

## CODE OF BUSINESS CONDUCT AND ETHICS



UNITED MOTORS GROUP

# Content

1. Conflict of Interest
2. Bribery and Corruption
3. Entertainment & Gifts
4. Accounting and Record Keeping
5. Fair and Transparent Procurement Process
6. Corporate Opportunities
7. Confidentiality
8. Fair Dealing
9. Protection and proper use of Company Assets
10. Compliance with Laws, rules and Regulations
11. Sexual Harassment, Discrimination and Abuse
12. Encouraging the reporting of any illegal or unethical behaviour
13. Accounting complaints
14. Public Company Reporting
15. Compliance with the code
16. Amendments, modifications, and waiver of code of business conduct and ethics.

# UML GROUP

## CODE OF BUSINESS CONDUCT AND ETHICS

### **Preamble**

United Motors Lanka PLC and its subsidiaries are committed to maintain the highest standards of ethical conduct. This Code of Business Conduct and Ethics (Code) reflects the business practices and principles of behavior that support this commitment.

The Code of business conduct and ethics of UML Group is revised in accordance with the Code of Best Practice on Corporate Governance 2023 and in the view of that areas on Bribery and Corruption, Entertainment and gifts, accurate accounting and record keeping, fair and transparent procurement practices and sexual harassment and corruption has been added to the existing conduct.

In accepting a position with UML or any of its subsidiaries, each of you become accountable for compliance with the law, with the UML Group Code of Business Conduct and Ethics ('the Code'), and with the policies and procedures of your respective business units.

We expect every employee to read and understand this Code and its application to the performance of his or her responsibilities. We will obtain an annual certification from employees on compliance with this Code.

The Executive Directors and the staff should read this Code in conjunction with the Employee Hand Book.

The standards of the Code are not necessarily prescribed by the regulators. These standards are in place and adhered by corporate entities on an ongoing basis. Being a listed entity/a member of the listed entity, we expect a high level of ethical conduct.

You must conduct your duties according to the language and spirit of this Code and seek to avoid even the appearance of improper behavior. You should be aware that even well intentioned actions that violate the law or this Code may result in negative consequences for UML Group and for the individuals involved.

While covering a wide range of business practices and procedures, these standards cannot and do not cover every issue that may arise, or every situation where ethical decisions must be made, but rather set forth key guiding principles that represent UML Group's Policy.

### **1. Conflict of Interest**

"Conflicts of Interest" occurs when an individual's private interest interferes (or even appears to interfere) in any way with the interests of the Company as a whole.

If you are aware of any circumstances which you think may give rise to a conflict of any kind, or if you become aware of information which places you in difficulty in carrying out your function (for example, if you obtain confidential information about a company) you must handle the same as per the conflict of interest policy applicable to the Group.

You would be expected to be sensitive to any activities, interests or relationships that might interfere with or even appear to interfere with, your ability to act in the best interests of UML Group and its customers.

A complete definition of what constitutes a conflict of interest is difficult. There are some situations, however, that will always be considered a prohibited conflict of interest. These situations occur when a Director or employee or any person having a close personal relationship with the Director or employee;

- Obtains a significant financial or other beneficial interest in one of the Company's suppliers, customers or competitors.
- Engages in a significant personal business transaction involving the Company for profit or gain, unless such transaction has first been approved in writing by the Board/Chief Executive Officer or a person nominated.
- Accepts money, excessive hospitality, loans, guarantees of obligations or other special treatment from any supplier, customer or competitor of the Company (loans from lending institutions at prevailing interest rates are excluded);
- Learns of a business opportunity through association with the Company and discloses it to a third party or invests in or takes the opportunity personally without first offering it to the Company;
- Uses corporate property, information, or position for personal gain; or
- Competes with the Company's/ Group's business.

### **Conflicts of interest through outside business activities**

Due to potential conflicts with UML Group, all employees must obtain approval from the Board/CEO or an appropriate internal committee in case of other entities in UML Group before you accept a position in any Company/Organization or when you work with a professional Organization/ Association outside UML Group.

- Working with professional organizations/associations does not typically create a conflict of interest where;
- The work is related to the legitimate professional interest and development of the employee and does not interfere with the employee's regular duties;

- Does not use official resources inappropriately (either physical resources or time);
- Does not compete with the work of UML Group and is not otherwise contrary to the best interests of the Group.
- Does not violate national, international or local law;
- It may however be mentioned that, while undertaking outside activities, you should not use UML Group name, facilities or relationships for personal benefit.

