

**POLICY ON INTERNAL CODE OF
BUSINESS CONDUCT AND ETHICS
FOR ALL DIRECTORS AND
EMPLOYEES, INCLUDING POLICIES
ON TRADING IN THE ENTITY'S
LISTED SECURITIES**

1. INTRODUCTION

Vallibel Finance PLC (“Vallibel Finance”) is committed to maintaining the highest standards of ethical conduct both in its business endeavors and extending to its Board of Directors and employees.

The existence of a robust Code of Business Conduct and Ethics (“the Code”) which applies to all Directors and employees (including permanent, temporary and contract employees) ensures that the Company is in line with its statutory, legal and ethical responsibilities. Any lapse or a breach of the provisions stipulated in this Code of Conduct by any employee of the Company would constitute a ground for disciplinary action.

By accepting a position with Vallibel Finance, Directors and employees become accountable for compliance with this Code, laws and regulations and the policies and procedures of the respective functions/business units. Every Director and employee is deemed to have read and understood this Code and its application to the performance of his or her responsibilities.

Whilst the Code covers a wide range of business practices and procedures as far as practicably possible, these standards cannot and do not cover every issue that may arise in the future, or every situation where ethical decisions must be made. It is for such exigencies that the Code has identified and set forth key guiding principles (based on the Code of Best Practice on Corporate Governance as published by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), 2023), that represent the core ethics of the Company’s business and governance that stand as a benchmark around which decisions and policies are to be curated.

Key Principles;

- (i) conflict of interest
- (ii) bribery and corruption
- (iii) entertainment and gifts
- (iv) accurate accounting and record-keeping
- (v) fair and transparent procurement practices
- (vi) corporate opportunities
- (vii) confidentiality
- (viii) fair dealing
- (ix) protection and proper use of Company assets including
- (x) information assets
- (xi) compliance with laws, rules and regulations (including insider trading laws)
- (xii) Sexual harassment, discrimination and abuse; and
- (xiii) Encouraging the reporting of any illegal, fraudulent or unethical behavior

2. BRIEF OVERVIEW OF THE KEY PRINCIPLES

Given the stringent corporate governance practices set out by the Central Bank of Sri Lanka and the Listing Rules of the Colombo Stock Exchange, the Board has taken extensive measures in formulating the Code against the backdrop of these requirements. Set out below is a brief overview of each of the key principles.

(a) Conflicts of interest

Directors, officers and employees shall take all reasonable actions necessary to avoid all conflicts of interests and shall disclose any matter that they believe might raise doubt regarding their ability to act objectively and in the Company's best interests. Employees shall immediately report to the applicable line manager any actual or potential conflict of interest situation.

(b) Bribery and corruption

The Directors, employees and staff must ensure that they do not, directly or indirectly, offer, promise or give any gift, payment or other benefit to any person for the purposes of inducing or rewarding improper conduct or influencing any decision; they do not, directly or indirectly, solicit, accept or receive any gift, payment or other advantage from any person as a reward or inducement for improper conduct; and their activities do not otherwise contravene any applicable anti- corruption measures.

(c) Entertainment and gifts

The Company and its employees must not actively solicit or demand any form of entertainment or gift from any person or organization outside the Company. The employees are permitted to offer or accept business entertainment and gifts with prior approval, provided that the entertainment or gift in question is modest, appropriate and consistent with reasonable business practice and permissible under all applicable laws.

(d) Accurate accounting and record-keeping

The Company ensures honest, accurate and objective recording and reporting of information, both financial and non-financial is essential to Company's credibility and reputation; its ability to meet its legal, tax, audit and regulatory obligations; and informing and supporting business decisions and actions by the Company.

The Company and employees must ensure that they follow all applicable laws, external accounting requirements and the Company procedures for reporting financial and other business information.

(e) Fair and transparent procurement practices

Where procurement of goods or services and committing the Company to sale or acquisition or any commitment which results in an inflow or outflow of resources, such must adhere to Company policies and ensure procedures are strictly followed and documented, in a fair and transparent manner.

(f) Corporate opportunities

Directors and Key Management Personnel should be prohibited from using taking for themselves personally, opportunities that are discovered through the use of corporate property, information or position for personal gain and shall not compete with the Company.

