

POLICY ON CORPORATE DISCLOSURES



ROYAL CERAMICS LANKA PLC

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POLICY ON CORPORATE DISCLOSURES

1. OVERVIEW

The Board of Directors of the Company has adopted this Policy in conformity with the Listing Rules to set forth requirements that enable public shareholders and any other external stakeholders to be fully informed of all material information pertaining to the Company and have access to the latest information available to extent relevant, utilizing electronic communication where practicable, in a timely manner.

2. DEFINITIONS

The following words and expressions shall have the respective meanings given against each such word unless such meanings are inconsistent with or repugnant to the subject or context:

“**Articles**” mean the articles of association of the Company, as amended from time to time;

“**Board**” means the board of Directors of the Company;

“**Chairperson**” means the chairperson of the Board as elected by the Directors, from time to time;

“**Companies Act**” means the Companies Act No. 07 of 2007 as amended from time to time;

“**Company**” means Royal Ceramics Lanka PLC;

“**Company Secretary**” means the secretary of the Company referred to in section 221 of the Companies Act;

“**Director**” or “**Directors**” means a director or the directors (as the case may be) for the time being of the Company, including where the context so requires or admits alternate directors, and the directors assembled at a Board meeting;

“**Employee**” or “**Employees**” means a person or persons employed by the Company including executive and non-executive staff;

“**Executive Director**” means means a Director who is employed by, and/or is otherwise engaged in the day-to-day management of the business of the Company in an executive capacity;

“**MD**” means the Managing Director of the Company;

“**Policy**” means this policy on corporate disclosures;

“**Shareholder**” shall have the same meaning as defined in section 86 of the Companies Act.

“**Senior Management**” means the Head of Department and above ranked employees.

3. PURPOSE

The purpose of this Policy is to establish consistent disclosure practices aimed at ensuring informative and timely disclosure of the Company’s material information to public shareholders and any external stakeholders.

4. SCOPE

This Policy applies to the Company and covers all Directors, Senior Management and other Employees to the extent applicable.

5. DISCLOSURE OF MATERIAL INFORMATION

5.1 The Company shall ensure timely and accurate disclosure of material information in compliance with the applicable laws and regulations including the Companies Act and the Listing Rules.

5.2 In complying with section 5.1 above, the Company shall ensure that:

- (i) all disclosed information is factual, complete and not misleading;
- (ii) information is disclosed promptly to ensure timely dissemination; and
- (iii) disclosures are consistent with previous communication and other available information, to the extent applicable.

5.3 The Company Secretary will ensure the timely disclosure of material information that is determined by the Board to be material and require disclosure in terms of the Listing Rules. All disclosures will be reviewed and approved by the MD or any other member of the Senior Management authorised by the MD to ensure accuracy, consistency and compliance.

5.4 All Directors and Employees are required to maintain confidentiality of material information until they are disclosed to the public in accordance with this Policy. There shall not be any selective disclosure of material price sensitive information to any person whomsoever, other than in the manner and to the extent permitted by the Listing Rules.

- 5.5 Shareholders and investors may at any time direct their general inquiries in relation to the Company and its activities in accordance with the Company's Policy on Relations with Shareholders and Investors.

6. CORPORATE COMMUNICATIONS

- 6.1 Corporate disclosures/communications, including notices of general meetings and the Company's annual reports shall be sent to Shareholders by post, courier and/or electronic mail to the extent permitted in the Articles and as opted by the shareholder and/or made available to the shareholders on the Company's website. If Annual Reports are made available for download on the Company's website, on receipt of a written request from a shareholder, printed copies should be made available to the shareholder within the time stipulated under the Listing Rules..
- 6.2 The Company shall not comment on rumours or speculation. If required to do so due to a significant volatility in the price of the Company's shares, the Board shall consider the matter and make a recommendation to the management as to the nature and context of any response.
- 6.3 Unless authorized by the Board, only the Chairperson and any other Executive Directors or Finance Director are authorized to make public statements, initiate contact or respond to analysts or the media on behalf of the Company. The Board may at any time delegate this authority to any officer of the Company or the Company Secretary. Any other Director/Employee who are approached by analysts, media or any other member of the public, to comment on the business/affairs of the Company, must refer such inquiries to the Board and immediately notify the Board that the approach was made.

7. REVIEW AND MONITORING

- 7.1 The Nominations and Governance Committee of the Company will from time to time review this Policy, monitor its implementation to ensure continued effectiveness and compliance with regulatory requirements and good corporate governance practice and shall make recommendations on any proposed revisions or amendments as may be required to the Board for its review and final approval.
- 7.2 Upon the Board's approval, the said revision or amendment shall be deemed to be effective and shall form part of this Policy.
- 7.3 This Policy is to be read in conjunction with the Articles and other relevant Company policies, including:

- (i) Policy on Corporate Governance, Nominations and Re-election;
- (ii) Policy on Internal Code of Business Conduct and Ethics for all Directors and Employees (including policies on trading in the Company's listed securities);
- (iii) Policy on Control and Management of Company Assets and Shareholder Investments; and
- (iv) Policy on Relations with Shareholders and Investors.