

POLICY ON CORPORATE DISCLOSURE

1. DEFINITIONS:

‘Board’: Board of Directors of Ceylon Tobacco Company PLC

‘Company’: Ceylon Tobacco Company PLC

‘Companies Act’: Companies Act No. 07 of 2007 (as amended)

‘SEC Act’: Securities and Exchange Commission Act No. 19 of 2021 (as amended)

‘CSE’: Colombo Stock Exchange

‘Senior Management’: Leadership Team of the Ceylon Tobacco Company PLC

2. PURPOSE AND OBJECTIVES

The Corporate Disclosure Policy of the Company is designed to instil transparency, integrity, and accountability in the Company’s financial and operational reporting. This Policy demonstrates the commitment of the Company to providing shareholders, investors and other stakeholders with timely, accurate, understandable, convenient and comprehensive information (subject to confidential business information) in compliance with the regulatory requirements stipulated by the CSE and Securities and Exchange Commission (SEC) regulations of Sri Lanka.

3. AUTHORITY FOR INFORMATION DISCLOSURE:

- (1) The Board of Directors has the right and the responsibility to disclose information to the public, and to monitor, supervise, and develop the disclosure policy in close coordination with the senior management of the Company.
- (2) The authority to disclose material corporate information may also be imposed on any officer/s, authorized and empowered by the Board of Directors of the Company, for the said cause.

PROCEDURES AND PRACTICES ON CORPORATE DISCLOSURE

1. IMMEDIATE DISCLOSURE OF PRICE SENSITIVE INFORMATION

Price sensitive information refers to any material information that, if made to the public, would likely influence an investor's decision to buy, sell, or hold the company's securities. Such information includes but is not limited to, information known to the Company, concerning property, assets,

business, financial condition and prospects; corporate actions such as mergers and acquisitions; and dealings with employees, suppliers and customers; material contracts or development projects whether entered into in the ordinary course of business or otherwise; ownership changes of the Company's Securities owned by insiders or a change in effective or voting control of the issuer or any other developments that materially affect the present or potential rights or interests of the issuer's shareholders.

The Company shall ensure that disclosing of price sensitive information is promptly mandated whilst maintaining market integrity.

2. Announcements to the Exchange

2.1 The Company shall make immediate disclosure of price-sensitive information to the Exchange. This ensures that all investors have timely access to information that could coherently affect their investment decisions. The Company must use the Exchange's electronic disclosure system to release information, to ensure that the information reaches all investors simultaneously and is accessible to the public. Any such announcement/s of 'price sensitive' information uploaded to the Exchange's electronic disclosure system shall be made by an authorized officer of the Company, in writing, and shall also be signed by an authorized officer of the Company.

2.2 To facilitate the dissemination of information, copies of the announcement may be made simultaneously to the news media.

2.3 Price sensitive information could be communicated on an individual or selective basis to analysts, shareholders or other persons, provided that such information has been previously disclosed and disseminated to the Exchange.

3. Contents of Announcement

3.1 The announcement shall be clear, concise, balanced, fair, and unambiguous in order to avoid misinterpretation and to ensure that investors have a precise understanding of the impact;

3.2 The Company should avoid technical and promotional jargon, and, negative statements phrased to create a positive implication;

3.3 The Announcement should contain sufficient quantitative information to allow investors to evaluate its relative importance to the activities of the Company;

3.4 The Company should explain any implications or repercussions of the information on its projected future; however, if the information is not accessible, the Company should provide the reasons for it.

4. WITHHOLDING CONFIDENTIAL INFORMATION

4.1 The Company could withhold disclosure of confidential information for ***bona fide purposes*** in exceptional circumstances. These include:

- a) Instances when immediate disclosure would prejudice the ability of the Company to peruse its corporate objectives;

- b) Instances when facts are in state of flux and a more appropriate moment for disclosure is imminent; and
- c) Instances where the Company or Securities Laws restrict such disclosure.

4.2 If material information is being withheld, the Company must ensure that the strictest confidentiality is maintained by limiting the number of persons with access to such material information and ensuring the security of all confidential documents.

4.3 Any persons with access to unpublished price sensitive information should not trade in Securities of the Company or connected Company of which Securities may be affected by the said information.

5. CLARIFICATIONS ON UNUSUAL TRADING ACTIVITIES

The Company should promptly address any inquiries from the Exchange, where there is unusual price movement or trading activity in the listed securities of the Company without publicly available information, provided that such obligation would not diminish or qualify the Company's right to unilaterally respond on its own initiative to unusual price movements or trading activities in its listed securities.

6. CLARIFICATION OF RUMOURS OR REPORTS

Immediate disclosure is required in principle, in respect of market rumours based on price sensitive information where speculations are constructed about the Company.

Further, the Company should respond promptly to any inquiries made from the Exchange in respect of a rumour/ report pertaining to the Company, which however, would not diminish or qualify the obligation of the Company to unilaterally respond on its own initiative to rumours/ reports.

7. PRINCIPLES ON THE DISCLOSURE OF EVALUATIONS AIMED FOR THE FUTURE

The Company, if deemed necessary, may disclose to the public evaluations of internal estimates or projections of its earnings or other data related to its affairs. However, projected release of estimates or predictions made by the Company should be prepared cautiously, on reasonable factual grounds and stated realistically with appropriate qualifications.

8. QUESTIONS

All questions concerning the implementation of this policy are required to be addressed to the Assistant Company Secretary of the Company via ctc_inquiries@bat.com.