

Policy on Asset and Shareholder Investment Control for Ceylon Hospitals PLC

1. Purpose

The purpose of this Asset and Shareholder Investment Control Policy is to establish a framework for the management, protection and oversight of Ceylon Hospitals PLC's assets and shareholder investments. This policy aims to ensure the responsible stewardship of resources and the safeguarding of shareholder interests.

2. Asset Management

Inventory and Classification:

Ceylon Hospitals PLC will maintain an inventory of all assets, including but not limited to property, equipment, intellectual property, and financial instruments. Assets will be classified and their value regularly assessed.

Asset Acquisition:

All acquisitions of assets must be authorised and documented. The procurement process will adhere to established policies and procedures, ensuring transparency, fairness, and compliance with applicable laws and regulations.

Use and Maintenance:

Assets will be used for legitimate business purposes only. Regular maintenance schedules and protocols will be established to ensure the longevity and optimal performance of assets.

Disposal:

Assets that are no longer required will be disposed of responsibly. Disposal methods will comply with environmental regulations, and proceeds, if any, will be appropriately accounted for.

3. Financial Investments

The Ceylon Hospitals PLC may invest in the following categories and any other types of investments as approved by the Board.

- Government Securities, Bonds and Repurchase Agreements (REPOs)
- Deposits with Licensed Commercial Banks
- Unit Trust
- Equity Investments
- Money Market Accounts at Commercial Banks

3.2 Investment Approvals

Investments should be approved by the Board of Directors of the Ceylon Hospitals PLC.

3.3 Investment Management

Fiduciary Responsibility:

Ceylon Hospitals PLC acknowledges its fiduciary responsibility to shareholders. Investments will be managed with prudence, diligence and in accordance with applicable laws and regulations.

Diversification:

Ceylon Hospitals PLC will pursue a diversified investment strategy to manage risk and enhance the overall performance of the investment portfolio.

Due Diligence:

Before making any significant investment decisions, thorough due diligence will be conducted. This includes an assessment of potential risks, returns and alignment with Ceylon Hospitals PLC's strategic objectives.

Reporting to Shareholders:

Shareholders will be provided with "Quarterly Financial Statements" and the annual report. Any material price sensitivity information will be reported as required by the CSE regulations.

4. Mergers and Acquisition of Subsidiaries and Associates

Ceylon Hospitals PLC Board and senior management shall always take due care and diligence to ensure that the investments in acquisition, creation and merging of entities are in the best interest of Ceylon Hospitals PLC's shareholders.

5. Internal Controls**Segregation of Duties:**

Internal controls will be established to ensure the segregation of duties related to asset management and investment decisions. This includes checks and balances to prevent conflicts of interest.

Approval Processes:

Clearly defined approval processes will be in place for significant asset acquisitions and investment decisions. These processes will involve multiple layers of review and approval.

Record Keeping:

Accurate and detailed records of all asset transactions and investment decisions will be maintained. These records will be subject to regular internal and external audits.

6. Risk Management**Risk Assessment:**

Regular risk assessments will be conducted for both assets and investments. Identified risks will be evaluated and strategies will be implemented to mitigate, transfer, or accept risks based on Ceylon Hospitals PLC's risk appetite.

Insurance:

Adequate insurance coverage will be maintained to protect against potential risks to assets. Ceylon Hospitals PLC will assess the need for additional insurance coverage based on changes in the asset portfolio.

7. Compliance:

Legal and Regulatory Compliance:

All asset management and investment activities will comply with applicable laws and regulations. Ceylon Hospitals PLC will stay informed about changes in legislation and adjust its practices accordingly.

8. Communication

Transparency:

Shareholders will be provided with clear and understandable information about the performance of their investments through “Quarterly financial statements”, annual report and any other disclosures required by CSE listing rules.

Shareholders will have opportunities to engage with Ceylon Hospitals PLC at the annual general meetings and extra ordinary general meetings.

9. Review and Updates

Periodic Review:

This policy will be subject to periodic reviews to ensure its continued relevance and effectiveness. Updates will be made as necessary to reflect changes in Ceylon Hospitals PLC’s goals, industry standards, or regulatory requirements.