



Governance

DIMO Annual Report 2025/2026



CORPORATE GOVERNANCE

GUARDRAILS FOR GROWTH

Corporate Governance

<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=37>



At DIMO, corporate governance provides the principled structure through which we direct strategy, safeguard stakeholder interests and nurture the capitals entrusted to us. Built on integrity, accountability and transparency, the Board and its Committees exercise enterprise governance oversight with clear responsibility. This governance approach strengthens trust in DIMO as a future focused Perfect Partner, enabling the Group to move beyond barriers and create sustainable value while fuelling the dreams and aspirations of the communities we serve.

"Corporate governance extends beyond a framework; it reflects our steadfast commitment to integrity, resilience, and responsible growth. Through transparency, accountability, and innovation, we reinforce stakeholder trust and deliver sustainable value in an evolving global landscape"

A.R.Pandithage
Chairman

UPHOLDING BEST PRACTICES: COMMITMENT TO CORPORATE GOVERNANCE IN 2025/2026

DIMO's corporate governance practices rise from the requirements set out by the Listing Rules of Colombo Stock Exchange (CSE Listing Rules), The Code of Best Practice on Corporate Governance 2023 ("the Code") issued by the Institute of Chartered Accountants of Sri Lanka, Companies Act No.07 of 2007 and the Principles on Corporate Governance published by Organisation for Economic Co-operation and Development (OECD Principles). This Corporate Governance Report outlines the Company's governance structure, policies, practices, and processes, explains how the Board and its committees ensured effective leadership, and upheld high standards of Corporate Governance during the financial year 2025/2026, and makes applicable disclosures as required by laws, regulations and code of best practices followed by the Company.

- The Company has made every effort to ensure compliance with the CSE Listing Rules and the Code during the financial year 2025/2026. Any deviations, if identified, were rectified through appropriate remedial measures.
- The Company also considered and followed OECD Principles of Corporate Governance, where relevant and applicable, during the financial year.
- The Corporate Governance report has been reviewed by the Board of Directors.

The following documents will provide context to the Corporate Governance Report, and are available on the Company's website www.dimolanka.com

- The Articles of Association
- Integrated Annual reports for previous years.
- Investor relations details

- Information about current market price of the share (DIMO.N0000)
- Supplementary information on Corporate Governance, which is part of this Corporate Governance report.
- Supplementary information on sustainability
- Policies required by CSE Listing Rule No.09.

The key Legislations , Regulations and principles applicable to the Company's Corporate Governance are available on the following websites:

- CSE Listing Rules available on www.cse.lk
- Code of Best Practice on Corporate Governance CA Sri Lanka-2023 available on www.casrilanka.com
- Exchange Control Act of Sri Lanka available on www.cbsl.lk
- Companies act No.07 of 2007 -Sri Lanka available on <https://www.drc.gov.lk/>
- OECD principles of Corporate Governance on www.oecd.org/en/publications/g20-oecd-principles-of-corporate-governance-2023_ed750b30-en/full-report.html

Corporate Governance Compliance Statement

The Board of Directors confirms that the Company has complied with the Corporate Governance Rules set out in CSE Listing Rule No. 09 for the financial year ended 31st March 2026. All disclosures required under CSE Listing Rule No.09 and applicable Code have been duly made. Any deviations, where applicable, are disclosed in this Annual Report with appropriate explanations.

The Company has fulfilled the Listing Rules requirements relating to Board composition, independence of Directors, and the establishment and proper functioning of the Audit Committee, Remuneration Committee, Nomination & Governance Committee and Related Party Transactions Review Committee.

The Board is satisfied that the Company has complied with the applicable Corporate Governance Rules during the year under review other than the non-compliance disclosed on page 150-151.

CORPORATE GOVERNANCE

GOVERNANCE THAT COMMANDS TRUST

Strong corporate governance is the cornerstone of sustainable growth, fostering transparency, accountability, and ethical decision-making. At DIMO, these principles guide every action, ensuring integrity, innovation, and social responsibility in serving our stakeholders.

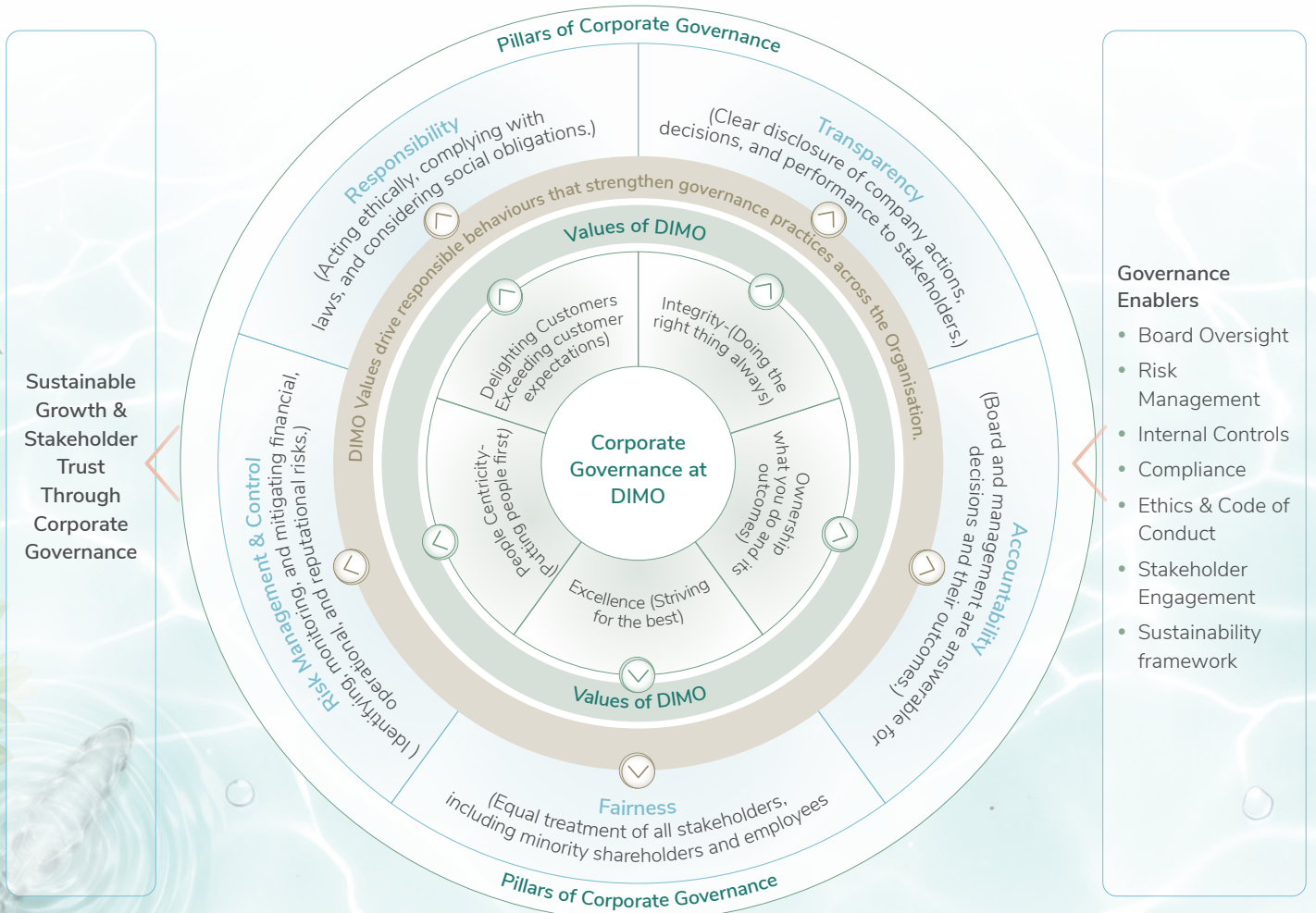
Founded in 1939, DIMO has evolved into one of Sri Lanka's leading diversified conglomerates, operating across seven segments, including Mobility, Automotive Engineering Solutions, Agriculture, Retail, Infrastructure Engineering, Power Engineering & Building Technological Solutions, and Healthcare. Strategic milestones, such as our partnership with TATA Motors in 1961 and listing on the Colombo Stock Exchange in 1964, reflect our resilience and commitment to ethical leadership.

Central to DIMO's governance philosophy are our core values: Integrity, People-Centricity, Excellence, Customer Delight and Accountability. These values guide every decision and stakeholder interaction, ensuring transparency, fairness, and ethical rigor across operations.

Our governance framework aligns with CSE Listing Rule No. 09, the Companies Act No. 07 of 2007, the Code of Best Practice on Corporate Governance 2023, and OECD Principles of Corporate Governance. Beyond compliance, we actively promote diversity, inclusion, and responsible business practices, under stewardship of a 15-member Board replete with a diverse mix of expertise and perspectives.

By integrating strategy with stakeholder expectations, DIMO prioritizes the interests of shareholders, employees, customers, suppliers, and communities. Every decision is designed to reinforce trust, drive sustainable growth, and deliver long-term value. The accompanying diagram illustrates how our core values underpin the pillars of Corporate Governance, highlighting our unwavering commitment to ethical conduct and stakeholder-centric business excellence.

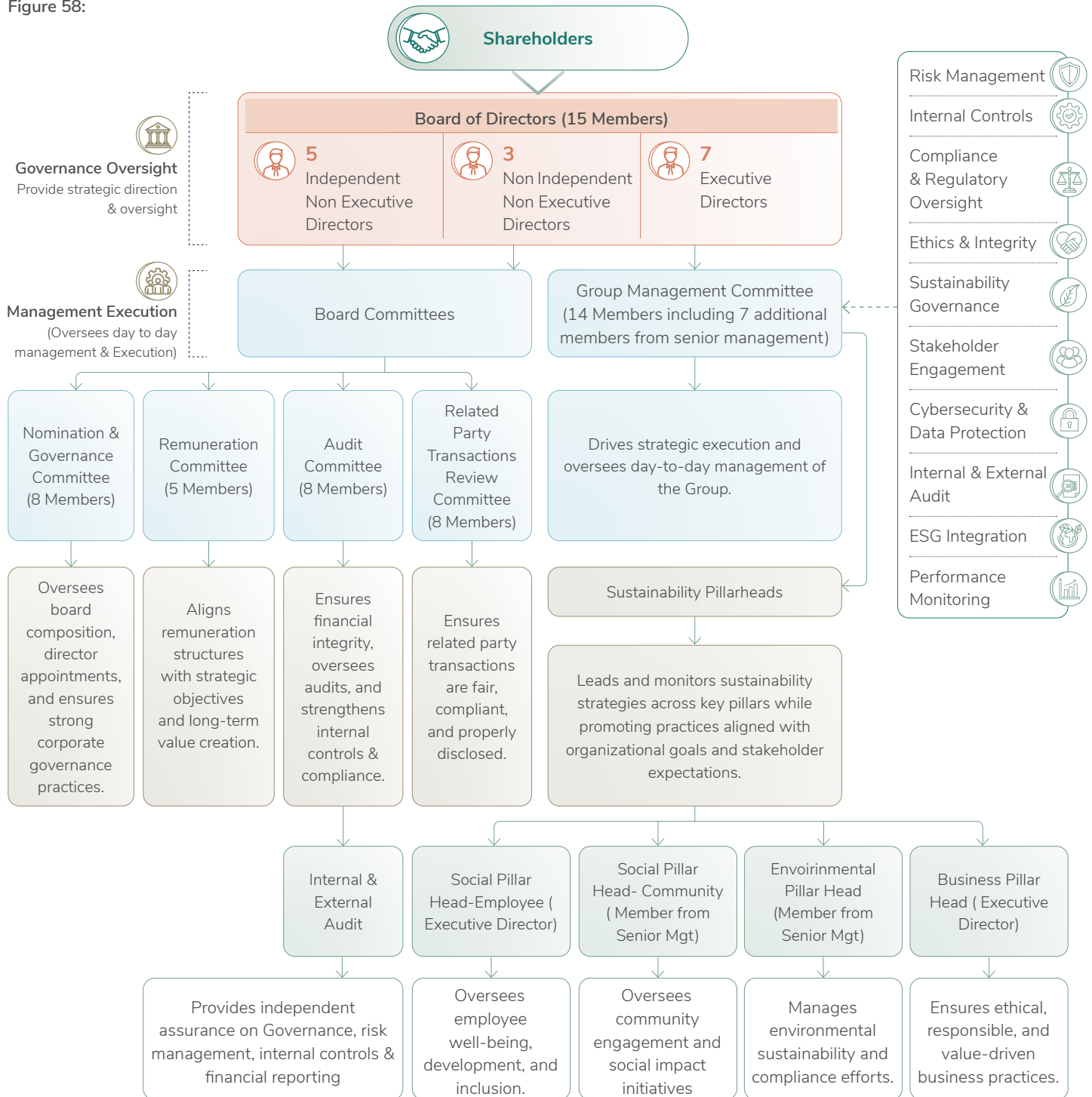
Figure 57: Creating Sustainable Growth and Stakeholder Trust through DIMO's Corporate Governance Framework



GOVERNANCE STRUCTURE AND LEADERSHIP

This refers to the organizational framework and the position responsible for overseeing and guiding Corporate Governance practices within the Company.

Figure 58:



→ Direct Reporting

-> Co-ordination/Support



Integrated Governance Ecosystem: Our governance structure is supported by strong risk management, internal controls, compliance, ethics, sustainability governance, stakeholder engagement, and assurance functions to drive sustainable value creation.

CORPORATE GOVERNANCE

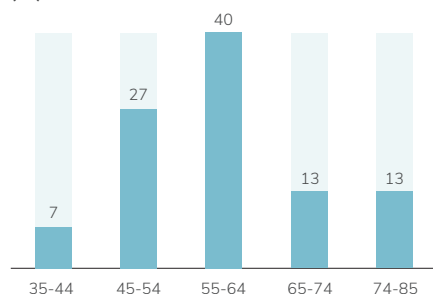
THE BOARD OF DIRECTORS

"Amid evolving challenges, DIMO's Board of Directors upholds strong governance and strategic leadership, ensuring resilience and sustainable value."

A.R.Pandithage
Chairman

Corporate Governance plays a pivotal role in ensuring the responsible management and ethical operations of the Company. The Board of Directors of DIMO is at the heart of Corporate Governance, providing strategic guidance, oversight, decision-making, and corporate direction as described in Section A.01 of "the Code". The Board has a good balance of executive and non-executive members,

Figure 59:
Experience Through Age: Profile of the Board of Directors (%)



Structure and Composition of the Board

As at 31st March 2026, the Board of Directors of DIMO comprised 15 members, including five Independent Non-Executive Directors, three Non-Independent Non-Executive Directors, and seven Executive Directors.

During the period from 1st April 2025 to 31st March 2026, there were several changes in the composition of the Board. Mr. I. A. Wickramasinghe was appointed as an Independent Non-Executive Director with effect from 1st August 2025 while Ms. N. M. Boralessa and Ms. S. R. Fernando were appointed Independent Non-Executive Directors with effect from 1st December 2025 and 16th January 2026, respectively.

Mr. A. D. B. Talwatte resigned from the Board during the financial year. Ms. D. N. K. Kurukulasuriya, who serves as an Executive Director, resigned from the Board on 23 December 2025 and was subsequently reappointed on 16th January 2026.

Mr. H. M. A. Jayesinghe, who was previously classified as an Independent Non-Executive Director, was reclassified as a Non-Independent Non-Executive Director with effect from 1st December 2025.

Figure 60:
Board Composition as at 31/03/26

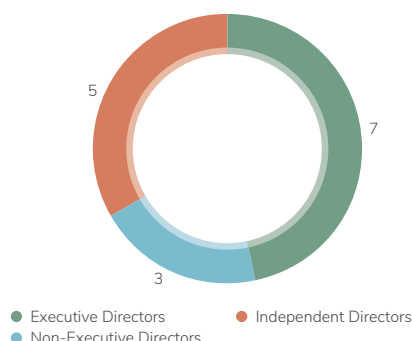
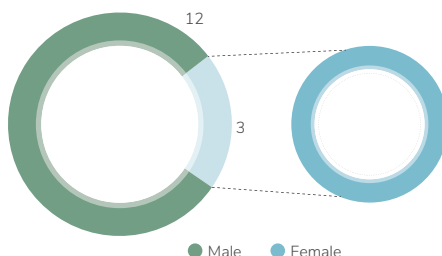


Figure 61:
Board Diversity



Disclosure of Non-Compliance with CSE Listing Rules Relating to Director Independence and Subsequent Corrective Measures

In terms of Section 9.8.3(v) of CSE Listing Rule No. 09, a Director ceases to qualify as an Independent Director upon serving an aggregate period of nine (9) years on the Board from the date of first appointment.

Mr. H. M. A. Jayesinghe initially served as an Independent Non-Executive Director of the Company from 7th July 1999 to 1st January 2007, completing a tenure of 7 years, 5 months, and 25 days. Following a lapse of 16 years and 8 months, he was reappointed to the Board as an Independent Non-Executive Director with effect from 1st September 2023.

Due to an inadvertent misinterpretation of the relevant Listing Rule related to the aggregation of prior periods of service in calculating total period of Directorship, the cumulative duration of his earlier tenure was not fully considered in assessing his independence status. Consequently, upon the completion of an additional 1 year, 6 months, and 5 days during his second tenure, Mr. Jayesinghe exceeded the cumulative nine-year threshold on 6th March 2025 and should have been re-designated as a Non-Independent Non-Executive Director with effect from 7th March 2025. Accordingly, the Company was not in compliance with the minimum requirement relating to the number of Independent Directors on the Board and Audit, Remuneration & Nomination & Governance Committee composition requirements prescribed under the CSE Listing Rule number 09. The non-compliance continued until 30th November 2025.

During the relevant period, Mr. Jayesinghe continued to serve as Chairman of the Remuneration Committee and the Nominations & Governance Committee and, with effect from 1st August 2025, also served as Chairman of the Audit Committee, Chairman of the Related Party Transactions Review Committee, and Senior Independent Director. The Board notes that, apart from the cumulative tenure requirement, Mr. Jayesinghe satisfied all other applicable independence criteria and discharged his duties and responsibilities with professionalism, integrity, objectivity, and sound judgment throughout the relevant period. The Board is satisfied that the non-compliance did not materially affect the effectiveness of the Board's oversight, governance processes, deliberations, or decision-making functions.

Upon notification of the non-compliance by the Colombo Stock Exchange, the Company undertook corrective measures. Mr. Jayesinghe was reclassified as a Non-Independent Non-Executive Director with effect from 1st December 2025 and ceased to serve as Senior Independent Director and Chairman of the relevant Board Committees. Thereafter, Mr. I. A. Wickramasinghe, who had been appointed as an Independent Non-Executive Director with effect from 1st August 2025, was appointed as Senior Independent Director and as Chairman of all Board Committees other than the Audit Committee. Ms. N. M. Boralessa, who was appointed as an Independent Non-Executive

Director with effect from 1st December 2025, assumed the position of Chairperson of the Audit Committee from the same date. The Company made the required disclosures to the Colombo Stock Exchange and was placed on the CSE Watch List on 26th November 2025. Following the implementation of the corrective measures, the Company was removed from the Watch List on 24th December 2025.

The Board could not be reconstituted immediately through the appointment of additional Independent Directors as the Company's Articles of Association stipulated a maximum limit of 14 directors. Accordingly,

an Extraordinary General Meeting was held on 5th January 2026 where special resolution was adopted to increase the maximum number of Directors to 16. In the interim, Ms. D. N. K. Kurukulasuriya temporarily resigned from the Board on 23rd December 2025 to facilitate compliance, resulting in a Board composition of 9 Non-Independent Directors and 4 Independent Directors. Consequently, the non-compliance relating to Board composition was fully rectified, and the Company submitted the necessary disclosures confirming compliance to the Colombo Stock Exchange on 23rd December 2025.

