

SHARE TRADING POLICY



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1. PURPOSE

This policy statement sets out the policy of People’s Leasing & Finance PLC (“the Company”) for Directors, Key Management Personnel and all other employees dealing in the securities of the Company.

This policy aims to ensure that the reputation of the Company is not adversely impacted by perceptions of trading in the Company’s securities at inappropriate times or in an inappropriate manner.

The policy’s intention is to ensure that Directors and other company personnel do not make improper use of “price sensitive information” gained through their position in the Company.

2. APPLICABILITY

This policy is applicable to the Board of Directors and all employees of the Company.

3. INSIDER TRADING PROHIBITIONS

3.1 WHAT ARE THE INSIDER TRADING PROHIBITIONS?

The prohibition on insider trading in Sri Lanka is articulated in Part IV of the Securities and Exchange Commission of Sri Lanka Act No 36 of 1987 as amended, regulations by-laws made thereunder, if any, and Rules of the Colombo Stock Exchange pertaining to insider trading and comply with them at all times.

If you have Inside Information relating to the Company, it is illegal for you to:

- a) Deal in (that is, apply for, acquire or dispose of) the Company securities or enter into an agreement to do so; or
- b) Procure another person to apply for, acquire or dispose of the Company securities or enter into an agreement to do so; or
- c) Directly or indirectly communicate, or cause to be communicated, that information to any other person if you know, or ought reasonably to know, that the person would, or would be likely to, use

the information to engage in the activities specified in paragraphs (a) or (b) above.

It does not matter how, or in what capacity, you become aware of the Inside Information. It does not have to be obtained from the Company to constitute Inside Information.

You cannot avoid the insider trading prohibitions by arranging for a member of your family or a friend to deal in the Company Securities, nor may you give “tips” concerning Inside Information relating to the Company to others, including customers.

Insider trading is prohibited at all times. The insider trading prohibitions apply to everyone (not just Directors and Employees).

3.2 WHAT IS INSIDE INFORMATION

“**Inside Information**” is information relating to the Company which is not generally available but, if the information was generally available, would be likely to have a material effect on the price or value of the Company securities. Inside Information can include matters of speculation or supposition and matters relating to intentions or likely intentions of a person.

Information is regarded as being likely to have a material effect if it would, or would be likely to, influence persons who commonly invest in securities or other traded financial products in deciding whether or not to deal in the Company securities.

Examples of information which could be Inside Information include:

- a) The financial performance of the Company;
- b) Changes in the Company’s actual or anticipated financial condition or business performance;
- c) Changes in the capital structure of the Company, including proposals to raise additional equity or increase debt;
- d) Proposed changes in the nature of the business of the Company;
- e) Changes to the Board of Directors or significant changes in Key Management Personnel;

- f) A significant change in the Company's market share;
- g) Likely or actual entry into, or loss of, a material contract;
- h) Material acquisitions or sales of assets by the Company;
- i) A proposed dividend or other distribution or a change in dividend policy; or
- j) A material claim against the Company or other unexpected liability.

Insider trading prohibitions also apply to the securities of other entities where you possess Inside Information about those entities.

3.3 WHEN IS INFORMATION GENERALLY AVAILABLE?

Information is generally available if:

- a) It consists of readily observable matter or deductions;
- b) It has been brought to the attention of investors through an announcement to CSE, and a reasonable period has elapsed since it was announced or brought to investors' attention; or
- c) It consists of deductions, conclusions or inferences made or drawn from information referred to in paragraphs (a) or (b) above.

Examples of possible readily observable matters are:

- a) Any publicly announced change in legislation which may affect the Company's level of future income and/or profitability; or
- b) A severe downturn in local / global securities markets.

3.4 PENALTIES

Breach of the insider trading laws may subject you to:

- a) Criminal liability – penalties include heavy fines and imprisonment;
- b) Civil liability – you can be sued by another party or the Company for any loss suffered as a result of illegal trading activities;
- c) Civil penalty provisions – Securities and Exchange Commission (SEC) may seek civil penalties against you and may even seek a court order that you be disqualified from managing a corporation.

Breach of the law, this policy, or both, will also be regarded by the Company as serious misconduct which may lead to disciplinary action or dismissal.

4. TRADING BY CONNECTED PARTIES

In addition to ensuring compliance with the insider trading prohibitions, Directors, Employees and relative must not deal in the Company Securities during the following prohibited periods.

For the purposes of this policy, 'relative' is defined in accordance with Section 74 of the Finance Business Act.

“Closed Period” for the purposes of this guideline is;

The “Closed Period” commence

A) two weeks prior to the end of each fiscal quarter

B) No less than 48 hours (two market days) after

and

48 hours (two market days) after publication.

- the release of the Company’s Annual results to the Colombo Stock exchange
- the release of the Company’s Quarterly results to the Colombo Stock exchange
- Market announcement bearing price sensitive information

Head of Finance will notify all the staff. Company Secretary will inform the Board of Directors on the above.

B) any extension to a closed period, and any additional period, as specified by the Board of Directors, as “**Blackout Periods**”. Company Secretary, notify the Compliance Officer on “Blackout Period”, in order to communicate the same to all employees.

Directors and Employees may deal in the Company Securities at other times subject to complying with insider trading prohibitions and the requirements of this policy, including the notification process.