• Periodically the Company requires certain employees to certify to the Company that they have complied with all requirements of the Code of Business Conduct. Disclosure of a particular situation that may be a conflict of interest does not mean that the Company will consider it to be substantial enough to be prohibited. Each situation will be considered on an individual basis.

### **Conflicts of Interest – Do’s and Don’ts**

#### DO’s

- Act in the best interests of UML Group and its customers and handle activities, interests or relationships in a sensible manner.
- Handle Conflicts of Interest as per applicable Conflicts of Interest Policy
- Submit annual statement of Conflicts of Interest and compliance with code of

Business conduct and ethics to the HR of your Company and update same whenever there are any changes.

#### Don’ts

- Undertake outside activities that create conflicts of interest.

Please refer Conflict of Interest Policy uploaded in the company website for further details.

## **2. BRIBERY AND CORRUPTION**

Bribery and corruption undermine fair competition, distort markets and harms economic, social and political development. It is wholly unacceptable for all the employees of the company to be involved or implicated in any way in corrupt practices. You are prohibited from;

- a) directly or indirectly offer, promise or give any gift, payment or other benefit to any person for the purposes of inducing or rewarding improper conduct or influencing any decision by a public official to the advantage of the company.

- b) Directly or indirectly, solicit, accept or receive any gift, payment or other advantage from any person as a reward or inducement for improper conduct; and
- c) Activities do not otherwise contravene any applicable anti- corruption measures.

Please refer Anti Bribery and Corruption Policy uploaded in the Company Website for further details.

### **3. ENTERTAINMENT AND GIFTS**

All the members of UML Group shall avoid any actions that create a perception that favourable treatment was sought, received or given in exchange for personal benefits. You should not actively solicit or demand any form of entertainment or gift from any person or organization outside the company.

You should neither give nor accept such benefits that constitute, or could reasonably be perceived as unfair business inducements that would violate law, regulation or polices, or would cause embarrassment.

The company does not encourage to receive/give gifts from any person or entity. However, gifts in the form of flowers/fruits/sweets/food items/company souvenirs if they are of nominal value are acceptable. In any event, these forms of acceptable gifts should be addressed to the Company rather than the particular individual handling the business transaction and receipt of such gifts at residence or any other place other than work related places is strictly prohibited.

The company policy is not to accept gifts above Rs. 5,000.00 from any clients, suppliers and any other parties with whom the staff deal officially. Any gifts below Rs. 5,000.00 will have to be declared to the Superior and notified to GCEO/ED's office immediately.

It is the Group policy to decline any offer for seasonal gifts (hampers), however, if the Hampers are delivered without any prior notification that has to be reported to GCEO/ED's Office with details and need to be share with the respective team members/subordinates.

The gifts from the foreign business partners will also have to be declared to GCEO/ED's Office and need to be share with the respective team members/subordinates.

Distribution of company souvenirs/gifts to individual with whom Company has business relationships, public officials, and other business associates is required during festive season. However, such gift should be infrequent and should not be seen as a favor extended to a group of people as a matter of gratification.

In the case of public officials such gifts will be given only where customary and reasonable under generally accepted practice, provided it will not be seen as favoritism or gratification.

Please refer Corporate Gifting Policy uploaded in the Company website for further details.

## 4. ACCOUNTING AND RECORD KEEPING

Honest, accurate and objective recording and reporting of information, both financial and non-financial is essential to:

- Company's credibility and reputation;
- Ability to meet the legal, tax, audit, and regulatory obligations; and
- Informing and supporting business decisions and actions by the company.

All data that the company and employees create, whether financial or non-financial must be maintained in reasonable detail, must appropriately and accurately reflect the Company's transactions, and must conform both to applicable legal requirements and to the Company's system of internal controls. Records should always be retained or destroyed according to the Company's record retention policies. You must:

- Never falsify, forge, backdate, mischaracterize, or improperly alter any Company document.
- Ensure that all transactions are lawful and executed in accordance with all Company policies, procedures, and internal controls.
- All disclosures made to regulatory authorities and investors must be complete, accurate, transparent, and timely.

All the employees are collectively responsible for fulfilling this obligation.

## 5. FAIR AND TRANSPARENT PROCUREMENT PRACTICES

Every employee engage in procurement of goods or services and committing the company to sale or acquisition of any commitment which resulting an inflow or outflow of resources must ensure that company's policies and procedures are strictly followed and the procurement process is documented, in a fair and transparent manner.

