initiatives.

G.4.3. Corporate Website

- The company's corporate website serves as a repository for information related to shareholder meetings, financial reports, governance policies, and press releases.
- The website provides easy access to all key documents, including corporate disclosures, meeting notices, and investor updates.

G5. Engagement and Feedback Mechanisms

The company values two-way communication with its shareholders and provides avenues for feedback and engagement, including:

- Investor meetings and one-on-one interactions, where institutional and retail investors can engage with the Investor Relations team and senior management.
- Surveys and other feedback mechanisms to gather shareholder opinions on governance practices and other relevant matters.
- Email correspondence, allowing shareholders to communicate directly with the company on any concerns, inquiries, or suggestions, ensuring that no shareholder has privileged information not available to others

G.5.1. Shareholder Inquiries

Shareholders may direct their inquiries to the company's Investor Relations team or Company Secretary regarding:

- Corporate governance matters.
- Financial performance and business strategy.
- Other concerns related to their rights and interests.

The company aims to respond promptly and transparently to all shareholder inquiries.

G6. Dividend Policy

The company's dividend policy aims to provide a fair return to shareholders while ensuring sustainable long-term growth. The policy takes into consideration:

- The company's financial performance, profit levels, and future capital requirements.
- The need to retain earnings for reinvestment in the business.
- The company's cash flow and liquidity position.
- Regulatory requirements regarding dividend distributions.

Dividend payments are made to all eligible shareholders on a fair and equitable basis, with timely communication on record dates and payment schedules.

G7. Insider Trading and Market Conduct

The company strictly adheres to the rules and regulations concerning insider trading and ensures that no insider information is used to the advantage of certain shareholders. The following measures are implemented:

- Trading windows are established for directors, senior management, and other insiders, with restrictions on trading during closed periods.
- Internal policies are in place to prevent the misuse of confidential information.

- The company ensures that all material information is disclosed publicly before any significant shareholder transactions occur.

G8. Corporate Governance and Shareholder Protection

The company ensures robust corporate governance practices, which promote accountability, transparency, and protection of shareholder interests. Key governance practices include:

- **Board accountability:** The Board is accountable to shareholders and is responsible for acting in their best interest. The Board ensures that proper oversight mechanisms are in place.
- **Board independence:** The company promotes the independence of its non-executive directors to ensure fair treatment of all shareholders.
- **Protection of minority shareholders:** The company ensures that the rights of minority shareholders are protected and that they are given equal access to information and opportunities.

G9. Engagement with Institutional Investors

The company recognizes the importance of institutional investors and engages with them on a regular basis. It maintains open communication with:

- Pension funds, asset managers, and insurance companies.
- Proxy advisors and rating agencies.

The company ensures that its interactions with institutional investors adhere to regulatory requirements and that all material information is shared with them in a non-discriminatory manner.

G10. Shareholder Voting

The company provides shareholders with the opportunity to exercise their voting rights on important decisions, including the election of directors and approval of significant transactions. The voting process is:

- Transparent and conducted in accordance with the company's Articles of Association and relevant laws.
- Fair, with each shareholder entitled to vote

The company ensures that voting results are disclosed to shareholders after the conclusion of meetings.

G11. Compliance with Legal and Regulatory Frameworks

The company complies with all applicable laws, regulations, and standards, including:

- The Companies Act No. 7 of 2007 (Sri Lanka).
- Listing Rules of the Colombo Stock Exchange (CSE).
- Securities and Exchange Commission (SEC) of Sri Lanka guidelines.
- The Code of Best Practice on Corporate Governance by CA Sri Lanka.

G12. Continuous Improvement

The company is committed to continuously improving its relationship with shareholders and investors by:

- Regularly reviewing and updating this policy in light of new regulations, best practices, and feedback from shareholders.
- Ensuring that the Investor Relations team is equipped with the necessary resources and expertise to manage shareholder relationships effectively.

(H) Policy on Environmental, Social and Governance Sustainability

The Environmental, Social, and Governance (ESG) Sustainability Policy reflects the commitment of a public listed company in Sri Lanka to promote sustainable business practices that balance economic performance with positive social impact and environmental stewardship. It aligns with global ESG frameworks, the Sustainable Development Goals (SDGs), and the Sri Lanka Code of Best Practice on Corporate Governance, and the Listing Rules of the Colombo Stock Exchange (CSE). This policy supports the long-term viability and ethical responsibility of the company.

