



MAHAWELI COCONUT PLANTATIONS PLC

CORPORATE GOVERNANCE POLICIES

Policy on Control and Management of Company Assets and Shareholder Investments

A comprehensive policy on the control and management of company assets and shareholder investments is critical for ensuring accountability, maximizing value, and protecting the interests of all stakeholders.

This policy outlines the objectives, such as safeguarding company assets, ensuring efficient use of resources, and protecting shareholder interests.

The Board of Directors is responsible for maintaining effective and sound internal controls to safeguard the shareholders' investments and Company assets. The Board has established an ongoing process for identifying, evaluating, and managing the significant risks faced by the Company. The Audit Committee in consultation with the in-house Internal Audit Department, periodically reviews the effectiveness of internal controls over financial reporting.

A. Asset Management

- **Inventory Control:** Maintaining an accurate and up-to-date inventory of all company assets.
- **Asset Protection:** Implementing measures to protect physical and intangible assets from loss, theft, or damage.
- **Asset Utilization:** Ensuring that assets are used efficiently and effectively to support business operations.

B. Financial Management

- **Capital Allocation:** Developing a clear policy for capital allocation to ensure funds are invested in projects that maximize shareholder value.
- **Budgeting and Forecasting:** Implementing robust budgeting and financial forecasting processes to manage financial resources.
- **Expense Control:** Monitoring and controlling expenses to ensure they are in line with the budget.

C. Risk Management

- **Insurance:** Ensuring appropriate insurance coverage for company assets if required.
- **Risk Assessment:** Conducting regular risk assessments to identify and mitigate risks associated with asset management.
- **Contingency Planning:** Developing contingency plans to address potential asset-related disruptions.

I. Policy on Management of Shareholder Investments

A. Investment Strategy

- **Value Creation:** Focusing on strategies that create long-term value for shareholders.
- **Performance Monitoring:** Regularly monitoring the performance of investments to ensure they meet set objectives.

B. Shareholder Communication

- **Transparency:** Maintaining transparency in all communications with shareholders about the performance and management of their investments.
- **Regular Updates:** Providing regular updates on financial performance, strategic initiatives, and other relevant information.
- **Annual General Meetings:** Holding AGMs to allow shareholders to ask questions, provide feedback, and vote on important matters.

C. Governance and Compliance

- **Regulatory Compliance:** Ensuring all investment activities comply with relevant laws and regulations.
- **Internal Controls:** Implementing strong internal controls to safeguard assets and ensure accurate financial reporting.
- **Audit and Review:** Conduct regular audits and reviews to ensure compliance with policies and procedures.