5. FURTHER RESTRICTIONS

5.1 NO MARGIN LENDING OR SECURITY ARRANGEMENTS

Employees are not permitted to enter into margin lending arrangements in relation to the Company securities as the terms may require the Company securities to be sold during a Blackout Period or when the Directors and Employee possesses Inside Information.

5.2 NO SHORT TERM OR SPECULATIVE TRADING

The Company encourages Directors and Employees to be long term investors in Securities of the Company. Employees should not engage in short term or speculative trading in the Company securities or in financial products associated with the Company securities.

Directors and Employees must hold any the Company securities for at least 90 days.

Directors and Employees are not permitted to engage in short selling of the Company securities.

6. PROCESS FOR TRADING

6.1 PRIOR NOTIFICATION

Where a Director or an Employee, who believes that trading is permitted under this policy, proposes to deal in the Company securities, they must first provide:

- a) written notice (Annexure 01) of their intention to deal, to the Relevant Notification Officer listed below

Applicant	Relevant Notification Officer
Chairman of the Board	The Chairman of Related Party Transaction Review Committee
Other Directors and CEO/GM	The Chairman of the Board
Key Management Personnel	CEO and Company Secretary
Other Employees	Department Head (Reporting Officer) and Company Secretary

and

- b) Confirmation that they are not in possession of Inside Information.

6.2 CLEARANCE

Before dealing in the Company securities, Directors/ Employee must receive a clearance from the Relevant Notification Officer.

A clearance expires five (5) days from its date, unless it specifies a different expiry date.

A clearance confirms that the proposed dealing by the Employee is within the terms of this policy but does not otherwise constitute approval or endorsement by the Company or the Relevant Notification Officer of the proposed dealing.

Employees remain responsible for their own investment decisions and compliance with the insider trading provisions of the relevant acts and this policy.

6.3 CONFIRMATION OF DEALING

In addition to providing prior notice, Directors and Employees must confirm in writing to the Company Secretary, within one (1) business day of the dealing in the Company securities. (Annexure 02)

7. CONFIDENTIAL INFORMATION

Directors and Employees must treat all sensitive, non-public information ("Confidential Information") about the Company as confidential and belonging to the Company. Employees must not disclose Confidential Information to others (including family members, relatives, business or social acquaintances) except as authorized or legally required.

Directors and Employees must avoid inadvertent or indirect disclosure of Confidential Information. Even within the Company, Confidential Information should be distributed to or discussed with others only on a need-to-know basis, and those people must be told that the information is confidential. Employees must take steps are reasonably necessary to keep Confidential Information from being disclosed, except as authorized or legally required.

8. SECURITIES OF OTHER ENTITIES

While in general Directors and Employees are free to deal in securities in other listed companies, the insider trading prohibitions apply to dealings not only in the Company securities but also in those of other listed companies, including those with which the Company may be dealing or competing, where an employee possesses Inside Information in relation to that other company.

If a director or an employees is aware of information which is not generally available but which, if generally available, a reasonable person would expect to have a material effect on the price or value of a security, the Directors and Employees should not deal in the securities of the relevant company.

Directors and employees may come in to possession of Inside Information where they are directly involved in client relationship management or negotiating contracts. For example, where the directors or employee is aware that the Company is about to sign a major agreement with another company, the Employee must not buy securities in either the Company or the other company.

9. REVIEW AND PUBLICATION OF THIS POLICY

The Company's Board of Directors will review this policy from time to time and at least two years. A copy of this policy will be made available to all Employees and Directors and will also be available on the Company intranet. It is the responsibility of each such person to comply with this policy.

The Company's Board of Directors will review this policy periodically, at least every two years. A copy of this policy will be made available to all employees and directors and will also be accessible on the Company intranet. It is the responsibility of each individual to comply with this policy.

Application for Pre-Dealing Approval Annexure 01

APPLICATION FOR PRE-DEALING APPROVAL

To:-

People's Leasing & Finance PLC

Colombo -01

Dear Sir/Madam

SUBJECT: Application for Pre-dealing approval in shares of the Company

Pursuant to the Share Trading Policy of the Company, I inform my intention to deal Equity shares of the Company as per the details given below:

1 Name of the applicant: -

2 Designation: -

3 Number of shares held as on date: -

4 CDS No: -

5 The proposal is for

(a) Purchase of shares: -

(b) Sale of shares: -

6 Proposed date of dealing in shares: -

7 Price (range) at which the transaction is proposed: -

I further declare that I am not in possession of or otherwise privy to any Unpublished Price Sensitive Information up to the time of signing this Undertaking. In the event that I have access to or received any information that could be construed as "Unpublished Price Sensitive Information", after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Relevant Notification Officer of the same and shall completely refrain from dealing in the shares of the Company until such Unpublished Price Sensitive Information becomes public. I shall execute the deal within 5 days, failing which I shall seek pre-clearance. I declare that I have made full and true disclosure in the matter.

Date:

Signature:

Disclosure of Transactions - Annexure 02

DISCLOSURE OF TRANSACTIONS (To be submitted within 1 business day of transaction)

To: - The Company Secretary
People's Leasing & Finance PLC
Colombo -01

I hereby inform that I

- Have not bought / sold/ subscribed any shares of the Company.
- have bought/sold/subscribed to _____ shares mentioned below on _____ (date)

Name	CDS NO	No. of shares Dealt with Bought/sold	Value per share (RS)	Total Value

Name:

Designation:

Date:

Signature: