



POLICY ON CORPORATE DISCLOSURES



Merchant Bank of Sri Lanka & Finance PLC

**POLICY ON CORPORATE
DISCLOSURES**

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1. Purpose

Merchant Bank of Sri Lanka & Finance PLC (the Company) has implemented this Corporate Disclosure Policy in line with the requirements of the Directions of the Central Bank of Sri Lanka and the Listing Rules of the Colombo Stock Exchange (CSE). The purpose of this policy is to ensure the adherence to the rules enlisted in Section 8 of the Listing Rules and that the company maintains transparency and upholds the integrity of financial and non-financial disclosures, in compliance with applicable laws and regulations, while maintaining shareholder trust and protecting sensitive business information.

2. Scope

This policy applies to all directors, officers, and employees responsible for preparing, reviewing, and approving disclosures, including financial reports, press releases, and any other material statements intended for shareholders, investors, regulatory authorities, or the public.

3. Key Principles

- **Transparency:** All disclosures must be accurate, complete, and made in a timely manner.
- **Compliance:** The Company must comply with all relevant regulatory requirements and standards, including those set by securities commissions, stock exchanges, and other authorities.
- **Consistency:** Disclosure practices should follow a consistent format, ensuring clarity and comparability over time.
- **Materiality:** Only material information (that which a reasonable investor would consider important in making an investment decision) must be disclosed promptly.

4. Types of Disclosures

- **Financial Disclosures:** Annual and interim financial statements, management's discussion and analysis (MD&A), earnings releases, and any other regulatory filings.
- **Non-Financial Disclosures:** Information on corporate governance, sustainability (ESG), Credit Rating Reports, practices and performance.
- **Ad-Hoc Disclosures:** Any significant developments that could affect the company's financial performance or market value (e.g., mergers, acquisitions, major contracts).

5. Roles and Responsibilities

- **Board of Directors:** Review and approve corporate disclosure policy.
- **CEO:** Ensures adequate systems are in place to manage disclosures as required by laws and regulations.
- **CFO:** Certify the accuracy of financial reports and disclosures in compliance with regulatory requirements.
- **Compliance Team:** Ensures compliance with disclosure laws and advises on risks related to non-compliance.
- **Company Secretary:** Manages communications with shareholders and investors, ensuring timely and accurate dissemination of material information after obtaining

approval from the Board. Ensures compliance with continuing listing & other regulatory requirements.

6. Disclosure Process

- **Review and Approval:** All disclosures must be reviewed and approved by the the Board of Directors or by a person authorized by the Board.
- **Timing of Disclosures:** Disclosures should be made promptly, particularly in the case of material information, ensuring compliance with stock exchange rules on timely disclosure.
- **Medium of Disclosure:** Disclosures will be made through appropriate channels, including press releases, company websites, regulatory filings, and other media as required.

7. Confidentiality and Insider Information

- **Confidential Information:** No disclosures shall be made regarding any confidential or non-public information unless required by law.
- **Insider Trading:** Employees must not trade on the basis of material, non-public information, and must follow the company's Share Trading Policy.

8. Non-Compliance and Reporting

Any breach of this policy may lead to disciplinary action, including termination of employment or legal action. All non-compliance issues should be reported to the Compliance or Legal team immediately.

9. Policy Review and Continuous Improvement

The Disclosure Policy should be reviewed annually and as and when necessary from the first date of adoption.
