

Policy on Control and Management of Company Assets and Shareholder Investments

Board : Board of Directors of Gestetner of Ceylon PLC

Company: Gestetner of Ceylon PLC

Version: 01

Listing Rules’: Listing Rule 9.2.1 (I)

1. INTRODUCTION

The purpose of this policy is to establish a set of guidelines and procedures designed to ensure effective control, management, and protection of the Company’s assets and shareholder investments. Its goal is to safeguard the Company’s resources, optimize asset efficiency, and protect shareholder interests in compliance with applicable laws, regulations, and best practices.

This policy applies to all directors, officers, employees, and agents of the Company, as well as any third parties representing the Company. It encompasses all physical, financial, and intellectual assets, along with investments made by the Company on behalf of its shareholders.

2. OBJECTIVES

The objectives of this policy are to safeguard assets, manage shareholder investments responsibly and transparently, ensure regulatory compliance, and maintain the integrity and accuracy of financial reporting related to assets and investments.

3.ROLES AND RESPONSIBILITY

The Board of Directors (BOD) are the custodian of all assets and liabilities of the Company. However, it is the responsibility of the relevant Departmental Heads to carry out the process of acquisition, use, maintenance, and disposal of their respective divisional assets.

4.ASSET MANAGEMENT

4.1Asset Acquisition

The selection of a vendor to source capital assets should be as per the guidelines of the Procurement Policy. All capital expenditure (CAPEX) should be recommended for approval by the Executive Director to the Board of Directors for approval. In addition to the aforementioned

approvals, the reasons for acquisition should be recommended by the Executive Director for unbudgeted CAPEX.

4.2 Asset Register

Develop and maintain a comprehensive asset register detailing asset identification numbers, descriptions, locations, acquisition dates, values, and conditions, ensuring it is regularly updated to reflect acquisitions, disposals, transfers, and changes in asset status.

4.3 Asset Protection

Each physical asset should be assigned a unique identification number for easy tracking, with access controls implemented to secure assets, including restricted access to sensitive areas and secure storage for valuable items, while surveillance systems, alarms, and security personnel are utilized to monitor and protect these assets.

All the Company's fixed and physical assets should be comprehensively insure against all relevant risks as determined by the Board.

4.4 Assets Verification

Conduct physical counts of assets and reconcile them with the asset register to identify discrepancies, while scheduling and performing audits to assess the effectiveness of asset controls and pinpoint areas for improvement.

4.5 Assets Disposal

- All asset disposals must follow the Company's authorization procedures, ensuring that necessary approvals are obtained prior to proceeding. Additionally, assets should be accurately valued before disposal to maximize their return or benefit.
- Appropriate disposal methods must be chosen based on the asset type and value, ensuring compliance with legal and environmental regulations. Comprehensive documentation of the disposal process should be maintained, including approvals, valuations, methods of disposal, and final dispositions.

5. MANAGEMENT OF SHAREHOLDER INVESTMENTS

5.1 Shareholder Communication

The Company is committed to providing shareholders with timely and accurate information regarding financial performance, business strategies, and significant events that impact the organization. Annual reports will be made readily accessible to all shareholders and relevant stakeholders to ensure transparency. In addition, the Company will conduct annual general meetings and extraordinary meetings as required, offering shareholders the opportunity to ask

questions, vote on key issues, and receive comprehensive updates on the Company's performance.

5.2 Shareholder Value Protection

The Company will take all necessary steps to protect and enhance shareholder value through prudent resource management, strategic decision-making, and transparent communication with shareholders. It will implement and maintain strong internal control systems to safeguard financial assets and ensure accurate financial reporting, while also complying with all relevant regulations and corporate governance listing rules concerning investment management and shareholder rights.

5.3 Dividend Policy

The Company is committed to ensuring that dividend payments are sustainable, based on its financial performance and available cash flow. The dividend policy will be regularly reviewed to ensure alignment with the Company's financial health and business strategy. Dividends will be distributed equitably among shareholders in proportion to their shareholdings, with clear communication of the policy to all stakeholders. Additionally, the Company will strictly adhere to legal and regulatory requirements concerning dividend payments and shareholder rights.

6 Compliance and Monitoring

The Company is dedicated to complying with all relevant laws, regulations, and listing requirements set forth by the Colombo Stock Exchange (CSE) and other pertinent authorities. The Board of Directors and the Audit Committee will regularly monitor the effectiveness of this policy, ensuring that any breaches are promptly reported and addressed.

6. POLICY REVIEW AND UPDATES

- **Annual Review:** Review this policy annually or more frequently if necessary, considering changes in regulations, Company operations, and industry best practices.
- **Policy Updates:** Update the policy as needed to ensure its continued effectiveness and alignment with the Company's objectives.