

# **POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND SHAREHOLDER INVESTMENTS**

## **1. DEFINITIONS:**

'Board': Board of Directors of Ceylon Tobacco Company PLC

'BAT': British American Tobacco PLC

'Code': Code of Best Practices on Corporate Governance 2023

'Company': Ceylon Tobacco Company PLC

'CSE': Colombo Stock Exchange

'GMAPP': Group Manual of Accounting Policies and Procedures

'IAS': International Accounting Standards

'Listing Rules': Listing Rules of Colombo Stock Exchange

'SEC': Securities and Exchange Commission of Sri Lanka

## **2. PURPOSE AND OBJECTIVE**

The intent of this policy is to provide a framework of guidelines and procedures aimed at ensuring the efficient control, management, and protection of the Company's assets and shareholder investments. This policy seeks to preserve the Company's resources, maximize asset efficiency, and uphold shareholder interests in accordance with applicable laws, regulations, and established best practices.

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

## **3. ASSET MANAGEMENT**

**Asset Inventory:** The Company shall maintain an up-to-date inventory of all physical, financial and intellectual assets. This inventory shall be regularly reviewed and audited to ensure accuracy and completeness.

**Asset Utilization:** Company assets shall be utilized solely for the purpose of achieving the Company's strategic and operational objectives. Misuse or unauthorized use of Company assets is strictly prohibited.

**Asset Protection:** All assets shall be safeguarded against theft, loss, damage, and misuse. Appropriate security measures, including physical and digital security, shall be implemented to protect the Company's assets.

**Adherence to Standards:** Asset management procedures shall adhere to both national and international standards for asset management and other relevant guidelines. The Company commits to continual improvement in its asset management practices, with a focus on sustainability and efficiency.

**Carbon-Neutral Energy Landscape:** The Company prioritizes the transition towards a carbon-neutral energy landscape by integrating renewable and clean energy sources in its operations. Asset management decisions shall align with this commitment, ensuring that investments and practices contribute to reducing the Company's carbon footprint.

**Environmental Protection:** The Company upholds a zero-tolerance policy for any practices that are harmful to natural resources and ecosystems. All assets shall be managed in a manner that prioritizes environmental protection, with efforts to exceed local and international environmental standards through continuous improvement and proactive stakeholder engagement.

#### **4. FINANCIAL CONTROLS**

**Alignment with GMAPP and IAS:** This policy is aligned with the BAT GMAPP, which adopts IAS. All financial controls, reporting, and asset management practices shall adhere to these standards (subject to the applicable local laws and regulations), to ensure consistency, accuracy, and compliance across the Company's operations.

**Internal Controls:** The Company shall maintain a robust system of internal controls to ensure the integrity and reliability of financial reporting. This includes compliance with GMAPP guidelines, segregation of duties, regular audits, and adherence to accounting standards as defined by IAS.

**Investment Management:** Investments shall be managed in accordance with the principles outlined in GMAPP, ensuring prudent risk management and alignment with the Company's strategic objectives. All investment decisions shall be documented and reviewed in accordance with IAS.

**Capital Expenditure:** Capital expenditure shall be governed by the procedures set out in GMAPP, requiring approval by the Board of Directors and alignment with the Company's long-term financial strategy.

##### **4.1 Shareholder Investments**

**Protection of Shareholder Value:** The Company shall take all necessary measures to protect and enhance shareholder value. This includes prudent management of Company resources, strategic decision-making, and transparent communication with shareholders.

**Dividend Policy:** The Company's dividend policy shall be aligned with the Company's financial performance, growth objectives, and shareholder expectations. Dividends shall be declared in accordance with applicable laws and regulations.

**Shareholder Communication:** The Company shall maintain transparent and timely communication with shareholders regarding the Company's financial performance, strategic direction, and any material developments that may impact shareholder value.

#### **4.2 Compliance and Monitoring**

**Regulatory Compliance:** The Company shall comply with all applicable laws, regulations, and listing requirements of the CSE and other relevant authorities.

**Monitoring and Reporting:** The effectiveness of this policy shall be regularly monitored by the Board of Directors and the Audit Committee. Any breaches of this policy shall be promptly reported and addressed.

### **5. RESPONSIBLE PARTIES**

**Board of Directors:** The Board of Directors is responsible for the overall control and management of the Company's assets and shareholder investments. The Board shall ensure that this policy is effectively implemented and reviewed regularly.

**Key Management Personnel:** The Key Management is responsible for the day-to-day implementation of this policy, including asset management, financial controls, and compliance with regulatory requirements.

**Employees:** All employees are responsible for adhering to this policy and reporting any concerns or breaches to the appropriate authority.

### **6. REVIEW AND AMENDMENT**

This policy shall be reviewed annually by the Board of Directors and updated as necessary to reflect changes in the Company's operations, regulatory requirements, and best practices.

### **7. QUESTIONS**

All questions concerning the implementation of this policy are required to be addressed to the Assistant Company Secretary of Ceylon Tobacco Company PLC via [ctc\\_inquiries@bat.com](mailto:ctc_inquiries@bat.com).