(g) Confidentiality

Directors, Key Management Personnel and all employees should maintain the confidentiality of information entrusted to them by the Company or its customers, suppliers and other stakeholders, except when this disclosure is authorized or legally mandated.

(h) Fair dealing

Each Director, Key Management Personnel and all employees should endeavour to deal fairly with the Company's customers, suppliers, competitors and employees should not take unfair advantage of any stakeholder through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

(i) Protection and proper use of company assets including information assets

All Directors, Key Management Personnel and all employees should protect the Company's assets and ensure their efficient use and minimize theft, carelessness and waste.

(j) Compliance with laws, rules and regulations

Employees are required to comply with all applicable laws and regulations in relation to their activities.

(k) Encouraging the reporting of any illegal or unethical behaviour

All employees at every level are encouraged to report malpractices observed to their Heads of Department/Senior Management or the Assistant General Manager - HR. In

such circumstances, total confidentiality pertaining to the reporter's anonymity and protection from any harassment will be assured.

3. POLICY ON TRADING IN SECURITIES OF VALLIBEL FINANCE AND ITS LISTED GROUP COMPANIES

This policy has been prepared in an effort to regulate and adhere to the Listing Rules and other regulatory requirements on insider trading of securities by Directors, Key Management Personnel and their close family members. It is the responsibility of each person to comply with the terms of this policy, the Company's Code of Conduct and any applicable laws and regulations regarding insider trading.

Dealing

For the purposes of this Policy, "dealing" in Securities includes but is not limited to:

- a) subscribing for, buying and selling Company Securities (or entering into an agreement to do any of these things); and
- b) advising, procuring or encouraging another person to subscribe for, buy and sell Company Securities (or entering into an agreement to do any of these things).

The Company shall make immediate disclosure of price sensitive information to the CSE in order to ensure the maintenance of a fair and orderly securities market.

For such purposes, 'price sensitive information' in relation to the securities of Vallibel Finance is a reference to information which:-

- (i) relates to specific matters relating to, or of concern (directly or indirectly) to the Company and;
- (ii) is not generally known to those persons who are accustomed or would be likely to deal in those listed Securities but which would if it were generally known to them be likely to affect materially the price of the listed Security. Such information includes, but is not limited to, information known to the Company, concerning the Company's property, assets, business, financial condition and prospects; mergers and acquisitions; and dealings with employees, suppliers and customers; material contracts or development projects, whether entered into in the ordinary course of business or otherwise; as well as information concerning a significant change in ownership of the Company's Securities owned by insiders, or a change in effective or voting control of the issuer, and any developments that affect materially the present or potential rights or interests of the issuer's shareholders.

The Directors shall immediately inform the Company Secretary if they trade in securities of Vallibel Finance, who shall make an immediate disclosure to the Colombo Stock Exchange (CSE) in terms of Section 7.8 of the Listing Rules.

The Directors shall not trade in Vallibel Finance securities within the stipulated time frames; as per section 8.6 of the Listing Rules, an excerpt of which is given below.

Section 8.6-Trading by connected parties

“Connected persons should not trade, borrow or lend on the basis of price sensitive information that has not been disclosed to the public. Moreover, connected persons shall not trade, borrow or lend the Securities of the Listed Entity even after release of the information to the Exchange for a period, which should not be less than two (02) Market Days after the release of the information to permit thorough public dissemination and evaluation thereof. In computing this period of two (02) Market Days, the day on which disclosure is made will be excluded. For the purposes of this Rule, an individual is connected with an Entity if, and only if:-

- a. *He is a director of that Entity or a related Entity or his spouse and children under 18y ears of age; or*

- b. *he occupies a position as an officer (other than director) or employee of that Entity or a related Entity or a position involving a professional business relationship between himself (or his employer or an Entity of which he is a director) and the first Entity or a related Entity which in either case may reasonably be expected to give him access to information which, in relation to Listed Securities of either Entity, is unpublished price sensitive information and which it would be reasonable to expect (a person in his position not to disclose except) for the proper performance of his function”.*

4. REVIEW OF THE POLICY

This policy shall be reviewed as and when necessary in accordance with the changes in the regulatory and business environment. Any revision or amendment to this policy shall be approved by the Board.

Version V1.0