

Policy on Relations with Shareholders and Investors

LOLC HOLDINGS PLC

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Policy on Relations with Shareholders and Investors

1. Purpose

As a public listed company, LOLC Holdings PLC (the Company) is obliged to provide information about its governance, operations, financial condition and future prospects. This information is directed to a diverse audience of stakeholders and the public generally.

The aim is to fairly and accurately represent the Company, so that investors and potential investors can make properly informed investment decisions, and others can have a balanced understanding of the Company and its objectives.

The Policy described in this document sets out how the Company will meet those obligations. In formulating this Policy, the Company has taken into account the Listing Rules of the Colombo Stock Exchange (the Exchange) and its disclosure obligations. The Company also has a Code of Ethics, which should be read with this Policy.

This Policy provides the Company's internal framework of processes and procedures to keep its stakeholders informed of material developments, and maintain effective communications based on the following principles:

- The Company will always report its financial results and material developments to the Exchange, its shareholders and other stakeholders in an open and comprehensive manner;
- The Company will communicate only through its designated spokespersons;
- The Company will use its website and social media as additional communications channels;
- The Company will proactively address reports and rumours, so as to avoid unnecessary speculation in its securities;
- The Company will give reasonable access to analysts and the media to help them have informed opinions of the Company, but will not seek to influence those opinions;
- The Company will meet with its shareholders at least once in each fiscal year to inform, and obtain feedback on the Company.

2. To whom does the policy apply?

LOLC's Board of Directors and all staff of the Company.

3. To what does the policy apply?

Material information concerning the Company (see Section 7), contained in either written or oral communications, including the following:

- Reports and documents provided to the Exchange;
- Materials and statements in the Company's Annual Reports, quarterly reports, press releases, letters and circulars to shareholders;
- Presentations on behalf of the Company;
- Information on the Company's website;

- News releases including interviews to media houses by the Company;
- Correspondence with staff;
- Verbal statements made to outside parties in meetings, briefings, press conferences, or during telephone conversations;

4. Our Stakeholders

The Company recognises this to include:

- Shareholders and prospective investors;
- Analysts, fund managers and investment bankers;
- The Media;
- Government and regulators;
- Banks and creditors;
- Business partners and service providers;
- Other organisations and special interest groups.

5. Our Communications Commitments

LOLC will make every effort to ensure all material information concerning the Company is made as freely and widely available as possible. The Company encourages an exchange of opinion between itself and its principal stakeholders, and will organise its communications to facilitate that dialogue. The characteristics described below will apply to all Company communications:

6. The Chain of Authority & Responsibility

LOLC has a clear structure for governance and daily management, providing a chain of authority and responsibility for Policy implementation, as shown below:

Primary spokespersons may communicate with all stakeholder constituents, providing information, data and analysis and responding to questions concerning all aspects of the Company's operations and financial condition, its future prospects and its strategies. They may also discuss matters relating to the Company's governance and management, as well as its products and services, and initiatives connected with regulatory requirements. Secondary Spokespersons may only communicate with stakeholder constituents in connection with their specific areas of responsibility within the Company, unless they are authorised to undertake broader communications by a Primary Spokesperson.

No other individuals may act as spokespersons for the Company.

7. Material Information

Material information is any information about the Company which might reasonably be expected to have a material effect on:

- a) the market price or value of the Company's securities, or activity in the trading of its securities; or
- b) a decision to buy, sell or continue holding the Company's securities which is made by an existing holder of those securities, or someone considering an investment in those securities.

The Listing Requirements of the Exchange give comprehensive details and examples of what constitutes material information, and the Company will always comply fully with its disclosure obligations expressed in those requirements.

Materiality can be difficult to evaluate on occasion, however. The Company will always lean towards an assessment of the likely effect of the information on the price of the Company's securities.

8. Confidential Information & Leaks

As a general rule, all information regarding the Company, its operations, financial condition and future prospects, should be regarded as material and price-sensitive, and must be treated as confidential unless it is already in the public domain.

To protect the confidentiality of information, access to information should be restricted only to those persons (employees, or third parties) who have a legitimate need for the information consistent with their duties or obligations to the Company. (For the benefit of staff, reference should be made to the Code of Ethics for guidelines to help protect confidentiality and prevent leakage or misuse of confidential information.)

Third Parties: In certain circumstances, the Company may provide material information to third parties, which is not in the public domain. For example, the Company's auditors, bankers, lawyers, regulators, rating agencies, or other professional advisors may require such information to properly execute their mandates. In these circumstances, unless there are adequate existing legal protections, the Company will require the execution of non-disclosure and confidentiality agreements by these persons.

Electronic means of communications: Employees are discouraged from participating in any electronic forum for the exchange of information and comment, where there is any discussion of the Company's affairs.