Table 37: Board Overview: Directors' Roles and Responsibilities

Name of Director	Role	Key Responsibilities
Mr. A.R. Pandithage	Chairman / Executive Director	Leads the Board and provides strategic direction while also contributing to executive management. Ensures effective governance, sets the Board agenda, promotes Board effectiveness, and maintains an appropriate balance between executive and non-executive oversight.
Mr. I.A. Wickramasinghe	Senior Independent Director	Provides an additional layer of independence, acts as a sounding board for the Chairman, and serves as an intermediary for other Directors and shareholders where necessary. Also serves as Chairman of three Board Committees, contributing to oversight in areas such as Remuneration, Nomination & Governance, and Related Party Transactions Review, and serves as a member of the Audit Committee.
Mr. A.G. Pandithage	Group Managing Director / Chief Executive Officer	Leads overall strategy and operations, drives performance and growth, ensures governance and compliance, and acts as the link between the Board and management while delivering long-term value.
Mr. B.C.S.A.P. Gooneratne	Executive Director / Chief Financial Officer	Oversees financial management, reporting, budgeting, internal controls, and regulatory financial compliance.
Ms. D.N.K. Kurukulasuriya	Executive Director- Operations & HR	Executes Board-approved strategies, oversees operational performance, ensures risk management and compliance, and provides timely performance reporting to the Board. In addition, oversees Human Resources operations as the Head of Human Resources, including workforce management, employee relations, talent development, and implementation of HR strategies aligned with the Company's objectives.
Mr. P.K.W. Mahendra, Mr. C.R. Pandithage, Mr. S.R.W.M.C. Ranawana	Executive Director – Operations	Executes Board-approved strategies, oversees operational performance, ensures effective risk management and compliance, drives financial results and efficiency, supports stakeholder engagement and sustainability initiatives, and provides timely performance reporting to the Board.
Mr. A.M. Pandithage, Dr. H. Cabral, Mr. H.M.A. Jayesinghe	Non-Executive Director	Provides independent judgment on strategy, risk management, and performance monitoring without involvement in day-to-day operations. Serves on Board Committees, contributing to effective governance and oversight.
Mr. H.A.C. Perera, Mr. R.A. Jayawardane, Ms. N.M. Boralessa, Ms. S.R. Fernando	Independent Non-Executive Director	Ensure objectivity in decision-making, protect shareholder interests, and contribute to audit, risk, and governance oversight. Participate in Board Committees (Audit, Remuneration, Nomination & Governance, and Related Party Transactions Review), ensuring compliance with governance codes and ethical standards. Also, Ms.N.M.Boralessa serves as the chairperson of the Audit Committee.

CORPORATE GOVERNANCE

Chairman to The Board

Mr. A.R. Pandithage, Chairman of the Board, fulfilled the duties and responsibilities of the role considering the requirements in the CSE Listing Rules, "the Code", all other applicable laws, rules, and regulations during the year. The Chairmanship promoted adherence to the Company's values and consideration of stakeholder interests. In line with Section A.03 of the Code, the role contributed to effective Board performance, a balanced composition of Executive and Non-executive functions, and the maintenance of accountability and transparency within the governance framework

Mr. A.R. Pandithage does not hold the Chairmanship of any mandatory Board Committee, as required by CSE Listing Rule No. 9.3.3. Further, to ensure adherence to CSE Listing Rule No. 9.6.3(a), the Board has appointed Senior Independent Directors. These appointments strengthen transparency, given that Mr. Pandithage is both an Executive Director, as defined under Rule No. 9.6.3(a)(ii), and a close family member of the Managing Director, Mr. A.G. Pandithage, as specified in Rule No. 9.6.3(a)(iii). Following changes during the year detailed on page 150-151, Mr. I.A. Wickramasinghe serves as the SID of the Company. The roles, responsibilities, and duties of the Chairman and the Managing Director/Chief Executive Officer have been clearly delineated to maintain a balanced distribution of authority between the two positions, in line with Section A.02 of the Code

Group Managing Director/Chief Executive Officer

Mr. A.G. Pandithage has served as the Group Managing Director and CEO of the Company, discharging his duties and responsibilities in compliance with the CSE Listing Rules, the Code, and all applicable laws, in the best interests of the Company and its shareholders.

The Company ensures strict compliance with Listing Rule No. 9.7.1 by regularly monitoring and obtaining written declarations from Mr. A.G. Pandithage to confirm whether he satisfied with the fit and proper assessment criteria outlined in CSE Listing Rule No. 9.7.3.

Members of the Board have recognized the importance of appraising the CEO's performance, as well as setting and assessing targets aligned with the Company's strategic objectives. Accordingly, an appraisal was conducted by each member of the Board, as required by Section A.11 of the Code. The appraisal reflected favourable performance, and the results were duly communicated to the Chairman and the CEO.

Senior Independent Director

During the period under review, several changes occurred regarding the Senior Independent Directorship of the Company.

Mr. A.D.B. Talwatte served as the Senior Independent Director until his resignation on 31st July 2025. Subsequently, Mr. H.M.A. Jayesinghe was appointed to the role with effect from 1st August 2025.

It was later identified that Mr. Jayesinghe's initial term of Directorship, which commenced 16 years earlier as explained in page 150-151, had inadvertently not been taken into account when calculating his total tenure for the purpose of assessing independence. Consequently, it was noted that the maximum permissible period of nine years had already elapsed on 6th March 2025. In light of this, the Board resolved on 19th November 2025 to appoint Mr. I.A. Wickramasinghe as Senior Independent Director, effective from 1st December 2025.

All the above Senior Independent Directors have fulfilled their duties in accordance with the CSE Listing Rule No. 09, contributing to the Company's Governance structure by providing an independent viewpoint on key strategic matters.

In accordance with CSE Listing Rule No. 9.6.3 (b), meetings were held with all Independent Directors, chaired by the Senior Independent Director (SID), without the presence of other Board members. The purpose of the meetings was to discuss matters pertaining to the Company and the functioning of the Board. Following the discussions, feedback was communicated to Mr. A.R. Pandithage, the Chairman of the Board, as well as to the other Board members.

Pursuant to Listing Rule No. 9.6.3 (c), all Non-Executive Directors excluding Chairman to the Board convened separate meetings, also chaired by the SID, to evaluate and appraise the performance of the Chairman.

➔ The Statement of the SID available on page 166

BOARD COMMITTEES

Adhering to the CSE Listing Rule No. 9.3.1, the Company ensures that the Nomination and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transaction Review Committee are established and maintained within the ceiling and function effectively. (Refer table.03 for meeting attendance and composition details of the Company’s committees). Each committee discussed below has its own terms of reference.

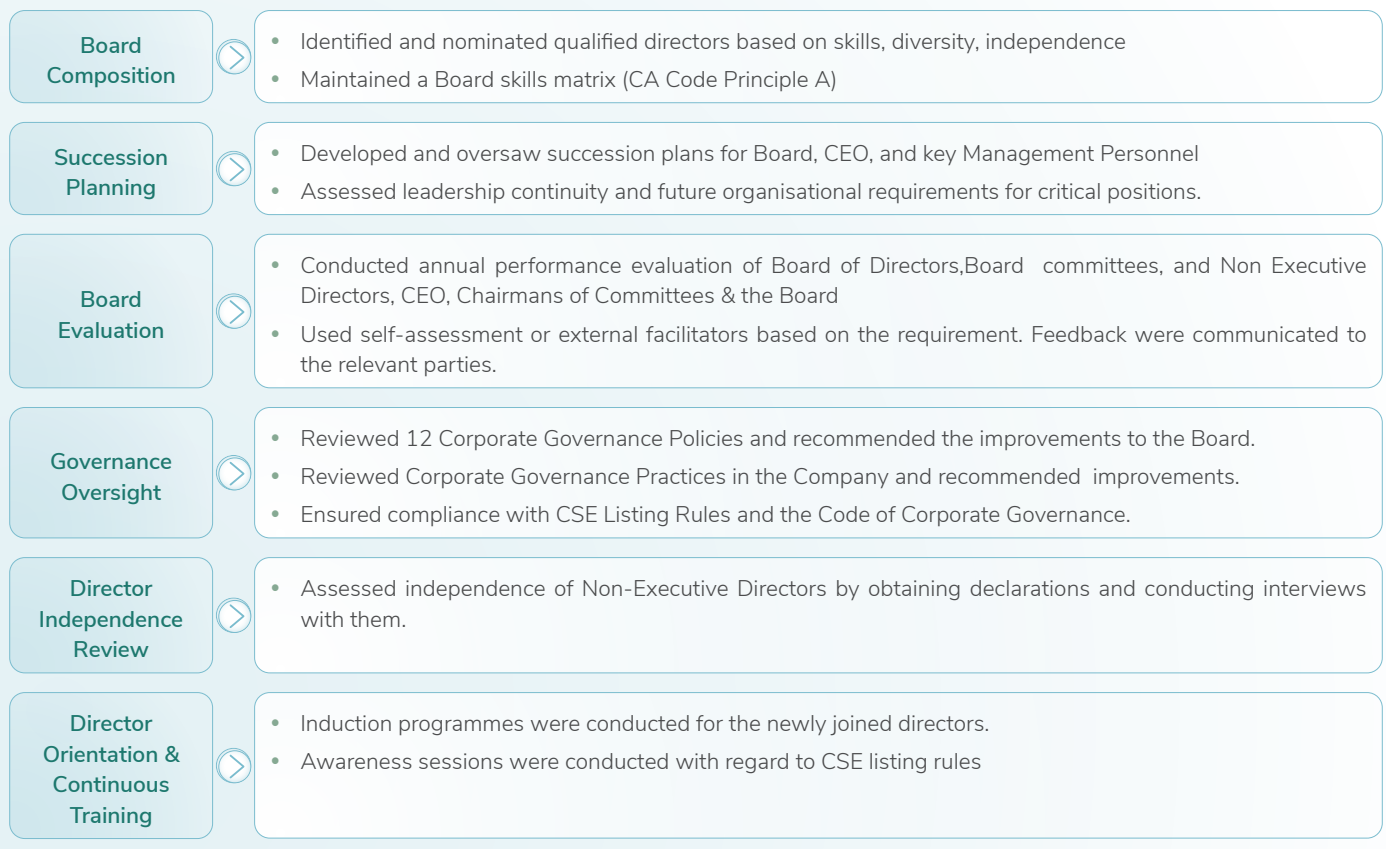
Nomination & Governance Committee

The Nomination and Governance Committee is responsible for ensuring that the Board and its Committees are appropriately structured, with the right balance of skills, experience, independence, and diversity to effectively discharge their responsibilities. At the commencement of the financial year, the Committee comprised of five members. Mr. H.M.A. Jayesinghe served as Chairman of the Committee until 30 November 2025. Following his reclassification as a Non-Independent Director, as explained earlier, Mr. I.A. Wickramasinghe was appointed as Chairman with effect from 1st December 2025, ensuring continuity in leadership and effective oversight.

During the year, Mr. A.D.B. Talwatte resigned from the Board, and consequently from the Committee, on 31st July 2025. Mr. I.A. Wickramasinghe was appointed to the Committee with effect from 1st August 2025, while Ms. N. M.Boralessa joined the Committee effective 1st December 2025 and Ms.S.R.Fernando joined effective from 16th January 2026. Accordingly, as at 31st March 2026, the Committee comprised of eight Members, including five Independent Non-Executive Directors and three Non-Executive Directors, maintaining an appropriate balance of independence and expertise. The Committee continued to discharge its responsibilities diligently in line with its mandate and governance best practices, as outlined below.

➔ Refer to Table 38 for details regarding the members of the committee and their meeting attendance.

Figure 62: Overview of Key Duties Discharged During 2025/2026



CORPORATE GOVERNANCE

Audit Committee

The Audit Committee assists the Board in overseeing the integrity of financial reporting, the effectiveness of internal controls, risk management processes, and the independence of external auditors, while upholding strong standards of Corporate Governance and transparency.

As at 1st April 2025, the Committee comprised of six members. Mr. A.D.B. Talwatte served as Chairperson of the Committee until his resignation from the Board on 31st July 2025. With effect from 1st August 2025, Mr. H.M.A. Jayesinghe was appointed as Chairperson. Subsequently, following the reclassification of Mr. H.M.A. Jayesinghe as a Non-Independent Director, as explained earlier, Ms. N.M. Boralessa, a Member of Chartered Institute of Management Accountants (CIMA) United Kingdom, was appointed as Chairperson of the Committee with effect from 1st December 2025. Further strengthening the Committee, Ms. S.R. Fernando was appointed as a member effective from 16th January 2026.

As at 31st March 2026, the Committee comprises of eight members, including five Independent Non-Executive Directors and three Non-Executive Directors. Refer Table 38 for composition & meeting attendance. The following highlights how the Committee fulfilled its responsibilities during the year.

Figure 63: Overview of Key Duties Discharged During 2025/2026

Financial Reporting Oversight	<ul style="list-style-type: none"> Reviewed quarterly and annual financial statements prior to Board approval. Ensured compliance with SLFRS/LKAS and other applicable reporting requirements. Reviewed significant accounting judgments, estimates, and disclosures with management and external auditors.
Internal Control & Risk Management	<ul style="list-style-type: none"> Reviewed the adequacy and effectiveness of internal controls and risk management processes. Monitored actions taken by management to strengthen controls and mitigate risks. Reviewed internal audit findings, management responses, and fraud prevention measures. Monitored the effectiveness of the enterprise risk management framework.
Oversight of Internal Audit Function	<ul style="list-style-type: none"> Reviewed and approved the annual internal audit plan. Assessed the independence and effectiveness of the internal audit function. Ensured internal audit findings and recommendations were addressed by management.
Oversight of External Audit Function	<ul style="list-style-type: none"> Reviewed the external audit plan, scope, audit findings, and management responses. Assessed the independence and objectivity of the external auditors. Met with the external auditors without management present to facilitate independent discussions.
Compliance, Ethics & Regulatory Oversight	<ul style="list-style-type: none"> Monitored compliance with applicable laws, regulations, and Colombo Stock Exchange Listing Rules. Reviewed whistleblowing arrangements, fraud prevention mechanisms, and regulatory matters impacting financial reporting. Promoted ethical conduct, accountability, and transparency across the Group.
ESG & Sustainability Oversight	<ul style="list-style-type: none"> Reviewed ESG-related risks, sustainability initiatives, and related disclosures. Monitored management processes supporting environmental, social, and governance performance and compliance requirements. Oversaw governance practices relating to responsible corporate conduct and stakeholder engagement.
Cybersecurity & Digital Risk Oversight	<ul style="list-style-type: none"> Reviewed cybersecurity controls, IT governance practices, and data protection measures. Monitored cyber risks, system vulnerabilities, and management actions to strengthen information security. Reviewed business continuity and disaster recovery arrangements relating to critical systems.
AI & Emerging Technology Oversight	<ul style="list-style-type: none"> Reviewed governance practices relating to the use of artificial intelligence and emerging technologies. Monitored risks relating to data privacy, cybersecurity, regulatory compliance, and ethical use of AI. Assessed management controls established for the responsible use of AI-enabled systems and technologies.
Reporting & Disclosure	<ul style="list-style-type: none"> Reported significant audit, risk, compliance, ESG, cybersecurity, and financial reporting matters to the Board. Provided recommendations to strengthen governance, risk management, and internal controls. Ensured appropriate disclosure of Audit Committee activities in the Annual Report.

Remuneration Committee

The Remuneration Committee plays a pivotal role in supporting the Board in establishing transparent, fair, and competitive remuneration policies aligned with the Company's strategic objectives and governance best practices.

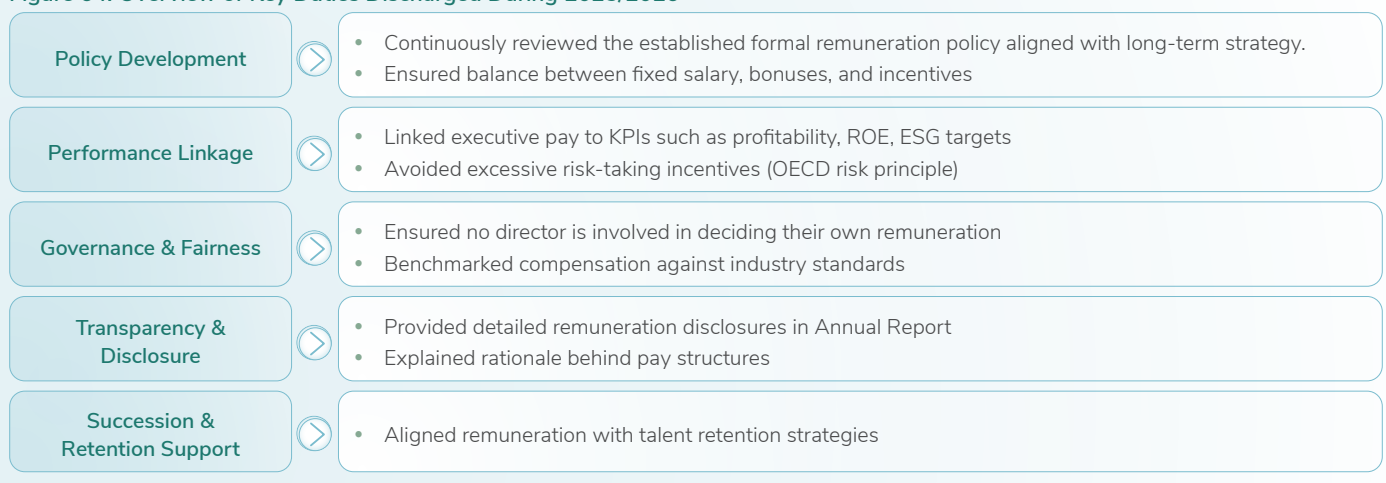
As at 1st April 2025, the Committee comprised of four members. Mr. H.M.A. Jayesinghe served as Chairman of the Committee until 30th November 2025, after which Mr. I.A. Wickramasinghe was appointed as Chairman.

During the year, Mr. A.D.B. Talwatte ceased to be a member of the Committee upon his resignation from the Board on 31 July 2025. Subsequently, Mr. I.A. Wickramasinghe was appointed to the Committee with effect from 1st August 2025, followed by the appointment of Ms. N.M. Boralessa with effect from 1 December 2025.

As at 31st March 2026, the Committee comprised of five members, consisting of two Independent Non-Executive Directors and three Non-Executive Directors, thereby maintaining an appropriate balance of independence and experience.

Meeting attendance of members is presented in Table 38. The Committee's key activities in fulfilling its responsibilities during the year are presented below.

Figure 64: Overview of Key Duties Discharged During 2025/2026



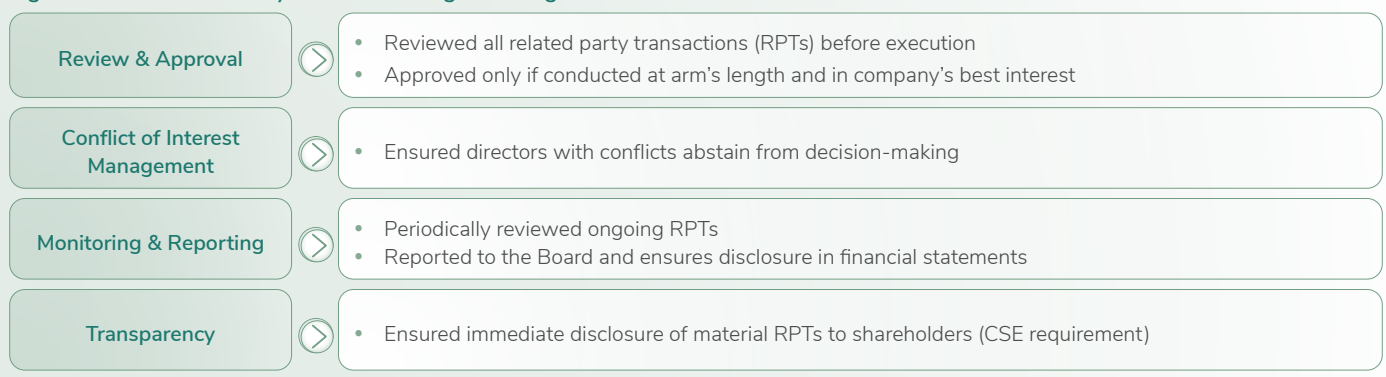
Related Party Transactions Review Committee

The Related Party Transactions Review Committee plays a vital role in ensuring transparency, accountability, and compliance with CSE Listing Rule No.09, LKAS 24 & the Code, in managing the Company's related party dealings.

