



Policy on Corporate Disclosure

Version – 2.0

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3			

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1.0 Purpose

This policy has been introduced to establish guidelines for Sarvodaya Development Finance PLC (hereinafter referred as “SDF” or the “Company”) for communications by the Company, including the release of material information about the Company to the general public, media, customers, shareholders, potential investors, and all other stakeholders.

2.0 Scope

This policy applies to all levels of SDF personnel with respect to all information regarding the Company (general, confidential, or material) in whatever form or means that is shared between the all internal and external customers and all the stake holders of the Company.

3.0 Objectives

- Ensure disclosure of information where necessary and/or appropriate, in a timely, consistent, and accurate manner.
- Provide guidelines for the Broad on dissemination of material information pursuant to all applicable legal requirements;
- Prevent the improper use or premature disclosure of confidential material information;
- Provide direction for all SDF personnel in the appropriate treatment of confidential and routine Company information.

The Company has an obligation to ensure that all material information which is directly/indirectly related to the business affairs of the Company is disclosed to the public in an appropriate and responsible manner. This policy will assist the Company in satisfying the objectives stated above, and assign the responsibilities of its correct implementation and ensure diligent adherence to the stated policies and procedures.

4.0 Definitions

- a) **SDF Personnel** – any person employed by the Company, as well as members of the Board of Directors of the Company.
- b) **SDF Securities** – all securities issued by the Company from time-to-time and CBSL Regulations related to Communications (Direction, etc.).
- c) **Confidential Material Information**- material information not widely disseminated within or external to the Company which, if disclosed, could be unduly detrimental to the Company's interests. For example, immediate disclosure might interfere with the Company's pursuit of a specific objective or strategy, with ongoing negotiations, or with its ability to complete a transaction.
- d) **Material Information**- any information relating to the business and affairs of the Company that when publicly released would significantly affect, or could reasonably be expected to have a significant effect, on the market price or value of SDF securities (or the securities of other reporting issuers with which SDF may be conducting confidential negotiations). Material information includes both material facts and material changes
- e) **Material Change**- a change in the business, operations, or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company, and includes a decision to implement such a change made by the Board of Directors or by Senior Management who believe that confirmation of the decision by the Board of Directors is probable.
- f) **Material Fact**- where used in relation to securities issued, or proposed to be issued, means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of such securities.
- g) **General and Routine Information**- information that would not otherwise be classified as material information described above, and which is not otherwise required to be kept confidential because of privacy laws.

5.0 Disclosure of Information

The Company is committed for timely, accurate, and complete disclosure of information in an appropriate manner. The Company recognizes that it must meet the disclosure expectations of all the external stakeholders and the continuous disclosure obligations prescribed by the regulators including Colombo Stock Exchange (“CSE” or “Exchange”) under the Listing Rules. During the normal course of business, the Company will make all financial information submissions as required by legislation. This includes, but is not limited to, quarterly and annual financial statements, annual reports, and announcements/news releases. The Company considers these documents as material information.

It is important to ensure that selective disclosure of material information does not occur. Thus, up to such time as it is broadly disclosed to the investing public, material information will be considered as confidential material information.

Material information includes both material changes and material facts.

A. Confidential Material Information

Confidential material information of the Company is subject to strict confidentiality restrictions and duly care must be taken to ensure these information is used only for the approved business purposes of the Company. Access to confidential material information is restricted to authorized persons who should be aware of their confidentiality obligations and who have signed confidentiality agreements where required by the Company.

At all times, confidential material information should;

- Be identified as such;
- Be stored in locked cabinets to which access is restricted;
- Be removed promptly from meeting rooms at the conclusion of meetings;
- Be subject to secure limited access of electronically stored computer information;
- Not be discussed in places where the discussion may be overheard; and
- Not be copied unnecessarily or discarded where others can easily retrieve it.

B. Material Changes

Material changes in the business are required by law to be immediately broadly disclosed by the Company once the change has occurred. Material changes initiated by the Company are considered to have ‘occurred’ once the decision has been made to implement them. This includes any and all significant Company changes that potentially impact the perceived or real value of the Company, such as purchases or modification of major assets and future plans.

CSE Listing Rules permits a company to delay disclosure of a material change and to keep it confidential temporarily where immediate release of the information would be unduly detrimental to that company’s interests. For example, immediate disclosure might interfere with the company’s pursuit of specific objective or strategy, with ongoing negotiations, or with its ability to complete a transaction. If the harm to the company’s business from disclosure outweighs the general benefit to the market of immediate disclosure, withholding disclosure is justified. In such cases the company may withhold public disclosure, but it must make a confidential filing with the securities regulators.