H1. Objectives of the ESG Sustainability Policy

The primary objectives of the ESG policy are:

- To integrate ESG principles into the company's business strategy, decision-making, and operations.
- To mitigate environmental risks and promote sustainable use of resources.
- To ensure that the company contributes positively to social development, including human rights, labor standards, and community engagement.
- To maintain high standards of corporate governance that promote transparency, accountability, and ethical business practices.
- To disclose relevant and material ESG-related information to stakeholders, including shareholders, employees, customers, regulators, and the wider community.

H2. Scope of the Policy

This policy applies to:

- All divisions and subsidiaries of the company.
- All employees, including senior management and the Board of Directors.
- Third-party contractors, suppliers, and partners working with the company.

H3. Environmental Sustainability

The company is committed to managing its environmental impact by implementing policies and practices that:

- Promote the conservation of resources such as energy, water, and raw materials.
- Reduce emissions, waste, and pollutants generated by business operations, including manufacturing, logistics, and office management.
- Support the adoption of renewable energy sources and energy-efficient technologies.
- Encourage environmentally responsible innovation in products and services.
- Comply with all applicable environmental laws and regulations in Sri Lanka and internationally.

H.3.1. Climate Change and Carbon Footprint

- The company actively works to reduce its carbon footprint by minimizing greenhouse gas emissions and promoting climate resilience within its business model.
- It assesses its exposure to climate-related risks and develops mitigation and adaptation strategies.

H.3.2. Waste Management and Circular Economy

- The company adopts best practices in waste management, including the reduction, reuse, recycling, and proper disposal of waste materials.
- The company encourages the use of sustainable materials and fosters a circular economy approach that minimizes waste and maximizes resource efficiency.

H.3.3. Biodiversity Protection

- The company ensures that its operations do not have a negative impact on local ecosystems and biodiversity. Where necessary, it engages in conservation activities to protect and restore natural habitats.

H4. Social Sustainability

The company is committed to fostering a socially responsible business that supports employees, communities, and customers while adhering to ethical practices.

H.4.1. Employee Welfare and Labor Standards

- The company promotes a safe, healthy, and inclusive workplace for all employees.
- It ensures compliance with labor laws, including fair wages, working hours, and conditions.
- Equal opportunity employment is encouraged, with a focus on diversity and non-discrimination.
- Training and development programs are offered to enhance employee skills and career advancement.

H.4.2. Human Rights

- The company upholds fundamental human rights in all its operations, in accordance with international standards.
- It ensures that child labor, forced labor, and other forms of exploitation are not tolerated within its business and supply chain.
- The company is committed to addressing issues of modern slavery and implementing ethical sourcing policies.

H.4.3. Community Engagement

- The company contributes to the economic and social well-being of the communities in which it operates by investing in social development projects, such as education, healthcare, and infrastructure.
- It supports community engagement initiatives that empower local populations, promote sustainable development, and address social inequalities.

H.4.4. Consumer Protection and Product Responsibility

- The company ensures that its products and services meet high safety, quality, and ethical standards.
- It commits to responsible marketing, transparent labeling, and delivering value to consumers.
- The company addresses customer concerns promptly and ensures a high standard of service.

H5. Governance Sustainability

Good governance is central to the company's ability to operate sustainably and build long-term trust with stakeholders.

H.5.1. Board Accountability and Leadership

- The Board of Directors oversees the integration of ESG principles into the company's strategy, risk management, and performance metrics.
- The Board ensures that the company maintains high standards of governance, including transparency, accountability, and integrity.

H.5.2. Ethical Business Practices

- The company adheres to a Code of Conduct and Ethics that outlines acceptable behaviors, ethical standards, and the avoidance of conflicts of interest.
- Anti-corruption and anti-bribery measures are strictly enforced, in line with local laws and international conventions.

H.5.3. Risk Management

- ESG risks, including environmental and social risks, are integrated into the company's risk management framework.
- The company conducts regular assessments to identify, evaluate, and manage risks that could affect its sustainability objectives.

