



Colombo Dockyard PLC

Ship Repairers, Ship Builders and Heavy Engineers

POLICY ON INTERNAL CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND EMPLOYEES INCLUDING POLICIES ON TRADING IN COMPANY'S LISTED SECURITIES	Document No.: DMD/LEG/CG/9.2.1(e)/2024
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This Policy establishes the ethical standards and business conduct required of all directors, officers, and employees of the company, including policies on trading in the Company's listed securities. It is designed to ensure compliance with the Corporate Governance Requirements applicable in terms of the Listing Rules of Colombo Stock Exchange (Rules).

1. PURPOSE AND SCOPE OF THE POLICY

The purpose of this policy is to:

- Promote responsible and ethical decision-making.
- Ensure full compliance with applicable laws, including securities laws and regulations.
- Safeguard the integrity and reputation of the company.
- Provide guidance on trading in the Company's listed securities to prevent insider trading.

This policy applies to all directors, officers, employees, and other relevant stakeholders of the company. It governs the ethical conduct of the Company's operations and relationships with shareholders, customers, suppliers, employees, and the wider community.

2. ETHICAL STANDARDS AND CONDUCT

a) Integrity and Honesty

All directors, officers, and employees must act with integrity and honesty in all business dealings. Ethical decision-making must be the foundation of all business activities, ensuring fairness and transparency.

b) Compliance with Laws and Regulations

The Company is committed to complying with all applicable laws and regulations, including:

- Corporate Governance Standards as per Listing Rules of the Colombo Stock Exchange.
- Securities and Exchange Commission (SEC) of Sri Lanka regulations on insider trading and corporate disclosures.
- Anti-corruption, anti-bribery, data protection, and environmental laws.

c) Avoiding Conflicts of Interest

Directors, officers, and employees must avoid conflicts of interest where their personal, financial, or other interests could interfere with their duties to the Company. In cases where a conflict of interest arises, it must be promptly disclosed to the Company.

3. INSIDER TRADING POLICY

a) Prohibition of Insider Trading

Directors, officers, and employees are strictly prohibited from trading in the Company's listed securities while in possession of non-public, material information ("inside information"). Inside information is any information that, if made public, would likely affect the price of the Company's securities or influence investment decisions. Examples of inside information include Financial results before public disclosure, Unannounced mergers or acquisitions, Significant business transactions or contracts, Major changes in management or board composition.

b) Compliance with the Securities and Exchange Commission (SEC) Regulations

All directors, officers, and employees are required to comply with the SEC regulations governing insider trading, including:

- The prohibition on trading in the Company's securities while in possession of inside information.
- The requirement to disclose significant shareholdings in accordance with the Rules and relevant laws.

c) Pre-Clearance of Trades

Directors and senior management must obtain pre-clearance from the Company Secretary or designated compliance officer before conducting any transactions in the Company's listed securities. This applies to all trades, including purchases, sales, and transfers of shares.

d) Reporting of Trades

All directors and officers must promptly report any transactions in the Company's listed securities to the Company Secretary within two (2) business days of the transaction. The Company will comply with disclosure requirements to the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, as per the corporate governance requirements.

4. CONFLICTS OF INTEREST POLICY

a) General Policy on Conflicts of Interest

A conflict of interest arises when personal or professional relationships may interfere with an individual's duty to act in the best interest of the Company. Directors, officers, and employees must avoid situations that create or appear to create a conflict between personal interests and the interests of the Company or its shareholders.

b) Disclosure of Conflicts of Interest

In the event that a director, officer, or employee becomes aware of an actual or potential conflict of interest, they must disclose this conflict in writing to the Board of Directors or the Company Secretary. The Company will take appropriate action, which may include restricting the individual's involvement in the relevant decision-making processes.

5. CONFIDENTIALITY AND PROTECTION OF INFORMATION

Directors, officers, and employees must protect the confidentiality of non-public information related to the Company. This includes information about financial results, business strategies, customer data, and other sensitive information. Confidential information must not be disclosed to unauthorized persons or used for personal gain. Employees, officers, and directors must not use the Company's confidential information for their own benefit or the benefit of others. This includes using information gained through their position to make personal investment decisions in the Company's or any related party's securities.

6. FAIR DEALING AND ETHICAL BUSINESS PRACTICES

a) Fair Dealing

The Company is committed to ensuring fair dealings with customers, suppliers, competitors, and employees. Directors and employees must act honestly and ethically, ensuring that no individual or party is taken advantage of through misrepresentation or deceptive business practices.

b) Anti-Bribery and Anti-Corruption

Directors, officers, and employees must not offer, give, or accept bribes or improper payments in the course of conducting business. Any suspected bribery or corruption must be reported to the Compliance Officer immediately.

7. ACCOUNTABILITY AND ENFORCEMENT

Directors, officers, and employees are expected to fully comply with this policy. Any violations of the policy, including the insider trading policy, conflicts of interest policy, and confidentiality obligations, will be subject to disciplinary action, which may include termination of employment, fines, or legal action.

Any suspected violations of this policy must be reported to the Company's Compliance Officer, the Audit Committee, or any designated whistleblowing channel. All reports will be treated confidentially, and individuals will be protected from retaliation.

The Company is committed to protecting individuals who report violations in good faith from retaliation or adverse consequences.

8. AMENDMENTS TO THE POLICY

This policy may be amended or updated by the Board of Directors to reflect changes in the law, regulatory requirements, or best practices in corporate governance. All directors, officers, and employees will be informed of any changes to the Policy and will be required to comply with the updated provisions.

