

CORPORATE GOVERNANCE

Chairman's Statement on Governance (GRI 2-22)

The past year highlighted the need for institutions to align short, medium and long-term strategies to manage their impacts on the economy, environment and people. The responsibility to consider and balance the needs and concerns of multiple stakeholders has never been more urgent than now. Aitken Spence has prided itself on aligning our vision and strategies with societal needs, which has supported the sustainable growth of the Group into multiple business sectors. The purpose defined and adopted captures our understanding of this, as we could not have grown for 150+ years without ensuring shared prosperity for all. Sound corporate governance is key to ensuring that our value creation processes monitor our impacts with the same rigour we monitor our performance, enabling value creation for all.

The downturn in the economy prompted us to re-evaluate how we create value for various stakeholders, including employees, customers, and business partners, while strengthening our own foundations. We have introduced Anti-Bribery & Anti-Corruption and Whistleblowing Policies to fortify the Group against potential violations. Continuing our initiative on diversity and inclusion we continue to increase female participation within the Group and create opportunities for their advancement to senior positions. Given the increasing demand for dual incomes among families, along with the country's demographic challenges and the increased migration of professionals and skilled workers due to economic hardships, this intervention comes at a crucial time.

The Board is also strengthening its understanding of impacts through structured stakeholder engagement mechanisms. Accordingly, the Group Human Resources Division conducted a 'SpenceWay Service Excellence' survey, reaching out to customers of the different business segments to understand their concerns. This was done in addition to the 'Voice of Spensonians' employee survey, which was conducted across all executives and non-executives of the Company. These provide insights into the areas that need improvement as we consolidate our leadership positions across the business segments. We will continue to expand the scope of stakeholder engagement over the years to get objective views on where we need to strengthen our operations and to support more efficient resource allocation.

Integrity in financial reporting, internal control, and compliance are at the core of governance and continue to receive significant attention from the Board and the Audit Committee, thereby facilitating the effective discharge of the Board's responsibilities in this regard.

Ultimately, the effective functioning of all governance mechanisms depends on the people and the organisational culture. The Board and senior leadership of the Group are acutely aware of the importance of leading by example and safeguarding our legacy of a culture rooted in values, ensuring its growth and transmission. The Code of Ethics and Professional Conduct plays a critical role in articulating the expectations of employees. It is our firm belief that our culture is the most important factor in reinforcing and shaping the

evolution of our governance processes as we progress into a new era that will undoubtedly add more dimensions to the subject.

As we navigate another year of challenging times, our steadfast dedication to incorporating sustainability into our governance structures and mechanisms brings enhanced clarity to our objectives. We will persist in expanding our presence across various regions, creating value for our stakeholders, all the while upholding environmental and social governance. Our history stands as evidence of our unwavering commitment to corporate governance, and we remain resolute in upholding high standards in this regard.

Compliance Statement

On behalf of the Board of Aitken Spence PLC, We declare that the principles of good corporate governance are applied consistently across the Group and that the Corporate Governance Report provides a fair account of Corporate Governance practices within the Group. We are also pleased to report that the Group complies with the relevant sections of the Listing Rules of the Colombo Stock Exchange (CSE) pertaining to Corporate Governance and the provisions of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.



Deshamanya D.H.S. Jayawardena
Chairman

06th June 2023
Colombo



Ms. D.S.T. Jayawardena
Executive Director

HIGHLIGHTS 2022/2023

Shareholder Meetings

- » Annual General Meeting of the Shareholders on 30th June 2022.
- » Extraordinary General Meeting of the Shareholders on 14th February 2023 for the appointment of Mr. C.R. Jansz to the Board of Aitken Spence PLC.

Payment of Rs. 1.6 Billion as an Interim Dividend for the year ended 31st March 2022

- » Interim dividend payment of Rs. 4.00 per share for the year ended 31st March 2022.

Resignations

- » Mr. G.C. Wickremasinghe.
- » Mr. A.L. Gooneratne as an Alternate Director to Mr. N.J. de S. Deva Aditya.

Appointments

- » Mr. C.R. Jansz as a Non-Independent Non-Executive Director.
- » Mr. M.A.N.S. Perera as a Non-Independent Non-Executive Director (w.e.f. 25th April 2023).
- » Mr. M.A.N.S. Perera as an Alternate Director to Mr. N.J. de S. Deva Aditya.

Acquisitions

- » Acquisition of 100% stake in Sagasolar Power (Private) Limited, a solar power project at a consideration of Rs.1.4 Billion.

Strengthening Policies and Processes

- » Revalidation of Anti-Bribery and Anti-Corruption Policy.
- » Re-emphasis on Group Whistleblowing Policy.
- » Rolled out a focused Diversity, Equity & Inclusion agenda themed 'Freedom to be me' with an emphasis on *#SpenceWomenAtWork* (2022-2024).
- » Enhanced maternity leave to 100 days and introduced a 5-day paid paternity leave, fostering a supportive and inclusive work environment for Spensonians.
- » 'SpenceWay Service Excellence' surveys conducted by the Group Human Resources for 14 segments.
- » 'Voice of Spensonians' employee opinion survey conducted by Group Human Resources.
- » Inauguration of 'SpenceInnova' to promote a culture of innovation through increased employee engagement supported by subsidiaries in order to enhance the efficiency, effectiveness, and overall productivity of the Aitken Spence Group.
- » Roll out of new risk management and reporting system.

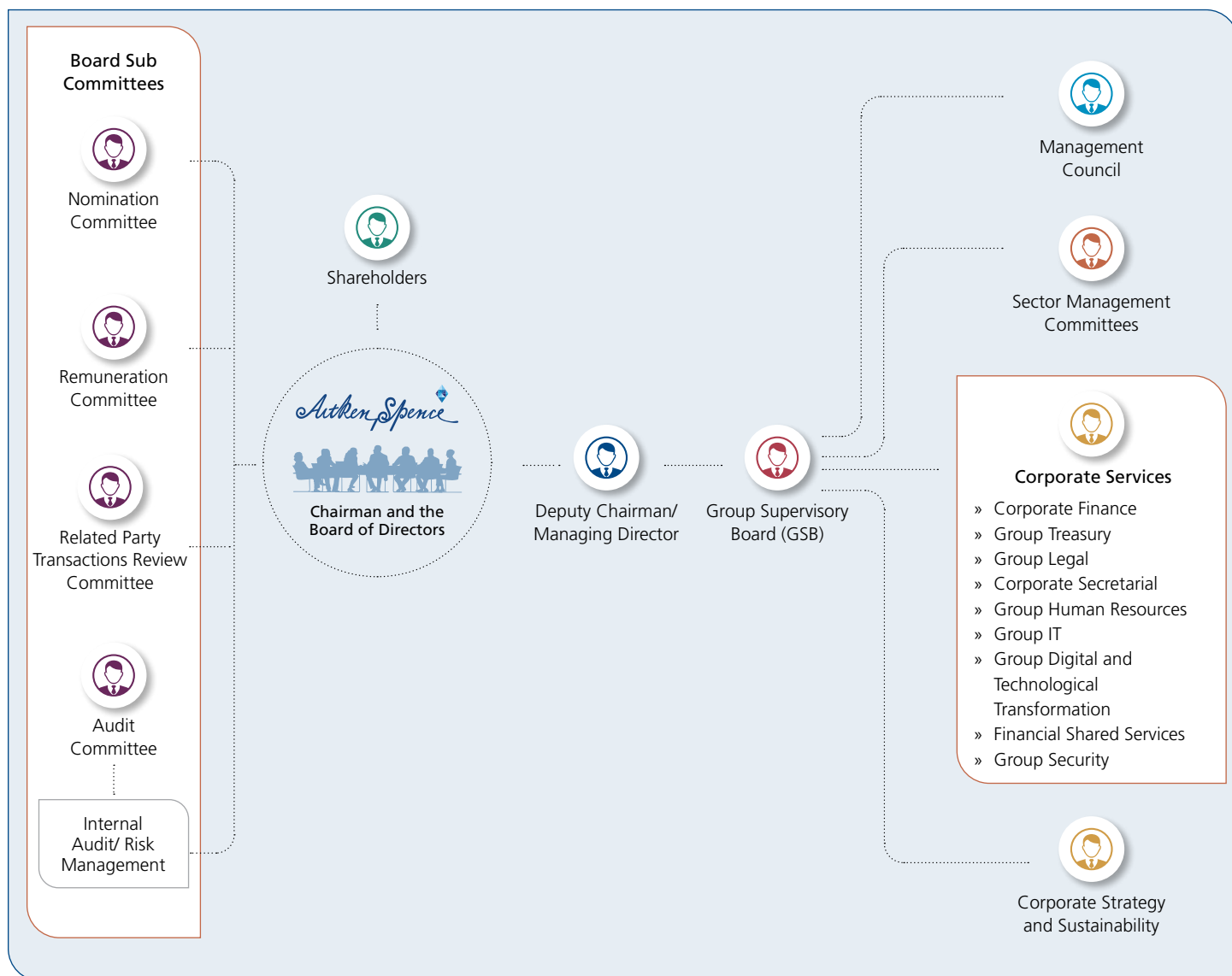
CORPORATE GOVERNANCE

Structures that Enable Value Creation

The importance of leadership and sound corporate governance has never been more important than at present as we navigate a path to socioeconomic recovery. Concern for stakeholders and social license is critical to creating and preserving value and we observed the perils of not balancing these with the available resources at a national level. A heritage of 153 years has coded these conservative principles and values into the DNA of the Group which sit comfortably alongside advancements in technology and evolution of social norms, guiding decision making at all levels. These values and principles are reinforced by a fit for purpose governance structure, policy framework and processes that facilitate balancing of stakeholder interests.

Governance Structure (GRI 2-9 a,b)

The Group has a tried and tested organisation structure that has evolved over the decades, changing in line with societal expectations and best practice to ensure that the Group can continue to create value for its stakeholders. The Governance structure of the Group is set out below.



Aitken Spence

115

Companies

5

Public Listed Companies

23

Overseas Companies

4

Sectors

Segregation of Key Roles (GRI 2-11)

Roles of Chairman and Deputy Chairman/Managing Director are segregated, strengthening Board balance ensuring principles of good corporate governance. Roles and responsibilities of the C-Suite are clearly defined by mandates and job descriptions and by which means authority is delegated and accountability is established.

Role of Chairman

- » Leading the Board, preserving good corporate governance and ensuring that the Board works effectively.
- » Setting the Board's annual work plan and the agendas.
- » Ensuring that the Board is in control of the affairs of the Company.
- » Ensuring effective participation of all Board members during Board meetings and ensuring efficient conduct of Board Meetings.
- » Building and maintaining stakeholder trust and confidence.

Role of the Deputy Chairman and Managing Director

- » Implementing strategy and driving performance.
- » Ensuring succession planning of the corporate management team and assessing their performance.
- » Developing the Company/Group strategy for consideration and approval by the Board in line with guidance provided by the Board.
- » Developing and recommending to the Board, budgets supporting the Company/Group long-term strategy.
- » Setting the Board agenda in consultation with the Chairman and assisted by the Company Secretaries.
- » Monitoring and reporting to the Board on the performance of the Company and its compliance with applicable laws and Corporate Governance principles.
- » Establishing an organisational structure for the Company which is appropriate for the execution of strategy.
- » Ensuring a culture that is based on the Company's values.
- » Ensuring that the Company operates within the approved risk appetite.

Role of the Company Secretaries

- » Ensuring the conduct of Board and General Meetings are in accordance with the Articles of Association and relevant legislation.
- » Maintaining statutory registers and the minutes of Board Meetings, General Meetings and of the Sub-Committee Meetings.
- » Prompt communication to regulators and shareholders.
- » Filing statutory returns and facilitating access to legal advice in consultation with the Board, where necessary.

All Directors have access to the advice and services of the Secretaries as necessary. The Secretaries maintain minutes of Board meetings, which are open for inspection by any Director. Appointment and removal of the Company Secretaries is a matter for the Board as a whole.

Key Responsibilities of the Board

(GRI 2-12)

- i. Providing direction and guidance to the Group in formulating and implementing the corporate strategies for value creation in short, medium and long terms and monitoring the implemented strategies.
- ii. Making decisions on Board appointments and evaluating Board performance including the performance of the Executive Chairman and the Deputy Chairman and ensuring succession planning and the continued ability of the Company to operate without any disruption.
- iii. Overseeing Company's financial performance and adopting appropriate accounting policies.
- iv. Ensuring that the Company adheres to the best practices in corporate governance including ethical business practices and compliance with rules, regulations, and internal policies of the Group including concerns on ethics, bribery and corruption.
- v. Establishing and overseeing systems of internal control and risk management to ensure that the Company has effective risk management systems in place to identify, assess and mitigate risks that could impact the Company's operations, finance or reputation.
- vi. Ensuring business is conducted with due consideration to Environmental, Social and Governance (ESG) factors.
- vii. Building and improving stakeholder relationships.
- viii. Reviewing and approving major acquisitions, disposals and capital expenditure.
- ix. Safeguarding assets and ensuring legitimate use.

CORPORATE GOVERNANCE

Composition (GRI 2-9 c)

The composition of the Board and its Sub Committees is critical as they collectively set the tone at the top for the entire Group. Profiles of the Board members are set out on pages 56 to 60 and their roles are set out below.

Table 01: Composition of the Board

Board of Directors	DoA (Month/Year)	Tenure on the Board	Membership Status		Board Sub-Committee Membership			
					AC	RPTRC	RC	NC
Deshamanya D.H.S. Jayawardena Executive Chairman	4/2000	>20	ED		-	-	BI	M
Ms. D.S.T. Jayawardena Director	12/2013	<15	ED		BI	BI	BI	-
Dr. M.P. Dissanayake Deputy Chairman and Managing Director	3/2019	<5	ED		BI	BI	BI	BI
Dr. R.M. Fernando Director	4/2005	<20	ED		-	-	-	-
Mr. J.M.S. Brito Director	4/2000	>20	NED	NID	M	M	M	M
Mr. R.N. Asirwatham Director	9/2009	<15	NED	ID	C	C	C	C
Mr. C.H. Gomez Director	5/2002	>20	NED	ID	M	M	M	-
Mr. N.J. de S. Deva Aditya Director	9/2006	<20	NED	ID	M	M	-	-
Mr. C.R. Jansz Director	2/2023	<5 Appointed 14.02.2023	NED	NID	-	-	-	-
Mr. M.A.N.S. Perera Director	4/2023	<5 Appointed 25.04.2023	NED	NID	-	-	-	-
Mr. M.A.N.S. Perera* Alternate Director to Mr. N.J.de S. Deva Aditya	1/2023	*Appointed 02.01.2023	Alternate Director		BI	BI	-	-
Mr. A.L. Gooneratne* Alternate Director to Mr. N.J.de S. Deva Aditya	5/2012	*Resigned 01.07.2022	Alternate Director		BI	BI	-	-
Mr. G.C. Wickremasinghe* Director	4/1972	>20 *Resigned 30.11.2022	NED	ID	M	M	C (Former)	C (Former)

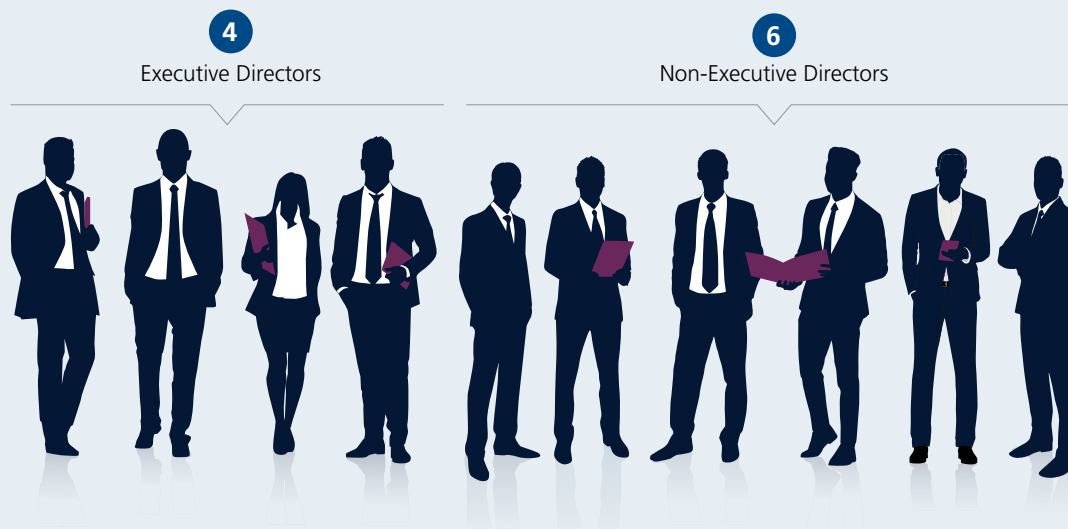
DoA - Date of Appointment ED - Executive Director NED - Non-Executive Director ID - Independent Director NID - Non-Independent Director

AC - Audit Committee RPTRC - Related Party Transactions Review Committee RC - Remuneration Committee NC - Nominations Committee

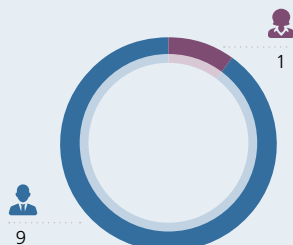
C - Chairman M - Member BI - By Invitation

Composition of the Board at the Time of Authorising this Annual Report

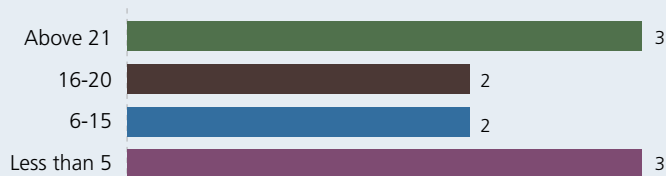
Executive and Non-Executive Directors



Board Gender Composition



Tenure on the Board



Board of Directors' Industry Background and Experiences



10



2



1



6



3



1



1

Independence of the Directors

There were three Independent Non-Executive Directors at the close of the financial year 2022/2023. Independence of Directors is determined by the Board, based on annual declarations submitted by the Non-Executive Directors, in compliance with the Listing Rules of the Colombo Stock Exchange (CSE) and also in line with schedule K of the Code of Best Practice on Corporate Governance.



Mr. R.N. Asirwatham

The Board is of the view that the period of service of Mr. R.N. Asirwatham as a Board Member, which exceeds nine years does not compromise his independence and objectivity in discharging his functions as a Director. Therefore, the Board determined that Mr. Asirwatham is 'independent' of Aitken Spence PLC as per the Listing Rules.



Mr. C.H. Gomez

The Board is of the view that the period of service of Mr. C.H. Gomez as a Board Member, which exceeds nine years does not compromise his independence and objectivity in discharging his functions as a Director. Therefore, the Board determined that Mr. Gomez is 'independent' of Aitken Spence PLC as per the Listing Rules.



Mr. N.J. de S. Deva Aditya

The period of service of Mr. N.J. de S. Deva Aditya as a Board Member exceeds nine years. Additionally, Mr. Deva Aditya is a Director of Melstacorp PLC, the parent company of Aitken Spence PLC, which holds a significant shareholding in the Company. However, his period of service and his office of Independent Non-Executive Director of Melstacorp PLC do not compromise his independence and objectivity in discharging his functions as a Director of the Company. Therefore, the Board determined that Mr. Deva Aditya is 'independent' of Aitken Spence PLC as per the Listing Rules.

Appointments and Succession

The Nomination Committee is delegated with the authority by the Board to review the structure and composition of the Boards of Aitken Spence PLC and its Group companies and make recommendations to the Board on all new Board appointments. This includes ensuring that the Boards have the knowledge, skills and experience required and is sufficiently diverse to provide different perspectives within the Board room. The Board considers the recommendations of the Nomination Committee and recommends suitable candidates for appointment, re-appointment, election or re-election as the case may be by the shareholders at the Annual General Meeting.

➔ Mr. C.R. Jansz was appointed as a Non-Independent Non-Executive Director at the Extraordinary General Meeting of the Company held on 14th February 2023 notwithstanding the fact that he has attained the age of 70 years as stipulated in Section 211 of the Companies Act No. 7 of 2007 (Companies Act). Mr. Jansz will be subjected to re-appointment by the Shareholders in terms of Section 211 of the Companies Act at the Annual General Meeting of the Company to be held on 30th June 2023.

➔ Mr. M.A.N.S. Perera was appointed as a Non-Independent Non-Executive Director of the Company with effect from 25th April 2023. Mr. Perera will be subjected to election by the Shareholders in terms of Article 90 of the Articles of Association of the Company, as a Director at the Annual General Meeting of the Company to be held on 30th June 2023.

The Board has the power to appoint Directors to fill any casual vacancy that may arise during the year. The Articles of Association of the Company require that Directors appointed in this manner hold office until the next Annual General Meeting and seek election by the shareholders at the said meeting ensuring shareholder participation in the election of Directors. The Board also has the power to approve the appointment of Alternate Directors to facilitate adequate deliberation of matters in case of absence of a Director.

In accordance with Articles of Association of the Company, 1/3 of Directors excluding the Chairman and the Managing Director retire from office at each Annual General Meeting. The Directors to retire every year shall be those who, being subject to retirement by rotation, have been the longest in office since their last election or appointment.

As required by the Listing Rules of the CSE, appointment of new Directors to the Board are promptly communicated to the CSE through announcements. The announcements typically include brief resumes of new Directors, relevant expertise, key appointments, shareholdings and status of independence.

The resignations of Directors need to be informed in writing by the Director and are communicated immediately to the CSE upon acceptance by the Board together with the relevant interest, if any, of the outgoing Director.

Board Subcommittees

The Board has delegated certain responsibilities requiring greater attention to four Board Subcommittees with oversight responsibility for same. This enables the Board to allocate sufficient time to matters reserved for its decision making, particularly execution of strategy and forward-looking agenda items, while ensuring delegated matters receive in-depth focus. The Committees, with the exception of the Nominations Committee, comprise of only Non-Executive Directors. Committee Chairmen are accountable for the effective functioning of the Committees and report regularly to the Board on Committee activities.

- ➔ Mr. A.L. Gooneratne resigned as an alternate Director to Mr. N.J. de S. Deva Aditya in the Board of Aitken Spence PLC with effect from 1st July 2022 and Mr. M.A.N.S Perera was appointed as an alternate Director to Mr. N.J. de S. Deva Aditya in the Board of Aitken Spence PLC with effect from 2nd January 2023.
- ➔ Mr. G.C. Wickremasinghe resigned from the Board of Aitken Spence PLC with effect from 30th November 2022.

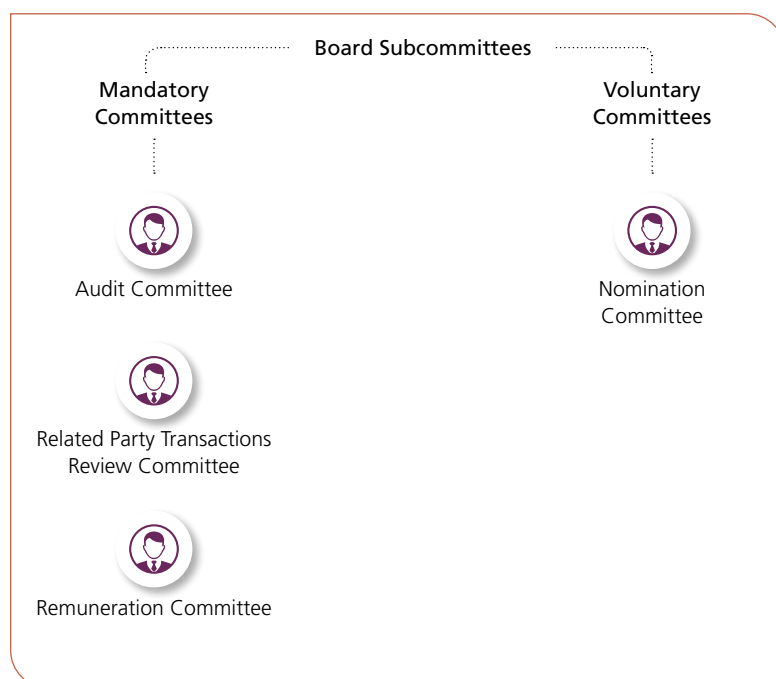


Table 02: Board Sub-Committees (GRI 2-9 a)

Board Committee	Composition	Areas of Oversight
Audit Committee Report of the Audit Committee is given on pages 102 to 104	Three Independent Non-Executive Directors (INED) including the Chairman of the Committee and one Non-Independent Non-Executive Director (NINED) <div> <div>INED 3</div> <div>NINED 1</div> </div>	<ul style="list-style-type: none"> » Risk management and internal control » Financial reporting and financial control » Internal audit » External audit including assessing the independence of External Auditors » Compliance with legal and regulatory requirements
Related Party Transactions Review Committee Committee Report of the Related Party Transactions Review Committee is given on pages 105 and 106	Three Independent Non-Executive Directors (INED) including the Chairman of the Committee and one Non-Independent Non-Executive Director (NINED) <div> <div>INED 3</div> <div>NINED 1</div> </div>	<ul style="list-style-type: none"> » Review all proposed Related Party Transactions and the post quarter confirmations in accordance with the requirements of the Listing Rules » Recommend appropriate actions for compliance in respect of proposed Related Party Transactions or post quarter confirmations as applicable » Annual Review of thresholds of transactions falling under the ambit of Section 9.3.2 of the Listing Rules based on the available Audited Financial Statements » Set out criteria to determine Key Management Personnel
Remuneration Committee Report of the Remuneration Committee is given on pages 100 and 101	Two Independent Non-Executive Directors (INED) including the Chairman of the Committee and one Non-Independent Non-Executive Director (NINED) <div> <div>INED 2</div> <div>NINED 1</div> </div>	<ul style="list-style-type: none"> » Determine the remuneration policy of the Directors and the Management Council » Determine the overall individual remuneration packages which includes compensation on termination of employment » Evaluate the performance of the Managing Directors, Executive Directors as well as the individual and collective performance of Directors and Senior Management of the Strategic Business Units
Nomination Committee Report of the Nomination Committee is given on pages 98 and 99	One Independent Non-Executive Director (INED) who is the Chairman of the Committee, one Non-Independent Non-Executive Director (NINED) and the Chairman of the Board (Executive Director) <div> <div>INED 1</div> <div>NINED 1</div> <div>CHAIRMAN 1</div> </div>	<ul style="list-style-type: none"> » Evaluate and recommend the appointment/re-appointment/election/re-election of Directors to the Board » Evaluate and recommend suitable internal and external candidates to higher levels of management » Succession planning

Executive Committees

The Board has set up three tiers of Executive Committees with oversight responsibility enabling efficient discharge of the executive functions of the Board.

Table 03: Executive Committees

Executive Committee	Composition	Areas of Oversight
Group Supervisory Board (GSB)	<ul style="list-style-type: none"> » Dr. M.P. Dissanayake (Deputy Chairman and Managing Director) » Dr. R.M. Fernando (Executive Director) » Ms. D.S.T. Jayawardena (Executive Director) » Ms. N. Sivapragasam (Chief Financial Officer) 	Formulates and oversees the execution of strategies within the policy framework set out by the Main Board
Management Council (MC)	<ul style="list-style-type: none"> » Managing Directors and Chief Executive Officers of the Sectors 	Executes strategies at operational level
Sector Management Committees (SMCs)	<ul style="list-style-type: none"> » Group Supervisory Board » Sectoral Managing Director/Chief Financial Officer of the Sector » Senior Sectoral Management Team » Selected Members from the Cross Functional Senior Management Team 	Monitors and reviews operations at sector level

A Framework for Governance (GRI 2-23, 2-24)

The governance framework has broadened in scope over the years, adapting to changing priorities as we moved beyond mere compliance with legal and regulatory requirements. The basis for the Group's policy framework is summarised below.

Governance Framework

 Mandatory Compliance	 Voluntary Adherence
<ul style="list-style-type: none"> » Companies Act No. 7 of 2007 » Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 (SLFRs/ LKASs) » Articles of Association » Continued Listing Requirements of the CSE » Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 » Inland Revenue Act No. 24 of 2017 » Foreign Exchange Act No. 12 of 2017 » Group Code of Ethics and Professional Conduct » Industrial laws » Personal Data Protection Act. No. 9 of 2022 	<ul style="list-style-type: none"> » Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants 2017 » Codes of regulatory authorities, professional institutions and Trade Associations » United Nations Global Compact (UNGC) » Global Reporting Initiative's (GRI) Universal Standards 2021 » Integrated Reporting Framework » Women's Empowerment Principles » Social and Environmental Certification Requirements » UN Guiding Principles on Business and Human Rights

CORPORATE GOVERNANCE

A Board approved policy framework and codes support compliance with regulatory and voluntary requirements. The policies are reviewed periodically as required and updated, amended, altered or removed as deemed appropriate.

➔ General Policies

Aitken Spence Group has adopted a suite of policies covering the following topics:

- » Parental Leave
- » Diversity and Inclusion
- » Grievance Handling
- » Sexual Harassment Prevention
- » Remote working

See Human Capital on pages 204 to 216 for more information.

➔ Sustainability Policy

A comprehensive Integrated Sustainability Policy enables the Board to understand and manage impacts of the organisation.

The policy and its implementation framework are overseen by an Executive Director who regularly updates the GSB on the progress.

See 'Managing Our Impacts' on pages 83 and 84 for more information.

➔ IT Governance

Aitken Spence is ISO/IEC 27001:2013 certified, the world's highest benchmark for information protection and security ensuring confidentiality, integrity and availability of information. The certification is a specification for an Information Security Management System (ISMS) and the Company has adopted 49 management policies under the said standards.

➔ Group Code of Ethics and Professional Conduct

Group Code of Ethics and Professional Conduct articulates the standards and expected behaviours of all employees and Directors. It is mandatory that all of them abide by the Group's Code of Ethics and Professional Conduct.

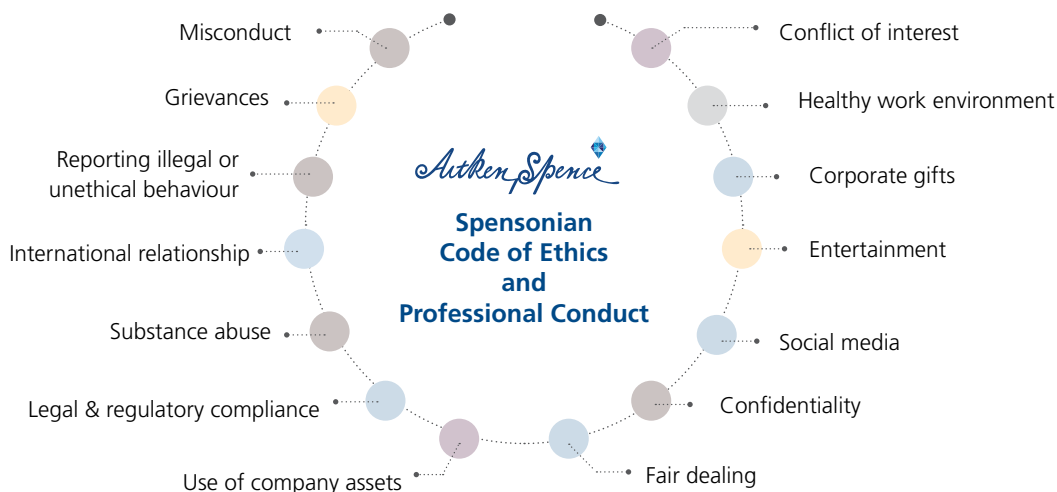
➔ Group Anti-Bribery and Anti-Corruption Policy

Introduced in year 2020, Group Anti-Bribery and Anti-Corruption Policy has been re-validated during the financial year 2022/2023. This policy is applicable and binding on all employees and Directors. It is also applicable to third parties dealing with the Group.

➔ Group Whistleblowing Policy

A Whistleblowing Policy is in place encouraging employees to speak up on matters concerning violations of the Group Code of Ethics and Professional Conduct or any other policy or any legal/regulatory requirement.

Group Code of Ethics and Professional Conduct



The Group is committed to conducting its business operations with integrity, professionalism and with respect to the rights and interests of all stakeholders. All employees and Directors abide by the Group Code of Ethics and Professional Conduct (Code) which embodies a strong set of corporate values and conduct. Its purpose is to preserve our values and our reputation for integrity and fair dealing which is a key strength of the Aitken Spence Group.

