



KELANI VALLEY PLANTATIONS PLC

POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND SHAREHOLDER INVESTMENTS

1. Objective

This policy establishes the framework for the management of the organisation's assets throughout their lifetime. It aims to ensure the effective and efficient use of assets to achieve organisational objectives while minimising risks and costs. The policy also aims to clearly define the roles and responsibilities of the stakeholders involved in managing company assets in order to ensure accountability.

2. Scope

This policy applies to all entities within the Kelani Valley Group and all users of the assets, including employees, contractors and third parties. The following asset categories fall within the purview of this Policy

- Long-term (assets utilized for more than a year) physical assets including (but not limited to) land, building, machinery, office equipment and vehicles which are used in the production, or supply of goods and services, for rental to others, or for administrative purposes
- Shareholder investments- financial assets of the entity including investments in shares, deposits, government securities and debt securities

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. Acquisition, transfer, disposal and write-off of capital assets

The selection of a vendor to source capital assets should be as per the guidelines of the Procurement Division. All capital expenditure (CAPEX) should be approved by the Managing Director and Chief Executive Officer and the Board of Directors. All CAPEX items should be informed to the Chairman Board of Directors on a quarterly basis.

All unbudgeted CAPEX should be submitted to the Managing Director and the Chairman for approval, with a memo justifying reasons for acquisition.

Transfer of assets within the company can be done at the agreement of the relevant Heads of Department (HODs) and Chief Executive Officer. Inter-company transfers of assets within the Group requires the approval of the Managing Director who will agree on the consideration.

Disposal of assets require an approval (through a memo) from the Managing Director and informed to Board on a quietly basis.

For an asset to be written-off, the respective HODs has to inspect the asset and obtain approval from the respective GMC member and the BOD.

5. Insurance coverage

Insurance coverage should be obtained as per the guidelines of the Hayley’s Group Risk and Safety Department which will be kept informed quarterly of changes to the entity’s assets.

6. Documentation and tracking

All physical assets are required to be tagged with a bar code and tracked throughout the lifetime of the asset. A fixed asset verification should be conducted every one year in order to ensure the physical existence of the company assets.

7. Shareholder investments

Shareholder investments are equity and debt investments made by the company. This includes investments in other Group and non-Group companies as well as other financial instruments such as government securities, corporate securities and deposits. Hayley’s Group Treasury should be consulted on interest rates on investments.

All strategic share acquisitions should be vetted and approved by the Board of Directors.

8. Review and Revision to this policy

This policy shall be reviewed and updated at least once every two (2) years by the Group Chief Financial Officer. The required updates and modifications shall be recommended to the Managing Director and to the Board for approval. All stakeholders shall be informed of any revisions made to this Policy. The Company reserves the right to modify/amend the terms of this policy from time to time.

Effective date of implementation

This policy shall be effective and operative from 1st of October 2024.
