

POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND SHAREHOLDER INVESTMENTS

1. THE POLICY

The Policy provides direction for the management, accounting and control of Assets owned or controlled by Seylan Developments PLC. Through this we will make sure that the assets are managed in a way that contributes towards a better service by delivering the outputs expected safely, sustainably, and efficiently.

2. SCOPE

This policy applies to all assets that are used for the operation of the Company. It also applies to all asset-related activities including inspection, maintenance, and renewal of existing assets, design and installation of new assets to enhance the capability and reliability of the network, and the asset data requirements associated with these activities. The policy applies to all personnel involved in asset management activities.

3. OBJECTIVE

- To ensure the effective and efficient control of the Company's assets through;
 - Proper recording of assets from authorization to acquisition and subsequent disposal,
 - Providing for safeguarding procedures,
 - Setting proper guidelines as to authorized utilization, and
 - Prescribing for proper maintenance.
- To assist officials in understanding their legal and managerial responsibilities with regard to assets.

4. FRAMEWORK

The proper utilization and management of assets is one of the prime mechanisms by which the Company can fulfill its objectives for delivery of sustainable services and promoting a safe and healthy environment etc. The Company has an obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.

Accounting standards are set to ensure the appropriate financial treatment for the acquisition, disposal, recording, and depreciation of assets including, investment property, property, plant and equipment, inventory etc. This ensures compliance with Accounting Standards for inventory, leases, investment property, property, plant and equipment, financial instruments etc.

5. RESPONSIBILITIES

The roles and responsibilities for executing this policy include the following:

- The Board of Directors of the Company is responsible for approving asset management policy, articulating organizational values, defining priorities, approving funding and resources to implement the asset management policy and associated requirements.
- The Board of Directors also responsible for maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets.
- The Head of Finance is responsible for leading the implementation of this policy across the organization.
- The Manager Administration and Maintenance Engineer hold the primary responsibility for the overall handling of assets falling under their purview.
- Department heads are responsible for leading the adoption of this policy within their departments and allocating appropriate resources to its implementation.
- All staff involved in the application of asset management are responsible for observing the requirements of this policy.

6. ACQUISITION AND DISPOSAL

6.1. Pre-Acquisition Planning

The company shall develop and maintain appropriate plans for the purchase, construction and decommissioning of assets. This includes:

- The purpose for which the asset is required is in keeping with the objectives of the Company and will provide significant, direct, and tangible benefit to it.
- Implementing processes to ensure investments address needs efficiently and effectively and address operational budget implications of capital investments.
- The purchase is absolutely necessary as there is no alternative Company asset that could be upgraded or adapted.
- The asset is appropriate to the task or requirement and is cost-effective over the life time.
- The asset is compatible with existing equipment and will not result in unwarranted additional expenditure on other assets or resources.
- Space and other necessary facilities to accommodate the asset are in place and sufficient.
- The most suitable and appropriate type, brand, and model, etc. has been selected.
- Establish a mechanism for urgent business requirements.

6.2. Approval to acquire assets

Expenditure can only be incurred on a capital asset if:

- The funds have been appropriated in the capital budget, and if not special approvals are required to be obtained from the Board of Directors for un-budgeted capital expenditure.
- The project, including the total cost and funding sources, should be approved by the relevant delegated authorities.
- The Head of Finance confirms that funding is available for that acquisition.

6.3. Disposal of assets

The disposal of an items of immovable property and property, plant or equipment must be fair, equitable, transparent, competitive and cost effective and comply with policies and procedures established.

7. INTERNAL CONTROL AND RISK MANAGEMENT

7.1. Establishment and management of the Asset Register

Controls relating to the asset register should be sufficient to provide Directors with an accurate, reliable and up-to-date account of assets under their control. These controls will include;

- (a) the recording of all acquisitions, transfers, losses and disposals of assets
- (b) regular verification and
- (c) System to control the accuracy of records.

7.2. Insurance of Asset

Manager Administration should ensure that all movable assets meeting the insurance criteria are adequately insured.

7.3. Other risk reducing methods

Company regulations or operating policies such as only authorized personnel should be allowed to operate plant, Ensure that operators have the necessary qualifications and required experience, Physical access to buildings, or areas within buildings, should be restricted, especially after hours etc,

8. MAINTENANCE OF ASSETS

Regular maintenance can prevent or minimize unplanned and expensive breakdowns. Maintenance plans must therefore be drawn up to ensure to achieve the optimum use of assets as planned.

The Maintenance Engineer maintains a comprehensive maintenance checklist to ensure proper preventive maintenance of the building and its fixtures. Meanwhile, the Company enters into comprehensive maintenance agreements with reliable suppliers to ensure uninterrupted services to its tenants. In addition to that, the Maintenance Engineer submits a quarterly report to the Board Audit Committee on the preventive maintenance of the building.

Every employee of a Department shall be directly responsible for ensuring that all assets in his/her care are properly maintained and in a manner that will ensure that such assets attain their useful operating lives.

Asset performance should be regularly reviewed to identify under-utilized and under-performing assets. The reasons for this should be critically examined and appropriate actions to be taken.

9. REVIEW OF THE POLICY

The policy is reviewed by the Company on a regular basis to ensure its relevance and effectiveness. Updates may be made, when appropriate, to reflect the latest best practices and future amendments in listing rules.

10. PUBLICATION OF THIS POLICY

This Policy is made available in Seylan Developments PLC's corporate website for the perusal of its shareholders and other interested stakeholders.

Approved by : **Board of Directors**

Date : **25.09.2024**