



POLICY ON CONTROL AND MANAGEMENT
OF COMPANY ASSETS AND
SHAREHOLDER INVESTMENTS
OF
LANKA MILK FOODS(CWE) PLC

Lanka Milk Food (CWE) PLC (“LMF”)

Statement on Control and Management of Group’s Assets and Shareholder Investments

Introduction

The role of the Board of Directors ("Board") is to provide entrepreneurial leadership to LMF ("Company") and its subsidiaries (collectively, the "Group"), supported by a framework of prudent and effective controls that safeguard the Group’s assets and shareholder investments. The purpose of this policy is to establish comprehensive guidelines and procedures aimed at safeguarding and protecting the Group's assets and shareholder investments, ensuring responsible and ethical management practices for sustained corporate growth and stakeholder confidence. This policy outlines the standards and requirements for the Group in protecting its assets

Protection and Proper Use of the Assets of the Group

All Directors and employees of the Group are responsible for safeguarding the Group's assets and ensuring their efficient use. To facilitate this, several measures and tools are in place, including asset registers, periodic physical verifications, risk mitigation strategies such as insurance, and other security measures to prevent loss, damage, or theft.

The responsibility to protect Group assets also extends to proprietary and confidential information, including intellectual property generated by employees or contractors. Unauthorized use or distribution of such information may result in disciplinary actions, including termination and potential legal consequences. Confidentiality obligations remain in effect even after employment ends. Any suspected fraud or theft must be reported via given channels for investigations. The Group is committed to fostering a culture of awareness regarding the importance of asset protection and responsible usage.

IT Equipment and Information Systems

The Group ensures that its IT equipment, resources, and intellectual property, including software, are used exclusively for business-related activities. All IT resources, including information stored or processed, remain the property of the Group or the respective company within the Group. Strict security and IT controls are in place, in compliance with established security protocols. Additionally, adherence to intellectual property laws is strictly enforced.

Reserves and Investments

The Group has established a comprehensive framework to guide its investment strategies, ensuring alignment with financial goals and risk tolerance through rigorous due diligence to optimize shareholder returns.

Profits are distributed to shareholders, considering planned capital expenditures, growth opportunities, and market uncertainties. Dividends will be paid as determined by the Board, in accordance with Section 56 of the Companies Act and the Articles.

Governance and Review

This Policy is governed by the Governance & Nomination Committee. To maintain its effectiveness and ensure compliance with regulatory requirements and governance standards, the Committee will oversee its implementation, conduct periodic reviews, and propose any necessary amendments to the Board for final approval.