Leakage & Accidental Disclosure: In the event of an information leakage, or the accidental disclosure of unpublished material information, the situation will be addressed in line with the Company's chain of authority and responsibility. If deemed necessary, the Company will make an appropriate announcement to the Exchange as soon as practicably possible, which may be followed by a press release and/or other communication modes.

9. Announcing Material Information

The Company will follow a step-by-step approach, on the same day, as shown below:

Step 1: Approval is given for release of material information in line with the chain of authority and responsibility.

Step 2: An announcement is made to the Exchange.

(Note: If the Company believes it would assist in having the news or information better understood and widely disseminated, the Exchange may be requested to temporarily suspend trading in the Company's securities, so that an announcement can be made during trading hours.)

Step 3: Company may issue press releases to all major newspapers in Sri Lanka.

(Note: Except in a limited number of minor, administrative situations, any news or information which is announced to the Exchange will be followed by a press release.)

10. Financial Reports & The Annual General Meeting

Quarterly Reports of interim financial results will be released to the Exchange on the approval by the Board, in the format required by the Exchange.

The Annual Report is managed within the Company. The CFO and Finance Department are responsible for the financial statements, notes and related information. Members of the Leadership Team and Company Secretary (with assistance from Communications), are responsible for copy, content and compliance. Communications is responsible for design, layout, production and ensuring the required quantity (ARs) is delivered to the Company Secretariat.

Approval of the Annual Report follows the chain of authority and responsibility. The Annual Report will be published in electronic form on the Exchange. The complete Annual Report in an electronic or printed format will be delivered/made available to all persons who notify the Company that they would like to receive the full report. The Annual Report will also be made available on the Company's website.

The Annual General Meeting is treated as a major Company event. The Company Secretary is responsible for shareholder and event management, Communications for any presentation materials.

Notice for the meeting will be announced on the Exchange and in a daily newspaper, and will be in compliance with the Listing Rules.

The content of the Annual General Meeting will concentrate on the Company's resolutions, financial performance, development, strategy, and any relevant operational matters of interest to shareholders.

The Annual General Meeting is regarded as an important forum, especially for individual shareholders. The Company believes it should provide an opportunity for shareholders to engage with the Board and senior management, and to gain a fuller understanding of the Company's affairs. As such, meetings will be conducted in a manner which permits reasonable enquiry, and the Company will endeavour to provide shareholders with all relevant information, which may include written answers.

11. Media Conferences, Briefings & Meetings

Press Conferences and Briefings may be held in conjunction with the announcement of the Company's financial results or the announcement of major corporate developments. Primary Spokespersons will conduct the press conference/briefing, with assistance from Secondary Spokespersons where necessary.

The Company will issue invitations to as wide as possible an audience, and the press conference/briefing will normally take place at the Company's Head Office. Electronic and other communication means, such as simultaneous teleconference or webcast, will be employed to allow "virtual attendance" by those unable to be present in person. The actual press conference/briefing and subsequent dialogue session may also be recorded for display on the Company's website.

Communications will be responsible for media relations, event management and presentation materials and content, and Investor Relations will be responsible for liaison with investors and analysts.

From time to time, the Company may also hold briefings for the media on matters concerning new developments. Communications is responsible for such briefings and the presentation materials, a copy of which will be posted on the Company's website.

Meetings/Interviews with Investors, Analysts and the Media take place as part of the Company's on-going external communications and investor relations programmes. These meetings may be arranged on either an individual basis or in small groups. The Company will endeavour to meet with all shareholders at least once in each fiscal year to provide an update of Company performance and developments, and will use such occasions to seek their opinions on broader issues concerning the Company.

Primary Spokespersons will normally handle these meetings with Communications and/or Investor Relations in attendance. On all these occasions, care will be taken to ensure only information already in the public domain is discussed, and any new presentation materials prepared for these meetings will be posted on the Company's website.

12. Reports & Rumours

Analysts' reports: Analysts writing about the Company will often contact the Company to verify factual information and to validate assumptions. It is the Company's policy to offer information that has been made available to the public domain in these situations, and to point out factual errors or assumptions which are inconsistent with previously announced information. However, the Company will not endorse any analyst's report, nor will it endeavour to influence the opinions or conclusions of the analyst.

Upon third party request, the Company may circulate all analysts report as determined by the Leadership Team. The Company may also circulate such reports internally to its Board and senior management to assist them in understanding how the market and outsiders view the Company.

Rumours: From time to time, reports or rumours about the Company may circulate. Ordinarily, the Company will not respond to such reports or rumours, unless they appear to contain material information, or may be expected to affect the reputation of the company or price of the Company's securities or trading activity in those securities.

