

BOARD'S CODE OF CONDUCT & ETHICS

The Board's Code of Conduct & Ethics reflects the Board's commitment to upholding the highest standards of ethical conduct, professionalism and loyalty within a culture of integrity, trust, and accountability ensuring the long-term success and sustainability of People's Leasing & Finance PLC (PLC).

Scope:

This policy applies to all members of the Board of Directors, including and not withstanding Executive and Non-Executive, Independent or otherwise directors

Duty of Loyalty:

Board members shall act in good faith and what he/she believes to be in the best interests of the Company.

No Director shall act or agree to the Company acting in a manner that contravenes any provisions of the Law and the applicable regulations to the Company.

Duty of Care:

Board members shall actively participate in Board meetings, programs, and financial matters, and contribute their skill and expertise to the advancement of the organization's goals.

Confidentiality:

Board members shall maintain the confidentiality of privileged information and discussions that transpire during Board meetings. They shall not disclose confidential information to unauthorized individuals nor use it for personal gain, financial advantage, or any purpose that may be detrimental to the interests of People's Leasing & Finance PLC, except

- (a) For the purpose of the Company
- (b) As required by law; or
- (c) The board may authorize to disclose as it is satisfied that to do so shall not be likely to prejudice the Company.

Transparent Reporting:

- a) Directors shall promote transparency and accuracy in reporting/disclosing the relevant information to stakeholders in a timely manner.
- b) Board members shall promote transparency in the organization's operations, decisions, and financial matters. They shall communicate openly with stakeholders and the public, providing accurate and timely information about the organization's activities wherever it is required.

Stakeholder Engagement:

- a) Directors shall actively engage with stakeholders to understand their perspectives
- b) The Board shall establish mechanisms to receive and consider input from stakeholders, particularly those affected by the Company's operations.

Ethical Conduct:

Directors shall consider the highest standards of compliance with all laws, rules, regulations and socially and environmentally responsible business ethics.

Innovation for Sustainability:

- a) Directors shall encourage and support innovation that promotes sustainable practices, including the development and adoption of eco-friendly technologies.
- b) The Board shall regularly assess and invest in research and development initiatives aimed at enhancing sustainability across the Company's operations.

PLC has adapted the Sustainability Standards and Certification Initiative (SSCI) of the European Organisation for Sustainable Development (EOSD) and the Board is dedicated to a value driven financial institution that is ready to adapt and maintain highest standards for delivering optimum value to all stakeholders, including but not limited to their shareholders and thereby ensuring long term Organisational success.

Community and Social Responsibility:

- a) Directors shall actively participate in and support community development initiatives, contributing to the social welfare of the areas in which the Company operates.
- b) The Board shall oversee the implementation of corporate social responsibility programs that align with the Company's sustainability goals.

Communication:

Board members shall engage in respectful and professional communication with fellow Board members, staff, volunteers, and stakeholders and shall listen actively, consider diverse perspectives, and foster a culture of mutual respect.

Avoidance of Personal Gain:

Board members shall refrain from using their position for personal gain or for the benefit of friends, family, or associates and shall make decisions based on the best interests of the organization and its stakeholders.

Fiduciary Responsibility:

Board members shall exercise prudence in the management of the organization's resources and assets and shall act in a financially responsible manner, ensuring the organization's long-term sustainability.

It is a fiduciary responsibility of the Board of Directors to provide timely advice and guidance to the Management for capitalizing on emerging opportunities turning challenges into business success, managing and mitigating risks and threats emerging from global/domestic, social, economic and environmental changes.

Accountability:

Board members shall be accountable for their actions and decisions and shall take responsibility for their assigned duties and address any concerns about their conduct promptly and transparently.

Performance Evaluation:

Directors shall participate actively in the Board's Self-Evaluation process and embrace constructive criticism to continually enhance individual and collective performance.

Review and Update:

This Code of Conduct shall be reviewed periodically to ensure its continued relevance and effectiveness. Amendments may be made as necessary by the Board.

Insider dealing:

Directors of the Company shall not engage in any form of insider dealing, defined as the use of non-public information for personal gain or to benefit others, including family members, friends, or business associates. This prohibition extends to trading securities, disclosing confidential information, or any other activity that may exploit undisclosed material information.

