

HEMAS CODE OF CONDUCT

(Hemas Way) Refresher

INTRODUCTION

"The Hemas Way" provides information about the standard of integrity that Hemas requires its Employees to maintain. "The Hemas Way" is a common thread that applies across the Hemas Group enabling it to operate as a united family. It does not address every situation or set forth every rule, nor is it a substitute for the responsibility of every employee to exercise good judgment. If any compliance issue arises, you have a responsibility to bring it to the notice of either your Superior or the Human Resource Department.

If you would feel more comfortable speaking with someone else, you could speak to the Group Human Resource Director (Extension-1117). In this role he would act as an independent, **impartial and totally confidential resource for our employees, suppliers, investors or customers** to raise their concerns.

Hemas, at its sole discretion, may modify the terms of "The Hemas Way" at any time.

"The Hemas Way" was initially launched in the year 2007 and the second edition in 2012. This third edition would supersede the inaugural and second edition, and will be applicable to all employees effective from 1 July 2021.

"THE HEMAS WAY" IS A COMMON THREAD THAT APPLIES ACROSS THE HEMAS GROUP ENABLING IT TO OPERATE AS A UNITED FAMILY.

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OUR CUSTOMERS

We SUPPLY QUALITY PRODUCTS AND SERVICES

Employees must use their best efforts to ensure that products and services supplied to customers are of high quality. Employees should ensure that the quality standards of products or services supplied to customers comply with applicable national standards, international standards and standards required by law.

WE SAFEGUARD HEMAS' GOODWILL IN OUR MARKETING

Truthfulness is the cornerstone of Hemas' vision for marketing. Employees must ensure that advertisements accurately and fairly describe the products or services and that products and services are not misrepresented whilst marketing. Employees must also refrain from advertising or marketing in a manner that is culturally offensive or damages the goodwill of Hemas.

WE DO NOT SOLICIT FAVOURS FROM OUR CUSTOMERS

Employees must never directly or indirectly solicit favours (monetary or otherwise) from customers.



WE WELCOME CUSTOMER FEEDBACK

Employees should encourage customers to provide their feedback regarding products or services. Employees should be courteous at all times in their communications with customers. Employees must ensure that all feedback and complaints received are channelled through an established process that ensures that products and services are continuously improved.

WE DO NOT BRIBE OUR CUSTOMERS

Employees must not pay or offer to pay bribes to obtain or retaining business. But this does not preclude offering promotional programs or loyalty programs or incentives as per industry practices provided they have been approved by Hemas.





OUR SUPPLIERS

WE SELECT SUPPLIERS BASED ON MERIT

Employees must select suppliers considering amongst other things price, quality, delivery, capability, reputation for service and their overall relationship with Hemas. Employees should not select suppliers who employ child labour or deliberately violate labour laws endangering the health and working conditions of their employees

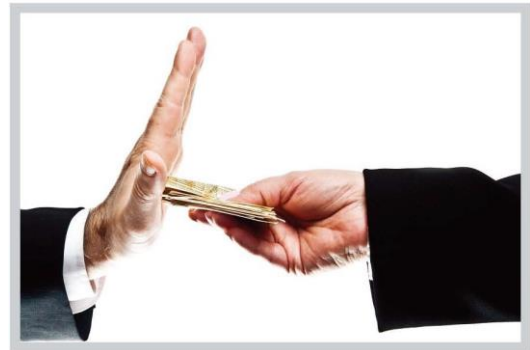


WE DO NOT ASK FOR,OR TAKE, INAPPROPRIATE GIFTS OR BRIBES

Employees should not solicit monetary payments, loans, kick backs, gifts or bribes or any other form of money or its value directly or indirectly from a supplier. Under no circumstances should Employees accept, directly or indirectly, any payments, loans, kick backs or any other monetary payment from a supplier that would constitute a bribe in order to influence a business decision. Unsolicited and nominal gifts (not exceeding Rs.15,000-) from suppliers may be received provided that full disclosure is made to the Superior and such gifts are commemorative in nature (such as on the occasion of an annual festive season).

