

POLICY ON RELATIONS WITH SHAREHOLDERS AND INVESTORS



Policy on Relations with Shareholders and Investors

Objectives

- To provide clear, consistent, and timely information.
- To encourage active participation from shareholders in governance matters.
- To maintain transparency on financial performance, strategy, and risks
- To create Good Corporate Governance and manage the company's relationship with Investors.
- To obtain their views and expectations for better alignment in meeting their expectations and sustaining access to capital.

The Policy

The Board of Directors are responsible to ensure that the Company has in place policies to enable effective communication and engagement with its shareholders and other stakeholders where feedback received from its stakeholders will be considered when business decisions are being made.

Therefore, the objective of this Policy is to foster a transparent, productive, and consistent dialogue between Citizens Development Business Finance PLC (the Company), its shareholders and investors, enhancing the Financial Institution's long term shareholder value through regular interaction with its shareholders, both individual and institutional. It aims to provide a clear framework for communication, ensuring that all parties have timely access to relevant and necessary information on making informed decisions.

The Company is committed to maintaining open lines of communication with its shareholders and investors through regular updates on financial performance, corporate governance, strategic initiatives, and other relevant matters. The company will engage with stakeholders through various channels such as annual general meetings, investor presentations, and regulatory filings.

The Policy on Corporate Disclosures of the Company depicts the framework for corporate disclosures and they are made in accordance with the regulatory requirements of the Central Bank of Sri Lanka, Securities and Exchange Commission of Sri Lanka, The Registrar of Companies and the Colombo Stock Exchange (CSE). The Company fully disclose information in accordance with the continuing obligations of the CSE and ensure information is communicated accurately and in such a way as to avoid the creation or continuation of a false market.

Principles of Communication

The Company is committed to ensuring that all communications with shareholders and investors adhere to the following principles:

- **Transparency:** Ensure all financial and non-financial information is disclosed transparently and in line with regulations.
- **Consistency:** Shareholders and investors will receive consistent information through appropriate channels, including annual reports, website updates, and public announcements.
- **Timeliness:** Information will be communicated promptly to facilitate informed decision-making

Communication Channels

The Board shall assign high priority to stakeholder engagement. Towards this end a wide range of targeted engagement strategies shall be adopted in order to maximize the outcomes derived from the engagement process. The communication channels outlined below enable meaningful engagement with shareholders and investors both on a continuous basis throughout the year and through formal updates delivered quarterly and annually.

The company encourages the use of electronic means to communicate with shareholders at all times possible. Company also recognized that some shareholders may prefer to receive paper-based documents. The company is committed to ensuring that all shareholders, regardless of their preferred communication medium, will have access to the necessary and relevant information. Whether through electronic or physical means, the Company guarantees that all shareholders are kept informed in a timely and accessible manner.

The following communication channels will be utilized:

The Annual Report of the Company is the key document conveying information of the Company to shareholders and other stakeholders whereas the AGM of the company is the main opportunity for the shareholders to engage with the affairs of the company.

- Annual General Meetings (AGMs):

Shareholders are encouraged to attend AGMs, which serve as a platform for direct interaction with the Board and senior management. The Company welcomes any suggestions from the shareholders prior to

the AGM and the Board of Directors is prepared to provide comprehensive explanations for queries of shareholders at the AGM.

The notice of the AGM, form of proxy and all relevant papers are sent to the shareholders at least 15 working days prior to the date of the AGM as required by the regulators. Separate resolutions are proposed for each significant item on the Agenda. The AGM shall conform to all regulatory requirements.

- Annual Reports:

Comprehensive annual reports are prepared conforming to all regulatory requirements and best practices, providing detailed insights into Company's performance and will be made available to all shareholders as necessary. The financial results included will help shareholders evaluate the Company's financial position, performance, business model, and strategy. The annual report shall include a corporate governance section, which contains the Directors' Report, details on Board's activities throughout the year, engagement with shareholders, and outcomes from Board evaluations, along with recommendations for improvement. These disclosures ensure transparency and accountability in governance practices, keeping shareholders well-informed. Under Environmental, Social and Governance (ESG) Reporting of the annual report, The Company shall detail its approach to addressing sustainability goals, customer engagement, employee welfare, and value creation. The company shall actively listen to stakeholders through various channels, as explained in the report. By gathering their input, the Company identifies key concerns that are important to both stakeholders and the business. This feedback is then incorporated into its operations and strategy, ensuring that the Company addresses these priorities effectively and responsibly.