The CEO is the authority to decide whether or not information constitutes a material change, subject to Board approval where necessary. Prior to withholding disclosure of material change, the CEO will consult Legal, Risk Management and Compliance Divisions for concurrence and to ensure that all the legal, regulatory, Risk & Compliance and administrative requirements of applicable legislation/rules/policies /guidelines are met. In the absence of CEO, the COO and Head of Finance together are authorized to attend to the above, only if the nature of such change is urgent and it is unable to be withheld till CEO’s return.

Material changes will be broadly disclosed by way of a news release. Unfavorable news will be disclosed just as promptly and completely as favorable news. The news released will contain enough detail to enable the media and investors to understand the substance and importance of the change being disclosed.

CSE Listing Rules requires that when a material change occurs, a material change report will be filed as soon as practicable as and no later than two days after the change occurred. The Company Secretary will ensure required material change reports are filed in accordance with Listing Rules .

Until such time as public disclosure is complete, in order to prevent selective disclosure, material changes will be considered confidential material information.

C. Material Facts

If the Company chooses to disclose a material fact, it will be broadly disclosed.

Until such time as public disclosure is complete, in order to prevent selective disclosure, material facts will be considered confidential material information.

Please note that tipping and insider trading provisions apply to both material facts and material changes.

D. Materiality Determination

There is no simple standard or test for determining materiality of information. When assessing whether any particular matter should be disclosed, a number of factors need to be considered, including the nature of the information disclosed, the impact of it on SDF securities, and prevailing market positioning and reputation.

5.1 Corporate Disclosure Requirements as Per The CSE Listing Rules (Rules No.8 & 9)

A) Immediate Disclosure of Price Sensitive Information

- i) SDF shall make immediate disclosure of all price sensitive information to the Exchange in order to ensure the maintenance of a fair and orderly securities market.
- ii) For the purposes of this 'Price Sensitive Information' in relation to listed Securities of SDF is a reference to information which;
 - Relates to specific matters relating to or of concern (directly or indirectly) to the SDF and;

- Is not generally known to those persons who are accustomed or would be likely to deal in those listed Securities but which would if it were generally known to them be likely to affect materially the price of the listed Security.

B) Announcements to the Exchange

- i) Disclosure of price sensitive information should be made by way of an announcement and such announcement shall be uploaded to the website of the Exchange by the person/s authorized by SDF for such purpose, in accordance with the procedure set out by the Exchange from time to time.
- ii) Such announcement shall be in writing, and shall be signed by the Authorized Officer (Company Secretary) of SDF.

C) Corporate Governance Requirements

- i) SDF shall disclose the fact of existence of the specified policies together with the details relating to the implementation of such policies by SDF on its Website.
- ii) SDF shall disclose in its Annual Report;
 - The list of policies that are in place in conformity C i) above, with reference to its Website.
 - Details pertaining to any changes to policies adopted by SDF in compliance with Ci) above.
 - A Statement that the Directors and CEO of SDF satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of Exchange.
 - Any non-compliance/s by a Director and/or CEO of SDF with the Fit and Proper Assessment Criteria set out in these Rules during the Financial Year and the remedial action taken by SDF to rectify such non-compliance/s.
 - Reports of Board Nomination & Remuneration Committee, Board Audit Committee, Related Party Transactions Review Committee and Board Integrated Risk Management Committee.
 - A signed explanatory disclosure demonstrating the effectiveness of duties of Senior Independent Director
 - The following information relating to the Directors of SDF;

- Name, qualifications and brief profile
 - The nature of his/her expertise in relevant functional areas
 - Whether either the Director or Close Family members has any material business relationships with other Directors of SDF
 - The total number of Directorships and/or Key Management Personnel positions held by the Directors of SDF (in listed and unlisted), the names of the Companies in which they hold such positions and the functional capacity in such positions
 - Number of Board meetings/Board Sub Committee meetings attended during the financial year
 - Name/s of the Board Sub Committee/s in which the Directors serve as a member/Chairperson
- Any other Additional Disclosures as specified in the Listing Rules of CSE.

6.0 Media Relations, Public Comments, and Designated Spokesperson

A. Media Relations

All media relations activities are coordinated by the Marketing Department.

