

POLICY ON CORPORATE DISCLOSURES



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1. Purpose

As required by the Securities and Exchange Commission (SEC) of Sri Lanka, every Public Company shall implement a Corporate Disclosure Policy Which lays out rules and regulation that LB finance (refer as LBF hereafter) shall follow to make sure that all relevant information is shared fairly, accurately, timely and comprehensively with all stakeholders. The aim of this policy is to build confidence and openness about the Company's operations.

2. Scope

This policy is applicable to all employees of LBF, including third-party agents acting on behalf of the Company. It encompasses the disclosure of information pertaining to LBF's operations, financial performance, strategic initiatives, and any other material information that may impact stakeholders' perception or investment decisions.

3. Objective

The primary objectives of this policy are,

- a.** To promote transparency and integrity in LBF's communication with stakeholders.
- b.** To ensure compliance with applicable laws, regulations, and industry standards governing disclosure practices.
- c.** To safeguard confidential information and prevent unauthorized disclosure or misuse.
- d.** To uphold the reputation and credibility of LBF in the marketplace.

4. Guiding Principles

Corporate disclosures issued by LBF must be guided by following principles,

- a. **Accuracy:** Information disclosed by LBF shall be accurate, complete, and not misleading.
- b. **Timeliness:** Material information should be disclosed promptly to ensure timely dissemination to stakeholders.
- c. **Fairness:** Disclosure should be made in a manner that ensures equal access to information for all stakeholders.
- d. **Consistency:** Disclosure practices should be consistent across all communications channels and platforms.
- e. **Confidentiality:** Confidential information must be safeguarded and disclosed only in accordance with applicable policies and procedures.

5. Rights and responsibilities

5.1 Responsibilities of board of directors

- a) The board of directors are ultimately responsible for ensuring that LBF complies with corporate disclosure policy, which include accurate, timely and complete disclosure of information.
- b) The board of directors has the power and duty approve all material disclosures before they are made public.
- c) Board of directors must oversee the implementation and effectiveness of the disclosure process.
- d) The board of directors must conduct a comprehensive review of the Policy at least annually to ensure its continued relevance and alignment with evolving regulations.

- e) The board of directors must maintain a high standard of corporate governance to promote transparency and accountability.

5.2 Responsibilities of LB finance

- a. To disclose all material information promptly and accurately in accordance with this Policy and relevant regulations.
- b. To maintain a fair and transparent information environment for all stakeholders.
- c. To designate qualified personnel to manage and oversee the disclosure process.
- d. To maintain a comprehensive recordkeeping system for all disclosures.

5.3 Stakeholders' Rights

- a. All stakeholders have the right to access material information about the institution in a timely and understandable manner.
- b. Investors have the right to make informed investment decisions based on accurate and complete information.

6. Disclosure Channels

The disclosure channels employed by LBF must be crafted to facilitate transparent and timely communication with stakeholders. These channels act as essential pathways through which are used to distribute relevant information, promotion trust and strengthening confidence.

- a. **CSE filing** - As a commitment to transparency and compliance with regulatory standards, LBF must diligently files all necessary market announcements, financial statements and reports with the CSE.
- b. **Press releases** - Significant developments and events that impact LBF are promptly communicated to stakeholders through official press releases. These press releases are published on the corporate website and disseminated through reputable news channels.

- c. Annual report** - A comprehensive annual report must be published, providing a detailed overview of our financial performance, business activities, and future outlook. Through the annual report, LBF must aim to provide stakeholders with deeper insights into operations, governance practices, and commitment to sustainable growth of LBF.
- d. Corporate Web site** – Corporate web site of the company includes product details, corporate details, financial information and policies which are relevant to external stakeholder.

7. Types of disclosures

This Policy is established in compliance with all applicable laws and regulations of the Securities and Exchange Commission of Sri Lanka (SEC) and the listing rules of the CSE. It adheres to the principles of good corporate governance and best practices in financial disclosure.

LBF is committed to disclosing both mandatory and voluntary information to enhance transparency and stakeholder understanding.

7.1 Mandatory disclosures

By law and CSE listing rules LBF is required to disclose certain information, including:

- a.** Financial Statements (quarterly, annual, and audited)
- b.** Material changes in financial condition
- c.** Changes in ownership or control
- d.** Mergers and acquisitions
- e.** Litigation and regulatory actions
- f.** Changes in dividends or other distributions

7.2 Voluntary disclosures

In addition to mandatory disclosures, LBF may choose to disclose additional information to promote transparency. This may include:

- Business strategies and future plans
- New product or service launches
- Risk management practices
- Corporate Governance updates
- Sustainability initiatives

Disclosures will be made through the designated channels mentioned in Section 6

8. Disclosure of the Annual Report and quarterly reports

LBF shall publish a comprehensive annual report and quarterly reports that provides a detailed overview of financial performance, business activities, and future outlook of LBF. The annual report and quarterly reports will include:

- Audited financial statements with detailed notes and explanations
- Management discussion and analysis (MD&A)
- Corporate Governance practices
- Sustainability initiatives

The annual report must be made readily available to all stakeholders on the company website and filed with the CSE.

9. Insider trading prevention

LBF shall maintain a strict policy against insider trading and stresses how crucial it is to keep non-public material knowledge discreet. Employees, Directors, and all third party agents are subject to this policy, which requires them to refrain from using insider information for their own benefit or giving it to unauthorized parties.

LBF must seeks to foster a culture of honesty, trust, and compliance among its employees by periodically providing training that reinforces knowledge of and comprehension of the confidentiality of insider information. This strategy not only protects against possible ethical and legal transgressions but also demonstrates the Institution's steadfast dedication to maintaining the highest levels of openness and moral behavior across the organization.

10. Implementation and Amendments

This Policy must be communicated to all employees of the Institution. A copy of the Policy will be readily available on the Institution's website for easy access by all stakeholders.

11. Review of the Policy

The policy shall be reviewed annually or any change in regulatory requirements whichever occurs first.