Directors must adhere to all applicable laws and regulations regarding insider trading, including those established by regulatory authorities and Colombo stock Exchange. Furthermore, Directors shall promptly disclose any potential conflicts of interest or insider information to the Board of Directors and shall eliminate themselves from discussions or decisions where such conflicts exist.

Observe full confidentiality of all non public information of the institution obtained while discharging duties and ensure that any information in possession is fully safeguarded and such obligation continues after the expiration of the term as Board Member.

Compliance with Laws/Regulations/ Policies:

a) Directors shall ensure that the Company complies with all applicable laws, regulations, and internal policies, taking responsibility for understanding and adhering to these standards b) The Board shall hold itself accountable for any lapses in sustainability practices and take corrective actions as necessary.

In the event of any breach or violation of this Board Code of Conduct such matters shall be addressed promptly and in accordance with the established governance and accountability mechanisms of the Company. The Board recognizes the critical role it plays in development of a sustainable future and is committed to continuously improving its practices to address any identified gaps in efforts.

Board shall seek legal advice when necessary and ensure the organization operates within ethical and legal boundaries

Declaration

All the Board Members are required to sign a declaration that they have received, read and understood the latest copy of the Board's Code of Conduct & Ethics which has been adopted by the Board on 27th February 2024 and/or upon any revision/amendment, on appointment as a Board Member or on an Annual or lesser frequency basis as required under any Regulatory Direction.

DIRECTORS' DECLARATION

I, the undersigned member of the Board of Directors of People's Leasing & Finance PLC, hereby declare my commitment to fulfilling my duties and responsibilities with honesty, integrity, impartiality and independently. As an agent of the Organisation's mission and resources, being a Finance and Leasing Company under the purview of the Central Bank of Sri Lanka, a Public Listed Company of the Colombo Stock Exchange and being a State owned Enterprise, I pledge to uphold the following principles:

Duty of Loyalty: I will act in the best interests of People's Leasing & Finance PLC, and I will avoid conflicts of interest and disclose any potential conflicts promptly and transparently. I ensure that company does not act in a manner that is detrimental to the interest of and obligations to, depositors, shareholders and other stakeholders.

Duty of Care: I shall actively participate in Board Meetings, Programs and Financial Matters and contribute my skills and expertise to advance the Organization's goals. I shall acting with due care and prudence and with integrity and be aware of potential civil and criminal liabilities that may arise from the failure to discharge my duties diligently.

Confidentiality: I shall always maintain the confidentiality of privileged information and discussions that occur during Board Meetings.

Fiduciary Responsibility: I will manage the organization's resources and assets responsibly, ensuring that they are used effectively and in accordance with legal and ethical standards. I will exercise sound financial oversight and accountability to safeguard the organization's financial health and reputation.

Sustainable Practices: I will at all times support Environmental, Social and Governance sustainability encouraging innovation that promotes sustainable practices and enhance sustainability across the Company's operations.

Ethical Conduct: I will conduct myself with honesty, integrity, and professionalism in all interactions and decisions. I will adhere to the highest ethical standards and promote a culture of transparency, fairness, and respect within the organization. I will not engage in insider dealings, defined as the use of privileged information for personal gain or to benefit others at the expense of Peoples Leasing & Finance PLC.

Compliance with Laws and Regulations: I will adherence to the regulatory environment and ensuring compliance with relevant laws, regulations, directions and ethical standards governing the company as a finance company registered under the Finance Business Act of Central bank of Sri Lanka. I will seek legal guidance when necessary and ensure that the organization operates within legal and ethical boundaries.

Corporate Culture and Values; I ensure that there is sound corporate culture within the FC, Which reinforces ethical, prudent and professional behavior and I am playing a leading role in establishing the company corporate culture and values including developing a code of conduct managing conflicts of interest.

Continuous Improvement: I will strive for excellence in governance practices, seeking opportunities for learning, growth, and improvement and will engage in ongoing board development activities to enhance the effectiveness as leaders and decision-makers.

Accountability: I will hold myself accountable for upholding the principles and responsibilities outlined in this declaration. I will address any breaches of conduct or governance failures promptly and transparently, taking corrective action as needed to uphold the organization's integrity and reputation.

By signing below, I affirm my commitment to the principles and responsibilities outlined in this declaration and pledge to fulfill my duties as a member of the Board of Directors of Peoples Leasing & Finance PLC to the best of my abilities.

Board Member

Name :

Signature :

Date :

In Witness

Chairman :

Date:

Company Secretary:

Date: