

SATHOSA MOTORS PLC



**Policy on Internal Code of Business Conduct
and Ethics for all Directors and employee,
including policies on trading in the Entity's
listed securities**

**Sathosa Motors PLC
25, Vauxhall Street, Colombo 02**

30TH SEPTEMBER 2024

Code of Business Conduct and Ethics Policy Statement – SML

1. Introduction

SML is committed to upholding the highest standards of ethical behaviour. The Company fosters an ethical culture, led by shareholders, directors, and management, and adopted by all employees, ensuring integrity in all actions and decisions.

2. Conflicts of Interest

Directors and employees must avoid conflicts of interest, which arise when personal interests interfere with the ability to perform work objectively. Conflicts include benefiting personally from company-related decisions or relationships. The Company has a policy to identify, disclose, and resolve conflicts of interest following the appropriate procedures.

3. Fair and Transparent Procurement Practices

Employees authorized to procure goods or services must follow the Company's procurement policies strictly, ensuring that all processes are fair, transparent, and well-documented.

4. Accurate Accounting and Record-Keeping

Directors and employees must comply with all legal and regulatory accounting requirements. They are responsible for managing business records in accordance with the Company's records management policies.

5. Corporate Opportunities

Directors, key management personnel, and employees are prohibited from exploiting corporate property, information, or position for personal gain or competing with the Company. They are obligated to prioritize the Company's legitimate interests.

6. Confidentiality

Confidentiality of information entrusted by the Company, its customers, suppliers, or stakeholders must be maintained, unless authorized or legally mandated. Confidential information includes non-public data that could harm the Company or its stakeholders if disclosed.

7. Fair Dealing

All personnel must conduct business fairly, avoiding taking advantage through manipulation, concealment, or misrepresentation. Employees should treat customers, suppliers, competitors, and colleagues with fairness and respect.

8. Protection and Proper Use of Company Assets

Company assets must be protected and used efficiently for legitimate business purposes. Directors, key management, and employees are responsible for avoiding theft, carelessness, and waste, which directly impact profitability.

9. Compliance with Laws, Rules, Regulations, and Insider Trading

SML promotes strict adherence to laws, including insider trading regulations. Those in possession of material, non-public information must refrain from trading in SML securities and from disclosing such information to others.

10. Illegal or Unethical Behaviour

Employees are encouraged to seek guidance on ethical dilemmas and report any violations of laws or regulations. SML ensures that no retaliation occurs for reports made in good faith.

11. Entertainment and Gifts

Soliciting entertainment or gifts from external parties is prohibited. Offering or accepting business gifts is allowed only with prior approval, provided they are modest, appropriate, and comply with applicable laws.

12. Whistleblowing

Employees are encouraged to report unethical behaviour or violations through confidential reporting mechanisms, as outlined in the Whistleblowing Policy.

13. Approval, Revision & Dissemination of the Policy

This policy will be reviewed periodically by the Nominations and Corporate Governance Committee and approved by the Board of Directors. The Company Secretary will ensure all revisions are communicated to the directors and made publicly available according to CSE Listing Rules.

PASSED BY THE BOARD OF DIRECTORS THROUGH A CIRCULATED RESOLUTION ON 30TH SEPTEMBER 2024