

Table of Content

1	Introduction	03
2	Objectives	03
3	Scope	04
4	Definitions	04
5	Responsibilities	05
5.1	Board of Directors	05
5.2	Audit Committee	05
5.3	Executive Committee and Senior Management	05
5.4	Asset Custodians	06
5.5	Finance and Audit Teams	06
5.6	Company Personnel	06
6	Policy Statements	06
6.1	Management of Company Assets	07
6.2	Management of Shareholder Investments	07
7	Internal Controls and Audits	08
8	Compliance and Reporting	08
9	Whistleblower System	08
10	Training	09
11	Monitoring and Review	09
12	Consequences of Non-Compliance	09
13	Related Policies and Procedures	09

Name of the Document: - Policy On Control And Management Of Company Assets And Shareholder Investments		Document Number: - LH/POLICY/LEGAL/03		Page: - 01 of 09
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance		Reviewed by: - Group Chief Executive Officer/Executive Committee/Audit Committee		Approved by: - Board of Directors

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives.



LH/POLICY/LEGAL/03

POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND SHAREHOLDER INVESTMENTS

1. Introduction

We, The Lanka Hospitals Corporation Plc and Lanka Hospitals Diagnostics (Private) Limited are committed to upholding the highest standards of financial stewardship, corporate governance, and transparency in the control and management of company assets and shareholder investments. As a healthcare institution listed on the Colombo Stock Exchange (CSE), this policy is designed to comply with the regulatory requirements set out by the CSE, including the Listing Rules and other relevant corporate governance best practices.

This policy aims to safeguard the Company's assets, ensure prudent management of shareholder investments, and foster accountability and transparency in line with the CSE's Listing Rules. By maintaining robust internal controls, risk management practices, and ethical conduct, we seek to mitigate financial risks, enhance operational efficiency, and support our mission of providing superior healthcare services to our community.

Through continuous adherence to this policy, we are committed to ensuring that all assets are utilized efficiently, responsibly, and transparently and that shareholder investments are protected and managed to maximize value while mitigating risks, ensuring regulatory compliance, and contributing to the long-term success and reputation of the Company. This policy is an integral part of our broader commitment to corporate governance and value creation, providing a clear framework for managing company resources effectively.

2. Objectives

The primary objectives of this policy are:

- To ensure the protection and efficient management of all Company Assets owned or controlled by the Company, thereby supporting the Company's ability to provide high-quality healthcare services.
- To establish a structured approach for the acquisition, maintenance, and disposal of assets in a manner that maximizes their operational value, enhances service delivery, and supports long-term financial sustainability.
- To responsibly manage shareholder investments in compliance with the CSE Listing Rules, ensuring that the Company's capital and resources are used to generate sustainable returns while maintaining transparency and accountability to investors.
- To comply with all relevant laws, regulations, and listing requirements set forth by the CSE and Securities and Exchange Commission of Sri Lanka including those relating to corporate

Name of the Document: - Policy On Control And Management Of Company Assets And Shareholder Investments		Document Number: - LH/POLICY/LEGAL/03		Page: - 02 of 09
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance		Reviewed by: - Group Chief Executive Officer/Executive Committee/Audit Committee		Approved by: - Board of Directors

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives.



LH/POLICY/LEGAL/03

POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND SHAREHOLDER INVESTMENTS

governance, financial reporting, and asset management, to maintain the Company's status as a trusted and compliant publicly listed entity.

- e) To mitigate risks associated with the management of assets and shareholder investments by implementing robust internal controls, conducting regular audits, and adhering to best practices in corporate governance and financial management.
- f) To promote transparency in asset management and investment decisions, ensuring that all financial and operational activities related to the control of assets and shareholder investments are conducted with integrity, and that clear communication is maintained with all stakeholders, including shareholders, auditors, and regulatory authorities.

3. Scope

This policy applies to all Company Personnel. It covers all tangible and intangible assets of the Company including its fully owned subsidiary, Lanka Hospitals Diagnostics (Private) Limited (to the extent applicable), as well as the investments made by shareholders.

The direct responsibility lies with all departments, personnel, and stakeholders involved in the management, control, and oversight of company assets and shareholder investments. It shall serve as a reference for external auditors, regulatory authorities, and shareholders to ensure that the management of assets and investments aligns with both internal objectives and external compliance requirements.

4. Definitions

"Asset Custodians" refers to the Company Personnel involved in the management, control, and oversight of the Company Assets. Each department/cluster/section will appoint an Asset Custodian with the consent of the reporting Executive Committee member.