When a report or rumour about the Company contains material errors, the Company will issue an announcement to the Exchange to deny or clarify the report or rumour, and provide sufficient supporting information. In general, the Company will take a proactive approach to the addressing of reports and rumours, so as to minimise uninformed speculation and promote an orderly market in its securities.

13. Forward-Looking Information & Comment

To assist the investment community in evaluating the Company, a forward-looking comment may be given in the Annual Report. It may also be included in any subsequent press release or briefing.

The Company will not normally provide any prediction as to actual future financial results, but comment may be given on future prospects, as well as on the likelihood of meeting any publicised targets, such as key performance indicators.

Any forward-looking information or comment must be clearly qualified by a disclaimer or guidance not to rely on the data. In the case of a briefing or presentation, this will be contained in the written materials as well as being stated or highlighted verbally at the beginning of the briefing or presentation.

If the Company becomes aware of a significant variation between actual financial data and the forward-looking information previously provided, the Company will consider the significance of the variation, whether the expectations of the investment community differ materially from the Company's actual results, and whether a decision not to issue a clarifying announcement would amount to the Company misleading the market.

14. Major Corporate Developments

Major corporate developments, such as a merger or acquisition or the launch of a significant new business or product, will always attract special attention. The Company will strictly enforce its procedures for the protection of confidentiality until such time as the development has received all requisite internal approvals. Thereafter, special attention will be paid to ensure the widest and most complete dissemination of information concerning the development, in line with the provisions of this Policy and the Listing Rules of the Exchange.

15. Crisis Communications

A serious and potentially damaging event, of either an operational or financial nature, which might materially and negatively affect the Company or its financial condition, or have a material adverse effect on the price of the Company's securities, is regarded as a crisis. In such an event, the GMD/CEO, with assistance from the Leadership Team including the CRO, Investor Relations, Company Secretary and Communications will deal with necessary announcements to the Exchange and notices to the public.

16. Insiders

Anyone who has access to material information about LOLC, its financial condition and its operations, is regarded as an Insider. Material information which is in the possession of an Insider and has not been disclosed to the Exchange and the investing public is Inside Information.

Insiders may not deal in the Company's securities while in possession of Inside Information, nor may they pass on that information to help another person deal in the Company's securities.

The Company has published a Code of Ethics which applies to all Directors and members of staff and contains provisions for the proper regulation and control of the trading in the Company's securities by employee Insiders.

Persons who are Insiders, but who are not Directors or the Company's staff, are covered by the confidentiality provisions of this Policy (Section 8).

17. Obtaining Feedback

The Company welcomes comment and constructive criticism from investors and other major stakeholders. As an on-going process, the Company will survey its primary audience constituencies from time to time to gauge external opinion, either by way of formal questionnaires or interviews, or by seeking verbal opinion on occasions of contact with the audience constituents. External opinion will be sought not only on operational and performance matters, but also on governance and strategic issues.

18. The Company Website (www.lolc.com)

The Company will use its website as one of its primary communication conduits to enhance existing modes of disseminating information. Communications is generally responsible for the content, presentation and the prompt updating of all sections of the Company website. Whereas, Investor Relations is responsible for the content of the Investor Relations sections of the website. Press releases, presentation materials for briefings or meetings with investors, analysts and the media, will be posted on the website.

The website will provide for email communication with the Company, and for stakeholders to register their interest in information about the Company, so that they may be alerted of developments or breaking news.

19. Policy Matters

This Policy was adopted by LOLC's Board of Directors on 15th August 2024. It is subject to periodic review and any material changes may be amended as determined by the Board in consultation with the GMD/CEO. This Policy is published on the Company's website in the Investor Relations section.

20. Contact Details

LOLC Holdings PLC

Investor Relations:
Mr Dulip Samaraweera
Tel: 0117248131
Email: DulipS@LOLC.com

Communications:
Mr Susaan Bandara
Tel: 0117797203
Email: SusaanB@LOLC.com

APPENDIX

The following gives a general description of matters which would be regarded as material information. This list is not exhaustive, and is for guidance purposes only.

- *Any change in shareholders which might affect control of the Company;*
- *Any new issue of securities by the Company, or in the terms of its existing securities;*
- *Any information concerning dividends;*
- *Any reorganisation or reconstruction of the Company;*
- *Material litigation and court decisions;*
- *Mergers, acquisitions and other major corporate developments;*
- *Significant Company borrowings and any ratings attached to those borrowings;*
- *Any event of default in respect of a material financial obligation of the Company;*
- *The acquisition or loss of any material contract;*
- *Material new products;*
- *Material changes in the Company's business or its strategy or investment plans;*
- *Other events that may be expected to have a material effect on the Company's operations, financial condition or future prospects;*
- *Quarterly Reports of interim financial results, and the Company's annual audited accounts.*