WE ARE CAUTIOUS ABOUT ACCEPTING ENTERTAINMENT

Employees should not accept entertainment from a supplier if such entertainment is provided in order to influence a business decision. However, Employees may accept meals, or other modest forms of entertainment from suppliers as a courtesy extended during the normal course of business provided that entertainment is infrequent and it is not being offered to influence the Employees business decisions. Employees should report to their Superior of any entertainment proposed by a supplier if it is regular or more than modest.



OUR RELATIONSHIP WITH SUPPLIERS

Employees should make full disclosure to the Superior if there is a personal or family relationship with a supplier. Employees are also required to disclose to the Superior any potential cause for conflict of interest that Employees may have with any supplier. Employees are expected to avoid creating personal friendships with suppliers in order to maintain independence in discharging their duties.



OUR COMPETITORS

WE ENCOURAGE COMPETITION

All Employees have either a direct or an indirect role to play in the expansion of the business of Hemas group. Employees are expected to be efficient, innovative, dynamic and competitive. Employees are also expected to aggressively promote sales of products or services.

WE DO NOT use ILLEGAL/ UNETHICAL PRACTICES TO COMPETE

Employees must not engage in any unlawful practices in order to promote competition. Employees should not engage in any unethical practices that adversely affect the reputation or the ability of Hemas to do business in the future.



OUR COLLEAGUES

WE DEAL WITH COLLEAGUES IN A PROFESSIONAL MANNER

Employees are expected to act with professionalism, honesty, integrity and courtesy in their dealings with colleagues.

WE DO NOT DISCRIMINATE AMONGST OUR COLLEAGUES

Employees must not discriminate amongst colleagues on race, colour, religion, national origin, sex, age, disability, marital status or any other similar grounds.

WE HELP PRESERVE A WORK PLACE FREE OF INTIMIDATION

Employees should not create an intimidating or offensive work environment for their colleagues. Employees must not make racist, sexist, ethnic or homophobic comments or jokes to their colleagues or make inappropriate sexual advances or inappropriate physical contact or publish, transmit or display sexually oriented gestures, pictures, jokes or statements to colleagues. All Employees are expected to comply with the Sexual Harassment Policy, Workplace Guidelines and Human Rights Guidelines.



WE ARE CONSCIOUS OF HEALTH AND SAFETY OF OUR COLLEAGUES

The health and safety of its Employees is paramount for Hemas and Employees are expected to contribute to ensuring a healthy and safe work place for their colleagues. Employees are expected to ensure that their actions and omissions do not endanger the health or safety of their colleagues. Employees should comply with the rules, policies and guidelines at the work place concerning health and safety including the Workplace Guidelines.



WE PROVIDE INFORMATION TO OUR COLLEAGUES

Sharing of relevant information in a timely manner is pivotal to success. Employees should provide on time relevant information requested by their colleagues. Employees should ensure that the information that they provide is accurate. Wherever possible, information should be provided in a form that would be helpful to the recipient. Employees should not suppress relevant information from their colleagues unless such information is of confidential nature.



WE ENCOURAGE COLLEAGUES TO ASSIST ONE ANOTHER

Employees are encouraged to assist colleagues across the Hemas group. Such assistance includes sharing of knowledge, sharing of physical, human and management resources.

WE SHOULD KEEP TO OUR COMMITMENTS

Employees are expected to keep to their commitments since their colleagues (as well as customers and others) depend on Employees to deliver such commitments.

WE. ENCOURAGE CONSTRUCTIVE INTERACTION

Employees are encouraged to provide constructive feedback to their colleagues. Employees are encouraged to be open and transparent in expressing their views to their colleagues. Hemas encourages healthy debates amongst Employees and Employees are encouraged to courteously listen to their colleagues even if they disagree with the views that may be expressed.



PERSONAL RELATIONSHIPS WITH COLLEAGUES

Employees should not allow a personal relationship with a colleague (either a Superior or a co-employee) to interfere with either their duties or the working environment of such colleague. In the event of a personal relationship with a colleague (either a Superior or a co-employee) Employees should disclose such relationship and cooperate with Hemas in order to accommodate appropriate changes to the working conditions that may be deemed necessary by Hemas on account of such relationship.

PROMOTING THE INTERESTS AND SAFEGUARDING THE ASSETS OF HEMAS

WE AVOID CONFLICT OF INTEREST

Employees should at all times act in the best interest of Hemas. Employees must avoid conflicts of interest with Hemas. A conflict of interest occurs when Employees permit a personal interest, family interest or an interest of a third party to take precedence over the interest of Hemas. In the event a conflict of interest arises the employee should disclose it to the Superior and cooperate with the Hemas in making appropriate changes to the working conditions.

EMPLOYEES MUST AVOID CONFLICTS OF INTEREST WITH HEMAS

WE DO NOT COMPETE WITH HEMAS

Employees must not directly or indirectly own, carry on, or be engaged in, be concerned with, be interested in any business that compete with the business of Hemas. Employees should not enter into any unauthorized business relationship of any form with competitors of Hemas either directly or indirectly. Employees must disclose to the Superior if any immediate family member (i.e. spouse, parents, siblings or children) either owns or operates any business that competes with Hemas.

EMPLOYEES SHOULD NOT ENTER INTO ANY UNAUTHORIZED BUSINESS RELATIONSHIP OF ANY FORM WITH COMPETITORS OF HEMAS



WE DO NOT SOLICIT EMPLOYEES OR CUSTOMERS OF HEMAS

During employment and for a period of one year following the termination of employment, Employees must not directly or indirectly;

- (a) Contact, solicit or attempt to solicit any other Employee of Hemas for the purpose of offering employment or consultancy to such other Employee in any business that competes with a Hemas; or
- (b) Contact or solicit or attempt to solicit any customers or business associates of Hemas for the purpose of selling products or services in competition with Hemas or for the purpose of engaging in any business that competes with Hemas.

EMPLOYEES CANNOT ENGAGE IN CONCURRENT EMPLOYMENT

Employees cannot work for another employer whilst employed at Hemas. Subject to approval of the Superior, Employees may deliver lectures outside normal working hours provided it does not adversely affect their ability to perform their duties and functions at Hemas.

WE DO NOT REPRESENT HEMAS IN THE MEDIA WITHOUT AUTHORITY

Employees should refrain from interaction and/or communication with print and electronic media on matters concerning Hemas unless authorized by Hemas or permitted under the Media Policy of Hemas.

WE DO NOT ENGAGE IN INSIDER TRADING

Employees must not trade on shares listed on a stock exchange if such Employees become privy to any unpublished price sensitive information in relation to those shares due to his/her employment. Employees must also refrain from disclosing such unpublished price sensitive information to his immediate family or any third party. The shares referred in this paragraph apply to the shares of any company of Hemas that are listed on a stock exchange and also to the shares of any other company listed on stock exchange that enters into or contemplates entering into a transaction with Hemas. "Unpublished price sensitive information" includes, acquisition or divestiture plans; financial information (including earnings or dividends) or projections; new product introductions or developments or discoveries; investment decisions; or restructuring plans.

WE SAFEGUARD OUR ASSETS

Employees shall not misuse the assets of Hemas and use such assets only for the purposes intended by Hemas. Employees shall take necessary steps to ensure proper and efficient use of the assets of Hemas and to prevent loss, theft or its unauthorized use. Employees shall ensure the assets of Hemas are not used for the personal benefit or the benefit of Employees of Hemas. Employees must;

- (a) ensure that expenditures are for legitimate business purposes and in accordance with corporate policies;
- (b) not use company premises or resources for personal work or any external business;
- (c) keep accurate complete records of funds spent;
- (d) using corporate credit cards only for business purposes; and
- (e) do not engage in personal activities during work hours

WE SAFEGUARD CONFIDENTIAL INFORMATION

In today's highly competitive global market place protecting confidential information means the difference between success and failure. Confidential information comprises of any information that is not publicly known which an Employee may receive or privy as a result of being employed. This includes information relating to:

- (a) Employees (including non-executive directors), consultants, suppliers, distributors and customers;
- (b) products and services;
- (c) costs and pricing;
- (d) business methods;
- (e) manufacturing technology and processes;
- (f) research and development of products or services, trade secrets, inventions and patents;
- (g) business methods, practices and processes;
- (h) business plans;
- (i) unpublished financial accounts and accounting information;
- (j) proposed activities or proposed strategies;
- (k) acquisition, divestiture, merger or joint venture;
- (l) matters discussed at meetings;
- (m) confidential communications to Employees; and
- (n) performance of a company.

Information would constitute confidential information irrespective of whether it relates to Hemas or to its customer, supplier/vendor or any other third party transacting with Hemas. Confidential information must be kept secret at all times during and after cessation of employment and confidential information could only be disclosed to persons authorized to receive confidential information. Employees should seek clarification from their

Superiors if they are unaware of the persons authorized to receive confidential information. Employees must also take appropriate steps to safeguard confidential information in their care or custody so as to protect it against theft, misuse or loss. In particular Employees must refrain from divulging or discussing confidential information with any unauthorized persons including friends, family members or business acquaintances.

When there is a legitimate business that needs disclosure of confidential information to an external party Employees must ensure that a non-disclosure agreement is executed before providing confidential information to such party. Similarly Employees must also ensure that they take requisite steps to safeguard the confidentiality of any confidential information concerning an external party that is provided to Hemas either with or without a non disclosure agreement.

WE PROTECT INTELLECTUAL PROPERTY

Hemas attaches importance to developing, protecting and enhancing the value of its intellectual property. Intellectual property includes without limitation trademarks, service marks, trade dress, logos, trade names, corporate names, inventions, patents, specifications, undisclosed information, processing instructions, trade secrets, research and development, know-how, formulas, clinical and laboratory studies, compositions, manufacturing processes, technical data, designs, copyrightable works, website content and domain names.

Employees are only granted access to intellectual property for the purpose of performing their duties and functions and such access does not confer any right, title or interest on Employees. Employees must at all times protect the secrecy of intellectual property that constitutes confidential information. Similarly Employees should also respect the right, title, interest or ownership of intellectual property of third parties transacting with Hemas and extend the same duty of secrecy to them.

Trademarks, service marks, logos owned by Hemas must be used by Employees only for authorized purposes in the manner that has been so authorized.

Intellectual property developed by Employees during employment will be the property of Hemas unless the Employee establishes that its development is unconnected with the employment.

WE USE INFORMATION TECHNOLOGY RESOURCES RESPONSIBLY

Employees should use information technology resources including internet and e-mail solely in connection with the business of Hemas irrespective of whether such usage occurs at work or home. Employees are expected to exercise restraint in the usage of such resources for their personal use. Employees are also required to comply with the Hemas IT Policy. Employees should be conscious that Hemas will monitor the individual use of such resources.



DURING WORK HOURS WE FOCUS ON HEMAS

Employees should be honest with their work time. Employees must be conscious that others count on them to do their share of work in order to deliver consistent and superior products or services.

WE ARE RESPONSIBLE FOR HEMAS' REPUTATION

Employees should be conscious that their actions and behaviour will affect the reputation of Hemas. Employees should conduct themselves properly, ethically and professionally and with honesty, integrity and courtesy conforming to high moral and ethical standards. Employees should also conduct themselves in a culturally appropriate manner relevant to the occasion, locality or country in which they may perform their duties. In particular, Directors are regarded as ambassadors of Hemas and therefore a breach of Hemas Way by a director could have a more significant impact on the reputation of Hemas and therefore directors are expected to conform to the highest ethical standards in their conduct.

WE ENCOURAGE CONSTRUCTIVE FEEDBACK FROM EMPLOYEES THROUGH APPROPRIATE FORUMS/CHANNELS OF COMMUNICATION

Hemas provides a number of forums/channels of communications to employees to air their views/constructive criticisms. These forums/channels may include direct feedback to superior, 360 degree feedback, Joint Consultative Committees (JCC), Suggestion Boxes, Management Meetings, Executive Committee Meetings, etc. Hemas encourages employees to use these channels to provide feedback on work related matters, business directions, policies etc. As loyal employees we do not engage in negative feedback about the company or its personnel in public forums or with persons outside Hemas.