As at 1st April 2025, the Committee comprised of six Members. Mr. A.D.B. Talwatte served as Chairperson until his resignation from the Board on 31st July 2025, following which Mr. H.M.A. Jayesinghe was appointed as Chairperson with effect from 1st August 2025. Subsequently, due to the reclassification of Mr. Jayesinghe as a Non-Independent Director, Mr. I.A. Wickramasinghe assumed the role of Chairperson effective 1st December 2025.

During the year, the Committee was further strengthened with the appointment of Ms. N.M. Boralessa on 1st December 2025 and Ms. S.R. Fernando on 16th January 2026. Accordingly, as at 31st March 2026, the Committee comprised of eight Members, including five Independent Non-Executive Directors and three Non-Executive Directors, reflecting a strong emphasis on independent oversight and good governance. Refer Table 38 for composition & meeting attendance.

Figure 65: Overview of Key Duties Discharged During 2025/2026



CORPORATE GOVERNANCE

Table 38- Composition of Board of Directors, Board Committees and Meeting Attendance

Name of the Director	Type of Directorship	Period Of Directorship	Year of Appointment	Age as at 31st March 2026	Composition & Attendance to Meetings									
					Board Of Directors		Audit Committee		Nomination & Governance Committee		Remuneration Committee		Related Party Transactions Review Committee	
					Membership Status	Attendance	Membership Status	Attendance	Membership Status	Attendance	Membership Status	Attendance	Membership Status	Attendance
A.G. Pandithage	Executive director	31 Years	1995	63	M	15/15	-	-	-	-	-	-	-	-
B.C.S.A.P. Gooneratne	Executive director	20 Years	2006	63	M	15/15	-	-	-	-	-	-	-	-
P.K.W. Mahendra	Executive director	10 Years	2016	59	M	15/15	-	-	-	-	-	-	-	-
C.R.Pandithage	Executive director	4 Years	2022	42	M	12/15	-	-	-	-	-	-	-	-
D.N.K.Kurukulasuriya*	Executive director	4 Years	2022*	54	M	15/15	-	-	-	-	-	-	-	-
S.R.W.M.C. Ranawana	Executive director	11 Years	2016	63	M	11/15	-	-	-	-	-	-	-	-
Dr.H. Cabral	Non-executive director	20 Years	2006	66	M	13/15	M	4/4	M	4/4	M	2/2	M	4/4
A.M.Pandithage	Non-executive director	45 Years	1982	75	M	14/15	M	4/4	M	4/4	M	2/2	M	4/4
R.A.Jayawardane	Independent Non-Executive Director	1 Year	2025	67	M	13/15	M	3/4	M	1/1			M	4/4
H.A.C.Perera	Independent Non-Executive Director	1 Year	2025	52	M	12/15	M	4/4	M	1/1			M	4/4
S.R.Fernando	Independent Non-Executive Director	2 Months & 15 Days	2026	52	M	3/3	M		M	-	-		M	1/1
Chairpersons Continuing in the Board/Committees with Membership in Other Committees														
A.R. Pandithage	Executive director	49 Years	1977	78	Chair	15/15	-	-	-	-	-	-	-	-
N.M.Boralessa	Independent Non-Executive Director	04 Months	2025	52	M	3/3	Chair		M	1/1	M		M	1/1
I.A.Wickremasinghe	Independent Non-Executive Director	08 Months	2025	58	M	10/10	M	3/3	Chair	3/3	Chair		Chair	3/3
Chairperson Ceasing from Committees, together with Memberships in Other Committees														
H.M.A. Jayasinghe**	Independent Non-Executive Director	09 Years	1999-2007, 2023	63	M	15/15	Chair	4/4	Chair	4/4	Chair	2/2	Chair	4/4
	Non-Executive Director	01 Year	2023				M		M		M		M	
Chairperson Ceasing from Committees due to resignation from the Board effective from 31st July 2025														
A.D.B. Talwatte	Independent Non-Executive Director	09 Years	2016	70	M	05/05	Chair	1/1	M	1/1	M	1/1	Chair	1/1
Total Independent Non Executive Directors as of 31st March 2026						5		5		5		2		5
Total Executive Directors as of 31st March 2026						7		-		-		-		-
Total Non Independent Non Executive Directors as of 31st March 2026						3		3		3		3		3
Total as of 31st March 2026						15		8		8		5		8

* D.N.K.Kurukulasuriya initially appointed to the Board on 30th May 2022 and resigned on 23rd December 2025 to maintain the Board Balance as required by CSE Listing Rule No.09. Again she was appointed to the Board on 16th January 2026.

** Mr.Jayasinghe's first appointment was on 7th July 1999 and resignation was on 1st January 2007. His, 2nd appointment was on 1st September 2023. Following his reclassification as a Non-Independent Director, he ceased to serve as Chairperson of all Committees.

Table 39: CSE Listing Rule No. 09 Requirements

Composition & Listing Rule Requirements					
	Board Of Directors	Audit Committee	Nomination & Governance Committee	Remuneration Committee	Related Party Transactions Review Committee
CSE Listing Rule No.09 Requirements					
Board/ Committee Members	Minimum 05	Minimum 03	Minimum 03	Minimum 03	Minimum 03
	Rule No. 9.8.1	9.13.3.(1). (a)	9.11.4.(1) (a)	9.12.6.(1).(a)	9.14.2. (1)
Total Independent Non Executive Directors	Min 02 or 1/3 of total whichever is higher	Min 02 or Majority of Members whichever is higher	Minimum 02	Minimum 02	Minimum 02
	Rule No. 9.8.2 (a)	9.13.3.(1). (a)	9.11.4.(1) (a)	9.12.6.(1).(a)	9.14.2. (1)
Total Non Independent Executive Directors	Balance is to be maintained	Not allowed	Not allowed	Not allowed	May include
	Rule No.9.5.1 (a)	9.13.3.(1). (b)	9.11.4.(1) (b)	9.12.6.(1).(b)	9.14.2. (1)
Compliance Status as at 31st March 2026	Compliant	Compliant	Compliant	Compliant	Compliant
Chairperson	Cannot chair other committees. Should be a non-executive director. Should not be a close family member to CEO. If so, SID is to be appointed	Chair should be an independent director. Chair or a member should be a Member of Recognised Profe. Acc. body	Should be an independent director	Should be an independent director	Should be an independent director
	Rule No 9.3.3, 9.6.1, 9.6.3 (a) ii, iii	9.13.3.(4) & (6)	9.11.4.(2)	9.12.6.(2)	9.14.2. (1)
Compliance Status as at 31st March 2026	Compliant	Compliant	Compliant	Compliant	Compliant

MANAGEMENT COMMITTEES

The Board has appointed a Group Management Committee (GMC), responsible for executing the strategy and to carry out any mandates given by the Board or Board Committees. In addition, four Sustainability Pillar Heads oversee and execute the Sustainability Agenda of the Company. The Group Management Committee consists of 14 members of whom 07 are members of the Board. Two Sustainability Pillar Heads are members of the Board, with one member being a member of the GMC and the other a General Manager

Group Management Committee (GMC)

The Group Management Committee (GMC) serves as the central executive body responsible for the strategic and operational leadership of the Group. Comprising 14 members, the GMC includes Executive Directors and key members of the senior management team, ensuring that a wide spectrum of expertise and insight contributes to the Group's decision-making processes.

The Committee operates under the leadership of Mr. A.G. Pandithage, Group Managing Director/CEO, and plays a vital

role in translating the Board's strategic direction into actionable plans. It is entrusted with overseeing the execution and implementation of Group-wide strategies, policies, and operational objectives to ensure sustainable performance and value creation.

The GMC is responsible for the overall steering of the business and assumes accountability for achieving the Group's short- and long-term performance targets. This includes monitoring operational effectiveness, resource allocation, risk

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management, and aligning day-to-day management decisions with the broader strategic vision.

By fostering collaboration across different business units and functional areas, the GMC ensures agile and informed leadership that supports innovation, operational excellence, and stakeholder value. The Committee meets regularly to assess progress, address emerging challenges, and drive continuous improvement across all levels of the organization.

Through the leadership and governance framework, the GMC plays an integral role in guiding the Company and the Group toward its long-term goals and maintaining its position as a responsible and forward-looking corporate entity.

➞ Refer table 44 for skills and competencies of GMC members.

Sustainability Management Structure

As part of our continued commitment to sustainability, the Group has established a structured governance framework led by the Sustainability Pillar Heads. This team is composed of senior members of the management team, including Executive Directors, and operates under the strategic leadership of Mr. A.G. Pandithage, Group Managing Director/CEO

The governance framework is built around four key sustainability pillars, each addressing critical aspects of the Group's environmental, social, and business impact. Each pillar is headed by an experienced leader, ensuring focused attention and accountability:

- Business Pillar – Led by Mr. C.R Pandithage, this pillar focuses on integrating sustainable practices within our business operations, driving long-term economic performance and responsible corporate growth.

- Social Pillar – Employees – Headed by Ms. D.N.K. Kurukulasuriya, this area focuses on employee well-being, diversity, equity, and continuous development to foster an inclusive and empowered workforce.
- Social Pillar – Community – Led by Mr. R.K.J Gunsekara until 31st December 2025 and by Mr. Ravinesh Senaratne effective from 1st January 2026, this pillar is responsible for the Group's community engagement initiatives, promoting inclusive development and positive social impact in the regions where we operate.
- Environment Pillar – Managed by Mr. Mahesh Karunaratne, this pillar oversees the Group's efforts to minimize environmental impact, enhance resource efficiency, and support climate action in alignment with global sustainability standards.

Collectively, the Sustainability Pillar Heads are tasked with overseeing the identification, evaluation, and management of the Group's economic, social, and environmental impacts. Their responsibilities also extend to ensuring the successful implementation of the Group's Sustainability Agenda 2030, driving the organization toward long-term value creation and resilience.

Information Flow to The Directors and External Auditors

The Board of Directors of the Company has established formal procedures to ensure timely, accurate, and complete information flows to both the Directors and the External Auditors based on the requirements. These procedures support transparent governance, effective decision-making, and oversight in line with applicable laws, the CSE Listing Rules, and the Code.

Information is primarily communicated to Directors through structured Board PAC, which include Board papers, Committee submissions, and relevant supporting documentation. These materials are circulated in advance of Board and Committee meetings, allowing sufficient time for review and informed discussion. Presentations made during Board meetings, including those related to capital expenditure approvals and other strategic matters, further supplement these documents and provide context for decision-making.

Where necessary, additional clarifications may be provided during meetings or through follow-up communications. In cases involving Inside Information or Material Information, disclosures are made in accordance with the procedures outlined in the CSE Listing Rules to ensure regulatory compliance and market integrity.

These processes collectively ensure that the Board and External Auditors have access to the information required to perform their respective oversight and supervisory responsibilities effectively.

BOARD FUNCTIONING AND PERFORMANCE

Appraisal of the Board and Committee performance

The Board of Directors of the Company recognizes the importance of appraising and evaluating the performance of its members, including those of the subcommittees, as well as the Chairman of the Board, Subcommittee Chairpersons, and the CEO. During the year, the following evaluations were conducted: Independent Directors were appraised by Non-Independent Directors; the Chairman of the Board was appraised by the Board Members; the Board as a whole was appraised by its Members; Board Committees were appraised by their respective Members; and Committee Chairpersons were appraised by their respective Members. CEO of the Company was appraised by the other Board Members. Feedback was reviewed by the Nomination and Governance Committee, which concluded positively and communicated the outcomes to the respective chairpersons, in line with the requirements of Section A.09 of "the Code"

Board of Director's Adherence to Governance Frameworks

DIMO's Board of Directors adheres to regulatory requirements and best practice frameworks, ensuring its governance practices align with the Listing Rules of the Colombo Stock Exchange (CSE).

Adherence to CSE Listing Rule No. 09 Requirements by the Board of Directors

- DIMO complies with CSE Listing Rule No. 9.8.1, maintaining a Board of 15 Directors, which exceeds the minimum requirement of five Directors stipulated by the rule.
- The Board of DIMO has complied with the CSE Listing Rule No.9.8.2 (a), maintaining a strong representation of Independent Non-Executive Directors equal to one -third of the total, as at 31st March 2026. Inadvertant non-compliance which was identified during the year was rectified as discussed earlier in this report (Refer page 150-151).
- All five Independent Directors serving on the Board as at year-end have confirmed that they satisfy the independence criteria set out in the CSE Listing Rule No. 9.8.3 by submitting annual declarations in accordance with the Rule (Refer Table 40).
- A formal policy, governing matters relating to the Board of Directors as indicated in Rule No.9.5.1 has been established and maintained during the year, and a disclosure is made in the Company's website as to how the Company has implemented this policy during the financial year.
- To ensure compliance with CSE Listing Rule No. 9.7.1, each member of the Board has confirmed their continued compliance with the fit and proper assessment criteria outlined in CSE Listing Rule No. 9.7.3 by providing signed declarations for the year (Refer Table 41). Individuals who fail to comply with the criteria as per the above rule, will no longer be eligible to serve as Directors of the Company.

Table 40: Board Determination of Directors Independence for the Year 2025-2026 – Compliance with CSE Listing Rule 9.8.3

Independence Criteria (CSE Rule 9.8.3)	Names of Directors				
	H.A.C.Perera	R.A. Jayawardane	I.A. Wickramasinghe	N.M.Boralesa	S.R.Fernando
(i) Not employed by the Company during the past 3 years	✓	✓	✓	✓	✓
(ii) No Material Business Relationship with the Company (past 3 years)	✓	✓	✓	✓	✓
(iii) No Close Family Member as Director/CEO (preceding financial year)	✓	✓	✓	✓	✓
(iv) No Significant Shareholding	✓	✓	✓	✓	✓
(v) Has not served on the Board for more than nine (9) years from the date of first appointment	✓	✓	✓	✓	✓
(vi) Does not have cross-employment relationships with other companies linked to the Board (as defined in the Rules)	✓	✓	✓	✓	✓
(vii) Does not hold directorships in other companies that create conflicts or cross-board relationships (as defined in the Rules)	✓	✓	✓	✓	✓
(viii) Does not have significant shareholdings or business relationships in other entities that conflict with the Company's interests	✓	✓	✓	✓	✓
(ix) Not above 70 years	✓	✓	✓	✓	✓
Submitted an annual declaration confirming independence	Yes	Yes	Yes	Yes	Yes
Board Determination of Independence	Independent	Independent	Independent	Independent	Independent

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Table 41: Board Assurance on Fit and Proper Compliance (CSE Listing Rules 9.7.3 & 9.7.4)

Assessment Criteria	Key Considerations Applied	Names of Directors														
		A.R. Pandithage	A.G. Pandithage	B.C.A.S.P. Gooneratne	P.K.W. Mahendra	C.R. Pandithage	D.N.K. Kurukulasuriya	S.R.W.M.C. Ranawana	A.M. Pandithage	Dr.H. Cabral	H.M.A. Jayasinghe	R.A. Jayawardane	H.A.C.Perera	I.A. Wickramasinghe	N.M. Boralessa	S.R. Fernando
A. Honesty, Integrity & Reputation (Rule No. 9.7.3 (a) (i) – (vii))	No convictions relating to market offences, fraud, or dishonesty; no regulatory sanctions or disqualifications; no involvement in entities with revoked licenses or regulatory breaches; maintains strong ethical and professional standing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
B. Competence & Capability (Rule No.9.7.3 (b) (i) – (ii))	Possesses relevant qualifications, experience, and industry knowledge; ability to contribute effectively to Board deliberations; demonstrates sound judgment; not declared of unsound mind	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C. Financial Soundness (Rule No.9.7.3 (c) (i) – (iii))	Not an undischarged bankrupt; no unsatisfied judgment debts; no significant involvement in insolvent entities; demonstrates financial responsibility	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Annual Declaration (Rule No.9.7.4)	Annual declarations obtained confirming continuous compliance during the year and as at reporting date; reviewed by the Nominations and Governance Committee	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

✓ Criteria satisfied / Confirmed ● Declaration Received

Commitments & Deliberations of the Board of Directors Throughout the Year

- Strategic Planning and Long-Term Goals, by setting the Company's overall direction and reviewing and approving business strategies.
- Financial Oversight by monitoring financial performance and reviewing annual budgets, and approving financial statements, forecasts, and capital expenditures.
- Risk Management and Compliance through identifying and mitigating key business risks, and ensuring compliance with regulatory requirements such as compliance with Inland Revenue Act No.24 of 2017, Labour Laws and Regulations of Sri Lanka, Exchange Control Act of Sri Lanka and other relevant legal requirements.
- Leadership and Succession Planning via reviewing executive performance and evaluating leadership and approving succession plans for key leadership positions.
- Embracing principles of Sustainability by overseeing initiatives related to social responsibility, sustainability, and community engagement.
- Corporate Governance
 - » Ensuring compliance to Corporate Governance Listing Rule No.09 requirement and compliance with the guideline mentioned in the Code of Best Practice on Corporate Governance 2023 published by the Institute of Chartered Accountants of Sri Lanka
 - » Reviewing and updating governance policies and frameworks.
- Stakeholder Engagement through engagement with shareholders, employees, and other stakeholders, reviewing shareholder feedback and addressing concerns.
- Board Evaluation and Development through evaluating the performance of the Board of Directors and individual members, chairpersons and organizing training and development programs for Board Members.
- Monitoring Business Performance by reviewing operational performance; setting key performance indicators (KPIs), addressing operational challenges and implementing corrective actions when needed.

Table 42: Board Meetings of DIMO

Governance Aspect	Description	Key Benefits to the Company
Meeting Frequency & Structure	The Board of Directors convenes meetings on a quarterly basis, with additional sessions scheduled when necessary to address strategic or operational priorities. Meetings are structured to ensure adequate time for discussion of key matters.	Ensures continuous oversight, timely decision-making, and agility in responding to dynamic business conditions.
Strategic Oversight & Governance	Board meetings serve as a platform to review corporate strategy, financial performance, risk management, and progress against key objectives, while addressing emerging challenges.	Strengthens corporate governance, enhances accountability, and aligns business operations with long-term strategic goals.
Engagement with Senior Management	Senior executives, including members of the Group Management Committee (GMC), are invited based on agenda relevance to provide in-depth insights and operational updates.	Promotes informed decision-making, improves transparency, and bridges the gap between strategic direction and operational execution.
Leadership of the Chairman	The Chairman ensures meetings are conducted in line with best governance practices, sets clear agendas, facilitates constructive discussions, and encourages active participation from all Directors.	Enhances Board effectiveness, fosters a culture of openness, and ensures balanced, well-informed decisions that safeguard shareholder interests.
CEO's Strategic Input	The Group Managing Director/CEO, Mr. A.G. Pandithage, delivers comprehensive updates on business performance, strategic initiatives, risks, and opportunities.	Enables the Board to make data-driven decisions, monitor execution of strategy, and proactively respond to risks and market opportunities.
Role of the Company Secretary	The Company Secretary oversees meeting administration, including scheduling, circulation of board papers, and ensuring compliance with regulatory requirements such as the Companies Act and CSE Listing Rules.	Ensures governance integrity, regulatory compliance, accurate documentation, and effective implementation of Board decisions.

