

## DIESEL & MOTOR ENGINEERING PLC

<b>DIMO</b>	<b>POLICY ON CORPORATE DISCLOSURES</b>	Document Number:GRP/FM/CG/07/06
		Effective Date:1 <sup>st</sup> October 2024
		Revision No: N/A
		Revision Date: N/A
		Version No. V01
<b>Approved by: Board of Directors on 30<sup>th</sup> September 2024</b>		

### 1. INTRODUCTION

Diesel & Motor Engineering PLC (hereinafter referred to as "the Company") is committed to upholding the highest standards of corporate disclosure. As a diversified conglomerate listed on the Colombo Stock Exchange, the Company recognizes the importance of providing accurate, timely, and transparent information to all stakeholders. This Corporate Disclosure Policy establishes the framework for how the Company will handle disclosure of information ensuring compliance with legal and regulatory requirements and promoting investor confidence.

### 2. OBJECTIVES

The objectives of this Corporate Disclosure Policy are to:

- **Ensure Accuracy:** Guarantee that all disclosed information is accurate, complete, and reflects the true state of the Company's financial and operational performance.
- **Promote Transparency:** Foster transparency in communications with stakeholders to maintain trust and facilitate informed decision making.
- **Ensure Compliance:** Adhere to legal and regulatory requirements governing corporate disclosure, including those set forth by the Colombo Stock Exchange and other relevant authorities.

### 3. SCOPE

This policy applies to all directors, officers and employees of Diesel & Motor Engineering PLC. It encompasses all types of disclosure, including financial reports, press releases, regulatory filings, and other communications with stakeholders.

## 4. DISCLOSURE PRINCIPLES

### 4.1 Accuracy and Timeliness

- **Accuracy:** Ensure that all disclosed information is thoroughly verified for accuracy. Financial statements, press releases, and other communications must reflect the true and fair state of the Company's affairs.
- **Timeliness:** Disclose information in a timely manner to ensure that stakeholders receive up to date information. Avoid delays that could affect the relevance and usefulness of the information.

### 4.2 Fairness and Transparency

- **Fairness:** Ensure that all material information is disclosed to all stakeholders equally. Avoid selective disclosure that could advantage certain parties over others.
- **Transparency:** Provide clear, comprehensive, and understandable information. Avoid ambiguous language or omissions that could lead to misinterpretation.

### 4.3 Compliance with Legal and Regulatory Requirements

- **Regulatory Compliance:** Adhere to all applicable laws, regulations, and the Listing Rules requirements of the Colombo Stock Exchange and other relevant authorities. Ensure that disclosures meet regulatory standards for content and timing.
- **Internal Policies:** Follow the Company's internal policies and procedures for disclosure to ensure consistency and compliance with legal requirements.

## 5. TYPES OF DISCLOSURE

### 5.1 Financial Disclosures

- **Financial Statements:** The financial statements should be prepared in conformity with Sri Lanka Accounting Standards and any other legislative requirements.
- **Annual Reports:** Publish comprehensive annual financial statements, including audited financial statements, management discussion and analysis, and the auditor's report. The report should provide a detailed overview of the Company's financial performance and position.
- **Quarterly Reports:** Provide quarterly financial statements, providing updates on financial performance to keep stakeholders informed between annual reports. These updates should include unaudited financial statements and also may include a brief management commentary. The quarterly reports should be issued within the period prescribed by the listing rules of the Colombo Stock Exchange.

## 5.2 Non-Financial Disclosures

- **Sustainability Reports:** Disclose information regarding the Company's environmental, social, and governance (ESG) practices and performance. Highlight key sustainability initiatives, achievements, and challenges.
- **Corporate Governance:** Provide information on the Company's governance practices, including Board composition and adherence to the best practice on corporate governance issued by the Institute of Chartered Accountants of Sri Lanka and Listing Rules published by the Colombo Stock Exchange.

## 5.3 Material Events and Changes

- **Material Events:** Disclose significant events that could impact the Company's financial condition or operations. This includes material mergers and acquisitions, major contracts and other material changes.
- **Changes in Policies:** Communicate any material changes in corporate policies, that could affect stakeholders' understanding of the Company's financial position or performance.

## 6. ROLES AND RESPONSIBILITIES

### 6.1 Board of Directors

- **Oversight:** The Board is responsible for overseeing the Company's disclosure practices and ensuring alignment with regulatory requirements and best practices.
- **Approval:** Approve major disclosures, including annual reports and significant press releases, before they are made public.

### 6.2 Management

- **Disclosure Preparation:** Prepare and review disclosures related to the Company's operations and financial performance. Ensure the accuracy, completeness, and timeliness of the information.
- **Communication:** Communicate material information to the Board and ensure that it is disclosed in accordance with Company policies and regulatory requirements.

### 6.3 Company Secretary

- **Compliance:** Ensure compliance with all legal and regulatory disclosure requirements. Prepare and file necessary documents with the Colombo Stock Exchange and the Registrar of Companies.

- **Record-Keeping:** Maintain accurate records of all disclosures and communications with stakeholders. Ensure that documentation is complete and readily accessible.
- **Shareholder Communication:** Manage communications with investors, analysts, and other stakeholders. Provide timely and accurate responses to inquiries and requests for information.
- **Disclosure Monitoring:** Monitor compliance with disclosure policies and procedures. Address any issues related to disclosure practices.

## 7. DISCLOSURE PROCEDURES

### 7.1 Preparing Disclosures

- **Information Gathering:** Collect and verify relevant information from various departments, including finance, operations, and legal, to ensure accuracy and completeness.
- **Drafting:** Draft disclosures in accordance with regulatory requirements and Company policies. Ensure clarity and comprehensiveness in the communication.

### 7.2 Approval Process

- **Review:** Submit draft disclosures to the Board of Directors or designated review committee for approval. Ensure that all necessary approvals are obtained before finalizing the disclosure.
- **Sign-Off:** Obtain final sign-off from authorized individuals, including senior management and the Company Secretary, before making disclosures public.

### 7.3 Dissemination of Information

- **Public Disclosure:** Disseminate information through appropriate channels, such as the Company's website, regulatory filings, and press releases. Ensure that information is accessible to all stakeholders.
- **Internal Communication:** Communicate material information internally to employees and other relevant parties to ensure alignment and preparedness.

## 8. HANDLING CONFIDENTIAL INFORMATION

### 8.1 Insider Information

- **Definition:** Insider information refers to non-public information that could influence an investor's decision to buy or sell securities. Handle such information with the utmost care.

- **Prohibition:** Do not disclose insider information to unauthorized individuals or use it for personal gain. Ensure that all individuals with access to insider information understand their obligations.

## 8.2 Confidentiality Obligations

- **Confidentiality Agreements:** Require employees and third parties with access to confidential information to sign confidentiality agreements. Ensure they understand their obligations regarding handling and protection of confidential information.
- **Information Security:** Implement measures to safeguard confidential information from unauthorized access, including secure communication channels and data protection protocols.

## 9. MONITORING AND COMPLIANCE

### 9.1 Monitoring Compliance

- **Regular Audits:** Conduct audits of disclosure practices to ensure compliance with this policy and regulatory requirements. Identify and address any gaps or issues.
- **Internal Controls:** Implement internal controls to monitor and enforce compliance with disclosure procedures and practices.

### 9.2 Reporting Violations

- **Reporting Mechanisms:** Establish mechanisms for reporting violations of disclosure policies or procedures. Encourage employees and stakeholders to report concerns or discrepancies.
- **Investigation:** Investigate reported violations promptly and thoroughly. Take appropriate corrective actions to address any issues and prevent recurrence.

## 10. POLICY REVIEW AND UPDATES

### 10.1 Annual Review

- **Policy Review:** Review this Corporate Disclosure Policy every three years or as needed to ensure its relevance and effectiveness. Consider changes in regulations, industry standards, and Company practices.
- **Update Process:** Update the policy to reflect changes in legal requirements, regulatory guidelines, or Company operations. Communicate updates to all relevant stakeholders.

## **10.2 Training and Awareness**

- **Training Programs:** Provide training for employees and directors on disclosure policies and procedures. Ensure they understand their responsibilities and the importance of accurate and timely disclosure.
- **Awareness Campaigns:** Conduct awareness campaigns to reinforce the importance of compliance with disclosure practices and to keep employees informed of any updates to the policy.

## **11. APPROVAL AND IMPLEMENTATION**

This policy is approved by the Board of Directors and is effective as of 1<sup>st</sup> October 2024. All directors, officers, employees, and third parties engaged by the Company are required to familiarize themselves with this policy and adhere to its provisions.