"Asset Management" refers to the systematic process of developing, operating, maintaining, and disposing Company Assets in a cost-effective manner.

"Company" refers to The Lanka Hospitals Corporation PLC and its fully-owned subsidiary.

"Company Assets" refers to all tangible, intangible and financial assets owned or leased or controlled by the Company. It includes physical/tangible assets, intangible assets and financial assets. Physical and tangible assets refer to all tangible resources that have a physical form and are used in the delivery of healthcare services and the overall operation of the Company. These assets include but are not limited to medical equipment, property, buildings and facilities, furniture and

Name of the Document: - Policy On Control And Management Of Company Assets And Shareholder Investments		Document Number: - LH/POLICY/LEGAL/03		Page: - 03 of 09
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance		Reviewed by: - Group Chief Executive Officer/Executive Committee/Audit Committee		Approved by: - Board of Directors

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives.

LH/POLICY/LEGAL/03

POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND SHAREHOLDER INVESTMENTS

fixtures, vehicles, and technology infrastructure and other asset that is tangible. These assets are recorded on the Company's balance sheet, depreciated over time, and managed to ensure their proper maintenance, security, and optimal use. Intangible assets refer to non-physical, long-term resources owned or controlled by the Company that provide economic value and competitive advantage, despite not having a physical form. These assets include but are not limited to intellectual property, goodwill, licenses and permits, contracts and agreements and digital assets and data. Financial assets refer to liquid or easily convertible resources that hold monetary value and include cash and cash equivalents, receivables, investments and marketable securities.

"Company Personnel" refers to and includes all individuals working at all levels and grades, including directors, senior managers, officers, employees (whether permanent, probation, fixed-term, contracted under a contract for services, or temporary) of the Company, trainees, apprentice, seconded staff, volunteers, interns, or any other person working with the Company.

"CSE" refers to the Colombo Stock Exchange, Sri Lanka

"MOFA" refers to the Memorandum of Financial Authority of the Company.

"Shareholder Investments" refers to the capital contributed by individuals or institutional investors (shareholders) who own equity in the Company. These investments can be made in exchange for ownership shares, representing a stake in the Company's assets and potential future earnings.

Note: Lanka Hospital Diagnostics (Private) Limited is a fully owned subsidiary of The Lanka Hospitals Corporation PLC, which is a publicly listed company on the CSE and regulated by the Listing Rules of CSE, the Securities and Exchange Commission of Sri Lanka (SEC) regulations, and other applicable corporate governance standards and laws and regulations of the country.

5. Responsibilities

5.1 Board of Directors

The Board is responsible for overseeing the Company's asset management strategy and ensuring that shareholder investments are protected and used to maximize long-term value creation. This includes approving asset acquisition, disposal, and investment strategies as per the authority limits set in MOFA, ensuring compliance with CSE regulations and corporate governance standards and reviewing and approving financial statements and asset management reports.

5.2 Audit Committee

The Audit Committee is responsible for overseeing the development, implementation, and periodic review of this policy to ensure it meets legal and regulatory requirements, aligns with industry best

Name of the Document: - Policy On Control And Management Of Company Assets And Shareholder Investments		Document Number: - LH/POLICY/LEGAL/03		Page: - 04 of 09
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance		Reviewed by: - Group Chief Executive Officer/Executive Committee/Audit Committee		Approved by: - Board of Directors

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives.

LH/POLICY/LEGAL/03

POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND SHAREHOLDER INVESTMENTS

practices, and effectively mitigates any risks associated therein. The Audit Committee will review the findings of risk assessments and ensure that adequate measures are implemented to address identified risks.

5.3 Executive Committee and Senior Management

The Executive Committee and senior management are responsible for implementing this policy by establishing internal controls to safeguard Company Assets and optimize the use of resources, overseeing the periodic management of Company Assets, including acquisition, maintenance, and disposal and monitoring the use and allocation of shareholder investments in accordance with approved budgets and strategies.

5.4 Asset Custodians

Asset Custodians must

- a) Ensure Company Assets are appropriately recorded department-wise, maintained, and protected.
- b) Conduct regular checks and inventories to confirm asset security and proper usage within their departments/clusters.
- c) Ensure proper disposal with sufficient documentary evidence and approvals.
- d) Report any misuse, damage, loss of assets or approved disposal immediately to the Finance Department.
- e) Ensure that necessary risk management practices are followed as per the Risk management and internal Control Policy to safeguard assets and shareholder investments, including the prevention of fraud, loss, and mismanagement.

5.5 Finance and Audit Teams

The Finance Team is responsible for:

- a) The day-to-day implementation of the Company Asset and investment management policies, including the maintenance of asset registers, execution of investment strategies, and preparation of reports.
- b) Maintaining and periodically updating the Company's asset register and ensuring all Company Assets are included in the Company asset register.
- c) Managing financial assets in line with investment policies and regulatory requirements.
- d) Providing transparent and timely reporting on the status of assets and shareholder investments.

The Audit Team is responsible for:

- e) Conducting periodic audits of Company Asset and investment management practices to ensure compliance with this policy and accounting standards.

Name of the Document: - Policy On Control And Management Of Company Assets And Shareholder Investments		Document Number: - LH/POLICY/LEGAL/03		Page: - 05 of 09
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance		Reviewed by: - Group Chief Executive Officer/Executive Committee/Audit Committee		Approved by: - Board of Directors

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives.

5.6 Company Personnel

All Company Personnel are responsible for the proper use, maintenance, and reporting of Company Assets within their control and for duly handing over any Company Assets that have been used or taken under custody to the respective Asset Custodian at the time of resignation/termination or departmental/company transfer. All IT-related assets should be handed over to the IT department.

6. Policy Statements

6.1 Management of Company Assets

- a) **Identification and Documentation:** All Company Assets must be identified, recorded, and documented in the Company's asset register. This includes details such as acquisition date, value, location, condition, and responsible department.
- b) **Asset Acquisition:** Company Assets shall be acquired through a transparent process based on need and approved budgets and in alignment with the Company's strategic objectives. All acquisitions must undergo a cost-benefit analysis to ensure value for money.
- c) **Asset Utilization:** Company Assets must be used efficiently and for the purpose intended. Unauthorized or improper use of assets is strictly prohibited.
- d) **Maintenance and Security:** Company Assets must be maintained in good working condition and safeguarded against loss, theft, damage, and misuse. Regular inspections will be conducted to ensure operational efficiency and safety. Regular audits and inspections will be conducted to ensure compliance.
- e) **Disposal of Assets:** Any disposal of Company Assets must be approved by the management as per the standard condemnation or disposal process and carried out in a transparent and responsible manner, following applicable accounting and legal requirements (as applicable). Disposal records must be maintained and reviewed regularly.

The following will be applicable for intangible assets and financial assets;

- f) **Intangible Assets:** All intangible assets such as intellectual property and licenses must be safeguarded through appropriate legal protections and internal policies and renewed

Name of the Document: - Policy On Control And Management Of Company Assets And Shareholder Investments		Document Number: - LH/POLICY/LEGAL/03		Page: - 06 of 09
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance		Reviewed by: - Group Chief Executive Officer/Executive Committee/Audit Committee		Approved by: - Board of Directors

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives.

according to the requirements of the Company. Intangible assets will be valued periodically to assess any potential impairment and ensure accurate financial reporting.

- g) Financial Assets:** Financial assets, including cash reserves and marketable securities, will be managed according to an approved investment strategy that prioritizes liquidity, risk management, and returns. Investments will be diversified to reduce risk, and any significant investment decisions must be approved by the Board.

6.2 Management of Shareholder Investments

- a) Investment Strategy:** The Company will adopt a prudent investment strategy that aligns with its long-term goals, risk tolerance, and shareholder expectations. The strategy will be reviewed and updated regularly by the Board of Directors.
- b) Due Diligence:** All investments shall be subject to rigorous due diligence, including financial analysis, risk assessment, and legal review. The Company will ensure that investments are diversified to minimize risk.
- c) Capital Management:** The Company will seek to maximize shareholder value by ensuring efficient use of capital, making investments that align with strategic growth objectives, and maintaining optimal liquidity.
- d) Dividends and Returns:** The Company's dividend policy will be aligned with its financial performance, strategic priorities, and cash flow. Dividends will be approved by the Board of Directors and distributed transparently to shareholders.
- e) Monitoring and Reporting:** Investments will be monitored continuously, and performance reports will be prepared by the Finance Team and reviewed by the Board of Directors on a bi-annual basis. Any significant changes in investment performance or market conditions will be communicated to shareholders promptly.
- f) Shareholder Communication:** Transparent and timely communication with shareholders will be maintained, including regular updates on financial performance, asset management, and corporate governance matters. All shareholder meetings, voting procedures, and disclosures will comply with the CSE Listing Rules.
- g) Regulatory Compliance:** The Lanka Hospitals Corporation PLC will adhere to all CSE requirements for shareholder investments, including disclosure obligations, governance

Name of the Document: - Policy On Control And Management Of Company Assets And Shareholder Investments		Document Number: - LH/POLICY/LEGAL/03	Page: - 07 of 09
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A
Prepared by: - Senior Manager Legal & Compliance	Reviewed by: - Group Chief Executive Officer/Executive Committee/Audit Committee	Approved by: - Board of Directors	

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives.

LH/POLICY/LEGAL/03
**POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND
SHAREHOLDER INVESTMENTS**

practices, and investor rights protection. Any changes in capital structure or shareholder rights will be communicated in a timely manner to ensure compliance with applicable regulations.

7. Internal Controls and Audits

The Company will maintain a robust internal control system to prevent fraud, mismanagement, and unauthorized use of assets. Controls will be reviewed and updated regularly to address any operational risks or regulatory changes. Regular internal audits will be conducted to verify the accuracy of asset records, financial statements, and the management of shareholder investments by the Internal Audit Department. Simultaneously, any statutory violations (if any) will be reported by the Legal and Compliance Department on a quarterly basis. The results of these audits will be reported to the Audit Committee and thereafter to the Board of Directors considering its impact and gravity, and any recommendations for improvement will be implemented promptly.

8. Compliance and Reporting

- a) The Company will comply with all relevant local laws, and the CSE Listing Rules related to the management of Company Assets and shareholder investments.
- b) Financial reports will be prepared in accordance with accepted accounting standards and submitted to the CSE and other regulatory authorities as required.
- c) Any material changes in asset management or shareholder investment policies will be communicated to stakeholders in a timely manner.

9. Whistleblower System

Company Personnel and all stakeholders are encouraged to ask questions and raise comments and concerns in the case of concern over questionable ethical standards or breaches of applicable laws, rules, this policy, or other internal guidelines as soon as practicably possible. The Company expects any such matters to be raised in good faith. The process laid down in the Whistleblower Policy shall apply.

10. Training

The Company will provide regular training to all Company Personnel on the requirements of this Policy and related on-the-job training through the Human Resources Division.

Name of the Document: - Policy On Control And Management Of Company Assets And Shareholder Investments		Document Number: - LH/POLICY/LEGAL/03		Page: - 08 of 09
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance		Reviewed by: - Group Chief Executive Officer/Executive Committee/Audit Committee		Approved by: - Board of Directors

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives.



LH/POLICY/LEGAL/03 POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND SHAREHOLDER INVESTMENTS

11. Monitoring and Review

- a) The Company will regularly monitor and review this policy to ensure its adequacy effectiveness and relevance. Internal control systems and procedures will also be subjected to regular audits to provide assurance that they are effective. The Group Head of Internal Audit is responsible for conducting periodic reviews at least once every two (02) years and making recommendations for updates or improvements as necessary.
- b) The Company reserves the right to vary and/or amend the terms of this Policy from time to time. All stakeholders shall be informed of any revisions made to this Policy.

12. Consequences of Non-Compliance

Failure to comply with this policy may result in disciplinary action, including termination of employment, legal action, or other appropriate measures as determined by the Company.

13. Related Policies and Procedures

This Policy should be read in conjunction with the other policies, standard operating procedures and guidelines of the Company, namely code of business conduct and ethics, bookkeeping and accounting, investment policy, use of company assets, risk management and internal control, whistleblower policy, related party-transactions, policy on relations with shareholders and investors, information security and the MOFA, employment handbook, procurement manual and IT security management guidelines.

This policy is a statement of fundamentals to the Company's principles and standards. It does not create any rights for any third party, such as customers, suppliers, competitors, shareholders, stakeholders, regulatory authorities or any other person or entity.

This policy was reviewed and recommended by the Audit Committee on 10th September 2024 and approved by the Board of Directors on 19th September 2024.

Name of the Document: - Policy On Control And Management Of Company Assets And Shareholder Investments		Document Number: - LH/POLICY/LEGAL/03		Page: - 09 of 09
Issue No: - 01	Issue Date: - 19.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance		Reviewed by: - Group Chief Executive Officer/Executive Committee/Audit Committee		Approved by: - Board of Directors

This policy and its contents are the property of The Lanka Hospitals Corporation PLC. It should not be altered or copied in any way without the permission of the author or their representatives.