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DIVERSITY & COMPETENCE

"Diversity extends beyond representation; it is a strategic driver of innovation and a catalyst for achieving our corporate vision."

A.R. Pandithage
Chairman

In compliance with CSE Listing Rule No. 9.5.1 (c), the Company ensures Board diversity by maintaining a balanced composition in terms of experience, skills, competencies, age, gender, and industry expertise. The Company places strong emphasis on the objective and transparent selection of Directors to support effective governance and strategic leadership.

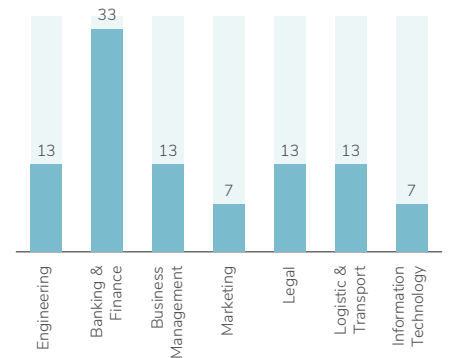
Our Board comprises Directors from diverse professional backgrounds including engineering, finance, business

management, marketing, legal, information & communication technology and logistics and transport. Gender diversity stands at 20% female representation and will be increased in the future.

The Board's age composition demonstrates a deliberate blend of seasoned expertise and fresh perspectives. With 33% of Directors under 55 and a significant 40% between 55 and 64, this balance fosters dynamic leadership and insightful governance, positioning the Company for sustained success.

The diversified Board of the Company has adequate financial literacy and expertise among its members to provide effective guidance on the Company's financial matters, as required by Section A.04 of the Code.

Figure 66:
Board of Directors by Profession (%)



Of the 15 Directors, the composition includes: 2 engineers, 5 Banking & finance professionals, 2 business management professionals, 1 Marketing Professional, 2 legal professionals, 2 logistics and transport professional, and 1 IT & Communication professional

Table 43: Area of Competencies of Directors of DIMO

Name of the Director	Qualifications	Gender	Corporate Leadership	Finance	Legal	Information Technology & Communication	Engineering	Human Resources & Stakeholder Engagement	Marketing	Segment/Domain knowledge	Board Service & Governance	Logistics & Transport	ESG Sustainability & core competencies	Risk Management
A.R. Pandithage	Diploma in Engineering - Germany Member of the Institute of Engineers, Germany (VDI).	M	●				●			●			●	●
A.G. Pandithage	Fellow Member of Chartered Institute of Management Accountants, Chartered Global Management Accountant (FCMA, CGMA) Alumni of Harvard Business School Advance Management Programme (AMP).	M	●	●		●				●			●	●
N.M.Boralessa	Fellow Member of Chartered Institute of Management Accountants, Chartered Global Management Accountant (FCMA, CGMA)	F		●									●	●
Dr.H. Cabral	President's Counsel in Sri Lanka Doctorate in Corporate Law from University of Canberra, Australia	M			●						●			
S.R.Fernando	Bachelor of Science (Hons) - New Delhi Master of Business Administration - University of Sri Jayawardenepura Affiliated Member of the Chartered Institute of Procurement and Supply (UK) Chartered Member of the Institute of Logistics & Transport (UK).	F										●		
B.C.S.A.P. Gooneratne	Fellow Member of Institute of Chartered Accountants of Sri Lanka Fellow Member of Institute of Certified Management Accountants of Sri Lanka Master of Business Administration - University of Sri Jayawardenepura	M		●							●		●	●
H.M.A. Jayasinghe	Fellow Member of Institute of Chartered Accountants of Sri Lanka Fellow Member of Chartered Institute of Management Accountants, Chartered Global Management Accountant (FCMA, CGMA) Chartered Public Finance Accountant	M		●							●			●

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Name of the Director	Qualifications	Gender	Corporate Leadership	Finance	Legal	Information Technology & Communication	Engineering	Human Resources & Stakeholder Engagement	Marketing	Segment/Domain knowledge	Board Service & Governance	Logistics & Transport	ESG Sustainability & core competencies	Risk Management
R.A.Jayawardane	Member of Chartered Institute of Marketing Master of Business Administration from PIM, University of Sri Jayawardenepura	M	●						●					
D.N.K.Kurukulasuriya	Attorney at law Executive Master of Business Administration - University of West London	F			●			●		●			●	●
P.K.W. Mahendra	Bachelor's in Mechanical Engineering - University of Greenwich (UK)	M					●			●				
A.M.Pandithage	Fellow of the Chartered Institute of Logistics and Transport (UK)	M	●							●		●		
C.R.Pandithage	Bachelor of Business and Commerce - Monash University Master of Business Administration - RMIT University	M								●			●	●
H.A.C.Perera	Master of Business Administration - Edith Cowen University, Australia Bachelor of Science - Computer Science & Engineering University of Moratuwa	M				●								
S.R.W.M.C. Ranawana	Master of Business Administration - Wanaborough University (UK)	M								●		●		
I.A.Wickramasinghe	Master of Business Administration -Post Graduate Institute of Management ,University of Sri Jayawardenepura Fellow Member of Chareted Institute of Marketing (UK) Member of the Oxford Business Alumni, University of Oxford UK	M	●						●					

Table 44: Areas of Competencies of Group Management Committee (GMC) Members of DIMO (Excluding Directors Serving as Committee Members)

Name of the Member	Qualifications	Gender	Corporate Leadership	Finance	Legal	Information Technology	Engineering	Human Resources & Stakeholder Engagement	Sales, Marketing & Delivery	Knowledge of the Industry	Board Service & Governance	Logistics & Transport	ESG Sustainability & core competencies	Risk Management
S.C.Algama	Fellow of the Institute of Incorporated Engineers (SL)	M					●			●				
H.M.P.D.B.Dematawa	Master of Business Administration, Bachelor of Science in Agriculture	M								●				
R.K.J.Gunasekera**	Master of Science in Finance, Accounting and Management - School of Management, University of Bradford(UK) Bachelor of Science in Business Administration - Faculty of Management, University of Colombo Fellow Member of the Chartered Institute of Management Accountants, Chartered Global Management Accountant (FCMA, CGMA)	M		●						●				
G.P.M.S.Karunaratne	Fellow Member of the Chartered Institute of Marketing (UK) Master of Science - Asia e University Malaysia Master of Business Administration - Asia e University Malaysia Member of Institute of Automotive Engineers of Sri Lanka Member of Institue of Management of Sri Lanka	M					●		●	●			●	●
M.H.B.U.S.B. Mahagedara	Fellow Member of the Institute of Chartered Accountants of Sri Lanka	M		●										
M.D.H.Peiris	Fellow Member of the Chartered Institute of Marketing Master of Business Administration - University of of Leicester (UK)	M							●					
S.R.W.M.C. Ranawana	Master of Business Administration - Wanaborough University (UK)	M								●		●		
R.D.M.P. Wickramasinghe	Bachelor of Science - University of Peradeniya Master of Science (Computer Science) - University of Colombo Master of Business Administration (IT) - University of Moratuwa	M				●								●

Ceased to be a member effective from 1st January 2026

In addition to the individuals mentioned above, the members of the Group Management Committee (GMC) include the following executive directors: Mr. A.R. Pandithage (Chairman), Mr. A.G. Pandithage, Mr. B.C.S.A.P. Gooneratne, Ms. D.N.K. Kurukulasuriya, Mr. P.K.W. Mahendra, Mr. C.R. Pandithage, and Mr. S.R.W.M.C. Ranawana. Their skills and competencies are detailed in Table-43.

CORPORATE GOVERNANCE

INCLUSIVE GOVERNANCE PRACTICES IN EXECUTIVE SUCCESSION PLANNING

The Company is committed to fostering an inclusive and transparent executive succession planning process that aligns with best governance practices and focusses on its leadership pipeline; it is ensured that matters of gender, religion or ethnicity have no place in decisions relating to succession. The Board plays an active role in promoting diversity within the executive team, focusing on creating a balanced and representative leadership structure. The Company is committed to continuous evaluation of its succession practices to ensure they are fair, merit-based, and inclusive, enhancing long-term organizational resilience and leadership effectiveness.

SENIOR INDEPENDENT DIRECTOR'S STATEMENT

As the Senior Independent Director of DIMO, I am committed to upholding high standards of corporate governance, transparency, and accountability. I provide independent oversight to support balanced and effective Board decision-making, while serving as an alternative channel for Directors and shareholders where concerns cannot be addressed through the usual channels. I also facilitate the evaluation of the Chairperson and ensure that the views of Independent Directors are duly considered in Board deliberations. Through these efforts, I contribute to enhancing trust, accountability, and the overall effectiveness of the Board.

The requirement for the appointment of a Senior Independent Director (SID) arose in compliance with CSE Listing Rule No. 9.6.3(a)(ii) and (iii), as well as the Code issued by CA Sri Lanka.

During the year under review, three individuals, including myself, served in this role. Mr. A.D.B. Talwatte served from 1st April 2025 to 31st July 2025, followed by Mr. H.M.A. Jayasinghe from 1st August 2025 to 30th November 2025. I was appointed on 1st December 2025 and continue to serve in this capacity.

I am satisfied that both predecessors discharged their duties and responsibilities in accordance with the CSE Listing Rule's requirements and the Code in a professional and diligent manner. Since my appointment, I have continued to uphold these responsibilities, ensuring consistency and adherence to the CSE Listing Rules and the Code.

During my tenure of the year, in line with CSE Listing Rule 9.6.3 (b), I chaired meetings of the Independent Directors to review governance practices, Board operations, and strategic matters related to the Company. Feedback and recommendations from these sessions were communicated to the Chairperson and the members of the Board.

Further, in accordance with CSE Listing Rule No. 9.6.3 (c), I chaired meetings of Non-Executive Directors to appraise the performance of the Chairperson to the Board. The outcome of this process was shared with the Chairperson to support ongoing leadership effectiveness.

DIMO remains fully committed to upholding the highest standards of corporate governance. The Company demonstrates a strong culture of conformance, strictly adhering to mandatory requirements while embracing voluntary governance practices that support long-term value creation and stakeholder trust.

As SID, I continue to be available to all Directors for confidential discussions and am consulted by the Chairperson on governance-related matters as necessary.

I.A.Wickramasinghe
Senior Independent Director

Colombo
3rd June 2026



TABLE 45: FOCUS AREAS OF THE BOARD OF DIRECTORS

Focus Area	Key Board Activities	Value Creation Pillars	Outcomes / Impact
Strategic Oversight & Business Growth	<ul style="list-style-type: none"> Reviewing and approving corporate strategy aligned with evolving market dynamics Overseeing investments, partnerships, and diversification initiatives Monitoring sector performance including mobility, engineering, and infrastructure solutions Guiding digital transformation and innovation initiatives 		<ul style="list-style-type: none"> Sustainable revenue growth and profitability Strengthened asset base and operational capabilities Enhanced workforce skills and leadership capacity Innovation-driven competitive advantage
Risk Management & Compliance	<ul style="list-style-type: none"> Overseeing enterprise risk management framework including financial, operational, and ESG risks Ensuring compliance with regulatory and statutory requirements Reviewing internal audit findings and control effectiveness Monitoring emerging risks such as economic volatility, cybersecurity, and supply chain disruptions 		<ul style="list-style-type: none"> Improved resilience and risk mitigation Strengthened stakeholder confidence and trust Enhanced governance and internal control systems
Governance & Leadership Effectiveness	<ul style="list-style-type: none"> Evaluating Board performance and effectiveness Overseeing succession planning for Board and senior management Ensuring adherence to corporate governance best practices Promoting ethical conduct, integrity, and a strong corporate culture 		<ul style="list-style-type: none"> Robust governance framework and accountability Strong leadership pipeline and organizational continuity Ethical and transparent corporate culture
Performance Monitoring & Financial Reporting	<ul style="list-style-type: none"> Reviewing financial performance against budgets and strategic targets Ensuring integrity and transparency of financial reporting Overseeing external audit and financial disclosures Monitoring capital management, liquidity, and cost optimization Encouraging sustainability reporting including environmental stewardship 		<ul style="list-style-type: none"> Improved financial discipline and performance Transparent and reliable reporting to stakeholders Responsible resource utilization and sustainability focus

CORPORATE GOVERNANCE

STAKEHOLDER ENGAGEMENT AND SUSTAINABILITY FOCUSED IN GOVERNANCE

Relations with Shareholders and Investors

In accordance with CSE Listing Rule No. 9.4.2 (a), the Company has formulated a comprehensive policy regarding effective communication with shareholders and investors. Additionally, as mandated by Rule No. 9.4.2(c), this policy encompasses a procedure to ensure all Directors are apprised of significant shareholder issues and concerns. Further details on this matter have been provided in the 'Investor Relations' section of this report.

Sustainability Reporting – ESG

Environmental, Social, Governance (ESG) considerations are paramount in DIMO's long-term business strategy and throughout its value creation process. The ESG strategy is executed through Sustainability Agenda presented on page 32. Supported by Sustainability Pillar Heads, the Board continuously identifies and addresses ESG-related risks and opportunities that impact DIMO's value creation in the short, medium and long term. A detailed report on ESG factors and an ESG Performance Statement can be found on pages 234 to 253.

Data Privacy and Ethical Use of Information

In parallel with threat defence, DIMO has prioritized ethical data governance and customer privacy. The Group adheres strictly to global data protection regulations, including the General Data Protection Regulation (GDPR), and has implemented enterprise-wide policies to ensure transparency, accountability, and compliance in the collection, storage, and use of personal data.

Core data protection measures include

- Board-level Oversight of all privacy-related policies and governance practices
- Regular privacy impact assessments and vulnerability audits

- Implementation of consent management frameworks and role-based access controls
- Staff awareness and training programs to instil a culture of responsible data handling

Specific Data Privacy Initiatives

- GDPR EU standard & Sri Lanka Personal Data Protection Act, No. 9 of 2022 (SLPDPA) aligned Data Governance Framework
- Privacy audits and role-based access controls
- Consent management policies
- Board-level supervision of data ethics

These initiatives reinforce DIMO's commitment to ethical digital transformation, preserving customer trust, and aligning technology deployment with corporate values and compliance mandates.

RISK MANAGEMENT, COMPLIANCE & ASSURANCE

Internal Audit

The Company maintains an independent internal audit function that delivers reasonable assurance to the Board, Audit Committee, and Senior Management on the effectiveness of internal controls, including those related to financial reporting.

Led by the Group Chief Internal Auditor appointed by the Board the Internal Audit Division operates under a risk-based audit plan. Audit findings and recommendations are reported quarterly to both the Audit Committee and the Board, ensuring transparency and oversight. Internal audit reports are also made available to external auditors upon request.

Throughout the year, the Audit Committee reviewed the activities of the Internal Audit function and expressed satisfaction with its performance.

External Audit

The Company's External Audit function operates independently under the oversight of the Audit Committee. The Audit Committee has obtained written confirmation from the External Auditors affirming their independence and objectivity. Regular dialogue is maintained between the Committee and the External Auditors to address any matters related to the financial statements.

To ensure continued independence and fresh perspective, audit partner rotation is conducted at prescribed intervals, with the most recent rotation taking place in 2024.

Internal Control

A robust internal control framework is essential for the Company to proactively prevent, detect, and mitigate risks associated with its ongoing operations. The Board, with the support of the Audit Committee, is responsible for overseeing and evaluating the effectiveness of the Group's internal control environment.

This evaluation is informed by comprehensive reviews and discussions based on reports submitted by Management Committees, Internal Auditors, and External Auditors.

For further information, please refer to the Board of Directors' Statement on Internal Controls on page 265.

Risk Management

At DIMO, risk management is embedded within the Group's governance framework, strategic planning, and day-to-day operations, enabling the organisation to navigate an increasingly dynamic and volatile business environment with resilience and agility. DIMO adopts an opportunity-focused yet risk-aware approach to decision-making, supported by structured risk identification, assessment, monitoring, and mitigation processes implemented across all business segments and functional levels.

The Group's integrated risk management framework encompasses strategic, operational, financial, compliance, sustainability, and climate-related risks, ensuring the protection of stakeholder value while supporting long-term business sustainability. In alignment with evolving global reporting and governance expectations, DIMO has further strengthened the management of sustainability and climate-related risks through frameworks aligned with Task Force on Climate-related Financial Disclosures (TCFD) recommendations and SLFRS S1 and S2 standards. The Board of Directors, supported by management committees and specialised governance structures, provides oversight to ensure effective risk governance, accountability, and internal control across the Group.

➔ Further details on the Group's risk governance structure, key risk categories, and mitigation strategies are provided in the Risk Management section on pages 200 to 208.

COMPLIANCE

The compliance and adherence component of the conformance framework establishes the foundation for adherence, outlining the rules to be followed by the Board, Board Committees, Management Committees, and employees. As defined in the governance framework, this component encompasses statutes and regulations categorized as 'mandatory compliance,' as well as codes, best practices, and management control systems categorized as 'voluntary adherence'.

Mandatory Compliance

- Companies Act No. 07 of 2007
- Sri Lanka Accounting and Auditing Standard Act No. 15 of 1995
- Listing Rules of Colombo Stock Exchange
- Articles of Association
- Securities & Exchange Commission regulations
- Other legislative enactments affecting the Company
- Sri Lanka Personal Data Protection Act, No. 9 of 2022 (SLPDPA)

Voluntary Adherence

- Code of Best Practice on Corporate Governance issued by CA Sri Lanka
- Ten Principles of the UN Global Compact
- Code of Business Conducts and Ethics of DIMO
- OECD Principles on Corporate Governance
- GRI Standards
- Quality Management System
- Environmental Management System
- Internal Control System
- Social Accountability Management System
- Occupational Health & Safety Management System

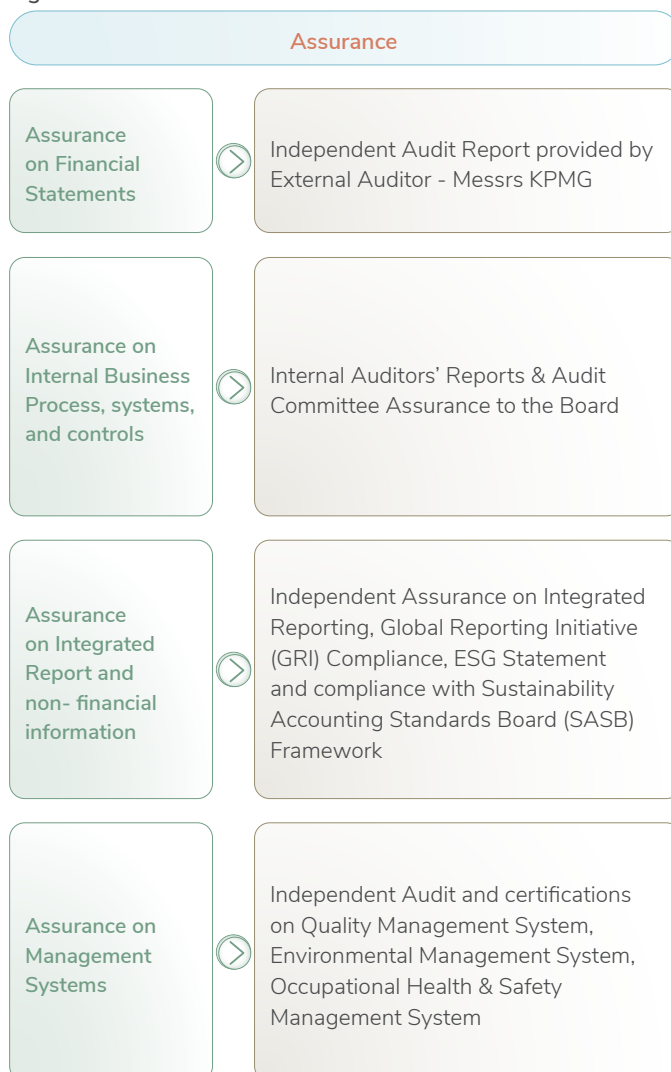
ASSURANCE

Assurance plays a vital role in upholding the integrity of the Company's operations, safeguarding its assets, and reinforcing stakeholder confidence. To ensure the effectiveness of its systems, processes, and internal controls, the Company adopts a comprehensive approach that includes internal audits, management reviews, and external audits.

