
Policy on Internal Code of Business and Ethics

December 2024

C. W. MACKIE PLC

No.36, D. R. Wijewardena Mawatha, Colombo 10

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1 Introduction

C. W. Mackie PLC (“CWM”) is committed to the highest standards of ethical behaviour and will encourage proper ethical conduct and sanction misconduct within the Company. An ethical culture based on standards and conduct, led by the shareholders, directors, and management, and followed by all employees.

2 Conflicts of Interest

Directors and employees must avoid conflicts of interest. A conflict situation can arise when a Director, a Key Management Personnel or any other employee performs or has such interests that may make it difficult to perform his/her Company work objectively and effectively. Conflicts of interests also arise when a member of their family receive improper personal benefits because of his/her position in the Company.

The Company shall have a policy prohibiting such conflicts of interest and providing a means for Directors, Key Management Personnel or any other employee to disclose them to the appropriate personnel and follow prescribed procedures to address such conflicts.

3 Fair and Transparent Procurement Practices

Every employee who is authorized to procure goods or services for CWM must ensure that the Company’s policies and procedures are strictly followed and documented in a fair and transparent manner.

4 Accurate Accounting and Record-keeping

Directors and employees shall ensure that they follow all applicable laws, external accounting requirements and the Company procedures for reporting financial and other business information. All employees shall ensure that they manage their business records in accordance with the applicable records, management policy and procedures.

5 Corporate Opportunities

CWM Directors and Key Management Personnel shall be prohibited from:

- a) taking opportunities that are discovered through the use of corporate property, information or position;
- b) using corporate property, information or position for personal gain; and
- c) competing with the Company.

Directors and Key Management Personnel owe a duty to the Company to advance its legitimate interests when the opportunity does arise.

6 Confidentiality

Directors and all employees shall maintain the confidentiality of information entrusted to them by the Company or its customers, suppliers, and other stakeholders, except when this disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors or harmful to the Company or its customers, if disclosed.

7 Fair Dealing

Directors and employees shall endeavour to deal fairly with the Company's customers, suppliers, competitors, and employees. None shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice. Directors and employees at the time of retirement shall not withhold any legitimate information relating to customers from his/her successor which will benefit the Company.

8 Protection and Proper Use of Company Assets

Directors and employees shall protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes.

9 Compliance with Laws, Rules and Regulations and Insider Trading

Company shall proactively promote compliance with laws, rules, and regulations, including insider trading laws. Insider trading is strictly prohibited. Directors and employees who possess non-public, material information about CWM must not trade in the Company's listed securities or provide such information to others who may use it for trading.

10 Illegal or Unethical Behaviour

Company shall proactively promote ethical behaviour. CWM shall encourage employees to talk to supervisors, managers, or other appropriate personnel when in doubt about the best course of action in a particular situation. Additionally, employees should report violations of laws, rules, regulations or the code of business conduct and ethics, to appropriate personnel. To encourage employees to report such violations, the Company must ensure that employees know that the Company will not allow retaliation for reports made in good faith.

11 Entertainment and Gifts

Directors and employees must not solicit or demand any form of entertainment or gift from any person or organization outside the Company. The Directors and employees are not permitted to offer or accept business entertainment and gifts without prior approval, provided that the entertainment or gift in question is modest, appropriate and consistent with reasonable business practice and permissible under all applicable laws.

Further detailed in the **Policy on Anti-Bribery and Corruption**.

12 Whistleblowing

Directors and employees are encouraged to report any violations of this Policy, questionable practices or unethical conduct to the relevant personnel or through a confidential and anonymous reporting mechanism.

This is detailed in the **Policy on Whistleblowing**.

13 Training Programme

The Company shall establish an ethics training program for all Directors, Key Management Personnel and employees on an annual basis. The Company will ensure that the code of ethics will be user-friendly. This shall be included in the induction program for all new employees.

14 Approval, Revision & Dissemination of the Policy

- A. The Policy should be revised as deemed necessary, particularly in the event of changes in law and authoritative sources of best practice in Corporate Governance. However, it will be reviewed and revised at least every two (2) years to ensure that it is updated to reflect developments in relation to the subject.
- B. The Nominations and Governance Committee has reviewed and recommended this policy which has been approved by the Board.
- C. The Policy is uploaded on the website of the Company in accordance with CSE Listing Rules