

SERENDIB LAND PLC | POLICY ON RISK MANAGEMENT AND INTERNAL CONTROLS

1. Purpose

This Policy outlines how Serendib Land PLC ('the Company') identifies, assesses, monitors, and mitigates risks, as well as ensures the effectiveness of its internal controls to safeguard its assets, operations, and reputation. This Policy establishes the framework for sound governance and ensures compliance with relevant regulations and best practices in risk management.

2. Governance and Oversight

The Board of Directors has overall responsibility for the Company's risk management and internal control framework. The Board is responsible for setting the risk tolerance and ensuring that appropriate systems are in place to manage risks across the organization.

The Audit Committee and the Audit Function play a key role in assisting the Board in assessing the effectiveness of the Company's internal controls and risk management processes. The Audit team evaluates whether the Company's risk management policies are being effectively implemented and whether the internal control systems are operating as intended.

The Audit Committee shall review and assess the company's risk management process, including the adequacy of the overall control environment and controls in areas of significant risks and updated business continuity plans and review the risk policies adopted by the Entity on an annual basis.

3. Risk Management Framework

- (i) Risk Identification – the Company shall identify the risks from various sources
- (ii) Risk Assessment – once the risk is identified, it is assessed based on likelihood and impact
- (iii) Risk Mitigation and Response - for each identified risk, specific actions are determined to mitigate, monitor, or manage the risk including implementing control measures to reduce the likelihood or impact of a risk
- (iv) Risk Monitoring and Reporting - ensuring that risks are regularly reviewed, and that appropriate controls are in place to manage them.

4. Internal Control Framework

The Company's internal control framework includes:

- **Control Environment:** Establishment of a culture of integrity and ethical behavior, supported by clear policies and leadership commitment.
- **Risk Assessment:** Regular identification and assessment of risks and associated controls.
- **Control Activities:** Procedures and practices that help ensure management's directives are carried out effectively.
- **Information and Communication:** Ensuring relevant, timely, and accurate information flows across the Company to inform decision-making and promote compliance.
- **Monitoring:** Regular reviews and assessments of the effectiveness of internal controls, conducted by internal audit, external auditors, and management.

5. Amendments to the Policy

The Risk Management and Internal Controls Policy is subject to regular review by the Board. Amendments to the Policy may be made to reflect changes in regulations, business operations, or best practices.