The Code is available on the intranet for information of all employees and is reinforced at all levels through training and structured communication. During the year, all employees were given access to review the Group Code of Ethics and Professional Conduct on the Group's online learning platform 'TARTAN'. The Board is not aware of any material violations of any of the provisions of the said Code by any Director or employee.

Anti-Corruption and Anti-Competitive Behaviours (GRI - 205)

The Company has zero tolerance for any form of bribery and corruption and will treat potential instances of bribery or corrupt behaviour as a threat to its integrity and reputation. Accordingly, all operations and activities are reviewed for risks related to corruption.

Binding on all Directors and Employees

Group's Anti-Bribery and Anti-Corruption Policy which was published by the Group Human Resources Division in consultation with the Group Supervisory Board is applicable to all Employees and Directors of the Group. Together with the Group's Code of Ethics and Professional Conduct and the Whistleblowing

Policy, this policy encourages all staff members to be ethical and accountable in their dealings. Every employee agrees to comply with the Group's Code of Ethics and Professional Conduct and the Group's Anti-Bribery and Anti-Corruption Policy, when accepting the terms and conditions of employment. All executives and above staff are required to complete a mandatory assessment on the above-mentioned policies, which is facilitated through "TARTAN" the Learning Management System of Aitken Spence Group. Hence, all employees are familiarised with the conditions of the Group's Anti-Bribery and Anti-Corruption Policy.

Binding on Third Parties

Third-party agents, consultants, distributors, subcontractors or any other third-party representatives acting for or on behalf of the Group are prohibited to make or accept any offers, payments, promises, etc. on behalf of the Group. Any and all payments made to third parties, including but not limited to commissions, compensations and reimbursements must be made as per the terms and conditions which have been entered into by the third-parties via a written document. Such payments should also be properly invoiced/receipted and accurately documented.

Reporting and Disciplinary Action

Employees who witness or have reason to believe that the Anti-Bribery and Anti-Corruption policy has been violated must immediately report such violations to their immediate supervisor, HR Partner of the Strategic Business Unit (SBU) or Managing Director. Concealing information pertinent to such violations may result in the inability of conducting a proper investigation into

the allegations. Employees who wilfully conceal information pertinent to instances of suspected corruption may also be subject to disciplinary action. The alleged violation will be reviewed and investigated and may lead to disciplinary action. Employees who report any suspected cases of corruption will be treated with confidentiality to the highest extent possible. The Group ensures that Employees will not be penalised for reports made in good faith.

Whistleblowing Policy (GRI 2-26)

The Group has put in place a Whistleblowing Policy to report, investigate and address any concerns in employee behaviour that are illegal in the workplace. The policy encourages employees to immediately report any suspected activities that are considered illegal. Such reports will be treated with the highest confidentiality and investigated by an independent custodian (ombudsman) appointed by the Management as per the Whistleblowing Policy. The policy ensures that those who raise genuine concerns under the Whistleblowing Policy are treated with the highest confidentiality and there is two-way communication with the whistleblower for any needed follow-up on the concern/s raised.

Effective Processes

Governance processes are vital for effective oversight and creating a culture that enables sustainable value creation within a defined framework that ensures compliance. The key processes are discussed below.

"The Aitken Spence Group operates in accordance with ethical guidelines and maintains a culture of integrity throughout its operations. The Group does not condone any form of bribery and/or corruption. The Group practices a zero-tolerance approach towards bribery and corruption in all its transactions. Further, the Group expects all employees, stakeholders and other third parties providing services to or on behalf of the Aitken Spence Group to refrain from engaging in any form of corruption."

Aitken Spence PLC - Group Anti-Bribery and Anti-Corruption Policy

CORPORATE GOVERNANCE

Induction and Director Learning

On appointment, Directors are taken through a formal and tailored induction programme coordinated by the Deputy Chairman and Managing Director, where they are apprised of the Group values and culture, its operating model, Group policies, governance framework and processes, Group's Code of Ethics and Professional Conduct and operational strategies of the Group. Directors are availed the opportunity to have one-on-one meetings with the management of each subsidiary, visit sites, factories, hotels where appropriate.

Presentations are made to the Board on new developments in corporate governance and the operating environment. In addition, Board members are encouraged to participate in seminars, webinars conducted by professional institutions to enhance their knowledge which would aid and assist the Directors in discharging their duties in a more effective and efficient manner. Directors undertake training and professional development as they consider necessary, in their personal capacity. Other training and continuous professional development undertaken include attending

seminars, workshops, conferences and reading regulatory updates etc.

Directors are sensitised about environmental and social priorities through targeted programmes, regular updates, and focused briefings. Moreover, several Main Board Directors and Managing Directors actively took part in accelerator programmes organised by the UN Global Compact, aimed at fast-tracking the achievement of the Sustainable Development Goals (SDGs).

Identifying and Managing Conflicts (GRI 2-15)

The Group has processes in place to identify and manage conflicts of interest which are listed below:

Directors' interest in transactions

All the Directors of the Company and its Subsidiaries are required to make the general disclosures annually as provided for in section 192(2) of the Companies Act. Note 40 to the Financial Statements dealing with related party disclosures includes details of their interests in transactions.

Directors' interests in shares

Directors of the Company and its subsidiaries who have relevant interests in the shares of the respective companies have disclosed their shareholdings and any acquisitions/disposals to their Boards, in compliance with section 200 of the Companies Act. Further, the relevant interests of each Director in the securities of the Company and any acquisition/disposals of same have been notified to the CSE in accordance with Section 7.8 of the Listing Rules and, accordingly, the relevant entries

have been made in the Company's Interests Register which has been maintained as required by the Companies Act.

Annual declarations on Independence

In compliance with the Listing Rules of the CSE and schedule K of the Code of Best Practice on Corporate Governance, Non-Executive Directors submit declarations annually confirming their independence or non-independence against the specified criteria given under section 7.10.4 of the Listing Rules of the CSE.

Disclosure of Interest in Related Party Transactions

Declarations from Key Management Personnel of Aitken Spence (Board of Directors of the Company, Directors, Vice Presidents and Assistant Vice Presidents of subsidiary companies) and from the Group companies are obtained quarterly

for the purpose of identifying proposed Related Party Transactions and post quarter confirmations of Related Party Transactions and to determine Related Party Transactions which ensures the compliance with the disclosure requirements of the Listing Rules of the CSE.























Related Party Transactions Review Committee

The Board has appointed a Related Party Transactions Review Committee comprising of three Independent Non-Executive Directors and a Non-Independent Non-Executive Director who meet quarterly to review Related Party Transactions during each quarter in line with the Continuing Listing Requirements of the CSE. The Committee met quarterly, and their report is given on pages 105 and 106.

Effective Board Meetings

The Deputy Chairman and the Managing Director suggests the agenda for Board Meetings together with the Company Secretaries which is reviewed and approved by the Chairman who presides over the meetings. Board papers are made available to the Directors one week prior to the meetings to facilitate review and clarification of matters to be discussed at the meetings. The Chairman ensures that all members of the Board are sufficiently briefed on matters and Senior Management is available for clarification as and when needed.