Unless otherwise, authorized by the Board of Directors, public interactions, media relations activities and Media Interviews are restricted only to the Chief Executive Officer(CEO). In addition, the Chairman of the Board of Directors is the primary spokesperson for the Company on matters of Corporate Governance.

The CEO can nominate/authorize any of the management staff to make a specific disclosure and such employee is bound to limit such disclosure to the specific authority given by the CEO.

B. Roles and Responsibilities of the Designated Spokesperson

The designated spokesperson has a duty to speak truthfully and openly to the best of his/her knowledge regarding the Company, subject to the disclosure restrictions as discussed in the previous section. He or she should always protect the Company's interest and SDF brand image and staff.

C. Public Comments at Industry Conferences

SDF staff who are invited to represent the Company making speeches, presentations etc. to external customers/ stakeholders, inclusive of industry groups, conferences, or public meetings, as a part of their normal area of responsibility, should receive the approval of the CEO prior to accepting of such invitations.

Should such an opportunity be pursued, the roles and responsibilities of the designated spokesperson stipulated above will apply.

D. Public Statements of Personal Opinion

SDF personnel should refrain from making public statements of personal opinion regarding the Company and from presenting a personal opinion regarding SDF as a fact.

E. Duty of Loyalty

Common law (i.e. Roman Dutch Law) imposes on all employees, the fiduciary duties of confidentiality and loyalty to one's employer, obligating employees not to compete with their employer, and prohibiting them from disclosing or using their employer's confidential material information to the employer's detriment.

In the broadest sense, the Company extends this responsibility to each and every person employed by the Company, and requires all employees to act with good faith, honesty, and loyalty, and to avoid placing their own personal interests above those of the Company.

7.0 Release of Information

A. Principles of Material Information Disclosure

When releasing material information, the Company will adhere to the following:

- Where a determination has been made to disclose material information, such material information will immediately be broadly disclosed to the public via CSE Announcements/news releases;

- Disclosure must include any information the omission of which would make the rest of the disclosure misleading;
- Unfavorable material information must be disclosed as promptly and completely as favorable information;
- Disclosure on the Company's website does not by itself constitute adequate disclosure of material information;
- No selective disclosure. Confidential material information must not be disclosed to selected individuals (for example, in an interview with an analyst or in a telephone conversation with a significant investor); and
- Disclosure must be corrected if the Company subsequently learns that earlier disclosure by the Company contained a material error at the time it was given.

The Company Secretary will ensure that all required information is filed in accordance with legislation. This includes ensuring approvals (CEO, Board of Directors, as applicable) have been obtained.

B. Unintentional Selective Disclosure

If confidential material information has been inadvertently disclosed to an analyst or any other person not bound by a confidentiality obligation, such information must be broadly disclosed immediately via news release. Upon becoming aware of an unintentional selective disclosure, SDF personnel are required to advise the CEO of the circumstances.

C. News Releases

News releases containing material information will be issued as soon as practicable via a news wire service that provides simultaneous national distribution. In addition, the news release will be transmitted to major and local media (as appropriate) in Sri Lanka, as well as being posted on the Company's website.

The Marketing Department is responsible for the appropriate dissemination of information to the media, with prior approval of the CEO.

D. Routine Information Requests

Enquires from the public for general and routine information can be answered by the appropriate employee/manager if the information requested is contained in records/publications previously released for public distribution.

Enquiries from the public should not be answered if the enquiry is re-grading Company activities that constitute confidential material information. If such an enquiry is made, the employee/manager will respectfully decline the request as containing confidential or proprietary information.

E. The Use of Forecasts and Other Forward-Looking Information

Forecasts and /or other forward-looking information should only be released with caution. All forward-looking information must contain a statement that the information is forward-looking, a description of the factors that may cause actual results to differ materially from the forward looking information, all material assumptions and appropriate risk disclosure, and cautionary language. Release of such forecasts and forward - looking information must first be approved by the CEO. Where necessary CEO will take prior approval of the Board or seek covering approval as appropriate.

F. Responding to Rumors

In general, no comment will be made in response to rumors/petitions or speculation regarding the Company.

G. Electronic Communication and the Corporate Website

All communications, including electronic communications, must comply with legislation. This includes email, the internet, and the intranet. Proper precaution should be taken when using electronic communications to discuss confidential material information.

Head of Finance is responsible for monitoring financial information on the Company's website and for updating the investor relations section of the website. Any financial information on the Company's website will include a notice that advises the reader that the

information posted was accurate at the time of posting, but may be superseded by subsequent events. All financial information posted on the website, including text and audiovisual material, which must be audited and published, will show the date that such material was prepared or posted. Financial information posted on the website will be kept current. No unaudited financial data must be posted on the website.

