



MAHAWELI COCONUT PLANTATIONS PLC

CORPORATE GOVERNANCE POLICIES

Policy on Risk management and Internal controls

A. Risk Management Policy

A. Responsibility:

- The Board of Directors holds overall responsibility for the company's risk management framework.

B. Risk Identification:

- Risks are identified through a systematic process involving all levels of the organization.
- The process includes regular reviews and updates to capture emerging risks.

C. Risk Assessment:

- Risks are assessed based on their potential impact and likelihood of occurrence.
- The company uses qualitative and quantitative methods to evaluate risks, prioritizing them accordingly.

D. Risk Mitigation:

- Strategies are developed to mitigate identified risks.
- These strategies include risk avoidance, reduction, sharing, and acceptance.

E. Monitoring and Reporting:

- Continuous monitoring of risks and the effectiveness of mitigation measures.
- Regular reporting to the Board and the Audit Committee on risk management activities and findings.

F. Review and Improvement:

- The risk management framework is reviewed periodically to ensure its effectiveness.
- Improvements are made based on feedback, changes in the external environment, and internal assessments.

II. Internal Controls Policy

The Board should take the necessary steps to ensure the integrity of the Company's accounting and financial reporting systems, and internal control systems remain robust and effective via the review and monitoring of such systems on a periodic basis.

A. Control Activities:

- Implementing control activities at all levels of the organization to prevent and detect errors, fraud, and non-compliance.
- These activities include segregation of duties, authorization and approval processes, reconciliations, and physical controls over assets.

B. Information and Communication:

- Ensures relevant and timely information is communicated across the organization.
- Establishes channels for effective communication of internal control responsibilities.

C. Monitoring:

- Continuous monitoring of the internal control system through regular audits and assessments.

- The Internal Audit Department plays a key role in evaluating the effectiveness of internal controls and reporting findings to the Audit Committee.

D. Corrective Actions:

- Identifying control deficiencies and implementing corrective actions promptly.
- Regular follow-up to ensure that corrective actions have been effectively implemented.

E. Compliance:

- Ensuring compliance with applicable laws, regulations, and internal policies.
- Regular training and awareness programs to keep employees informed about internal control requirements.