Table 04: Details of Directors' Attendance at Board Meetings held during the Financial Year 2022/2023

Name of the Director	DoA (Month/Year)	Meeting Date (DD/MM/YYYY) and Attendance							Overall Attendance
		02/06/2022	30/06/2022	03/09/2022	09/11/2022	09/03/2023	Mode of Participation		
Deshamanya D.H.S. Jayawardena Executive Chairman	4/2000	✓	✓	✓	✓	✓	 0	 5	5/5
Ms. D.S.T. Jayawardena Executive Director	12/2013	✓	✓	✓	✓	✓	 0	 5	5/5
Dr. M.P. Dissanayake Deputy Chairman and Managing Director	3/2019	✓	✓	✓	✓	✓	 5	 0	5/5
Dr. R.M. Fernando Executive Director	4/2005	✓	✓	✓	✓	✓	 4	 1	5/5
Mr. J.M.S. Brito Non-Independent Non-Executive Director	4/2000	✓	✓	✓	✓	✓	 1	 4	5/5
Mr. R.N. Asirwatham Independent Non-Executive Director	9/2009	✓	✓	✓	ex	✓	 3	 1	4/5
Mr. C.H. Gomez Independent Non-Executive Director	5/2002	✓	✓	✓	ex	✓	 0	 4	4/5
Mr. N.J. de S. Deva Aditya Independent Non-Executive Director	9/2006	✓	✓	✓	✓	✓	 1	 4	5/5
Mr. C.R. Jansz Non-Independent Non-Executive Director Appointed w.e.f. 14th February 2023	2/2023	N/A	N/A	N/A	N/A	✓	 0	 1	1/1
Mr. M.A.N.S. Perera Non-Independent Non-Executive Director Appointed w.e.f 25th April 2023	4/2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. M.A.N.S. Perera Appointed as an Alternate Director to Mr. N.J. de S. Deva Aditya w.e.f. 02nd January 2023	1/2023	N/A	N/A	N/A	N/A	✓	 0	 1	1/1
Mr. A.L. Gooneratne Resigned as an Alternate Director to Mr. N.J.de S. Deva Aditya w.e.f. 01st July 2022	5/2012	ex	ex	N/A	N/A	N/A	-	-	-
Mr. G.C. Wickremasinghe Independent Non-Executive Director Resigned w.e.f. 30th November 2022	4/1972	✓	✓	✓	✓	N/A	 4	 0	4/4

DoA - Date of Appointment  - In person participation  - Virtual Participation **ex** - Excused

Effective Stakeholder Engagement

(GRI 2-12 b,c)

The Group has a comprehensive stakeholder engagement process in place as set out on pages 36 and 37 and these processes enable the Group to understand the concerns of the various stakeholders. The need to increase Board's understanding of customer satisfaction in a uniform manner across the diverse segments of the Group led to the introduction of a new survey during the year, the 'SpenceWay Service Excellence' survey which was conducted across 14 segments with results provided to the Board, GSB, MC and SMCs. This was conducted by the HR Department in addition to the 'Voice of Spensonians' employee opinion survey conducted for employees.

Internal Controls

Standard Operating Procedures (SOPs) prepared by subsidiary companies in the Group are reviewed by the Internal Audit and all employees of the Group are required to adhere to the said SOPs. Deviations from SOPs are reported and suitable remedial action is agreed with the management. Serious deviations from SOPs are subject to further investigation and root cause analysis with appropriate disciplinary action initiated. Internal Audit Reports comprising of the audit findings, risk ratings and explanations given by the Management are reviewed by the Audit Committee who recommend further action to prevent or strengthen controls as deemed appropriate.

Performance Oversight


Performance is reviewed periodically by the GSB and the Board who consider performance vis a vis strategies, agreed budgets and targets encompassing both financial and non-financial performance. They receive sufficient explanations for over and under performance and deliberate on the need for strengthening resources allocated for the pursuit of critical strategic objectives.

Each subsidiary is managed by a group of Directors and the CEO's of these companies, which make up the Management Council who report to the Deputy Chairman and

Managing Director. Sectoral Management Committee meetings are held quarterly with the participation of the senior management team of the subsidiary, including senior management team of the corporate office who discuss in depth, the operational environment, risks, threats and strategy and the performance related issues. These meetings are headed by the Deputy Chairman and Managing Director or another Board Director.

Risk Management

The Board is responsible for setting in place a system to identify, measure, monitor and manage the principal risks of the Group and determining the level of risk it is willing to accept in relation to its strategic goals. This year, the Group implemented a centralised risk management process using a central Risk Register which will be updated regularly by the business segments to enable the preparation of a consolidated risk register for the Group. This also ensures that business segments take a holistic approach in identifying and assessing risks from a continuously updated risk universe and a common taxonomy and classification is followed, facilitating consolidation. Additionally, specialised central services such as HR and IT assess the specialised risks for the Group, ensuring that the risks capture issues related to subsidiaries as well through regular meetings with business segment heads. The Group Internal Audit division reviews the risk management processes and moderates same prior to reporting to the Board on Group risks.

 For more details, please refer to the Risk Management on pages 91 to 97 of this Annual Report.

Resource allocation

Any new investment/project is discussed with the GSB and evaluation is jointly carried out by the respective subsidiary as well as the Corporate Finance Team, who then present their observations on same to the GSB. Environment and social impacts are also analysed in addition to the financial evaluation. If approved, these are then presented to the Main Board.

Legal and Regulatory Compliance

All Chief Financial Officer's have to sign off on adherence to compliance with the SLFRS and tax regulations on a quarterly basis. Operational compliance is monitored by the SMCs who keep the Board informed regarding matters of concern identified. Additionally, Internal Audit also reviews compliance with regulatory and legal requirements and submit reports to the Audit Committee which convenes on a regular basis to discuss these reports. Any significant issues are further escalated to the main Board. Audit Committee signs off on an Internal Audit Plan for the year and may request for additional reviews as and when required.

Evaluation of Performance of the Board (GRI 2-18)

Performance of the Deputy Chairman and Managing Director and other Executive Directors are assessed at the end of each financial year against financial and non-financial objectives set out in consultation with the Board at the commencement of every financial year. The evaluation is carried out by the Chairman, against the backdrop of the operating environment. Remuneration is revised based on performance. Areas identified for improvement are communicated to the respective Director, including training needs and skills and knowledge gaps.

Managing Our Impacts (GRI 2-13)

Role of the Board in Managing Impacts (GRI 2-12 a)

The process to identify impacts and prioritise the most significant impacts is explained in the 'Determining Materiality' section of this Annual Report.

The Group has put in place a comprehensive policy framework and governance structure to ensure economic, social and environmental sustainability. This process is led by the Board with Executive Director, Dr. R.M. Fernando directly overseeing the implementation of the Group's sustainability strategy. Key decisions on impacts identified as significant and/or requiring significant resource allocation/changes to business models are reviewed at GSB level and are escalated to Board level where necessary.

All 16 segments of the Group have separate sustainability teams (Sustainability Sub-committees) that report to their respective Managing Directors and have the independence to enhance the benchmarks (Essential/Expected/ Exemplary Action Points) set across the Group. Over 600 team members across the Group handle diverse responsibilities, maintaining more than 140 diverse management systems for ESG.

Communication of Critical Concerns (GRI 2-16)

The Sustainability Sub-committees within the Group carry out internal inspections periodically to ensure sustainability practices are effective to achieve its objectives. The results of these inspections as well as routine impact assessments and stakeholder concerns are reviewed by management at least once a year to assess overall progress.

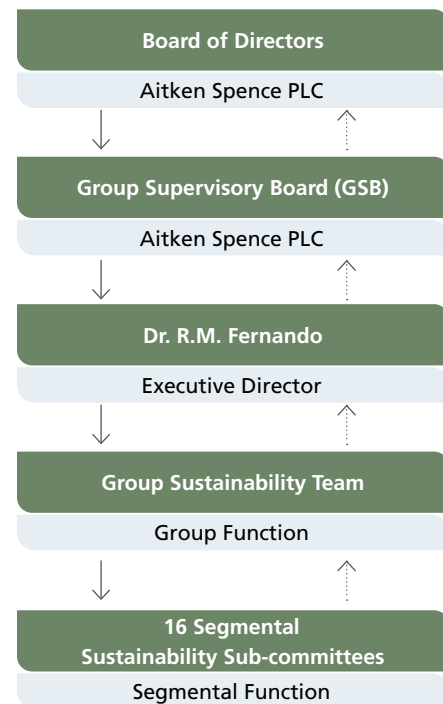
Accordingly, critical concerns are raised by each team to their Managing Directors (MDs) and through the MDs to the GSB and Main Board if required.

In addition, the Group's Sustainability Team meets monthly, convened by Dr. Fernando, Executive Director of Aitken Spence PLC. The team discusses progress and raises any issues/concerns directly with Dr. Fernando, who in turn reports on same to the GSB and to the Board of Directors for their information/direction on course of action to be pursued.

Role of the Highest Governance Body in Sustainability Reporting (GRI 2-14)

The Board approves all policies and initiative undertaken by the Group pertaining to economic, social and environmental sustainability and has appointed an Executive Director to oversee the implementation and execution of same together with the group sustainability division and team.

Sectoral Management Committees, the GSB and the Board receive regular reports on material matters and these form key inputs in driving performance management, strategy formulation and resource allocation.