BROADER COMMUNITY

WE DO NOT ENGAGE IN BRIBERY AND CORRUPTION

Employees should not engage in bribery or corruption of public officials in contravention of the applicable laws.

PARTICIPATION IN INDUSTRY AND COMMUNITY ACTIVITIES

Employees are encouraged to participate in the activities of non-profit professional bodies relevant to such employee's profession and non-profit activities of government bodies, committees, community activities and support the corporate social responsibility activities of Hemas provided it does not adversely affect their ability to perform their duties and functions at Hemas. Employees intending to engage in any such activities during working hours must obtain prior approval of the Superior.

HEMAS IS APOLITICAL

Hemas is apolitical and believes in political non-alignment. This means that Employees should not contribute assets of Hemas to support political parties or candidates for political office. However, this does not preclude Employees from either associating with elected administrators or supporting programs by elected administrators for the benefit of the broader community in accordance with corporate social responsibility guidelines or policies of Hemas.

WE COMPLY WITH THE LAWS AND REGULATIONS

Employees are bound by the laws of Sri Lanka and the laws of any other country in which they may be required to carry out duties. Employees should comply with all such laws.

WE ARE CONSCIOUS OF HEALTH AND SAFETY

Employees are expected to be concerned about the health and safety of customers, suppliers, visitors and the broader community and Employees are expected to ensure that their actions and omissions do not endanger their health or safety.

HEMAS BELIEVES IN A SUSTAINABLE USE OF THE ENVIRONMENT AND HEMAS ENCOURAGES ITS EMPLOYEES TO PLAY THEIR ROLE IN THIS ENDEAVOUR

WE ARE CONCERNED ABOUT OUR ENVIRONMENT

Hemas believes in a sustainable use of the environment and Hemas encourages its Employees to play their role in this endeavor. Employees are expected to refrain from wasteful use of natural resources or contributing to environmental pollution. Employees are also encouraged to recycle and reuse wherever possible and also to innovate measures to mitigate adverse impacts on natural resources. Employees are also expected to adhere to the environmental guidelines.



MANAGING COMPLIANCE ‘THE HEMAS WAY’

WE PROMOTE COMPLIANCE OF WAY

Hemas Way applies to all Employees. It affirms a commitment to the highest standards of integrity amongst Employees and the relationships between Employees and customers, suppliers, shareholders and others in the communities where we live and work. Employees are expected to read the Hemas Way carefully.



HEMAS

Superiors should;

- ensure that Employees understand the provisions of the Hemas Way;
- maintain an environment of open communication where Hemas Way is reviewed regularly;
- implement an effective programme to facilitate compliance with Hemas Way;
- take reasonable steps to ensure that a breach of Hemas Way is detected and addressed; and
- examine past compliance with Hemas Way before placing an employee in a position of responsibility.

SUPERIORS MUST SET AN EXAMPLE

Subordinates look up to their Superior and often try to either follow or emulate their Superiors. Superiors should therefore set an example to their subordinates by complying with the Hemas Way and Superiors should be mindful that a breach of Hemas Way by a Superior has a broader impact across Hemas in addition to its relevance to the individual Superior.

WE DO NOT COMPLY WITH DIRECTIONS THAT BREACH HEMAS WAY

Employees should not breach the Hemas Way even if they are directed by their Superior to do so. If an Employee feels that the Superior is directing the Employee to breach the Hemas Way under compulsion, such Employee is expected to promptly report such direction to the Human Resources Department or the Group Human Resource Director for a decision.

WE TAKE RESPONSIBILITY TO REPORT BREACH OF HEMAS WAY

Employees are required to report a breach of the Hemas Way by any employee in terms of the Hemas Whistle Blowing Policy or to the Superior, Human Resources Department or the Group Human Resource Director. Employees will be protected against any retaliation for such reporting. Failure to report as stated above will also constitute a breach of Hemas Way.