- Quarterly Financial statements: Financial results will be published promptly, ensuring fair, balanced, and clear disclosure
- Investor Relations Webpage: In addition to the information available on the corporate website, the dedicated section on it will be regularly updated with information, such as press releases, financial reports, regulatory filings and information on sustainability related matters.
- Stock Exchange Announcements: All material information will be promptly disclosed through announcements to the Colombo Stock Exchange (CSE).
- Other means and manners: Shareholder meetings and investor forums organised time to time as and when required.

Prior to the initial release of information through any of the above channels, the Head of

Treasury/ Corporate Finance shall ensure that necessary approvals (CEO, CFO, Company Secretary, External Auditors, Board of Directors and Regulators as applicable) have been obtained. The Chairperson of the Board/Managing Director/CEO or the Board of Directors would represent the Company at shareholder and investor meetings. Opportunities for other CDB personnel to speak to investors should be pre-arranged in consultation with the Board.

General Dealings with the Investor Community

Disclosure in individual or group meetings does not constitute adequate public disclosure of material information. If the Company intends to announce previously confidential material information at an analyst or Investor forum, a press conference, or a conference call, the announcement must be preceded by a news release.

The Company will provide only non-material information through individual and group meetings, in addition to previously disclosed material information. Upon request, the Company will provide the same sort of detailed, non-material information to individual investors or shareholders that it has provided to analysts and institutional investors.

Correspondence through the Company Secretary

Shareholders may, at any time, request for information through the Company Secretary. The Company Secretary maintains a record of all correspondence received and delivers as soon as practicable such correspondence to the Board or individual Director/s as applicable, for a response. Shareholders are encouraged to reach out to the Company also on any disputes or grievances.

Address: Company Secretary, No 123, Orabipasha Mawatha, Colombo 10, Sri Lanka.

Tel: +94 11 738 8388

Fax: +94 11 242 9888

E mail: company.secretary@cdb.lk

If shareholders feel that their concerns have not been adequately addressed through regular communication channels or find them unsuitable for resolving certain issues, they may escalate their concerns to the Chairperson of the Board via the Company Secretary at the specified company address. This ensures an alternative route for addressing unresolved matters or sensitive issues.

Shareholder Rights

Company shall recognize the rights of the shareholders granted by the regulatory framework and Articles of Association. The company respects the rights of shareholders to participate in key decisions, including voting on matters that require prior shareholder approval as per the regulatory requirements and Articles of Association. Shareholders who are unable to attend and vote at general meetings are encouraged to appoint proxies to attend, speak and vote on their behalf. The Company is committed to facilitating an open dialogue during shareholder meetings and ensuring shareholders have the opportunity to express their views and concerns. All shareholders, investing directly in shares of the company are encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.

Confidentiality, Insider Information and Other Forward-Looking Information

While engaging with shareholders and investors, the company will ensure that confidential or price-sensitive information is not disclosed selectively or prematurely. The company will comply with all relevant regulations regarding insider trading and selective disclosure.

The Company acknowledges the importance of safeguarding shareholder privacy. The company will not disclose any shareholder information without obtaining their prior consent, unless required by law. This commitment to privacy ensures that shareholder data is handled responsibly and confidentially, in compliance with legal and regulatory obligations.

Any release of forecasts or forward-looking information by the Company should be done with caution. Such information must clearly indicate that it is forward-looking, along with a description of factors that could cause actual results to vary. It should include key assumptions, relevant risk disclosures, and cautionary statements. Additionally, before any forecasts or forward-looking information is made public, it must first be approved by the CEO and/or CFO to ensure it aligns with company standards and regulatory requirements.

Review of Policy

This policy will be reviewed periodically by the Board to ensure its continued relevance and effectiveness in light of evolving business and regulatory environments.