These assurance mechanisms are instrumental in verifying the accuracy and reliability of both financial and non-financial information. By doing so, they contribute to robust governance practices and support well-informed decision-making throughout the organization.

The Company secures assurance from both internal and external sources to validate the soundness of its operational and reporting frameworks.

Figure 67:



CORPORATE GOVERNANCE

REPORT OF THE AUDIT COMMITTEE

Table 46:

Name of the director	Directorship Status	Membership Status	Date of Appointment to the committee	Date of Retirement	Meeting Attendance
N.M.Boralessa	Independent Non-Executive Director	Committee Chair	2025-12-01		2/2
R.A.Jayawardane	Independent Non-Executive Director	Member	2025-01-01		3/4
H.A.C.Perera	Independent Non-Executive Director	Member	2025-01-01		4/4
S.R.Fernando	Independent Non-Executive Director	Member	2026-01-16		2/2
I.A.Wickramasinghe	Independent Non-Executive Director	Member	2025-08-01		3/3
A.M.Pandithage	Non-executive director	Member	2000-02-02		4/4
H.M.A. Jayesinghe	Non-executive director	Member up to 31/07/2025 Committee Chair from 1/08/2025 -30/11/2025 Member from 1/12/2025	2023-09-01		4/4
Dr.H. Cabral	Non-executive director	Member	2006-10-24		4/4
A.D.B. Talwatte	Independent Non-Executive Director	Committee Chair	2016-10-11	2025-07-31	1/1

➔ Please refer to Table 38 & Table 43 for additional details regarding the committee members and Directors.

During the year under review, Mr. A.D.B. Talwatte served as Chairman of the Committee from 1st April 2025 to 31st July 2025. The chairmanship thereafter transitioned to Mr. H.M.A. Jayesinghe with effect from 1st August 2025, who served in that capacity until 30th November 2025. I assumed the chairmanship with effect from 1st December 2025. I wish to place on record my observation that both Mr. Talwatte and Mr. Jayesinghe discharged their responsibilities with professionalism, diligence, and integrity, ensuring the effective functioning of the Committee throughout their respective tenures. On behalf of the Committee, I am pleased to present this report, which outlines the Committee's activities, deliberations, and key initiatives undertaken throughout the financial year in fulfilling its governance and oversight responsibilities.

The Audit Committee (AC) provides an independent oversight of the Group's financial reporting and internal control systems, internal and external audits, risk management, compliance with laws and regulations, in line with the approved Audit Committee Terms of Reference. Meetings of the Audit Committee were aligned with the key reporting and regulatory timelines.

Activities & Deliberations During the Year - 2025/26

Risk Management & Internal Controls

Status of the risk management and internal controls of both the Company and the Group were reviewed during the year, and appropriate mitigation and remedial actions were recommended to the Board. The status of risk management structures, governance and processes are available on page 200 -208.

Committee has received assurances from the Group Managing Director/ CEO and CFO regarding the Company's and Group's finances and operations.

Compliance

The Committee obtained representations from Group Managing Director/ Chief Executive Officer and CFO on the adequacy of provisions made for possible liabilities. The committee also reviewed reports tabled during the Board Meetings with regard to statutory payments and filing of Returns. Having made necessary observations, the Audit Committee is of the view that the Company has complied with Companies Act No.07 of 2007, CSE Listing Rules, Securities and Exchange Commission Act, regulations & directions of Securities and Exchange Commission, Colombo Stock Exchange and Sri Lanka Accounting Standards.

Internal Audit

Committee reviewed the internal control system operated within the Company and the Group and made recommendations wherever necessary to the Board. Committee reviewed the functions of the internal audit program and had periodic discussions on audit findings included in the Reports provided to the committee by the Group Chief Internal Auditor.

External audits

The Committee obtained a written assurance from the current auditor, Messrs. KPMG, confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of relevant auditing and accounting standards. Based on the above, the Audit Committee has determined that Messrs.KPMG, is considered as an independent Auditor.

The Committee held meetings with the External Auditors to review the nature, approach and scope of the audit and the Audit Management Letters of Group Companies. The Committee also reviewed actions taken by the management in response to the issues raised by the auditors and effectiveness of the internal controls. Where required, issues and remedial

actions taken related to audit findings were discussed with the relevant members of the Group management committee.

The Audit Committee has reviewed the non-audit services provided by the External Auditors to the Company and fees paid for such services to ensure that their independence as Auditors has not been compromised.

ESG Oversight

The Audit Committee enhanced its oversight of ESG matters as part of its risk management and governance responsibilities. It reviewed the Group's ESG framework encompassing our Sustainability Agenda 2030, sustainability disclosures, and reporting processes to ensure accuracy, consistency, and alignment with applicable regulatory requirements and emerging reporting standards.

Key focus areas included environmental risks such as climate change, energy efficiency, and emissions management, as well as social aspects including employee health and safety, talent development, and diversity and inclusion with community wellbeing. Governance-related considerations included ethical conduct, compliance culture, and the integration of ESG risks into the Group's risk management framework.

The Committee also emphasized strengthening ESG data quality, reporting capabilities, and transparency in line with evolving stakeholder expectations and best practices.

Cybersecurity Oversight

The Audit Committee oversees the Group's cybersecurity framework as part of its risk management responsibilities. It reviews cyber risks, security controls, and incident response readiness, supported by regular management updates and security assessments. Cybersecurity risk is integrated into the overall risk register, with ongoing focus on mitigation actions, data

protection, and compliance. The Committee continues to support strengthening cyber resilience in line with evolving best practices.

Data Governance Oversight

The Audit Committee oversees the Group's data governance framework, focusing on data quality, privacy, security, and regulatory compliance. It reviews the effectiveness of related controls and receives updates on data-related risks and improvement initiatives. The Committee continues to support strengthening data governance to ensure reliable, secure, and responsible use of information across the organisation.

Artificial Intelligence (AI) Oversight

The Audit Committee oversees the Group's governance of Artificial Intelligence (AI) as part of its broader risk management and internal control responsibilities. Its oversight includes the responsible adoption and use of AI technologies, with focus on governance, human oversight, data integrity, model reliability, ethical considerations, cybersecurity, regulatory compliance, and operational resilience. The Committee reviews emerging AI-related risks and management's approach to controls, monitoring, and mitigation actions. It continues to support the establishment of robust governance frameworks and responsible AI practices aligned with the Group's strategic objectives, risk appetite, and corporate values.

Financial Statements

The Committee reviewed Interim Financial Statements of all four quarters and the Annual Financial Statements prior to publication. During the review, it was ensured that Financial Statements are prepared in compliance with Sri Lanka Accounting Standards and applicable regulatory requirements.

The Committee assessed the appropriateness of the Company's whistle blowing policy to ensure the Company's arrangement for confidentiality of information and its sources.

Future Focused activities

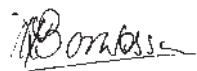
Future focus areas of the committee include, but are not limited to:

- Approval of Internal Audit Plan for 2025/26
- Improvement of Risk Mitigation strategies of the Company

The current Auditors Messrs KPMG were appointed as external auditors in FY 1986/87 and continue to hold that position at present. A partner rotation of the auditors takes place periodically with the most recent rotation taking place in 2024/2025.

The Committee has recommended to the Board that Messrs KPMG be re-appointed as the independent External Auditor and that the re-appointment be included in the agenda of the Annual General Meeting.

The Audit Committee is satisfied that the effectiveness of the organisational structure of the Group and of the implementation of the Group's accounting policies and operational controls provide reasonable assurance that the affairs of the Group are managed in accordance with Group policies and that Group assets are properly accounted for and adequately safeguarded. The Committee is also satisfied that the Company and its subsidiaries remain solvent and are able to continue as a going concern.



N M Boralessa
Chairman – Audit Committee

3rd June 2026

CORPORATE GOVERNANCE

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Table 47:

Name of the director	Directorship Status	Membership Status	Date of Appointment to the committee	Date of Retirement	Meeting Attendance
I.A.Wickramasinghe	Independent Non-Executive Director	Member up to 30/11/2025 Committee Chair from 1/12/2025	2025-08-01		3/3
R.A.Jayawardane	Independent Non-Executive Director	Member	2025-01-01		4/4
H.A.C.Perera	Independent Non-Executive Director	Member	2025-01-01		4/4
N.M.Boralessa	Independent Non-Executive Director	Member	2025-12-01		1/1
S.R.Fernando	Independent Non-Executive Director	Member	2026-01-16		1/1
A.M.Pandithage	Non-executive director	Member	2000-02-02		4/4
H.M.A. Jayesinghe	Non-Executive Director	Member up to 31/07/2025 Chair from 1/8/2025 to 30/11/2025 Member from 1/12/2025	2023-09-01		4/4
Dr.H. Cabral	Non-Executive Director	Member	2006-10-24		4/4
A.D.B. Talwatte	Independent Non-Executive Director	Chair	2016-10-11	2025-07-31	1/1

➔ Please refer to Table 38 & Table 43 for additional details regarding the committee members and Directors.

During the financial year under review, the Committee underwent a number of leadership transitions, with Mr. A.D.B. Talwatte serving as Chairman from 1st April 2025 to 31st July 2025, followed by Mr. H.M.A. Jayesinghe, who assumed the chairmanship with effect from 1st August 2025 and served until 30th November 2025, after which I assumed the role of Chairman with effect from 1st December 2025. I wish to place on record my observation that both Mr. Talwatte and Mr. Jayesinghe discharged their responsibilities with professionalism, diligence, and integrity, ensuring the effective functioning of the Committee throughout their respective tenures. On behalf of the Committee, I am pleased to present this report, which provides an overview of the activities undertaken, matters deliberated upon, and governance initiatives implemented by the Committee during the year in discharging its responsibilities.

Related Party Transactions Review Committee (RPTRC) is tasked with providing advice to the Board in relation to transactions with the related parties as defined by LKAS 24 and Listing Rules of the Colombo Stock Exchange. The Committee has also adopted

best practices as recommended by the Institute of Chartered Accountants of Sri Lanka.

Proceedings of the Committee Meetings

An agenda checklist is prepared and circulated prior to each Committee meeting, which assists and enables Committee members to identify all related parties and to review all related party transactions. A summary of related party transactions that occurred during the period under review is provided to the committee ahead of the Committee meetings. A summary of the quarterly declarations provided by the Directors identifies the Directors' and their close family members' shareholding, names of the companies where they hold office, transactions with the Company during the quarter.

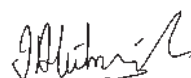
Activities and Deliberations of the Committee in 2025/26

- Identified related parties as defined by LKAS 24 and Listing Rules of the Colombo Stock Exchange
- Reviewed all related party transactions carried out during the year and communicated observations to the Board of Directors.

During the year, there were no non-recurrent or recurrent related party transactions that exceeded the respective thresholds mentioned in the Listing Rules requiring disclosure in the Annual Report. Details of other related party transactions entered into by the Company during the year are disclosed in Note 4.32 to the Financial Statements.

Declaration by the Committee

A declaration is given by the Board in the Annual Report of the Board of Directors on pages 257 to 261 to the effect that no related party transaction falling within the ambit of the rule 9.14.8 of Listing Rules of the Colombo Stock Exchange was entered by the Company during the financial year.



I.A.Wickramasinghe
Chairman – Related Party Transactions Review Committee

3rd June 2026

REPORT OF THE REMUNERATION COMMITTEE

Table 48:

Name of the director	Directorship Status	Membership Status	Date of Appointment to the committee	Date of Retirement	Meeting Attendance
I.A. Wickramasinghe	Independent Non-Executive Director	Committee Chair from 1/12/2025 Member upto 30/11/2025	2025-08-01		-
Dr.H. Cabral	Non-Executive Director	Member	2015-08-10		2/2
A.M.Pandithage	Non-executive director	Member	2000-02-02		2/2
N.M. Boralessa	Independent Non-Executive Director	Member	2025-12-01		-
H.M.A.Jayasinghe	Non-executive director	Committee chair up to 30/11/2025 Member from 1/12/2025	2023-09-01		2/2
A.D.B. Talwatte	Independent Non-Executive Director	Member	2016-10-11	2025-07-31	1/1

➔ Please refer to Table 38 & Table 43 for additional details regarding the committee members and directors.

During the financial year under review, the Committee experienced a transition in its leadership, with Mr. H.M.A. Jayasinghe serving as Chairman until 30th November 2025, following which I assumed the chairmanship with effect from 1st December 2025. I wish to place on record my appreciation of Mr. Jayasinghe's professional, diligent, and integrity-driven leadership, which ensured the continued effective functioning of the Committee during his tenure. In presenting this report on behalf of the Committee, I am pleased to provide an overview of the principal matters considered, activities carried out, and governance-related initiatives progressed by the Committee in the effective discharge of its duties during the year.

The Remuneration Committee considers and recommends the Company's remuneration policy and the remuneration packages of the Chairman, Group Managing Director/Chief Executive Officer (CEO) and the Executive Directors. The Committee also approves the remuneration of the members of the Group Management Committee on recommendations made by the Chairman and the Group Chief Executive Officer.

Remuneration Policy

The remuneration policy is designed to reward, motivate and retain the Company's Executive Directors and the members of the senior management team to support the continued success of the business and value creation over the short, medium and long term.

Components of the Executive Directors' Remuneration

Fixed Remuneration
(Basic Salary and Fringe Benefits)

Variable Remuneration

Post-Employment benefit

The Remuneration package awarded to Executive Directors and members of the Group Management Committee is intended to be competitive and market based and comprises of a mix of fixed and variable returns. The variable remuneration is linked to individual performance and group profitability in order to align individual interests with Company Interests.

All Non-Executive Directors receive a fee for serving based on their time commitment and contribution to the Board and Board Committees. They do not receive any performance related incentive payments. The Company does not have an employee share option scheme for members of the Board, who are considered as Key Management Personnel (KMP). The Articles of Association does not contain a shareholding guideline for a KMP.

Activities and Deliberations of the Committee in 2025/26

The Committee covered following key areas during the meetings;

- Revisited the Remuneration Policy of the Company to align it with industry levels and its application to the Chairman, Group CEO, other Executive Directors and members of the Group Management Committee.
- Considered and recommended remuneration including annual salary increases and performance incentives for personnel stated above.
- Ensured that none of the Directors are involved in deciding his/her own salary.

Directors' Emoluments

The Directors' emoluments and compensations during the year 2025-26 are disclosed in Note 4.33.1 (a) on page 347.

Future Focused activities

- Improve the link between performance and rewards through remuneration policy.

The Committee is of the view that the Directors and Senior Management are remunerated fairly and receive performance-based compensation that promotes effective execution of Company's strategy and long-term value creation.



I A Wickramasinghe
Chairman – Remuneration Committee

3rd June 2026

CORPORATE GOVERNANCE

REPORT OF THE NOMINATION & GOVERNANCE COMMITTEE

Table 49:

Name of the director	Directorship Status	Membership Status	Date of Appointment to the committee	Date of Retirement	Meeting Attendance
I.A.Wickramasinghe	Independent Non - Executive Director	Committee Chair w.e.f.1/12/2025 Member upto 30/11/2025	2025-08-01		3/3
R.A. Jayawardane	Independent Non-Executive Director	Member	2025-01-01		1/1
N.M.Boralessa	Independent Non-Executive Director	Member	2025-12-01		1/1
S.R. Fernando	Independent Non-Executive Director	Member	2026-01-16		-
H.A.C. Perera	Independent Non-Executive Director	Member	2025-01-01		1/1
Dr.H. Cabral	Non-executive director	Member	2006-10-24		4/4
A.M.Pandithage	Non-executive director	Member	2000-02-02		4/4
H.M.A. Jayesinghe	Non-Executive Director	Committee chair up to 30/11/2025 Member from 1/12/2025	2023-09-01		4/4
A.D.B. Talwatte	Independent Non-Executive Director	Member	2016-10-11	2025-07-31	1/1

➔ Please refer to Table 38 & Table 43 for additional details regarding the committee members and Directors.

During the year under review, the chairmanship of the Committee transitioned from Mr. H.M.A. Jayesinghe, who served as Chairman until 30th November 2025, to me with effect from 1st December 2025. I wish to place on record my observation that Mr. Jayesinghe discharged his responsibilities with professionalism, diligence, and integrity, ensuring the effective functioning of the Committee during his tenure. On behalf of the Committee, I am pleased to present this report, which highlights the Committee's key activities, deliberations, and initiatives undertaken throughout the financial year in fulfilling its governance and oversight responsibilities.

The Committee supported the Board in succession planning for critical leadership roles, reviewed changes to Board Committee composition, and ensured tailored induction for newly appointed Directors. It also assessed Directors' time commitments and the independence of Non-Executive Directors, while maintaining a strong focus on succession planning and enhancing diversity at both Board and senior management levels.

The Nomination and Governance Committee operates under a clearly defined Terms of Reference approved by the Board and is guided by "The Code" and CSE Listing Rule No. 9.11.

Activities and Deliberations of the Committee in 2025/26 include:

Board Changes and Succession

During the year, the Committee reviewed the composition of the Board following the reclassification of the Senior Independent Director as a non-independent Director. A structured and formal process, supported by the Head of Human Resources, was undertaken to identify suitable candidates for Board appointments.

Accordingly, I was appointed to the Board with effect from 1st August 2025 and assumed responsibilities as Senior Independent Director from 1st December 2025. To further strengthen Board independence, the Committee also recommended the appointment of two additional Independent Non-Executive Directors, Ms. N. M. Boralessa with effect from 1st December 2025 and Ms. S. R. Fernando with effect from 16th January 2026.

In order to maintain the required Board composition, Ms. D. N. K. Kurukulasuriya, Executive Director, voluntarily resigned on 23rd December 2025 in light of the temporary shortfall in the one-third requirement for Independent Directors. She was subsequently reappointed to the Board with effect from 16th January 2026 following the restoration of the required Board balance.

These appointments were duly approved by the Board and implemented during the year, enhancing the Board's independence, balance, and overall governance effectiveness.

Committee Changes

Changes to the composition of the four main Board Committees Audit, Nomination & Governance, Remuneration, and Related Party Transactions Review were implemented on three occasions during the year, effective 1st August 2025, 1st December 2025, and 16th January 2026, reflecting ongoing enhancements to Board governance and committee alignment. Further details relating to these changes are available on the Colombo Stock Exchange website (www.cse.lk).

Priorities for 2025/2026

- Reviewing the structure, size, composition and competencies of the Board.
- Evaluating the independence of the Non- Executive Directors through independence declarations submitted by the Non- Executive Directors
- Evaluation of the performance of the Board of Directors, Sub-committees, the Chairman of the Board, the Chairpersons of Board Committees, Independent Non-Executive Directors, and the Chief Executive Officer. The results of the evaluation were reviewed and communicated to the Board of Directors. The Committee is of the view that diversity on the Board in terms of experience, skills, age, and gender is an essential factor for effective Board performance.
- Reviewing the process of succession planning for key management personnel to ensure that the Board has the correct balance of individuals to discharge its duties effectively.
- Ensuring that no member of the Nomination & Governance Committee is involved in deciding his own appointment.
- Making any recommendations on any other matter/s referred to the Committee by the Board of Directors.
- The listing rules require that any major issue under the purview of the Nomination and Governance Committee should be referred to the independent directors by the Chairman of the Committee. As the independent directors are members of the Committee such a situation did not arise.
- Establishing and maintaining Corporate Governance policies, with periodic reviews to ensure relevance and effectiveness.
- Continuous monitoring of adherence to CSE Listing Rules, Corporate Governance requirements, securities market

regulations, and other relevant rules and regulations, with periodic updates provided to the Board of Directors.