— Dissemination of decisions and guidance for action
- - - - - Reporting

Our Commitment to Sustainable Development Goals

The Group studies local and global development priorities to determine areas of focus for business sustainability. Consequently, Aitken Spence has strategically aligned with seven sustainable development goals based on specific targets and indicators that correspond to our material matters or priorities.



For more details, please refer Synopsis: The Group's Alignment to the SDGs on pages 50 to 54 of this Annual Report.

Mitigating Our Impacts and Embedding Policy Commitments (GRI 2-24)

The Company has established an Integrated Sustainability Policy that encompasses 21 policy commitments. All segments specified in our reporting boundary adhere to the Group's Sustainability Policy, which provides guidance on necessary actions to ensure sustainability. To ensure the realisation of these commitments, each statement is reinforced by a corresponding action plan. These action plans are designed into a framework to provide flexibility to the Company's diverse segments, which may have distinct priorities. This structure is described below.



Integrated Sustainability Policy

For a detailed overview of our policy, please refer to
'Decoding our Integrated Approach to Sustainability'
on pages 387 to 393 of this Annual Report.

The Action Plan to Implement the Policy Commitments

Level 1:

Must Do

These are commonly applicable actions deemed 'Essential' for all segments to comply with, ensuring a minimum standard across the Group.

e.g: All segments must establish environmental management systems.

Level 2:

Should Do

These are 'Expected Actions' that are specified for segments based on the scale and nature of their operations.

e.g: Operations with potential impacts on biodiversity are expected to incorporate higher control measures in their Environmental Management Systems (EMS).

Level 3:

Could Do

These are 'Exemplary Actions' recommended to segments (optional) to champion a cause or give visibility to one.

e.g: Segments can opt to certify their management systems or take on projects to enhance value created.

These policy commitments aimed at promoting social and environmental sustainability are also met through the implementation of other policies, procedures, and best practices that fall within different operational structures of the Group. For instance, Human Resources governance structures fulfil the policy commitment 'P' to harness a motivated and dedicated workforce (Please refer to the 'Decoding our Integrated Approach to Sustainability' for a more detailed overview). This demonstrates the interconnectedness of policies and practices within the Group and how they work together to achieve common objectives.

Each segment also has its own unique strategies in place that are designed to meet the needs of these policies. Management systems aligned to global benchmarks and best practices play a crucial role in these strategies as it facilitates a systemic approach to identify and manage environmental and social impacts.

98 Management systems established for environmental impact control out of which 40 are certified

112 Management systems established for social impact control out of which 35 are certified for Occupational Health & Safety (OHS) and 42 are certified for quality/ product safety

Diversity and Inclusion

The Board is driving Diversity and Inclusion as a key priority over the next two years to increase female representation across all business segments in the Group. Accordingly, a comprehensive policy framework and implementation programme is being carried out with vigour and is more-fully described in the Human Capital on pages 205 and 215 of this Annual Report.

Remuneration (GRI 2-19, 2-20)

Director Remuneration

Director's and Key Management Personnel's (KMPs) remuneration is linked to sustainable value creation objectives in line with the Group's strategy and is based on clear performance targets that have adequate stretch and market benchmarking. The Remuneration Committee in consultation with the Chairman and Deputy Chairman and Managing Director is responsible for making recommendations to the Board regarding the remuneration of the Executive Directors and KMPs. For further information, please refer Remuneration Committee Report on pages 100 and 101 of this Annual Report.

The Board as a whole determines the remuneration of the Non-Executive Directors (NED's). NEDs are remunerated based on their attendance at Board and/or Committee meetings. Remuneration for NEDs reflects the time commitment and responsibilities of their role, taking into consideration market practices. They do not receive any performance related incentive payments. Professional advice is sought by the Board and Remuneration Committee in discharging their responsibilities.

Level and Make Up of Remuneration


The Remuneration packages are designed to attract eminent professionals as Executive Directors with the requisite skills and experience. Remuneration is structured taking into consideration performance and risk factors entailed in the job and aligned to corporate and individual performance.

Remuneration of Executive Directors are compliant with the provisions of Schedule E of the Code of Best Practice on Corporate Governance 2017, issued by the Institute of Chartered Accountants of Sri Lanka and comprises two components, fixed remuneration and variable remuneration including of an annual performance bonus. No special early termination clauses are included in the contract of employment of Executive Directors that would entitle them to extra compensation. However, such compensation, if any, would be determined by the Board of Directors.

Employee Remuneration Policies

Aitken Spence's remuneration policy is designed to incentivise employees in creating long-term value for the Group and aligning their interests with the Group's strategic direction. This policy ensures effective utilisation of Group resources and a continued focus on sustainability, growth, and long-term value. The Group has established policies to ensure that remuneration and benefits are fair, transparent, competitive, and cost-effective, while also aligning with the Group's business goals. The implementation of this policy is overseen by the Group Chief Human Resource Officer.

A total reward philosophy is maintained within the Group, encompassing both monetary and non-monetary rewards. In order to position the group as an employer of choice, new rewards have been introduced to provide staff with a unique value proposition.

 For more details, please refer to Human Capital on pages 204 to 216 of this Annual Report.

Accountability and Audit

The Audit Committee assists the Board in discharge of its responsibilities relating to the financial reporting and the audit of the same. The Audit Committee reviews internal audit reports and risk management reports that are submitted to them regularly. This Committee is also responsible for determining the adequacy of risk management and internal control. Further details of activities are set out on the

Employee remuneration was a key area of focus during the year with pay increases awarded to non-executive staff to support them through the economic crisis. Additionally, non-recurrent support to the extent of Rs. 104.5 Million was distributed to them as well. All staff were given increments to adjust to a higher cost of living.

Audit Committee Report on pages 102 to 104 of this Annual Report.

Shareholder Communications

Shareholder Communications are managed by the Company Secretarial division. While the Annual General Meeting (AGM) is the main platform, Shareholders also have the opportunity to ask questions, comment or make suggestions to the Board through the Company Secretaries. All significant issues and concerns of shareholders are referred to the Board with the views of the Management. Shareholder queries are responded to by the Company Secretaries for an on behalf of the Management. Opportunity is also provided to address the Board directly at AGMs.

The Board approves the quarterly Financial Statements for dissemination to shareholders through the CSE in a timely manner. All other price sensitive information such as major acquisitions or disposals and share transaction dealings are also notified promptly to the CSE.

Building Digital Resilience (GRI 418)

Aitken Spence PLC's emphasis on Internet of Things (IoT) and cybersecurity aligns with the increasing trend of digital transformation and the necessity for businesses to adjust to the ever-changing technological environment. Our investment in these areas underscores our commitment to innovation and our efforts to safeguard our businesses against cyber threats. The Board has the ultimate responsibility for establishing the required infrastructure, organisational structures, policies, and

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procedures for effective governance over our digital infrastructure, systems, and information assets.

Aitken Spence has upheld its certification for the internationally recognised ISO/IEC 27001:2013 Information Security Standards since 2014. The certification is a testament of our conformance to the highest information systems practices and protocols in accordance with global standards. The certification supports the Company in identifying the risks to the security of information. Identified risks will be evaluated and proper measures are taken by the Group IT Services team to mitigate or minimise the threats. The Board of Directors shall be regularly updated regarding the controls in place to mitigate cyber risks, and on possible cyber risks that the Company is exposed to by the Group IT Services team which also reports more frequently to the Management Council and the Group Supervisory Board.

Given the emergence of regulations such as European Union General Data Protection Regulation (GDPR) and the Sri Lankan Personal Data Protection Act No. 9 of 2022 (PDPA), Aitken Spence Group has given its utmost attention to data security, integrity and information management. Though the Group is yet to specifically adopt measures catering to PDPA, it has put in place the policies, procedures and frameworks such as ISO/IEC 27001/2013 Information Security Standards to ensure data security, integrity and information management.

Further, Aitken Spence Group has implemented robust Data Loss and Prevention

policies (DLP) associated with all platforms and dual layers of security in preventing any breaches of information security. Additionally, the application platforms used by the Group have the embedded platforms to comply with the international standards of information protection such as GDPR. With the implementation of the Semi Virtual Mobility programme, the Group has implemented a remote working policy which required employees to take necessary steps to protect Company data and any other information that is accessible from their home office. The policy outlines the best practices for remote working and provides guidelines for maintaining a secure work environment.