Any links from the Company's website to a third party website should, include a notice that advises the reader that he or she is leaving the Company's website and that the Company is not responsible for the contents of the other site.

Disclosure on the Company's website does not by itself constitute adequate public disclosure of information that is considered material information. Any disclosures of previously confidential material information on the Company's website must be preceded by a news release.

H. Internet Discussion Forums, Chat Rooms, Bulletin Boards, and Electronic Mail

Due to the immediacy of electronic information, SDF personnel are precluded from participating in discussions about the Company on internet discussion forums, chat rooms, or bulletin boards. SDF personnel must not, at any time, discuss confidential material information. Posting on official SDF social media forums by SDF personnel is restricted to authorized staff and IT employees with prior approval of CEO.

I. Quiet Periods or Blackouts

From time-to-time, quiet periods or blackouts, which will generally relate to periods before financial results are disseminated to the public and during a distribution of SDF securities, may be prescribed. During this time, communications are limited to commenting on publicly available or non-material information.

8.0 Reporting Significant Events

A. Legal Actions, Deaths, and Unusual Incidents

The CEO and other Senior Officers of the Company must be immediately informed of all deaths and unusual incidents involving the Company. The Head of Legal and Company Secretary must be immediately informed of all legal/corporate related actions involving the Company.

B. Information to the Board of Directors

Information to the Board of Directors, as a whole or to individual Board members, must be disseminated through or with the approval of the Company Secretary.

9.0 Investor Relations

All investor relations activities are coordinated by the investor relations representative, Head of Finance. Investor relations activities are generally limited to;

- CEO
- Head of Finance

All communications must comply with legislation and other sections of this policy. Prior to external release of investor relations communications materials, Head of Finance will ensure approvals (Board of Directors, CEO, Company Secretary and External Auditors as applicable) have been obtained.

Opportunities for other SDF personnel to speak to investors should be pre-arranged in consultation with CEO.

A. General Dealings with the Investment Community

Disclosure in individual or group meetings does not constitute adequate public disclosure of material information. If the Company intends to announce previously confidential material

information at an analyst or shareholder meeting, a press conference, or conference call, the announcement must be preceded by CSE Announcements/news release.

The Company will provide only non-material information through individual and group meetings, in addition to previously disclosed material information. Upon request, the Company will provide the same sort of detailed, non-material information to individual investors or reporters that it has provided to analysts and institutional investors.

Where practicable, spokespersons will keep notes of telephone conversations with analysts and investors, and more than one Company representative will be present at all individual and group meetings. Spokespersons should consult the CEO or his nominee if questions arise concerning the selective disclosure of previously confidential material information.

B. Conference Call/Meetings with Investors

Neither the Company, nor any designated member of staff, will disseminate financial information to third parties via conference calls without first consulting the Legal department for acceptable procedures, including appropriate preceding news release, opening mandatory cautionary language with regard to forward-looking statements, required tape recordings and access to such tape recordings, and subsequent debriefing to ensure no selective disclosure occurred.

C. Procedures for Reviewing Briefings and Discussions with Analysts, Institutional Investors, and Other Market Professionals

Head of Finance will review briefings and attend discussions with analysts, institutional investors, and other market professionals only if prior approval of CEO is received for same. Consistency in messages and disclosure will be upheld. The Company will endeavor to prevent selective disclosure. Wherever practicable, statements and responses to anticipated questions will be scripted or discussed in advance with the CEO.

Analysts' reports are proprietary products of the analysts' firm. Re-circulating a report may be viewed as an endorsement by the Company of such report. For this reason, the Company should not provide analysts' reports through any means to persons outside the Company. The

Company may provide a complete list of firms and analysts known to provide coverage on the Company.

10. Consequences for Non-Compliance with This Policy

- SDF personnel will be advised of this policy and its importance.
- SDF personnel are responsible for reading, understanding, and complying with this policy.
- There is no circumstance in which any law or regulation should be disregarded in the conduct of the Company's business.
- Failure to comply with this policy may result in disciplinary action, up to and including termination of employment with the Company.
- The violation of this policy may also violate certain laws. If the Company discovers that laws have been violated by SDF personnel, it may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines, or imprisonment.

11.0 Annual Review of Policy

SDF will review and update, if necessary, this policy on an annual basis or as needed to ensure compliance with changing regulatory requirements.