- Ensuring that all the nominations and re-elections were conducted in accordance with the Policy on Corporate Governance Nominations and Re-election established and maintained within the Company.
- Newly appointed Directors are given an induction to the Company prior to their first Board meeting. Existing Directors are regularly updated with new corporate governance requirements, amendments to Listing Rules and other applicable laws.

Appointment and Re-election.

In accordance with the Company's Articles of Association, it is not mandatory for all Directors to submit themselves for re-election at regular intervals. However, the Directors recently appointed by the Board namely Mr.I.A.Wickramasinghe, Ms.N.M.Boralessa, Ms.S.R.Fernando and Ms.D.N.K.Kurukulasuriya are required to be re-appointed by the shareholders at the forthcoming Annual General Meeting. Furthermore, in compliance with Section 210 of the Companies Act, Mr. A.R. Pandithage, and Mr. A.M. Pandithage, who are each over the age of 70, are proposed to be re-appointed at the same meeting.

Compliance with Corporate Governance Requirements.

The Company has complied with all Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange (CSE), except in situations where the number of independent directors, committee chair positions and the position of the Senior Independent Director was not in accordance with the Listing Rules, as described on pages 150 to 151. The matter was resolved by the Company at the earliest opportunity and the circumstances that led to the situation and the manner in which it was rectified is available on the same page. The announcements made in this regard is available in the CSE website.

Future Focused activities

In the year ahead, the Committee will prioritise enhancing Board effectiveness and succession planning. Governance and ethical standards will remain a key focus. The Committee is confident in the current governance framework's ability to support the Company's long-term performance and resilience, and extends gratitude to the Board, Committee members, and management for their continued support.

The Committee is pleased to confirm that 05 out of 08 Non-Executive Directors are independent from acting in an executive capacity in the company and that the board succession plan ensures the board appoints directors who have the requisite skills and experience.



I.A. Wickramasinghe
Chairman – Nomination & Governance
Committee

3rd June 2026

CORPORATE GOVERNANCE

TECHNOLOGY GOVERNANCE

IT Governance & Cybersecurity

IT Governance

In 2025/26, DIMO's IT Governance framework has matured into a strategically aligned, security-conscious, and data-driven model underpinning the Group's broader Corporate Governance and sustainability agenda. As digital technologies become increasingly embedded across all business functions, governance of IT has been recalibrated to ensure that technological investments deliver measurable value, uphold regulatory compliance, and drive enterprise-wide transformation.

A defining milestone has been the elevation of cybersecurity to a Board-level strategic priority, with structured reporting to the Board, and Audit Committee and periodic updates to the Board of Directors. The Group IT Steering Committee continues to ensure IT strategies are tightly integrated with business priorities, providing rigorous oversight of risk, performance, and resource management.

The governance architecture was comprehensively reviewed to reflect advancements in the ICT ecosystem, including the enterprise-wide SAPS/4HANA rollout, hybrid cloud enablement through the Azure platform, intelligent automation, and the progressive implementation of a Zero Trust security architecture. DIMO's IT controls operate within a Three Lines of Defence model embedding accountability across business operations, risk and compliance functions, and independent audit ensuring layered and transparent control across the Group.

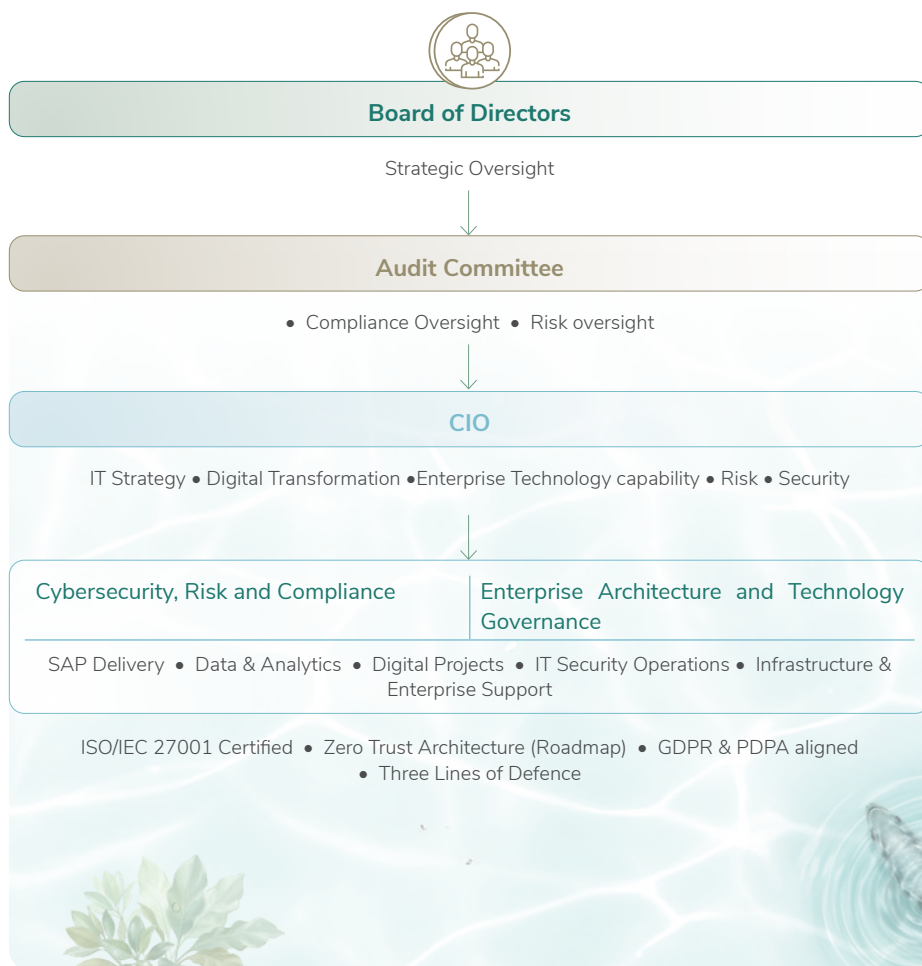
Data governance has been reinforced through the "One-Number" reporting framework, establishing a single source of truth enterprise-wide and enabling consistent, real-time insights for strategic and operational decision-making. The Group's regulatory posture has been strengthened by aligning data privacy practices with both the EU General Data

Protection Regulation (GDPR) and Sri Lanka's Personal Data Protection Act No. 9 of 2022, ensuring lawful, ethical, and transparent use of personal data. Most business segments have achieved ISO/IEC 27001 certification, with additional certifications in progress, underpinning the Group's commitment to internationally recognised information security standards.

DIMO's IT Governance framework has evolved beyond compliance and control to become a strategic enabler of innovation, agility, and competitive advantage ensuring technology investments are responsibly managed, risks proactively mitigated, and digital capabilities deployed in a manner that drives sustainable business growth.

Figure 68: IT Governance Structure

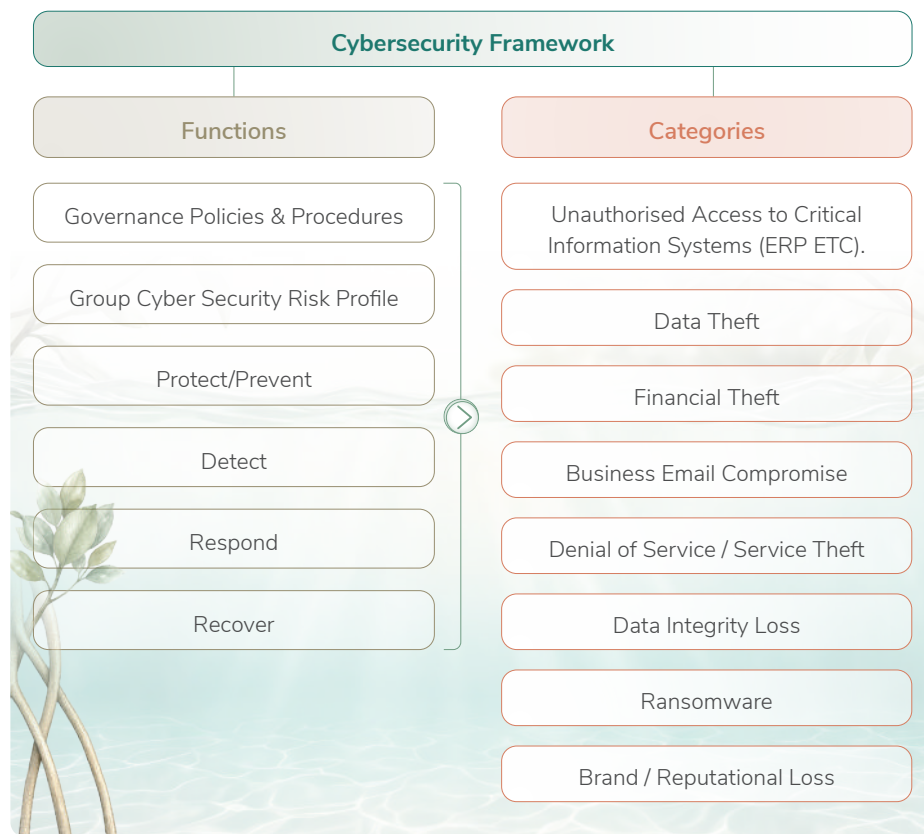
The diagram below illustrates DIMO's IT Governance Structure;



Cybersecurity

Cybersecurity has been identified as a strategic priority at DIMO, reflecting the Group's growing reliance on digital platforms, increasing exposure to sophisticated cyber threats, and the imperative to safeguard sensitive business and customer information. The cybersecurity strategy is anchored in a governance-led, risk-aware, and technology-driven approach ensuring resilience, compliance, and stakeholder trust across all Group operations.

Figure 69: Cybersecurity Governance Framework



DIMO’s Cybersecurity Framework is integrated within the broader IT Governance structure, and aligned with ISO/IEC 27001 and international best practices. The framework is structured around the core pillars of Protect, Detect, Respond, and Recover, and operates within the Group’s Three Lines of Defence model providing layered controls across business operations, risk and compliance oversight, and independent audit assurance.

Key risk categories addressed include:

- Unauthorised access to critical systems, including the SAP S/4HANA ERP environment and Active Directory
- Business email compromise and financial fraud
- Data theft, data integrity loss, and insider threat scenarios
- Ransomware and denial-of-service (DoS) attacks
- Reputational and brand-related threats arising from security incidents

Cybersecurity risk profiling is conducted across all business segments, enabling targeted controls calibrated by impact and likelihood. These insights guide technical hardening, policy enforcement, and incident response protocols Group-wide.

2025/26 Key Initiatives and Enhancements

During the reporting period, the Group strengthened its cybersecurity and IT resilience capabilities across network security, identity and access management, endpoint protection, disaster recovery and incident management. Perimeter security was supported through managed firewalls, network segmentation, VPN controls and intrusion detection and prevention tools, while further network modernisation remains under review. Identity management continued through centralised directory services, Azure AD synchronisation, audit trails and controlled privileged access. Endpoint and server protection were maintained through detection and response tools, automated patching and security monitoring. Business continuity readiness was enhanced through an offsite disaster recovery site for critical SAP systems, with wider testing planned. Cybersecurity events are managed through a structured IT service management platform, and Zero Trust and risk based access principles have been included in the ICT strategic framework.

Incident Management Processes

The Company maintains a structured incident management framework for the timely identification, assessment, and resolution of cybersecurity incidents. A dedicated response team, focused on IT Security and functioning under the overall direction of the Chief Information Officer (CIO), manages investigation, containment, recovery, and escalation to senior management, the Board, and the Audit Committee where necessary. The framework includes continuous monitoring, regular testing, and post-incident reviews to strengthen controls and enhance resilience.

CORPORATE GOVERNANCE

Artificial Intelligence: Risks & Opportunities

Artificial Intelligence has become a core element of DIMO's digital strategy, embedded across enterprise systems and business processes. The Group's AI agenda spans current deployment, a formalised enterprise strategy, and active Board-level governance reflecting the dual imperative of unlocking AI-driven value while managing emerging risks responsibly.

Current AI Deployment

DIMO currently operates multi-layered large language model (LLM) capabilities embedded within its SAP enterprise landscape and across office automation platforms. Within SAP, AI enables intelligent process automation, contextual decision support, and enhanced data interpretation across finance, supply chain, operations, and customer management. Across productivity and collaboration tools, AI automates document processing, supports knowledge management, and improves communication workflows meaningfully reducing manual effort across corporate functions.

Enterprise AI Strategy

In 2025/26, DIMO formalised a comprehensive AI strategy extending well beyond task automation. The strategy is centred on the adoption of Agentic AI autonomous agents capable of planning, reasoning, and executing complex, multi-step processes across all industry segments in which DIMO operates. Key strategic priorities include:

- Agentic AI across business segments, enabling adaptive, self-improving workflows that interact with enterprise systems, third-party platforms, and customers with minimal human intervention.
- Industry-specific AI for product delivery, with tailored models being developed for DIMO's key verticals including

automotive, engineering services, healthcare, and agriculture targeting predictive maintenance, product delivery optimisation, and customer experience personalisation.

- Enterprise knowledge intelligence, surfacing institutional knowledge across the Group to accelerate and improve decision-making at all levels.

Board Oversight and AI Governance

The Board oversees the Group's use of AI, ensuring alignment with strategy, values, and risk appetite. It monitors key risk areas including data privacy, algorithmic bias, model reliability, cybersecurity, and regulatory compliance, and receives regular management updates to support informed governance. As the Group scales into Agentic AI and industry-specific deployments, Board oversight will deepen accordingly.

An Ethical AI Framework governs the responsible development and use of AI systems, anchored in the principles of fairness, transparency, data privacy, security, human oversight, and accountability. The framework includes controls to identify and mitigate risks such as bias, unintended outcomes, and misuse, and is reviewed regularly to remain current with evolving regulation and technology. As the Group advances into more autonomous AI deployments, the framework will be updated to address the additional complexity and risk inherent in Agentic systems.

The Chief Information Officer's Role as The Security Officer

DIMO's Chief Information Officer (CIO), in the capacity of the Security Officer, leads the Group's cybersecurity operations and risk management function, with a dedicated team for the function. This structure ensures cybersecurity is closely integrated with the Group's broader IT strategy, and that escalation pathways to senior leadership remain clear, timely, and effective.

As the Security Officer, the CIO is responsible for the day-to-day management and continuous improvement of the cybersecurity framework, ensuring alignment with business objectives, regulatory requirements, and the evolving threat landscape. Core responsibilities include:

- Identifying, assessing, and managing cybersecurity risks within the Group's Enterprise Risk Management framework, including risk profiling across all business segments
- Maintaining and enhancing technical controls, security monitoring systems, and incident response capabilities including endpoint protection, identity management, and network security
- Overseeing vulnerability management programmes, threat intelligence functions, and data protection practices in alignment with ISO/IEC 27001, GDPR, and the Personal Data Protection Act
- Developing and enforcing cybersecurity policies, standards, and awareness initiatives across all business units
- Coordinating the Group's response to cybersecurity incidents, including containment, investigation, recovery, and post-incident review

The team provides regular reporting to the CIO on cybersecurity posture, emerging threats, control effectiveness, and significant incidents. The CIO ensures that material cybersecurity matters are escalated to senior management, the Group IT Steering Committee, the Board Audit Committee, and the Board of Directors as appropriate.

The Board recognises cybersecurity as a critical enterprise risk and places significant reliance on the Security Officer function under the CIO to maintain organisational resilience, safeguard digital assets, and enable secure business operations across the Group.

ETHICAL CONDUCT AND TRANSPARENCY

Code of Business Conduct and Ethics

At DIMO, we have implemented a Code of Business Conduct and Ethics that applies to Directors, Management, and all employees. The orientation program for new employees includes training on compliance with the Group's Code, and upon recruitment, each employee signs a declaration committing to comply with the Code in its entirety. Compliance with the Code of Business Conduct and Ethics is monitored by the HR department.

Conflict of Interest

Each Board member is expected to prevent their private interests from conflicting with the interests of the Company. Directors abstain from participating in or voting on Board resolutions where they have an interest. Every Director submits a quarterly declaration of their interest in the Company, which is disclosed to the Board through the Related Party Transaction Review Committee. Additionally, all interests are recorded in the company's Interest Register, maintained by the Company Secretary

Whistle-Blowing, Fraud and Non-Compliance with Laws and Regulations

Employees can report any confidential matters related to accounting, internal controls, and non-compliance with laws and regulations (NOCLAR) to the Chief Human Resources Officer, Group Chief Internal Auditor, Managing Director/Chief Executive Officer, or the Chairman. The Senior Independent Director is also available to any Board member who wishes to discuss confidential matters concerning the Board.

Mandatory Compliance and Voluntary Adherence

Diesel & Motor Engineering PLC compulsorily adheres to the Listing Rules published by the Colombo Stock Exchange

including the amendments made to the Corporate Governance Rule under circular number 04/2023 dated 11th September 2023 and subsequent circulars related to Corporate Governance up to 31st March 2026 available to the public on the website of Colombo Stock Exchange at the following link: <https://www.cse.lk/pages/listing-rules/listing-rules.component.html>

The Corporate Governance system implemented by the Company complies with the principles and recommendations of CSE Listing Rule No. 09 "Corporate Governance" and the Code of Best Practice on Corporate Governance - 2023 published by The Institute of Chartered Accountants of Sri Lanka and is not contrary to the OECD Principles on Corporate Governance published by the Organisation for Economic Co-operation and Development, except for the temporary non-compliance relating to Director independence and Board Committee composition requirements under CSE Listing Rule No. 09, which was subsequently rectified during the year as disclosed on pages 150 to 151. This was found to be the case during the year, in which the Company examined, with the support of the Audit, Nomination & Governance, Remuneration, and Related Party Transactions Review Committees, the content of the Corporate Governance Code and CSE Listing Rules by assessing the potential impact on DIMO's Corporate Governance system and pinpointing areas of specific interest and possible adjustments to be made to its corporate practices.

DIMO'S ADHERENCE TO THE OECD PRINCIPLES

As a company that recognizes the importance of sound Corporate Governance practices at both local and global levels, Diesel & Motor Engineering PLC ("DIMO") has continued to align its governance framework with the principles published by the Organisation for Economic Co-operation and Development as outlined below.

1. Rights and Equitable Treatment of Shareholders

A. Protection of Basic Shareholder Rights

DIMO safeguards the fundamental rights of shareholders by ensuring:

- i. Secure ownership registration through the Central Depository System (CDS), ensuring accurate and reliable share records.
- ii. Free transferability of shares through the Colombo Stock Exchange platform, subject to applicable regulations.
- iii. Timely access to material information including annual reports, interim financial statements, notices, and corporate disclosures through the Company website and CSE announcements.
- iv. Participation and voting rights at General Meetings, either in person or by proxy.
- v. Transparent procedures for the nomination, election, and re-election of Directors.
- vi. Equitable participation in profits through dividend distributions, subject to profitability, cash flow requirements, and Board recommendation.

B. Participation in Fundamental Corporate Decisions

Shareholders are provided the opportunity to participate in and approve material decisions such as:

- Amendments to the Articles of Association
- Mergers, acquisitions, and restructurings
- Major asset disposals or acquisitions
- Changes affecting shareholder rights

Such matters are submitted to shareholders in accordance with the Companies Act No. 7 of 2007 and CSE Listing Rule's requirements.

C. Effective Participation at General Meetings

The Company provides adequate notice of meetings, agenda details, explanatory notes, and voting procedures to enable informed participation and decision-making.

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D. Institutional Investors and Stewardship

The Company supports active engagement by institutional and minority shareholders by ensuring equal voting rights, transparent disclosures, and access to relevant information to facilitate stewardship decisions.

E. Market for Corporate Control

DIMO complies with applicable takeover, merger, and disclosure regulations, ensuring any substantial acquisition, ownership change, or control transaction is conducted transparently and fairly.

2. Equitable Treatment of Shareholders

A. Equal Treatment within the Same Class of Shares

All shareholders of the same class are treated equally with respect to voting rights, dividend entitlements, and access to information.

B. Minority Shareholder Protection

The Company recognizes the rights of minority shareholders and ensures that controlling interests do not exercise authority in a manner detrimental to minority holders.

C. Insider Trading and Market Abuse Prevention

DIMO prohibits insider trading, misuse of price-sensitive information, and abusive related-party conduct through internal controls and compliance with regulatory requirements.

D. Disclosure of Interests

Directors and Key Management Personnel are required to disclose conflicts of interest and material interests in contracts or transactions involving the Company.

E. Related Party Transactions

Material related-party transactions are reviewed through appropriate governance mechanisms and disclosed in accordance with accounting and regulatory standards.

3. Role of Stakeholders in Corporate Governance

A. Recognition of Stakeholder Rights

The Company respects the rights of employees, customers, suppliers, lenders, regulators, communities, and shareholders as established by law and contractual arrangements.

B. Employee Participation and Whistleblowing

Employees are provided channels to raise concerns, report unethical conduct, and contribute to continuous improvement without fear of retaliation.

C. Stakeholder Access to Information

Relevant stakeholder groups are provided timely and accurate information through reports, disclosures, and communication channels.

D. Sustainability and Responsible Business Conduct

The Company integrates sustainability, environmental stewardship, occupational safety, and social responsibility considerations into its operations and governance framework.

E. Creditor Rights

The Company respects obligations to lenders and creditors through prudent financial management and transparent reporting.

4. Disclosure and Transparency

A. Timely Disclosure of Material Matters

The Company ensures disclosure of material information relating to:

- Financial and operating results
- Company objectives and strategy
- Major share ownership and voting rights
- Board composition and remuneration framework
- Risk factors
- Governance structures and policies
- Sustainability matters

B. High Quality Reporting Standards

Financial statements are prepared in accordance with Sri Lanka Accounting Standards and applicable legal requirements.

C. Independent External Audit

The annual financial statements are audited by KPMG, an independent external auditor, providing assurance on the integrity of reported financial information.

D. Internal Controls and Risk Management

The Board oversees the adequacy of internal control systems, enterprise risk management processes, and internal audit functions.

E. Equal and Cost-Effective Dissemination

Disclosures are made through the CSE, Company website, and other authorized channels to ensure fair and simultaneous access.

5. Responsibilities of the Board

A. Strategic Guidance and Oversight

The Board provides strategic direction, approves key policies, and oversees implementation by management.

B. Monitoring Management Performance

The Board evaluates management performance, succession planning, and leadership effectiveness.

C. Integrity of Reporting Systems

The Board oversees financial reporting integrity, internal controls, compliance, and audit processes.

D. Risk Oversight

The Board monitors principal business risks, including operational, financial, cyber, sustainability, and reputational risks.

E. Board Independence and Objectivity

The Board maintains an appropriate balance of Executive and Independent Non-Executive Directors to support objective judgment.

F. Board Committees

Specialized Committees such as Audit, Remuneration, Related Party Transactions Review, and Nomination & Governance Committees support effective governance.

G. Director Competence and Access to Information

Directors receive timely, relevant, and accurate information and are provided opportunities for training and continuous professional development.

H. Ethical Leadership and Corporate Culture

The Board promotes ethical conduct, integrity, accountability, and a culture aligned with long-term value creation.

6. Sustainability and Resilience

In line with the updated OECD Principles, DIMO continues to strengthen governance over climate-related matters, business resilience, technology transformation, and long-term sustainable value creation for shareholders and stakeholders alike.

FIGURE 70: CORPORATE GOVERNANCE POLICIES & THE WAY THE COMPANY IMPLEMENTED THEM DURING THE YEAR

The Company has established and maintained twelve (12) Corporate Governance policies, published on the corporate website pursuant to CSE Listing Rule No.9.2.1. The table below summarizes their implementation during the 2025/2026 year.

Policy	Governance in Action: Policy Implementation During FY 2025/26
<p>Policy on Matters Relating to the Board of Directors</p>	<p>The Board held regular scheduled meetings to review strategic priorities, operational performance, liquidity, capital allocation, enterprise risks, and ESG progress. During the year, the Board monitored implementation of DIMO's diversification strategy and Sustainability Agenda 2030, while strengthening governance oversight in line with CSE Listing Rules. Independent Directors participated in reviewing Board effectiveness, succession planning, related-party transactions, and conflict-of-interest declarations. Directors received updates on regulatory developments, sustainability reporting requirements including SLFRS/IFRS S1 and S2 readiness, and climate governance responsibilities. The Company Secretary ensured timely circulation of Board papers, maintenance of statutory records, compliance certifications, and adherence to governance procedures.</p>
<p>Policy on Board Committees</p>	<p>The Audit Committee reviewed quarterly and annual financial statements, internal audit findings, whistleblowing reports, cybersecurity and internal control matters, and the effectiveness of risk management processes. The Related Party Transactions Review Committee reviewed related-party transactions against CSE Listing Rule requirements and ensured disclosures were made through approved governance channels. The Remuneration Committee evaluated executive remuneration structures against market benchmarks and performance outcomes. The Nomination & Governance Committee assessed Board composition, independence, diversity, succession planning, and re-election matters. Committee deliberations and recommendations were formally reported to the Board for decision-making and follow-up actions.</p>
<p>Policy on Corporate Governance, Nominations and Re-election</p>	<p>DIMO maintained a Board structure compliant with CSE corporate governance requirements, including Independent Non-Executive Director representation and separation of governance responsibilities. The Nomination & Governance Committee evaluated Director independence annually and reviewed Board composition against business needs, succession requirements, and diversity considerations. Directors retiring by rotation were assessed prior to re-election recommendations. The Board conducted periodic reviews of governance policies, committee charters, and Board performance evaluation processes to align with evolving governance expectations and stakeholder requirements.</p>
<p>Policy on Remuneration</p>	<p>Executive and senior management remuneration continued to be linked to performance, accountability, leadership responsibilities, and long-term business sustainability. The Remuneration Committee reviewed salary structures, incentives, and benefits against market conditions and business performance during a challenging economic environment. HR governance processes included formal approval workflows, statutory compliance reviews, payroll controls, and periodic assessments to ensure equitable and transparent remuneration practices across the Group.</p>

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Policy	Governance in Action: Policy Implementation During FY 2025/26
<p>Policy on Internal Code of Business Conduct and Ethics, including Trading in Listed Securities (DIMO Shares)</p>	<p>DIMO continued to enforce its Code of Conduct across all business operations through employee awareness programmes, policy communication, and compliance monitoring. Directors and designated employees were restricted from trading during declared Watch List periods and were required to comply with disclosure obligations relating to share transactions. Conflict-of-interest declarations were obtained and reviewed periodically. Ethical conduct and workplace integrity were reinforced through anti-harassment mechanisms, disciplinary procedures, confidential reporting channels, and whistleblower protections. Governance controls also included periodic policy reviews and management oversight of compliance-related incidents.</p>
<p>Policy on Risk Management and Internal Controls (Revised w.e.f.28/03/2026)</p>	<p>DIMO strengthened enterprise risk management through the Risk Management Working Group (RMWG), which coordinated risk identification, mitigation planning, and reporting across business units. Risk registers and risk matrices were updated regularly to monitor operational, financial, compliance, cybersecurity, supply chain, and climate-related risks. Climate risk assessments were aligned with IFRS/SLFRS S2 requirements, including climate scenario analysis and materiality assessments supported by stakeholder engagement inputs. Governance oversight was maintained through escalation from management committees to the Audit Committee and Board. Internal audits, corrective action tracking, and control reviews were conducted throughout the year to improve accountability and operational resilience.</p>
<p>Policy on Relations with Shareholders and Investors</p>	<p>DIMO maintained ongoing engagement with shareholders and investors through CSE announcements, quarterly financial disclosures, the Integrated Annual Report, AGM proceedings, investor interactions, and website updates. Material information was disclosed through formal regulatory channels to ensure equal and timely access to information. Investor concerns and shareholder queries were addressed through structured communication processes, while governance and compliance teams reviewed disclosure practices to ensure adherence to listing and reporting obligations.</p>
<p>Policy on Environmental, Social and Governance (ESG) Sustainability</p>	<p>DIMO advanced implementation of its Sustainability Agenda 2030 by embedding ESG priorities into governance, operations, and reporting processes. The Group continued reporting under GRI, SASB, and Integrated Reporting frameworks while progressing toward SLFRS/IFRS S1 and S2 adoption. Environmental initiatives included energy-efficiency improvements, emissions management, waste reduction, water conservation, biodiversity-related programmes, and sustainable sourcing practices. The Company continued environmental management system practices supported by ISO-aligned processes and climate-related risk assessments. Social initiatives included employee wellness, health and safety programmes, diversity and inclusion efforts, employee engagement activities, training and development, and community investment projects. ESG performance indicators were monitored through defined KPIs and reviewed by management and governance structures.</p>
<p>Policy on Control and Management of Company Assets and Shareholder Investments</p>	<p>Management strengthened controls over company assets through periodic verification processes, maintenance of fixed asset registers, internal audits, approval controls, and physical and digital security measures. Investment decisions and capital expenditure proposals were reviewed against strategic priorities, financial viability, and governance requirements. Asset utilisation and investment performance were monitored through management reporting and Board oversight processes. Employees responsible for asset management and procurement functions were guided through internal policies and compliance procedures.</p>
<p>Policy on Corporate Disclosures</p>	<p>DIMO continued to disclose financial and non-financial information through CSE filings, quarterly reports, Integrated Annual Reports, and stakeholder communications in compliance with applicable accounting standards and Listing Rule requirements. Internal review and approval mechanisms were followed before public release of material information. Governance processes included safeguarding confidential information, validating disclosure accuracy, and increasing employee awareness regarding disclosure obligations and insider information handling.</p>

Policy	Governance in Action: Policy Implementation During FY 2025/26
<p>Policy on Whistleblowing</p>	<p>The whistleblowing framework remained operational throughout the year, enabling employees and stakeholders to confidentially report unethical conduct, fraud, compliance breaches, or workplace concerns through secure reporting channels. Reported matters were investigated under established procedures with oversight from management and governance structures. DIMO maintained protections relating to anonymity and non-retaliation. During FY 2025/26, reported cases were reviewed, investigated, and resolved with follow-up actions implemented to strengthen internal controls and reduce recurrence risks.</p>
<p>Policy on Anti-Bribery and Corruption</p>	<p>DIMO reinforced its zero-tolerance approach to bribery and corruption through internal controls, ethics governance, and compliance monitoring mechanisms. Anti-corruption expectations were communicated to employees and relevant stakeholders through policies, governance communications, and management oversight. Financial controls over donations, sponsorships, procurement transactions, and third-party payments were reviewed to prevent improper payments and ensure transparency. Suspected misconduct could be reported through the whistleblowing mechanism and was subject to investigation and oversight by the Audit Committee and management. Periodic policy reviews and compliance monitoring activities were conducted to assess the effectiveness of anti-bribery controls.</p>

Table 50: Compliance Status With the Listing Rule 09 "Corporate Governance" Published by the CSE

Applicable Rule Number	Description	Current Status	Compliance Status *
9.3.1	Establish and maintain, at a minimum, effective Board committees	The Company has the Nominations and Governance Committee, Remuneration Committee, Audit Committee, and Related Party Transactions Review Committee in place, and the functions of these committees were carried out during the year as required	Compliant
9.3.3	<p>Chairperson of the Board of Director</p> <p>Chairperson of the Board of Directors cannot be the chairperson of 1) Nominations and Governance Committee, 2) Remuneration Committee, 3) Audit Committee, 4) Related Party Transaction Review Committee</p>	Mr. A.R. Pandithage, Chairman of the Board, does not hold the chairmanship of any committee.	Compliant
9.5.1 (a)	<p>Board Balance- Executive & Non Executive, Roles & functions of Chairperson and CEO, procedure for appraisal of Board performance and appraisal of CEO.</p> <p>Policy on matters relating to Board of Directors shall recognize the need for a balance of representation between Executive and Non- Executive Directors and cover at minimum board composition, the roles and functions of the Chairperson and Chief Executive Officer or equivalent position (hereinafter commonly referred to as the CEO), Board balance and procedures for the appraisal of Board performance and the appraisal of the CEO.</p>	<p>The Company has established and maintained a policy on matters relating to the Board of Directors, which is published on the corporate website. The Board comprises seven Non-Independent Executive Directors, Three Non-Independent Non-Executive Directors, and five Independent Non-Executive Directors. Proportion. 8 :7</p> <p>The Company has carried out an appraisal of Board performance & appraisal of CEO during the year.</p>	Compliant

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Applicable Rule Number	Description		Current Status	Compliance Status *
9.5.1(C)	Board Diversity	It requires diversity in Board composition for Board effectiveness in terms of a range of experience, skills, competencies, age, gender, industry requirements and importance of objective selection of directors.	The Board of the Company is composed of individuals with diverse professional backgrounds, a broad spectrum of expertise, age diversity, and balanced gender representation	Compliant
9.6.1	Chairperson and CEO	The Chairperson of every Listed Entity shall be a Non-Executive Director and the position of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3	Mr. A.R. Pandithage, Chairperson of the Board, serves as an Executive Director but he is not the CEO of the Company. Mr. A.G. Pandithage holds the position of Group Managing Director and CEO. Mr. A.R. Pandithage and Mr. A.G. Pandithage have a close family relationship. A Senior Independent Director (SID) has been appointed, as the Company falls under the circumstances outlined in Sections 9.6.3 (a) (ii) and 9.6.3 (a)(iii).	Compliant.
9.6.3 (a)	Requirement for a Senior Independent Director (SID)	i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director, iii. The Chairperson and CEO are Close Family Members or Related Parties.	Mr.l.A.Wickramasinghe functions as the SID of the Company. This appointment was made as it requires by 9.6.3.(a) ii and iii.	Compliant
9.6.3 (b)	Independent director meeting chaired by the SID	Independent directors shall meet at least once a year or as often as deemed necessary at a meeting chaired by the SID without the presence by other directors	A meeting of the Independent Directors, chaired by the Senior Independent Director (SID), was held in March 2026	Compliant
9.6.3 (c)	Non-Executive director meeting without the presence of the chairperson	SID shall chair a meeting of Non-executive directors without the presence of the chairperson at least annually to appraise the chairperson's performance and on such other occasions as are deemed appropriate	A meeting was held with non-executive directors without chairperson to the board, chaired by SID in March 2026	Compliant
9.7.1	Fitness of Directors and CEO	Needs to take necessary steps to ensure that their Directors and the CEO are at all times, fit and proper persons as required in terms of these Rules	A declaration, as required by the Listing Rules relating to the fit and proper assessment criteria namely honesty, integrity and reputation, competency and capability, and financial soundness has been obtained, and it has been ensured that all Directors meet these criteria	Compliant

Applicable Rule Number	Description		Current Status	Compliance Status *
9.8	Minimum number of Directors in the Board	As per the rule, minimum number of directors in the board is 5	15 Number of Directors	Compliant
9.8.2 (a)	Composition of independent Directors in the Board	2 independent directors or 1/3 of the total no.at given time whichever is higher	Mr. R.A. Jayawardane, Mr. H.A.C. Perera, Mr. I.A.Wickramasinghe, Ms. N.M. Boralessa and Ms.S.R.Fernando serve as Independent Non-Executive Directors. With a total of 15 directors on the Board, one-third amounts to 5. Accordingly, the Company complies with the requirement by having five Independent Directors on the Board	Compliant
9.12.6.1(a)	Composition of Remuneration committee	Minimum 3 directors and out of that minimum of 2 shall be independent directors	5 directors are members , 2 are independent non executive directors	Compliant
9.12.6.1(b)	Remuneration committee should not comprise of Executive Directors		No Executive Directors are included in the Remuneration Committee	Compliant
9.12.6(2)	Chairperson of the Remuneration Committee is an independent director		Mr.I.A.Wickramasinghe, chairperson of the committee is an independent non-executive director	Compliant
9.11.4 .(1). (a)	Composition of the Nominations and governance committee	Minimum 3 directors and out of that minimum 2 independent directors needs to be there.	The committee comprises eight directors: five are Independent Non-Executive Directors, and three are Non-Executive Directors	Compliant
9.11.4 .(1). (b)	Not comprise of executive directors w.e.f 1st October 2024		Committee does not comprise any executive directors.	Compliant
9.11.4 (2)	Chairperson of the Nominations & Governance Committee is an independent director	An independent director is to be appointed as the Chairperson of the committee	Mr.I.A.Wickramasinghe, chairperson of the committee is an independent non-executive director	Compliant
9.13.3.1 (a)	Composition of the Audit Committee	A minimum of three directors shall serve on the committee, of whom at least two or a majority of the members, whichever is higher shall be Independent Directors	8 Directors are members , 5 are independent non executive Directors, three are non executive Directors	Compliant
9.13.3.1 (b)		Not comprise of executive directors	No executive directors are included	Compliant
9.13.3 .(4)	Chairperson of the Audit Committee is an independent director		Ms.N.M.Boralessa, independent non-executive director is the chairperson	Compliant

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Applicable Rule Number	Description	Current Status	Compliance Status *	
9.13.3.(6)	Chairperson is a member of a recognized professional accounting body	Ms.N.M.Boralessa is a member of The Institute of Chartered Management Accountants of UK	Compliant	
9.14.2.(1)	Composition of the Related Party Transactions Review Committee	Minimum 3 directors out of 2 members shall be independent directors. It may include executive directors, at the option of the listed entity	8 directors are members , 5 are independent non executive directors, three are non executive directors.	Compliant
9.14.2.(1)	Chairperson of the Related Party Transaction Review Committee is an independent Director	Mr.I.A.Wickramasinghe, chairperson is an independent non-executive director	Compliant	

*Due to the classification of Mr. H.M.A. Jayesinghe as non-independent Director, as discussed on pages 150 to 151, non-compliances arose in the committees in which he held memberships and chairmanships until the rectification was completed. Accordingly, the Company became fully compliant with the relevant Rules effective from 23rd December 2025. Prior to this date, the Company was non-compliant with Rules 9.6.1, 9.6.3(a), 9.8.2(a), 9.12.6.1(a), 9.12.6(2), 9.11.4(1)(a), 9.11.4(2), 9.13.3.1(a), 9.13.3(4), and 9.14.2(1) from 6th March 2025.