You should not violate the fairness of any tendering process in any way and make malicious, unlawful or payment practices in the company supply chain.

## 6. CORPORATE OPPORTUNITIES

All employees are prohibited from;

- (a) Taking for themselves or companies with which they are affiliated, opportunities that are discovered through the use of Company property, Company information or their position.

(b) Using the Company's property or information or position for personal gain;

or

(c) Competing with the Company for business opportunities. You owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

## 7. CONFIDENTIALITY

- You must maintain the confidentiality of information entrusted to you by the Company and any other confidential information about the Company that comes to you, from whatever source, in your capacity as a director/employee, except when disclosure is authorized or legally mandated.
- Proprietary and confidential information include any system, information or process that gives UML Group an opportunity to obtain an advantage over competitors; non-public information about UML Group businesses, its customers and its employees, any other non-public information received.
- Proprietary and confidential information about UML Group, a customer, supplier or distributor should not be disclosed to anyone (including other employees) not authorized to receive it or has no need to know the information, unless such disclosure is authorized by the customer or is required by law, appropriate legal process or appropriate internal authorities.
- Intellectual property of UML Group such as trade secrets, patents, trademarks and copyrights as well as business, research and new product plans, objectives and strategies, records, databases, salary and benefits data, employee medical information, customer, employee and suppliers lists and any unpublished financial or pricing information must also be protected.
- Unauthorized use or distribution of proprietary information violates the internal policies and could be illegal. Such use or distribution could result in negative consequences for both UML Group and the individuals involved, including potential legal and disciplinary actions.
- Acts of ignorance that could lead to such proprietary information, especially through electronics means – like CDs, floppy etc., may lead to investigation and probe against the employees.

DO's

- Properly control access to your work areas and computers
- Ensure appropriate destruction of business related documents when not required for work anymore.
- Obtain any relevant information directly from the person concerned
- Protect the physical security of official information

- Access to information or data by outsourced will also be subjected to the relevant employee's accountability, in case such data is misused
- Limit access to information strictly to those with a legitimate business reason for seeking that information
- While accessing ERP and Internet, ensure compliance with internal policies and procedures.

#### Don'ts

- Discuss sensitive matters or confidential information in public places
- Violate the IT Security Policy applicable to your Company
- Transfer official information into personal databases or carry hard copies of official information (otherwise than for official purposes) outside the office, without prior permission from your superior.
- Pass information, in any manner, directly or indirectly to any recruitment /search agencies or to competitor or any other organizations.

Declaration shall be obtained from all Senior Management/Executive Employees and Employees, who handle confidential information,

Please refer Employee Non-Disclosure Agreement uploaded in the Company Website for further details

## **8. FAIR DEALING**

You are expected to deal fairly with the Company's customers, suppliers, competitors, officers, and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice. Inappropriate use of proprietary information, misuse of trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. The Senior Management must deal fairly and must oversee fair dealing by employees and officers, with the Company's customers, suppliers, competitors and other employees.

## **9. PROTECTION AND PROPER USE OF COMPANY ASSETS**

It is the responsibility of every member to protect UML Group's assets against loss, theft or other misuse. You are expected to exercise your business judgment in a manner that protects the Company's assets and promotes their efficient use. Loss, theft and misuse of Company assets directly impact our profitability. All Company assets should be used for legitimate business purposes. Any suspected loss, misuse or theft should be reported to your Superior or the HR Department.

Do's and Don'ts.

## Do's and Don'ts.

### Do

- Use UML Group assets (physical and intellectual) only for official purposes.
- Report any misuse by any employee or outsourced agents of UML Group that comes to your notice.

### Don't

- Copy, sell, use or distribute information, software and or other forms of intellectual property in violation of licenses.
- Misappropriate UML Group assets - it is a breach of your duty and may constitute an act of fraud against UML Group.
- Use official resources in another business in which you, a friend or family member is involved.
- Use official stationery supplies, and equipment for personal or political matters.

## 10. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

UML Group's Policy is to maintain an open and co-operative relationship with our Regulators and to comply with all applicable laws, rules and regulations.

Violation of the law must be avoided under any circumstances, especially violations that attract punishment of imprisonment, monetary penalties or fines. Notwithstanding the legal consequences of which violation, any employee found guilty will be additionally liable to disciplinary actions, initiated by the company for violating the code.

Particular care should be taken to act legally in those areas where the law is evolving rapidly or is being extended to cover activities that have not been covered by legal requirements in the past. When in doubt, the HR Department/Company Secretarial/Legal or Internal Audit Department should be consulted.

### Compliance – Do's and Don'ts

#### Do's

- Comply with all applicable laws, rules and regulations
- Contact with regulators through designated officials as per internal guidelines.
- Notify relevant officer immediately of any significant contacts made directly by a regulator.

#### Don'ts

- Commit an illegal or unethical act, or instruct others to do so, for any reason.
- Commit such acts simply because you see someone else doing it or your supervisor not warning you.

## Use and Disclosure of "inside information"

The laws of Sri Lanka and many other countries regulate the use and disclosure of inside information concerning the Company. This information is "inside information" if it has not been publicly disclosed.

We prohibit disclosure of material inside information to anyone other than persons within the Company whose positions require them to know such information.

Our Group policy prohibits trading in the securities of the Company by any employee while in the possession of material inside information. If an employee or agent has inside information he or she must wait until end of business on the third market day after the information has been properly disclosed to the public before trading in the securities of the Company. Company policy also prohibits providing inside information to other persons or recommending that they buy or sell the Company's securities on the basis of inside information. More restrictive rules apply to certain key employees, officers and Directors.

A Director, employee or agent shall not trade in the securities of another company if, in the course of his or her employment or position with the Company, he or she learns confidential information about such other company that is likely to affect the price of such securities.

Company Directors, employees and agents are discouraged from short term speculation in the securities of the Company.

Please refer Policy on Share Trading uploaded in the Company website for further details.

A Director, employee or agent shall not trade in the securities of another company if, in the course of his or her employment or position with the Company, he or she learns confidential information about such other company that is likely to affect the price of such securities. Company Directors, employees and agents are discouraged from short term speculation in the securities of the Company.

Please refer Policy on Share Trading uploaded in the Company website for further details.

## **11. SEXUAL HARRASEMENT, DISCRIMINATION AND ABUSE**

UML group provide equal opportunity in employment and do not tolerate any discrimination or harassment or any type from abuse. No direct or indirect discrimination shall take place based on any professionally non-relevant trait or circumstance, like gender, marital status, age, national or social or ethnic origin, colour, religion and political opinion, disability, sexual orientation, employee representation, property, birth or other status. Any kind of discriminatory behaviour, harassment, bullying or victimization is prohibited.

All staff is expected to follow the highest standards of conduct in all verbal and written communication based on mutual respect, and must refrain from any form of harassment, slander or any behaviour that could be taken as offensive, intimidating, humiliating, malicious or insulting.

Any employee who experiences or witnesses sexual harassment or discrimination should report it immediately to GM (HR,Admin) or DGM (Internal Audit) , DGM (HR)/Company Secretary.

Any complaints received as above will be immediately notified to the CEO and shall be quickly investigated by an officer designated by the CEO.

If it is determined that a violation of this conduct has occurred, appropriate disciplinary action will be taken, up to and including termination of employment.

Please refer Policy on Sexual Harassment in the Company Website for further details.

## **12. ENCOURAGING THE REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOUR**

- (a) UML Group encourages employees to report to their supervisor/ HR/ Internal Audit, concerns and suspected violations of the code, internal policies, external legal and regulatory requirements etc. You may choose to remain anonymous if you wish. All significant breaches should be escalated immediately.
- (b) We encourage UML Group employees to talk to Supervisors, Managers and other appropriate personnel when in doubt about the next course of action in a particular situation.
- (c) UML will conduct prompt and thorough investigations of alleged violation and take appropriate corrective action.
- (d) The Company will not allow retaliation for reports made in good faith.
- (e) Appropriate action will be taken against individuals who have broken laws, rules and regulations. An employee who knowingly violates the internal policies and guidelines shall be subject to disciplinary action.

### **Investigations**

You are required to cooperate fully with authorised internal and external investigations. Making false (or misleading) statements to Regulators / Auditors /UML Group representatives during investigations can be a criminal act that can result in heavy penalties.

#### **Do's and Don'ts**

##### **Do's**

- Report to your supervisor/HR/Internal Audit, the concerns and suspected violations of the Code, internal policies, external legal and regulatory requirements etc.

##### **Don'ts**

- Knowingly withhold information that raises ethical questions and not to bring such issues to be attention of Senior Management or ensure reporting as per the applicable whistle blowing policy.

- Destroy records that are potentially relevant to a violation of law or any litigation or any pending, threatened or foreseeable government investigation or proceeding.