H.5.4. Compliance and Reporting

- The company ensures compliance with relevant laws, regulations, and standards related to corporate governance, environmental protection, and social responsibility.
- Regular reporting on ESG performance is provided to shareholders and stakeholders, in accordance with international reporting standards

H6. Stakeholder Engagement

The company believes in the importance of stakeholder engagement and ensures that ESG-related concerns are addressed through transparent communication channels with:

- Shareholders: Regular disclosures of ESG strategies, risks, and performance.
- Employees: Engagement through education, training, and involvement in sustainability initiatives.
- Suppliers and Partners: Encouragement of ESG practices within the supply chain.
- Communities: Dialogue and collaboration on issues that affect the local population.
- Regulators and Policy Makers: Compliance with national and international standards, and participation in the development of policies that support sustainability.

H7. Continuous Improvement and Innovation

The company is committed to continuous improvement in its ESG performance through:

- Regular audits and assessments of its environmental, social, and governance practices.
- Innovation in products, services, and operations to enhance sustainability outcomes.
- Participation in industry collaborations, partnerships, and forums that promote sustainability.

H8. ESG Targets and Metrics

The company sets measurable ESG targets and tracks its progress using relevant indicators such as:

- Carbon emissions reduction goals.
- Waste and resource management benchmarks.
- Diversity and inclusion targets in the workforce.
- Governance standards and performance metrics related to compliance and risk management.

H9. ESG Disclosures and Transparency

The company ensures that its ESG disclosures are transparent, accurate, and timely. Key disclosures include:

- Annual Sustainability Reports provide an overview of the company's environmental, social, and governance activities and outcomes.
- ESG performance indicators, which are benchmarked against industry standards and global frameworks.
- Engagement with rating agencies to assess the company's ESG performance and communicate this to investors and other stakeholders.

(I) Policy on Control and Management of Company Assets and Shareholder Investments

The Control and Management of Company Assets and Shareholder Investments Policy sets forth guidelines for managing and safeguarding the assets of the company to maximize shareholder value. This policy adheres to best practices in corporate governance, transparency, accountability, and risk management, in accordance with the regulatory framework in Sri Lanka, including the Companies Act No. 7 of 2007, the Sri Lanka Code of Best Practice on Corporate Governance, and the Listing Rules of the Colombo Stock Exchange (CSE).

I1. Objectives of the Policy

The primary objectives of this policy are:

- To ensure the effective and responsible control, management, and safeguarding of all company assets.
- To enhance shareholder value by optimizing the return on investments and maintaining the integrity of shareholder funds.
- To provide clear guidelines on asset management, including acquisition, utilization, and disposal of assets.
- To ensure compliance with all relevant laws, regulations, and best practices in the management of assets and shareholder investments.

I2. Scope of the Policy

This policy applies to:

- All company assets, including physical, financial, intellectual property, and intangible assets.
- All levels of management and employees responsible for the control, management, or utilization of company assets.
- Shareholder investments, including the safeguarding of shareholder funds, dividends, and returns on investment.

I3. Control and Management of Company Assets

The company recognizes its responsibility to safeguard and properly manage its assets to ensure sustainable growth and long-term shareholder value.

I.3.1. Asset Identification and Classification

- The company maintains a comprehensive asset register to identify and classify all assets, including fixed assets (e.g., property, plant, and equipment), financial assets (e.g., cash, investments, receivables), and intangible assets (e.g., intellectual property, patents, trademarks).
- Assets are regularly valued, inspected, and maintained to ensure their efficient utilization and to prevent depreciation beyond their normal wear and tear.

I.3.2. Asset Acquisition and Disposal

- The company follows a structured process for asset acquisition, ensuring that purchases are aligned with the company's strategic objectives and investment policies.
- Asset disposal procedures are put in place to manage the sale, transfer, or scrapping of obsolete, surplus, or underperforming assets. Disposal decisions must be approved by the

Board or designated senior management and conducted transparently to ensure maximum value is realized.

I.3.3 Asset Protection and Security

- Measures are implemented to protect physical assets from theft, damage, misuse, or unauthorized access. This includes physical security systems, employee training, and regular audits.
- For intangible assets such as intellectual property, the company ensures proper legal protection, including patents, trademarks, copyrights, and confidentiality agreements.

I.3.4 Asset Utilization and Optimization

- The company monitors the effective utilization of its assets, ensuring that they contribute optimally to its operational efficiency and profitability.
- Assets are allocated based on strategic needs and business priorities, and underutilized or idle assets are promptly reassessed for potential reallocation or disposal.

I4. Management of Shareholder Investments

The company is committed to managing shareholder investments in a manner that maximizes returns and fosters long-term value creation.

I.4.1. Maximizing Shareholder Value

- The company's business strategy is designed to enhance shareholder wealth through sustainable growth, operational excellence, and sound financial management.
- Key decisions, such as major investments, mergers and acquisitions, and capital expenditures, are made with careful consideration of their impact on shareholder returns and the overall financial health of the company.

I.4.2. Dividend Policy

- The company aims to provide consistent and attractive returns to shareholders through dividends, based on financial performance and available profits.
- The dividend policy is periodically reviewed by the Board of Directors to ensure it reflects the company's financial status, strategic goals, and shareholder expectations.

I5 Transparent Communication with Shareholders

- The company maintains open, timely, and transparent communication with shareholders regarding financial performance, major investments, risks, and strategies.
- Annual general meetings (AGMs), quarterly reports, and other communication channels are used to ensure that shareholders are fully informed about the company's financial health and performance.

I6. Governance and Accountability

The Board of Directors is ultimately responsible for overseeing the control and management of company assets and shareholder investments.

I.6.1 Board Oversight

- The Board ensures that adequate internal controls are in place to manage the company's assets and safeguard shareholder investments.
- Key responsibilities include approving significant asset purchases, disposals, and investments, as well as reviewing the effectiveness of the asset management policy.

I.6.2 Senior Management Responsibilities

- Senior management is responsible for the day-to-day management of company assets, ensuring that they are used efficiently and effectively to achieve business objectives.
- Regular reporting is made to the Board on asset performance, including asset condition, utilization rates, and any potential risks to asset value or shareholder investments.

I7. Internal Audits and Risk Management

- The company conducts regular internal audits to assess the effectiveness of asset management practices, compliance with this policy, and the accuracy of the asset register.
- A robust risk management framework is in place to identify, assess, and mitigate risks related to company assets and shareholder investments. This includes risks such as market volatility, asset impairment, and misappropriation of resources.

I8. Asset Valuation and Impairment

The company adheres to generally accepted accounting principles and standards when valuing its assets and monitoring for any potential impairments.

- Periodic valuations are conducted to ensure that assets are reflected accurately in the company's financial statements.
- Impairment reviews are undertaken if there are indicators that an asset's value has diminished. Appropriate accounting adjustments are made if the asset's carrying value exceeds its recoverable amount.

I9. Compliance and Regulatory Framework

The company ensures compliance with all relevant Sri Lankan laws and regulations governing asset management and shareholder investments, including but not limited to:

- Companies Act No. 7 of 2007
- Sri Lanka Financial Reporting Standards (SLFRS)
- Listing Rules of the Colombo Stock Exchange (CSE)
- Inland Revenue Act
- Value Added Tax

The company also adheres to international standards and best practices in asset management and shareholder protection to ensure transparency, fairness, and accountability in its operations.

I10. Reporting and Disclosure

The company provides clear and accurate disclosures on asset management and shareholder investments, including:

- Annual Reports that detail the company's asset performance, capital investments, and return on assets.
- Financial statements that comply with local and international accounting standards, providing shareholders with a transparent view of the company's financial health.
- Periodic updates on major capital expenditures, asset acquisitions, and disposals, ensuring that shareholders are kept informed of significant developments.

I11. Conflict of Interest and Ethical Conduct

All employees and directors involved in the management of company assets and shareholder investments must adhere to the company's Code of Ethics and ensure that there are no conflicts of interest in decision-making.

- Any potential conflicts, such as personal financial interests in transactions involving company assets, must be disclosed and managed in accordance with the company's policies.
- The company enforces a zero-tolerance policy on corruption, fraud, and mismanagement of assets.

I11. Continuous Improvement

The company is committed to continuously improving its asset management practices to align with evolving industry standards, technological advancements, and shareholder expectations.

- Regular reviews of asset management policies are conducted to ensure they remain relevant and effective.
- The company encourages innovation and best practices in the control and management of assets to enhance operational efficiency and shareholder value.

(J) **Policy on Corporate Disclosures**

The Corporate Disclosure Policy ensures transparency, accuracy, and timely communication of material information to shareholders, investors, and other stakeholders. This policy aligns with the regulatory framework set by the Colombo Stock Exchange (CSE), Securities and Exchange Commission of Sri Lanka (SEC), and Companies Act No. 7 of 2007, and adheres to international best practices in corporate governance.

J1. Objectives of the Policy

The primary objectives of the Corporate Disclosure Policy are:

- To promote transparency and accountability by ensuring timely and accurate disclosure of material information.
- To comply with all applicable regulatory requirements governing disclosures for listed companies.
- To provide shareholders and investors with the information necessary to make informed decisions regarding their investments.
- To ensure fair and equitable treatment of all stakeholders by providing equal access to material information.

J2. Scope of the Policy

This policy applies to:

- All disclosures made by the company, including financial statements, management reports, and any other information deemed material to the company's operations and performance.
- Directors, officers, senior management, and any employees involved in preparing or reviewing information for disclosure.
- Shareholders, investors, regulators, and other stakeholders who rely on the company's disclosures for decision-making purposes.

J3. Key Principles of Corporate Disclosures

The company is committed to adhering to the following principles in its disclosure practices:

J.3.1. Transparency

- All disclosures must be clear, complete, and free from material misstatement or omission.
- Information must be presented in a way that is easily understandable and accessible to shareholders and other stakeholders.

J.3.2. Timeliness

- The company ensures that material information is disclosed promptly and without undue delay, especially if the information could influence the decision-making process of investors.
- Continuous disclosure obligations are maintained, meaning that relevant updates must be provided in a timely manner throughout the year, not just at specific reporting periods.

J.3.3. Accuracy and Completeness

- Disclosures must reflect the true financial position and operational performance of the company.

- All material facts, risks, and uncertainties associated with disclosed information must be clearly communicated.

J.3.4. Fairness

- The company is committed to ensuring that all stakeholders have equal access to material information.
- Selective disclosure is prohibited, ensuring that no group of stakeholders receives preferential access to material information before it is made publicly available.

J4. Types of Disclosures

The company makes the following types of disclosures:

J.4.1. Financial Disclosures

- **Quarterly and Annual Financial Reports:** Prepared in accordance with the Sri Lanka Financial Reporting Standards (SLFRS) and International Financial Reporting Standards (IFRS), these reports provide a comprehensive view of the company's financial performance.
- **Dividend Declarations:** Any decision regarding dividend distributions or changes to the dividend policy is disclosed in a timely manner.
- **Significant Financial Transactions:** Major transactions, such as mergers, acquisitions, or divestitures, are disclosed in line with regulatory requirements.

J.4.2. Operational Disclosures

- **Business Strategy and Performance Updates:** The company regularly updates shareholders on strategic initiatives, operational performance, and market developments.
- **Significant Contracts and Agreements:** Any material contracts or agreements that could impact on the company's financial performance or strategic position are disclosed.

J.4.3. Corporate Governance Disclosures

- **Board and Committee Reports:** Information related to the company's governance structure, including Board composition, director appointments or removals, and changes in Board committees, is disclosed annually.
- **Related Party Transactions:** Any transactions between the company and related parties, including directors or major shareholders, are disclosed in accordance with the SEC's Listing Rules and the Companies Act.

J.4.4. Risk-Related Disclosures

- **Material Risks:** Information on material risks, including financial, operational, regulatory, and market risks, is disclosed as part of the company's continuous risk management reporting.
- **Internal Controls:** Disclosures related to the company's internal control framework, including any material weaknesses, are reported to ensure transparency about the company's governance processes.

J.4.5. Environmental, Social, and Governance (ESG) Disclosures

- Sustainability Reporting: Disclosures on the company's sustainability initiatives, including environmental, social, and governance (ESG) factors, are provided to ensure alignment with global best practices and investor expectations.

J.4.6. Materiality and Disclosure Requirements

A. Material Information

- The company defines material information as any information that, if disclosed, could significantly affect the market price of the company's securities or influence the investment decisions of shareholders.
- Examples of material information include financial performance, mergers and acquisitions, major contracts, changes in leadership, litigation, and significant regulatory changes.

B. Determining Materiality

- The Board of Directors and senior management are responsible for determining whether a specific event or piece of information qualifies as material.
- The company follows the guidance provided by the Colombo Stock Exchange (CSE) and Securities and Exchange Commission of Sri Lanka (SEC) to evaluate materiality.

J5. Disclosure Channels

The company uses multiple communication channels to ensure that all stakeholders receive material information promptly and efficiently:

- Colombo Stock Exchange (CSE): All required disclosures are filed with the CSE in accordance with listing rules.
- Company Website: The company's website serves as a primary platform for publishing financial reports, press releases, and other material updates.
- Press Releases: Public announcements are made for significant developments that could impact the company's financial performance or share price.
- Annual General Meetings (AGMs): AGMs are used to present the company's annual performance, financial statements, and other important disclosures to shareholders.

J6. Disclosure Approval Process

- The Board of Directors are ultimately responsible for ensuring the accuracy and completeness of all disclosures.
- A Disclosure Committee, consisting of senior management and legal advisors, is tasked with reviewing and approving all material disclosures before they are released to the public.
- The Chief Operating Officer (COO), General Manager - Finance and Company Secretaries play key roles in ensuring that disclosures comply with all regulatory requirements and corporate governance best practices.

J7. Insider Trading and Confidentiality

The company strictly prohibits:

- Insider trading, where directors, employees, or other insiders use material non-public information for personal gain.
- Any disclosure of material non-public information to unauthorized parties before it is made publicly available.

Directors, officers, and employees are required to comply with the company's Insider Trading Policy and relevant regulations issued by the SEC and CSE.

J8. Compliance with Regulatory Requirements

The company ensures full compliance with the disclosure requirements established by the:

- Colombo Stock Exchange (CSE) Listing Rules
- Securities and Exchange Commission of Sri Lanka (SEC)
- Companies Act No. 7 of 2007
- Sri Lanka Financial Reporting Standards (SLFRS)

The company also adheres to international corporate governance standards and the Sri Lanka Code of Best Practice on Corporate Governance.

J9. Non-Compliance and Disciplinary Actions

Non-compliance with this policy may result in disciplinary actions, including but not limited to:

- Warnings, suspension, or termination for employees involved in non-compliant disclosures.
- Fines or sanctions imposed by regulatory authorities for breaches of disclosure obligations.

J10. Policy Review and Updates

This Corporate Disclosure Policy is subject to regular reviews by the Board of Directors and the Audit Committee. Any updates to the policy are communicated promptly to all relevant parties and stakeholders.

(K) **Policy on Whistle Blowing**

K1. Purpose of the Policy

The Whistle blowing Policy aims to encourage and protect individuals who report misconduct or illegal activities within the organization. This policy provides a framework for employees and stakeholders to report concerns without fear of retaliation, ensuring transparency and accountability in the company's operations.

K2. Scope of the Policy

This policy applies to:

- All employees, including permanent, temporary, and contract staff.
- Directors, officers, and any third-party stakeholders, including suppliers and customers.
- Any individual who has knowledge of wrongdoing or unethical behavior within the company.

K3. Definition of Whistle blowing

Whistle blowing is the act of reporting suspected wrongdoing, misconduct, or illegal activity that occurs within the organization. This includes, but is not limited to:

- Fraud or financial impropriety
- Corruption or bribery
- Violation of laws or regulations
- Misconduct that poses a risk to public safety or health
- Environmental violations
- Breaches of company policies or ethical standards

K4. Reporting Mechanism

Whistle blowers can report concerns through the following channels:

- o Anonymous Hotline: A confidential and anonymous reporting line managed by a third party will be introduced
- o Email: A designated email address for reporting concerns related to bribery or corruption will be introduced
- o In-Person Meetings: Opportunities to discuss concerns directly with the Compliance Officer or designated personnel will be introduced.

K5. Confidentiality and Anonymity

- The company commits to maintaining the confidentiality of all whistleblower reports.
- Whistle blowers can choose to remain anonymous; however, providing contact information may facilitate follow-up discussions and investigations.
- The identity of the whistleblower will not be disclosed without their consent, except as required by law.

K6. Protection Against Retaliation

The company prohibits retaliation against any individual who reports a concern in good faith. This includes:

- Termination or suspension of employment
- Demotion or adverse changes in job responsibilities
- Harassment or discrimination
- Any other form of unfair treatment

Any individual found to have retaliated against a whistle blower will be subject to disciplinary action, which may include termination of employment.

K7. Investigation Process

- All reports will be taken seriously and investigated promptly by the Compliance Officer or a designated investigation team.
- Investigations will be conducted fairly and impartially, ensuring that all parties involved have an opportunity to present their views.
- The findings of the investigation will be documented, and appropriate actions will be taken based on the outcomes.

K8. Communication and Feedback

- Whistle blowers will be informed of the outcome of their report, as appropriate, while respecting confidentiality and the integrity of the investigation.
- The company will provide regular updates on the whistleblowing process to foster an environment of transparency.

K9. Training and Awareness

- The company will provide training sessions for all employees on the Whistle blowing Policy, including how to report concerns and the protections available to whistle blowing.
- Regular awareness campaigns will be conducted to promote the policy and encourage a culture of openness and integrity.

K10. Policy Review and Updates

- This Whistle blowing Policy will be reviewed periodically by the Board of Directors and the Audit Committee.
- Any updates or changes to the policy will be communicated to all employees and stakeholders promptly

(L) **Policy on Anti-Bribery and Corruption**

L1. Purpose of the Policy

The Anti-Bribery and Corruption Policy aims to prevent and combat bribery and corruption within the organization and its dealings. This policy underscores the company's commitment to conducting business ethically and in compliance with applicable laws and regulations.

L2. Scope of the Policy

This policy applies to:

- All employees, including permanent, temporary, and contract staff.
- Directors, officers, and board members.
- Third-party agents, consultants, contractors, and any individuals or entities representing the company.

L3. Definition of Bribery and Corruption

- Bribery: The offering, giving, receiving, or soliciting of something of value (money, gifts, favors) with the intention of influencing the actions of an official or other person in charge of a public or private function.
- Corruption: Abuse of entrusted power for private gain, which may involve bribery or other unethical conduct.

L4. Prohibition of Bribery and Corruption

- The company strictly prohibits any form of bribery or corruption, whether direct or indirect, in all its business activities.
- Employees and associated persons must not offer, promise, give, or receive any bribe or inducement, regardless of the form it may take.

L5. Gifts and Hospitality

- Employees may accept or provide modest gifts and hospitality that are consistent with local customs and do not influence business decisions.
- All gifts and hospitality must be disclosed to a supervisor or designated officer if they exceed a value of Rs 5,000/=
- Any gifts or hospitality that could be perceived as an attempt to influence decision-making must be declined.

L6. Reporting Mechanism

- Employees are encouraged to report any suspected incidents of bribery or corruption through:
 - o Anonymous Hotline: A confidential and anonymous reporting line managed by a third party will be introduced
 - o Email: A designated email address for reporting concerns related to bribery or corruption will be introduced
 - o In-Person Meetings: Opportunities to discuss concerns directly with the Compliance Officer or designated personnel will be introduced

L7. Investigation Process

- o The company will investigate all reports of bribery or corruption promptly and impartially.
- o Investigations will respect the confidentiality of all parties involved while ensuring a fair process.
- o Findings will be documented, and appropriate corrective actions will be taken, which may include disciplinary action against individuals involved.

L8. Training and Awareness

- o The company will provide training to all employees regarding the Anti-Bribery and Corruption Policy, including their responsibilities under the policy.
- o Regular workshops and communication campaigns will be conducted to promote awareness and understanding of anti-bribery practices.

L9. Compliance with Laws and Regulations

- o The company commits to complying with all applicable anti-bribery and anti-corruption laws in Sri Lanka and other jurisdictions where it operates.
- o Employees are required to be familiar with relevant laws and regulations and ensure their conduct aligns with this policy.

L10. Consequences of Violations

- Any employee found to have engaged in bribery or corruption will face disciplinary action, which may include termination of employment and legal action.
- The company will cooperate fully with law enforcement agencies in any investigations related to bribery and corruption.

L11. Review and Monitoring

- The policy will be reviewed periodically by the Board of Directors and the Audit Committee to ensure its effectiveness and compliance with evolving laws and best practices.
- Ongoing monitoring will be conducted to assess the effectiveness of anti-bribery measures and compliance with this policy.

..... End