

# **POLICY ON THE INTERNAL CODE OF BUSINESS CONDUCT AND ETHICS FOR ALL DIRECTORS AND EMPLOYEES, INCLUDING POLICIES ON TRADING IN THE COMPANY'S LISTED SECURITIES**

## **1. DEFINITIONS:**

'BAT': British American Tobacco PLC

'Board': Board of Directors of Ceylon Tobacco Company PLC

'Code': Code of Best Practices on Corporate Governance 2023

'Company': Ceylon Tobacco Company PLC

'CSE': Colombo Stock Exchange

'Internal Parties of the Company': all Directors, Key Management Personnel, and Employees of the Company

'Listing Rules': Listing Rules of Colombo Stock Exchange

'SEC': Securities and Exchange Commission of Sri Lanka

'The Policy': The Policy on Internal Code of Business Conduct and Ethics for all Directors and Employees, including Policies on Trading in the Company's Listed Securities

## **2. PURPOSE AND OBJECTIVE**

The Policy applies to Internal Parties of the Company. This Policy specifies the ethical standards and duties that Internal Parties of the Company must adhere to, including particular guidelines concerning the trading of the Company's listed securities, in alignment with the legal requirements and regulations of Sri Lanka.

The Company expects that all contractors, secondees, trainees, agents, and consultants engaged with the Company maintain adherence to Policy in dealings with the Company.

This Policy is intended to complement the BAT Standards of Business Conduct. This policy provides additional guidance on some of the rules, principles, and guidance set out in the Standards of Business Conduct.

## **3. COMPLIANCE WITH LAWS, REGULATIONS, AND COMPANY POLICIES**

Internal Parties of the Company must adhere to applicable laws, regulations, Company policies and BAT Standards of Business Conduct. Compliance with the Listing Rules, SEC regulations, and other relevant legal requirements is mandatory. Employees must ensure their actions reflect the highest standards of ethical conduct in all dealings on behalf of the Company.

#### **4. CONFLICTS OF INTEREST**

Internal Parties of the Company must avoid conflicts of interest in business dealings, and disclose personal circumstances where a conflict may arise. Any potential or actual conflict of interest faced by Internal Parties must be disclosed to the relevant line manager. Transparency and integrity in decision-making are critical to maintaining trust within the Company and with external stakeholders.

#### **5. TRADING IN THE COMPANY'S LISTED SECURITIES**

##### **5.1 Insider Trading**

Insider trading, defined as trading in the Company's listed securities while in possession of material, non-public information, is strictly prohibited. Internal Parties of the Company must not use such information for personal gain, nor should they share it with others who might use it for trading purposes. Violations of insider trading laws will result in severe penalties, including termination and possible legal action.

##### **5.2 Pre-clearance of Trades**

Internal Parties must seek pre-clearance in line with the CTC Code for Share Transactions by Employees Finance Director and Company Secretary before buying or selling the Company's listed securities. Pre-clearance ensures that trades are not conducted when the internal party may be in possession of Insider Information.

##### **5.3 Reporting Requirements**

The Internal Parties of the Company shall ensure that they comply with all guidelines followed by the Company on share transactions by Internal Parties of the Company.

#### **6. TRADING BETWEEN CONNECTED PARTIES**

Connected parties include individuals or entities that have a close relationship with the Company, such as Directors or Employees with access to price sensitive information in relation to listed securities of the Company. Thus, even their immediate family members (his/ her spouse or children under 18 years of age) or entities which have significant influence or control would fall within the ambit of definition of connected parties.

Parties connected to the Company should not trade, borrow or lend on price sensitive information that has not been disclosed to the public. Furthermore, connected persons are prevented from trading, borrowing, or lending the Securities of the Company even after release of information to the Exchange, for a period that should not be less than two (02) Market Days following the release of information in order to allow public dissemination and evaluation of it. For the purpose of computation, the period of Two (02) Market Days excludes the day on which disclosure was made.

#### **7. CORPORATE OPPORTUNITIES**

Directors and Key Management Personnel are strictly prohibited from:

- Appropriating for personal benefit any opportunities that are identified or discovered through the use of corporate property, corporate information, or their position within the company.
- Utilizing corporate property, corporate information, or their position within the company for personal gain.
- Engaging in any activities that compete with the company.

Directors and Key Management Personnel have a fiduciary duty to prioritize and advance the legitimate interests of the company. When opportunities arise that could benefit the company, they must act in the best interests of the Company.

## **8. CORPORATE RECORDS**

All business records must be reported accurately to reflect the facts. The books and records of the Company must be prepared with care and honesty and must accurately reflect the transactions of the Company. All corporate funds and assets must be recorded in accordance with Company procedures. No undisclosed or unrecorded funds or assets shall be established for any purpose.

Employees must not, and must not direct others to, take any action to fraudulently influence, coerce, manipulate or mislead independent public accountants engaged in the audit or review of the Company's financial statements for the purpose of rendering those financial statements materially misleading.

## **9. CONFIDENTIALITY**

Internal Parties of the Company must safeguard the confidentiality of the non-public information of the Company. Unauthorized disclosure of confidential information can harm the Company's competitive position and result in legal liabilities.

## **10. ETHICAL CONDUCT AND FAIR DEALING**

Internal Parties of the Company must act with honesty, integrity, and fairness in all business dealings. The Company expects Internal Parties of the Company to be fair and transparent in their interactions with customers, suppliers, competitors, and other stakeholders.

## **11. PROTECTION AND PROPER USE OF COMPANY ASSETS**

Internal Parties of the Company are entrusted with the responsibility of protecting the Company's assets and ensure they are used efficiently and for legitimate business purposes only. Misuse or misappropriation of Company assets is prohibited.

## **12. DISCRIMINATION AND HARASSMENT**

The Company strives to maintain a workplace that is positive, productive, and rewarding. Everyone is entitled to fair treatment, courtesy and respect. Derogatory comments based on any person's gender, race, color, national origin, ancestry, citizenship, religion, age, physical or mental disability, medical condition, sexual orientation, marital status, or any other characteristic protected by applicable law, unwelcome sexual advances or any similar types of behavior are strictly prohibited.

## **13. REPORTING OF VIOLATIONS**

Internal Parties of the Company are encouraged to report any unethical behavior or violations of this Policy. Reports can be made to a designated officer, an HR Manager, a line manager, or via phone or online using the Company's independently managed external Speak Up Channels, and the Company will take all necessary steps to investigate and address any reported issues. Whistleblowers will be protected from retaliation.

## **14. DISCIPLINARY ACTIONS**

Non-compliance with this Policy by Internal Parties shall result in disciplinary actions, which may include termination of employment and legal proceedings. The Company is committed to enforcing this Policy in accordance with applicable local laws.

## **15. REVIEW AND AMENDMENTS**

This Policy will be reviewed periodically and may be amended as necessary to comply with evolving legal requirements and best industry / international practices. Any changes to the Policy will be communicated to the Internal Parties of the Company.

## **16. ACKNOWLEDGMENT**

Internal Parties of the Company are required to formally confirm that they have complied with the Company policies and BAT Standards of Business Conduct.

## **17. QUESTIONS**

All questions concerning the implementation of this policy are required to be addressed to Ms. Jithmi Wimalasiri, the Assistant Company Secretary of Ceylon Tobacco Company PLC [inquiries\\_ctc@bat.com](mailto:inquiries_ctc@bat.com)