



Policy on Control and Management of Company Assets and Shareholder Investments

Hikkaduwa Beach Resort PLC



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HIKKADUWA BEACH RESORT PLC
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HIKKADUWA BEACH RESORT PLC: Policy on Control and Management of Company Assets and Shareholder Investments

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1 Introduction

This policy outlines the principles, guidelines, and procedures to ensure the responsible stewardship of Company assets and shareholder investments. All directors and employees of Hikkaduwa Beach Resort PLC (hereinafter referred to as the Company) are responsible for the protection and responsible use of Company assets.

2 Management of Company Assets

- A. All directors and all employees should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability.
- B. All Company assets should be used for legitimate business purposes.
- C. Effective internal controls shall be implemented to safeguard Company funds and assets against unauthorized use, fraud, or mismanagement.
- D. The Company will comply with all relevant laws and regulations related to the management and protection of company assets.
- E. A fixed asset register with all the assets shall be maintained and will be physically counted annually. All assets above Rs 10 Million shall be fully insured against natural disaster and theft.
- F. Deeds relating Property and Buildings, fixed deposit certificates, share certificates, assignment of treasury bills etc., must be kept in fireproof safes to safeguard the documents. Registers of documents in the safes must be maintained, facilitating recording of the movement of such items.
- G. Where the Company Assets include intellectual property such as patents, licenses and similar documented assets, the Company shall maintain a register for recording Intellectual Property with dates of expiry or renewal as appropriate.

3 Shareholder Investments

- A. The Company will establish guidelines for investing shareholder funds, ensuring that investments align with the Company's long-term financial objectives and risk tolerance.
- B. Prudent investment practices will be followed in diversifying investments to mitigate risks and maximize shareholder returns.
- C. Conflict of Interest will be avoided by not directly/indirectly investing in the Company shares.

4 Approval, Revision & Dissemination of the Policy

- A. The policy should be revised as deemed necessary, particularly in the event of changes in law and authoritative sources of best practice in corporate governance.

- B. The Audit Committee is responsible for the initial review and recommendations to the Board and may obtain the services of the Company Secretary and Management in this regard.
- C. The policy shall be approved by the Board of Directors and signed by the Chairman.
- D. Upon revision of the policy, the Company Secretary will ensure that:
 - a) all directors are informed of the revisions
 - b) the policy is updated on the website of the Company in accordance with CSE Listing Rules