HEMAS WAY CANNOT COVER EVERYTHING

There will be times when the Hemas Way will not address all specific situations. Employees should consult their Superior or Human Resources Department or the Group Human Resource Director if they need to clear any doubts or seek clarifications on specific issues.



MISCELLANEOUS DO'S AND DON'TS

- Do cultivate a 'can do' attitude and believe in converting possibilities into realities.
- Do promote and protect the values driving Hemas and stand-up for the values, purposes and convictions of Hemas.
- Do treat subordinates as individuals and encourage creative and innovative thinking, providing the necessary freedom
- Do build team relationship based on mutual respect and trust. Assume equal responsibility to achieve departmental and/or sector objectives.

- Don't submit faulty expense claims to avail of benefits.
- Don't arrive at work under influence of alcohol or drugs or consume alcohol or drugs while at work.
- Don't promote hierarchical differences as hindrances for open communication.
- Don't use threatening or demeaning language.
- Don't sleep, idle or maligner whilst at work.

- Do ensure that the work place is lively and releases positive energy so as to make it exciting and productive.
- Do recognize the importance of work- life balance.
- Do appreciate the value of diverse workforce and respect individual differences.
- Do counsel subordinates regularly and discuss with them about their work related problems and provide necessary development support.
- Do facilitate as Superiors, the setting of objectives, clearly defining standards of performance desired, and creating an open environment that is conducive to team work.
- Do demonstrate as subordinates, an attitude of ownership to tasks and promote team spirit and inquisitiveness for knowledge
- Do be punctual on arriving on time for work , for all official meetings and all official engagements.
- Do foster a culture of informality and refer to others by their first name or surname (with the appropriate title) basis, whichever the employee is comfortable with, instead of addressing or referring to the person by designation.

- Don't leave documents and other material unattended in conference room or any other work areas.
- Don't share your computer password with others.
- Don't take part in any survey, data collection or benchmarking exercise which requires disclosure of confidential information without the approval.
- Don't stop striving for higher levels of excellence in all areas of work.
- Don't destroy information, assets, software installations or packages or any material in your custody during employment or during a termination process.

INTERPRETATION

1. **The following rules will apply in the event of a conflict between Hemas Way and any other document:-**
 - (a) Hemas Way will prevail in the event of a conflict with a letter of appointment issued prior to the effective date of this edition of Hemas Way.**
 - (b) An agreement (other than a letter of appointment) entered into with an Employee **will prevail in the event of a conflict with Hemas Way.**
 - (c) Rules, policies or guidelines issued with regard to a specific subject matter will prevail in the event of a conflict with Hemas Way.**
 - (d) Subject to the above, Hemas Way will prevail in the event of a conflict with any other document.**
2. In the Hemas Way, the following words bear the following meaning,
"Employee (s)" means an employee who has declared his commitment to be bound by Hemas Way.
"Superior" means the person to whom the Employee is required to report.
3. Employees are expected to comply with all Rules, policies or guidelines issued by Hemas from time to time. The following are a non-exhaustive informative list of policies or guidelines currently in force:-
 - Policy to Prevent Sexual Harassment at the Workplace (February 2020)
 - Media Policy (March 2013)
 - Information Security Policy (September 2020)
 - IT Governance and Management Policy (December 2020)
 - Acceptable Information System Usage Policy (December 2020)
 - Hemas Whistle Blowing Policy (November 2016)
 - Workplace Guidelines (January 2015)
 - Human Rights Guidelines (January 2015)
 - Social Responsibility Guidelines (September 2012)
 - Environment Guidelines (January 2015)

EMPLOYEE DECLARATION

DECLARATION OF MY COMMITMENT

I, have received, read, and understood the Hemas Way (Third edition - 2021).

I acknowledge that as an Employee, I am required to comply with the Hemas Way and failure to do so may subject me to disciplinary action.

I understand that if there is a breach or of a potential breach of Hemas Way, I must promptly report it.

I do hereby commit to abide by the Hemas Way together with changes/amendments if any made from time to time in letter and in spirit.

Name:.....

Employee Number:.....

Designation:.....

Department:.....

Company:.....

Signature:.....

Place:.....

Date:.....

NOTES