*Please refer Policy on Whistle Blowing uploaded in the Company Website for further details.*

### **Special Responsibilities of Superiors and Managers**

Addition to responsibilities as employees, Supervisors and Managers must abide by the;

- Duty of selection – Carefully select the employees for a job in light of their personal and professional qualifications. The duty of care increases with the importance of the obligation to be entrusted to the employee.
- Duty of instruction – Formulate obligations in a precise, complete, and binding manner, especially with a view to ensure compliance with provisions of instructions.
- Duty of monitoring – Ensure that compliance with provisions of applicable laws/ regulations is monitored on a constant basis.
- Duty of Communication – Communicate to the employees that any violation of the applicable laws/regulations are disapproved of and would have disciplinary implications.

### **Special responsibilities – Do's and Don'ts**

Do's

- Strive to create and sustain an environment that promotes ethical behaviour.
- Assist your staff to understand and apply the internal policies and procedures.
- Encourage and practice whistle blowing, so as to avoid any doubts later that an offence was being committed with your knowledge, which could be construed as connivance by the employee.

Don't

Issues directives to violate the terms of internal policies /procedures.

## **13. ACCOUNTING COMPLAINTS**

The Audit Committees of the Boards of Directors are responsible for establishing procedures for identification, assess the consequences and impact and to decide on corrective action of complaints regarding accounting, internal accounting controls, or auditing matters. Directors/Employees who have concerns or complaints regarding such matters are expected to promptly submit those concerns to the Audit Committee or any other appropriate committees/Head of Internal Audit.

## **14. PUBLIC COMPANY REPORTING**

As a public company, it is of critical importance that that UML's filings with the Securities and Exchange Commission/Colombo Stock Exchange and/or any other institutions be full, fair, accurate, timely, and understandable. Directors and Senior Management may be asked to provide information necessary to assure that the Companies' public reports meet these requirements. The Company expects the Senior Management to take this responsibility and to provide prompt and accurate information for inquiries related to the Company's public Disclosure requirements.

## **15. COMPLIANCE WITH THE CODE**

UML Group recognises the need for this Code to be applied equally to everyone it covers. All employees, officers and Directors are expected to comply with all of the provisions of this Code. The Code will be strictly enforced and violations will be dealt with immediately, including subjecting persons to corrective and/or disciplinary action such as dismissal or removal from office.

UML Group encourages all employees, officers and Directors to report any suspected violations. UML Group will not tolerate any kind of retaliation for reports or complaints regarding misconduct that were made in good faith. Open communication of issues and concerns by all employees, officers and Directors without fear of retribution or retaliation is vital to the successful implementation of this Code. You are required to cooperate in internal investigations of misconduct and unethical behaviour.

## **16. AMENDMENTS, MODIFICATIONS & WAIVER OF CODE OF BUSINESS CONDUCT AND ETHICS**

This Code may be amended or modified by the respective Company Board of Directors and with the concurrence of the main Board subject to the disclosure and other provisions of the Colombo Stock Exchange, Securities Exchange Commission Acts, Companies Act No 07 of 2007 and Code of Best Practices on Corporate Governance and the Company Policies.

Any waivers of the provisions in this Code for Executive Officers or Directors may only be granted by the Board of Directors and will be promptly disclosed in the Annual Report.

## Declaration to be returned to HR Department

I hereby confirm that I have read and understood the Code of Business Conduct and Ethics for United Motors Group.

This would benefit both myself and the company. I am also aware that non-compliance of the above, would result in the company taking disciplinary action.

### Employee Details

Name of the employee : .....  
Employee no : .....  
Designation : .....  
Name of the company : .....  
Signature : .....  
Date : .....

For the purposes of compliance with the Sri Lanka Personal Data Protection Act, No.9 of 2022 (as amended), please indicate your acknowledgment and consent below.

Please tick (✓) the appropriate box(es);

I acknowledge that I have read and understood, or have been made to understand, the contents of the Privacy Notice of United Motors Lanka PLC, available at <https://www.unitedmotors.lk>, the terms of which shall be applicable to the collection, processing and retention of any of my personal data shared with United Motors Lanka PLC or any of its subsidiaries, in line with the Sri Lanka Personal Data Protection Act, No.9 of 2022 (as amended).

I declare that the information provided in this form is accurate and complete to the best of my knowledge. I understand that providing false information may affect my relationship with United Motors Lanka PLC or any of its subsidiaries and associated services.

Signature : .....

Date : .....

Note : Please return this page to Human Resources Department