Table 51: Compliance Status with the Annual Report Disclosure Requirements as per the Listing Rule 09 “Corporate Governance

Listing Rule Number	Description	Applicable or not	Compliance Status	Page Reference
Rule No.9.1.3	All Listed Entities shall publish a statement confirming the extent of compliance with the Corporate Governance Rules set out herein, in the Annual Report of the Entity	Applicable	Compliant	147, 175
Rule No.9.2.3	Listed Entities shall disclose in the Annual Report			
	i) the list of policies that are in place in conformity Rule 9.2.1 , with reference to its website	Applicable	Compliant	181-183
	ii) Details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2	Applicable	Compliant	182
Rule No.9.4.2.a	Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity.	Applicable	Compliant	198-199
Rule No.9.4.2. c	The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholder, and such process shall be disclosed by the Entity in the Annual Report and website of the Entity.	Applicable	Compliant	198-199
Rule No.9.5.2	Listed entities shall confirm compliance with the requirement of the policy referred to in Rule 9.5.1of the Listing Rule in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	Applicable	Compliant	159

Listing Rule Number	Description	Applicable or not	Compliance Status	Page Reference
Rule No.9.6.3. e	The SID shall make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of duties of the SID(9.6.3(e))	Applicable	Compliant	152
Rule No. 9.6.4	Where a Listed Entity has appointed a SID as required in terms of Rule 9.6.1 above, such Entity shall set out the rationale for such appointment in the Annual Report of the Entity.	Applicable	Compliant	152, 184
Rule No. 9.7.5	Listed entities shall include the following disclosures/reports in the Annual Report.			
	a) A statement that the Directors and CEO of the listed Entity satisfy the fit and proper Assessment Criteria stipulated in the listed Rules of the Colombo Stock Exchange	Applicable	Compliant	159-160
	b) Any non-compliance/s by a Director and or the CEO of the listed Entity with the fit and Proper Assessment Criteria set out in these rules during the financial year and the remedial action taken by the listed entity to rectify such non-compliance/s	N/A		
Rule No. 9.8.5 (b)	Make an annual determination as to the “independence” or “non-independence” of each Independent Director based on the Directors’ declaration and other information available to it and shall set out the names of Directors determined to be ‘independent’ in the Annual Report.	Applicable	Compliant	159
Rule No. 9.10.4	Listed Entities shall also disclose the following in relation to the Directors in the Annual Report			
	a) Name, qualifications and brief profile	Applicable	Compliant	25
	b) The nature of his/her expertise in relevant functional areas	Applicable	Compliant	163-164
	c) Whether either the Director or close family members has any material business relationships with other directors of the listed entity.	Applicable	Compliant	159-160,152
	d) whether executive, non executive and/or independent Director	Applicable	Compliant	156
	e) The total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions as an executive or non-executive capacity, provided that where he /she holds directorships in companies within a Group of which the listed entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies;	Applicable	Compliant	193
	f) Number of Board meetings of the Listed Entity attended during the year.	Applicable	Compliant	156
	g) names of Board committees in which the Director serves as chairperson or a member;	Applicable	Compliant	156

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Listing Rule Number	Description	Applicable or not	Compliance Status	Page Reference
	h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration committees. Such details shall include the number of meetings held and the number attended by each member; and	Applicable	Compliant	156
	i) The terms of reference and powers of the SID (Where applicable)	Applicable	Compliant	152
Rule No. 9.11.4.(3)	The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity	Applicable	Compliant	174-175
Rule No. 9.11.6	The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson.	Applicable	Compliant	174-175
	The said report shall include the following;	Applicable	Compliant	174-175
	(a) the names of the Chairperson and members of the Committee and the nature of directorships held by such members);	Applicable	Compliant	174-175
	(b) the date of appointment to the Committee;	Applicable	Compliant	174-175
	(c) whether a documented policy and processes are in place when nominating Directors;	Applicable	Compliant	174-175
	(d) whether all directors should be required to submit themselves for re-election at regular intervals and at least once in every three (3) years;		Compliant	174-175
	(e) a disclosure on Board diversity in the range of experience, skills, age, and gender as an essential factor for effective Board performance;	Applicable	Compliant	174-175
	(f) Details to demonstrate effective implementation of policies and processes relating to appointment and reappointment of Directors.	Applicable	Compliant	174-175
	(g) The following information regarding directors who are re-elected or being proposed for re-election during the year:	Applicable		174-175
	• Board Committees served on (as a member or Chairperson),			174-175
	• Date of first appointment as a Director,			174-175
	• Date of last re-appointment as a Director,			174-175
	• Directorships or Chairpersonships and other principal commitments both present and those held over the preceding three years in other Listed Entities; and,			174-175
	• Any relationships including close family relationships between the candidate and the directors, the Listed Entity or its shareholders holding more than ten per-centum (10%) of the shares of the Listed Entity.			174-175

Listing Rule Number	Description	Applicable or not	Compliance Status	Page Reference
	(h) Whether periodic evaluations have been conducted on the performance of the Board of Directors and the CEO of the Entity as specified in Rule 9.11.5 above	Applicable	Compliant	174-175
	(i) Processes adopted by the Listed Entity to inform the Independent Directors of major issues relating to the Entity;	Applicable	Compliant	174-175
	(j) Induction programs/orientation programs conducted for newly appointed Directors on corporate governance, Listing Rules, securities market regulations and other applicable laws and regulations, or an appropriate negative statement;	Applicable	Compliant	174-175
	(k) Annual update given to existing Directors on Corporate Governance, Listing Rules, securities market regulation and other applicable laws and regulations, or an appropriate negative statement.	Applicable	Compliant	174-175
	(l) A statement that the Directors of the Listed Entity meet the criteria for determining independence.	Applicable	Compliant	174-175
	(m) A statement that the Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met and where the Listed Entity's fail to comply with any provisions of such Rules, a statement explaining the reason for such non-compliance and the proposed remedial action taken for the rectification of such non-compliance.	Applicable	Compliant	174-175, 156, 150-151
Rule No.9.12.8	The Annual Report should set out the following:			
	(a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent company's Remuneration Committee in the case of a group company);	Applicable	Compliant	173-175
	(b) A statement regarding the remuneration policy; and,	Applicable	Compliant	173-175
	(c) The aggregate remuneration of the Executive and Non-Executive Directors.	Applicable	Compliant	173-175
Rule No. 9.13.5	(1) The Audit Committee shall also prepare an Audit Committee Report which shall be included in the Annual Report of the Listed Entity. The Audit Committee Report shall set out the manner in which the Entity has complied with the requirements applicable to the Audit Committee during the period for which the Annual Report relates.	Applicable	Compliant	170-171
	(2) The Audit Committee Report shall contain the following disclosures:	Applicable		170-171
	(a) the names of the Chairperson and the members of the Audit Committee, and the nature of directorships held by such members (or persons in the parent company's committee in the case of a group company);	Applicable	Compliant	170-171

CORPORATE GOVERNANCE

Listing Rule Number	Description	Applicable or not	Compliance Status	Page Reference
	(b) The status of risk management and internal control of the Listed Entity and as a Group (where applicable).	Applicable	Compliant	170-171
	(c) A statement that it has received assurance from the CEO and the CFO of the Entity's operations and finances.	Applicable	Compliant	170-171
	(d) An opinion on the compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements.	Applicable	Compliant	170-171
	(e) whether the Listed Entity has a formal Audit Charter;	Applicable	Compliant	170-171
	(f) the manner in which internal audit assurance is achieved and a summary of the work of the internal audit function;	Applicable	Compliant	170-171
	(g) Details demonstrating the effective discharge of its functions and duties for that financial year of the Listed Entity;	Applicable	Compliant	170-171
	(h) a statement confirming that written assurance was obtained from the external auditors approved by the SEC, confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;	Applicable	Compliant	170-171
	(i) a statement confirming that the Audit Committee has made a determination of the independence of auditors and the basis of such determination. It shall also contain details on the number of years that the external auditor and the audit partner were engaged. If the external auditor provides non audit services, explanations must be made of how auditor objectivity and independence are safeguarded taking into consideration fees paid for non-audit services provided by the external auditor and affiliated parties.	Applicable	Compliant	170-171
Rule No.9.14.8 (3)	(3) The Annual Report shall contain a report by the Related Party Transactions Review Committee, setting out the following:	Applicable	Compliant	172
	<ul style="list-style-type: none"> The names of the Directors comprising the Committee; 			172
	<ul style="list-style-type: none"> A statement to the effect that the Committee has reviewed the Related Party Transactions during the financial year and has communicated its comments/observations to the Board of Directors. 			172
	<ul style="list-style-type: none"> The policies and procedures adopted by the Committee for reviewing the Related Party Transactions. 			172
	(4) An affirmative declaration by the Board of Directors in the Annual Report that these Rules pertaining to Related Party Transactions have been complied with or if the Entity has not entered into any Related Party Transaction/s a negative statement to that effect.			172

Listing Rule Number	Description	Applicable or not	Compliance Status	Page Reference
Rule No. 9.17	The following declarations by the Board of Directors to be included in the Annual Report:		Compliant	262-263
	(i) They have declared all material interests in contracts involving in the Entity and whether they have refrained from voting on matters in which they were materially interested;	Applicable	Compliant	262-263
	(ii) they have conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith, and, if unable to make any of these declarations an explanation on why it is unable to do so;	Applicable	Compliant	265
	(iii) they made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions;	Applicable	Compliant	257-261
	(iv) disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.	Applicable	Compliant	150-151

Compliance With Companies Act No.07 of 2007

This section provides a navigation on the level of compliance to the Companies Act No. 07 of 2007 and the regulations provided by the Colombo Stock Exchange.

Table 52: Disclosures Required by the Companies Act No. 07 of 2007.

Section Reference	Disclosure Requirement	Compliance Status	Page Reference
168 (1) (a)	The nature of the business of the Company or any of its subsidiaries	Compliant	276-278
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed	Compliant	272
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company	Compliant	267-269
168 (1) (d)	Changes in Accounting Policies made during the accounting period	Compliant	281-282
168 (1) (e)	Particulars of the entries in the Interests Register made during the accounting period	N/A	
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company and its Subsidiaries during the accounting period	Compliant	347
168 (1) (g)	Total amount of donations made by the Company during the accounting period	Compliant	295
168 (1) (h)	Information on Directorate of the Company and its Subsidiaries during and at the end of the accounting period	Compliant	364-365
168 (1) (i)	Amounts paid/payable to the Auditor as audit fees and fees for other services rendered during the accounting period	Compliant	295
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries	N/A	
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board (Annual Report of the Board of Directors)	Compliant	257-261

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Table 53: Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures

Section		Compliance status	Reference
I	Names of persons who were Directors of the Company	Compliant	156
II	Principal activities of the Company and its subsidiaries during the year, and any changes therein	Compliant	276-278
III	The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR and the percentage of such shares held	Compliant	195
IV	a) The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Companies complies with the Minimum Public Holding requirement in respect of voting ordinary shares The public holding percentage in respect of non- voting Shares (where applicable) b) The public holding percentage in respect of Foreign Currency denominated Shares	Compliant Not Applicable	196
V	A statement of each Director's holding and CEO's holding in shares of the Company at the beginning and end of each financial year.	Compliant	195
VI	Information pertaining to material foreseeable risk factors of the Company.	Compliant	202-208
VII	Details of material issues pertaining to employees and industrial relations of the Company	Compliant	62-72
VIII	Extents, locations, valuations and the number of buildings of the Company's land holdings and investment properties	Compliant	303
IX	Number of shares representing the Company's stated capital	Compliant	194
X	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Not applicable	
XI	Ratios and market price information	Compliant	197
XII	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value		
XIII	Details of funds raised through a public issue or further issue of securities, the manner in which the funds of such issue have been utilised, details of the number of securities, class and consideration received and the reason for the issue and any material change in the use of funds	Not applicable	
XIV	Information in respect of Employee Share Ownership or Share Purchase Schemes	Not applicable	
XV	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Compliant	301-302
XVI	Related Party transactions exceeding 10% of the equity or 5% of the total assets of the Company as per audited financial statements, whichever is lower, with requisite details	Not applicable	
XVII	Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds, Compliant Debt Securities and/or High Yield Corporate Debt Securities listed on the CSE	Not applicable	

Pursuant to CSE Listing Rule No. 9.10.4, the total number and names of companies in Sri Lanka in which the Directors of Diesel & Motor Engineering PLC (DIMO) hold directorships are disclosed below.

Table 54:

Name	Type of Directorship at DIMO	Directorships & KMP in other Companies (See Annexure 1 on page 363 for Details)
A.R.Pandithage	Executive Director	Executive Director of Sri Lanka Business & Biodiversity Platform
P.K.W. Mahendra	Executive Director	Executive Director of Chamber of Medical Equipment and services in Sri Lanka
A.M. Pandithage	Non-Executive Director	Executive directorships in a total of 154 Companies in Sri Lanka <ul style="list-style-type: none"> • 142 Private Companies • 12 Listed Companies
Dr. Harsha Cabral	Non-Executive Director	Independent Non-Executive Director at Alumex PLC, Chevron Lubricants Lanka PLC, Hayleys PLC, Tokyo Cement Company (Lanka) PLC & Directorships in 15 non-listed companies in Sri Lanka.
H.M.A. Jayesinghe	Independent Non-Executive Director	Independent Director for 9 Listed Companies & Director of 2 Private Companies.
A.G. Pandithage	Group Managing Director and Chief Executive Officer	an Executive Director of A & G Investments (Pvt) Ltd
R.A. Jayawardane	Independent Non-Executive Director	Independent Non-Executive Director of Cargills Bank PLC & Group Chief Executive Officer of the Maliban Group
H.A.C. Perera	Independent Non-Executive Director	Group Chief Information Officer at Dialog Axiata PLC
I A Wickramasinghe	Independent Non-Executive Director	Independent Non-Executive Director of 7 companies in Sri Lanka
N.M.Boralessa	Independent Non-Executive Director	Independent Non-Executive Director of BPPL Holdings PLC and Ceylinco Life Insurance Ltd
S.R.Fernando	Independent Non-Executive Director	Independent Non-Executive Director of Hayleys PLC

The other Directors of the Board of DIMO that has not mentioned above, namely B.C.S.A.P. Gooneratne, S.R.W.M.C. Ranawana, D.N.K. Kurukulasuriya, and C.R. Pandithage — all Executive Directors — do not hold any directorships or key management positions in any other companies as at 31st March 2026.

INVESTOR RELATIONS

Investor Relations

<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=38>



STEWARDSHIP INVESTOR TRUST

DIMO's investor relations approach is anchored in disciplined capital stewardship, transparent governance and purposeful engagement with shareholders. As providers of financial capital, shareholders remain central to DIMO's value creation journey, supporting the Group's ability to move beyond market barriers and create sustainable stakeholder value. Through timely disclosure, equitable communication and responsible performance focus, DIMO continues to strengthen investor confidence while upholding its promise of being the Perfect Partner.

ANCHORING TRUST THROUGH ENGAGEMENT

Our investment community comprises current and potential shareholders, encompassing both individual and institutional investors. As providers of financial capital, shareholders are considered a key stakeholder group. Their rights are defined by the Companies Act No. 07 of 2007 and supported by SEC regulations and ; CSE Listing Rules.

The Board of Directors is committed to delivering sustainable value through transparent governance and performance-driven strategies. Shareholders seek returns through dividends or capital appreciation, and the Company remains focused on meeting these expectations in a responsible manner.

STRUCTURE OF THE SHARE CAPITAL

The stated capital of Diesel & Motor Engineering PLC as at 31st March 2026 amounts to Rs. 620,578,310 (Rs.620,578,310 -2024/25) and is represented by 9,231,494 ordinary shares (9,231,494-2024/2025). Each share entitles the holder to one vote where shareholder approval is required. There are no other categories of shares.

Table 55: Features of DIMO'S Ordinary Shares

Security Type	Ordinary Shares
Listed Exchange	Colombo Stock Exchange (CSE) – Main Board
Featured stock indices	All Share Price Index (ASPI)
Standard & Poor's Sri Lanka 20 (S&P SL20)	DIMO.N0000
CSE Stock Symbol (Ticker)	DIMO.N0000
GICS Industry Group	Retailing
International Securities Identification Number (ISIN)	LK0056N00008

Figure 71: Movement in Stated/Paid Up Capital since 2006/07 ('000)

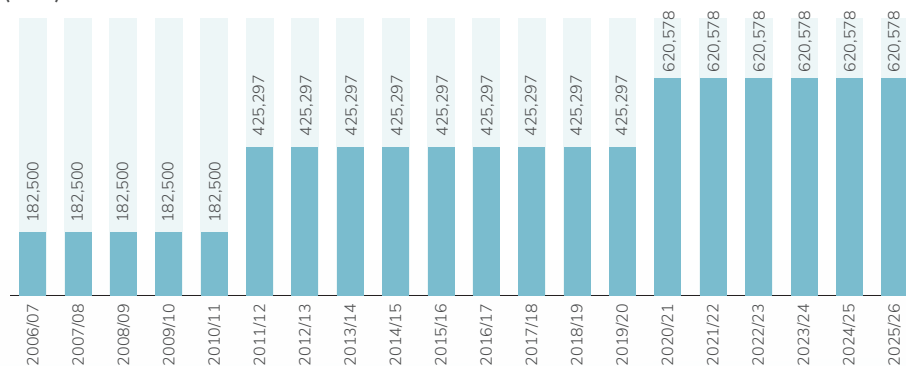


Table 56: The names and the number of shares held by the twenty largest shareholders of the Company.

Name of the Shareholder	As at 31st March 2026		As at 31st March 2025	
	Shares	%	Shares	%
Employee's Provident Fund	923,149	10.00	1,830,860	19.83
A.R. Pandithage	1,040,882	11.28	1,030,882	11.17
J.C. Pandithage	981,165	10.63	976,042	10.57
Hayleys PLC	875,291	9.48	-	-
A & G Investments (Private) Limited	667,395	7.23	667,395	7.23
S.C. Algama	590,497	6.40	590,497	6.40
A.G. Pandithage	546,846	5.92	546,846	5.92
M.R. Pandithage	279,688	3.03	-	-
C.R. Pandithage	269,944	2.92	228,144	2.47
A.N. Algama	110,884	1.20	222,288	2.41
Assetline Finance Limited/Suhada Gas Distributors	180,363	1.95	221,198	2.40
A.M. Pandithage	189,611	2.05	189,611	2.05
D. Jayantha	166,400	1.80	166,400	1.80
Hayleys Group Services (Private) Limited Number 02	165,000	1.79	-	-
Hayleys PLC/Account No.07 Hayleys and Associated Companies	163,320	1.77	-	-
T.G.H. Peries	-	-	158,931	1.72
T.R.N.C. Peries	152,820	1.66	153,929	1.67
N.U. Algama	-	-	123,598	1.34
N.M. De Silva	76,073	0.82	-	-
Seylan Bank PLC/Karagoda Loku Gamage Udayananda	-	-	79,393	0.86
M.L. Algama	-	-	69,976	0.76
HNB Investment Bank (Pvt) Ltd/]. Tharshana	65,000	0.70	-	-
L.S. Algama	-	-	69,975	0.76
Seylan Bank PLC/Phantom Investments (Pvt) Ltd	-	-	68,245	0.74
I.S. Salgado	-	-	47,840	0.52
H.S. Pandithage	-	-	46,849	0.51
A.A.D.N.S.A. Ratnayake	61,799	0.67	-	-
A.A.D.N.S. Algama	61,799	0.67	-	-
	7,567,926	81.98	7,488,899	81.12

The composition of the top twenty shareholders changes from year to year. Comparative figures are not shown for shareholders who do not appear in both periods, as disclosures are limited to the top twenty for each year.

Table 57 – Shares held by Directors & their spouses

Name	As at 31st March 2026		As at 31st March 2025	
	Shares	%	Shares	%
Mr A R Pandithage	1,040,882	11.28	1,030,882	11.17
Spouse of Mr.A.R.Pandithage	981,165	10.63	976,042	10.57
Mr A G Pandithage	546,846	5.92	546,846	5.92
Spouse of Mr.A.G.Pandithage	46,849	0.51	46,849	0.51
Mr A M Pandithage	189,611	2.05	189,611	2.05
Spouse of Mr.A.M.Pandithage	43,527	0.47	43,527	0.47
Mr. C.R. Pandithage	269,944	2.92	228,144	2.47
	3,118,824	33.78	3,061,901	33.17