For more details, please refer to Intellectual Capital on pages 217 to 224 of this Annual Report.



The Compliance levels with the Code of Best Practice on Corporate Governance 2017, issued by the Institute of Chartered Accountants of Sri Lanka are available on Company's website at <https://aitkenspence.com/corporate-governance/corporate-governance-report>



Table 05: Compliance with the Companies Act No. 7 of 2007

Section	Requirement	Further reference	Compliance Status
168 (1)(a)	Any change during the accounting period in the nature of business of the Company or any of its subsidiaries and the classes of business in which the Company has an interest	Refer Annual Report of the Board of Directors of this Annual Report	Complied
168 (1) (b)	Financial Statements of the Company and the Group for the accounting period completed and signed	Refer Financial Statements and Annual Report of the Board of Directors of this Annual Report	Complied
168 (1) (c)	Auditors Report on Financial Statements of the Company and the Group	Refer Financial Statements of this Annual Report	Complied
168 (1) (d)	Change of accounting policies during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Complied
168 (1) (e)	Particulars of entries in the interest register made during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Complied
168 (1) (f)	Remuneration and other benefits paid to the Directors during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Complied
168 (1) (g)	Total amount of donations made by the Company and the Group during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Complied
168 (1) (h)	Directorate of the Company and the Group as at the end of accounting period along with the changes occurred during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Complied
168 (1) (i)	Amounts payable to the Auditors as audit fees and fees payable for other related services provided by them	Refer Annual Report of the Board of Directors of this Annual Report	Complied
168 (1) (j)	Relationship or interest of the Auditors with the Company or any of its subsidiaries	Refer Annual Report of the Board of Directors of this Annual Report	Complied
168 (1) (k)	Annual Report of the Board of Directors signed on behalf of the Board	Refer Annual Report of the Board of Directors of this Annual Report	Complied

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Table 06: Compliance with the Continuing Listing Requirements - Section 7.6 on the Contents of Annual Report Issued by the Colombo Stock Exchange

Section	Requirement	Nature of Compliance by Aitken Spence PLC	Compliance Status
7.6 i)	Names of Directors of the entity	Refer Corporate Information of this Annual Report	Complied
7.6 ii)	Principal activities of the entity and its subsidiaries during the year under review	Refer Annual Report of the Board of Directors and the Group Directorate of this Annual Report	Complied
7.6 iii)	20 largest holders of voting and non-voting shares and the percentage of shares	Refer Investor Information of this Annual Report	Complied
7.6 iv)	The float adjusted market capitalisation, Public Holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement	Refer Investor Information of this Annual Report	Complied
7.6 v)	Directors and CEO's holding in shares of the entity at the beginning and end of reporting year	Refer Investor Information of this Annual Report	Complied
7.6 vi)	Information pertaining to material foreseeable risk factors	Refer Risk Management of this Annual Report	Complied
7.6 vii)	Details of material issues pertaining to employees and industrial relations	Refer Human Capital of this Annual Report	Complied
7.6 viii)	Extents, locations, valuations and the number of buildings of the entity's land holdings and investment properties	Refer Note 15.3 and 16.3 to the Financial Statements of this Annual Report	Complied
7.6 ix)	Number of shares representing the stated capital	Refer Investor Information of this Annual Report	Complied
7.6 x)	Distribution schedule of the number of holders and the percentage of their total holding	Refer Investor Information of this Annual Report	Complied
7.6 xi)	Ratios and market price information	Refer Investor Information of this Annual Report	Complied
7.6 xii)	Significant changes in the entity's or its subsidiaries fixed assets and the market value of land	Refer Note 15 and 16 to the Financial Statements of this Annual Report	Complied
7.6 xiii)	Funds, (if any) raised either through a public issue, rights issue and private placement	The Company had no public issue, rights issue or private placement during the year under review	N/A
7.6 xiv)	Employee share option/purchase schemes	The Company had no share option/purchase schemes made available to its Directors or employees during the year under review	N/A
7.6 xv)	Corporate Governance Disclosures	Refer Corporate Governance Report of this Annual Report	Complied
7.6 xvi)	Related Party Transactions	Refer Note 40 to the Financial Statements and the declaration of the Board of Directors embodied in the Annual Report of the Board of Directors of this Annual Report	Complied

Table 07: Compliance with the Continuing Listing Requirements - Section 7.10 on Corporate Governance Rules for listed Companies Issued by the Colombo Stock Exchange

Section	Requirement	Disclosure	Compliance Status
7.10	Compliance with Corporate Governance Rules	Refer Corporate Governance Report and the Annual Report of the Board of Directors of this Annual Report	Complied
7.10.1(a)	Non-Executive Directors (NED) » At least two or one third of the Directors, whichever is higher, should be Non- Executive Directors	Refer 'Composition' in the Corporate Governance Report of this Annual Report	Complied
7.10.2(a)	Independent Directors » Two or one-third of Non-Executive Directors, whichever is higher, should be independent	Refer 'Independence of the Directors' in the Corporate Governance Report of this Annual Report	Complied
7.10.2(b)	Independence of Directors » Each Non-Executive Director should submit a declaration of Independence/ Non-Independence	Refer 'Independence of the Directors' in the Corporate Governance Report of this Annual Report	Complied
7.10.3(a)	Independence of Directors » The Board shall make a determination annually as to the Independence or Non-Independence of each Non-Executive Director Disclosure relating to Directors » The names of Directors determined to be independent should be disclosed in the Annual Report	Refer 'Independence of the Directors' in the Corporate Governance Report of this Annual Report	Complied
7.10.3(b)	Criteria not met by the Non-Executive Directors and basis for determining independence	Refer 'Independence of the Directors' in the Corporate Governance Report of this Annual Report	Complied
7.10.3(c)	Disclosure relating to Directors » A brief resume of each Director should be included in the Annual Report including the Director's areas of expertise.	Refer 'Board profiles' of the Directors of this Annual Report	Complied
7.10.3(d)	Appointment of new Directors » Provide a brief resume of any new Director appointed to the Board	Refer 'Appointment and Succession' in the Corporate Governance Report of this Annual Report	Complied
7.10.5	Remuneration Committee » A listed company shall have a Remuneration Committee	Refer Remuneration Committee Report of this Annual Report	Complied
7.10.5(a)	Composition of Remuneration Committee » Shall comprise of Non-Executive Directors, a majority of whom shall be Independent	Refer Remuneration Committee Report of this Annual Report	Complied
7.10.5(b)	Functions of Remuneration Committee » The Remuneration Committee shall recommend the remuneration of the Chief Executive Officer and the Executive Directors	Refer Remuneration Committee Report of this Annual Report	Complied

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Section	Requirement	Disclosure	Compliance Status
7.10.5(c)	Disclosure in the Annual Report relating to Remuneration The Annual Report should set out; a. Names of the Directors comprising the Remuneration Committee b. Statement of Remuneration policy c. Aggregate remuneration paid to Executive and Non-Executive Directors	Refer Remuneration Committee Report and Note 9 to the Financial statements of this Annual Report	Complied
7.10.6	Audit Committee » A listed company shall have an Audit Committee	Refer Audit Committee Report of this Annual Report	Complied
7.10.6(a)	Composition of Audit Committee » Shall comprise of Non-Executive Directors, a majority of whom are Independent » Chief Executive Officer and the Chief Financial Officer should attend Audit Committee Meetings » The Chairman of the Audit Committee or one member should be a member of a professional accounting body	Refer Audit Committee Report of this Annual Report	Complied
7.10.6(b)	Functions of the Audit Committee	Refer Audit Committee Report of this Annual Report	Complied
7.10.6(c)	Disclosure in the Annual Report relating to Audit Committee a. Names of the Directors comprising the Audit Committee b. The Audit Committee shall make a determination of the independence of the Auditors and disclose the basis for such determination c. The Annual Report shall contain a Report of the Audit Committee in the prescribed manner	Refer Audit Committee Report of this Annual Report	Complied
9.3.2	Related Party Transactions Review Committee a. Details pertaining to Non-Recurrent Related Party Transactions b. Details pertaining to Recurrent Related Party Transactions c. Report of the Related Party Transactions Review Committee d. Declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to Related Party Transactions, or a negative statement otherwise	Refer Related Party Transactions Review Committee Report and the Annual Report of the Board of Directors of this Annual Report	Complied