SHARE TRADING POLICY FOR DIRECTORS AND EMPLOYEES OF HEMAS HOLDINGS PLC

1. PURPOSE

Hemas Holdings PLC takes pride in maintaining the highest standards of integrity, transparency and fairness as a part of its business philosophy. Consequently, the Company is cognizant of its responsibility to ensure that directors and employees comply with applicable securities laws when dealing in its securities.

This Share Trading Policy seeks to lay down principles that will:

- promote compliance with the insider dealing obligations under the Securities and Exchange Commission Act, No. 19 of 2021 ("SEC Act") and the Listing Rules of the Colombo Stock Exchange ("Listing Rules");
- protect directors and employees from inadvertent breaches of the law; and
- establish guidelines for directors and employees when trading in the securities of the Company.

2. COVERAGE

This Policy is supplemental to the SEC Act and the Listing Rules and must therefore be read in conjunction with such laws. Accordingly, it does not replace any applicable laws.

3. APPLICABILITY

The Policy applies to directors and all other employees of the Company and its subsidiaries who have access to information about the Company.

All such persons shall be responsible for ensuring that persons acting on their behalf, including family members, nominees, trusts and controlled entities, do not trade in breach of this Policy.

4. SECURITIES COVERED

This Policy applies to dealings in all securities of the Company, which include ordinary shares, preference shares, listed debt securities, rights, warrants, options, convertible securities and any other financial instrument whose value depends upon the Company's securities.

5. THE FUNDAMENTAL PRINCIPLE

Directors and employees shall not trade or procure another person to trade in the securities of the Company if they are in possession of information which could, on becoming generally available, have a material effect on the price of the securities of the Company. ("Inside Information").

For clarity, "procure" would mean inciting, counselling, inducing, encouraging or directing another to trade.

This prohibition applies regardless of whether the trade results in a profit and /or the motives for the trade.

6. INSIDE INFORMATION

"Inside information", for the purposes of the SEC Act has been broadly defined. It **includes** any information about:

(a) confidential matters relating to the Company that are not yet sufficiently definite or appropriate for public disclosure. For example, if a director or employee becomes aware that the Company is considering a major acquisition, a significant capital raising or expects a substantial change in its financial position but the transaction is not sufficiently definite to be disclosed such information may be treated as insider information for the purpose of the SEC Act.

(b) intended decisions of the Board, management or any other relevant person before they are publicly announced;

(c) ongoing or proposed negotiations, discussions or transactions, including commercial arrangements and dealings in securities;

(d) information concerning the Company's financial performance, financial position or expected financial results;

(e) proposed or completed transactions or agreements relating to the securities of the Company, including any proposed announcements or statements concerning those securities; and

(f) future plans, projects, initiatives or other matters approved or intended to be implemented by the Company but which have not yet been publicly disclosed.

A list of illustrative situations is contained in **Schedule A.**

7. PERSONAL RESPONSIBILITY

Every director and employee shall be personally responsible for determining whether they possess Inside Information before trading. When there is any doubt, the person must refrain from trading and seek guidance from the **Chief Executive Officer / Company Secretary/ Compliance Officer**. It must be noted that ignorance of the law or this Policy shall not excuse non-compliance.

8. TRADING WINDOWS

Subject to the overriding principle that one should not trade while in possession of Inside Information, the Company may designate "trading windows".

Trading Windows will ordinarily commence after the public release of annual and interim financial statements and any other major announcement made by the Company Secretary.

However, "trading windows" do not provide "safe harbors" and / or a defense to insider trading. Directors and employees have a personal responsibility to ensure that they are not in possession of inside information when they deal in the securities of the Company even within trading windows.

9. CLOSED PERIODS

Directors and employees are prohibited from trading in the securities of the Company during the period from the end of a financial reporting period until two full market day after publication of the relevant financial statements, periods during which the Company is considering significant transactions, and other periods specified by the Board or Company Secretary.

10. PRECLEARANCE OF TRADES

If directors and employees have any doubt on whether they would be restricted from trading during any period they are encouraged to seek guidance from the Chief Executive Officer / Company Secretary / Compliance Officer of the Company disclosing, amongst other details, the proposed transaction, the number of securities, and a confirmation that they do not possess Inside Information. The Company Secretary / Compliance Officer shall guide the director or employee on whether it would be prudent to trade at the time. However, it must be noted that such guidance shall not constitute legal advice nor relieve the director or employee of personal responsibility.

The overriding principle of this Policy is **"If there is any doubt, do not trade."**

11. SPECULATIVE TRADING

Directors and employees should acquire securities of the Company as long-term investments. They should not engage in short-term trading, speculative dealing and repeated buying and selling of the securities of the Company.

12. DISCLOSURE OBLIGATIONS

Directors and the Chief Executive Officer of the Company shall promptly notify the Company Secretary of any dealing in the securities of the Company that require disclosure under applicable law or the Listing Rules to enable prompt regulatory filings.

13. CONSEQUENCES

A breach of this Policy may result in the Company taking a combination of the disciplinary actions which can include suspension or termination of employment, removal from office, being reported to the regulators.

It must also be noted that a breach of the insider dealing provisions of the SEC Act can lead to severe regulatory actions that include criminal indictments, civil actions for damages by investors and the SEC and other regulatory consequences.

14. TRAINING

The Company shall periodically provide training to directors and employees on their obligations under this policy.

15. WHISTLE BLOWING

Any person who suspects a breach of this Policy shall be obliged to promptly report the matter to the Company Secretary or the Compliance Officer.

The Company shall ensure that such reporting shall be handled with the utmost confidentially.

16. OBLIGATION TO COOPERATE

Every director and employee shall cooperate fully with any inquiry or investigation conducted by the Company, the SEC, the Colombo Stock Exchange or any other competent regulatory or law enforcement authority concerning dealings in the Company's securities or any suspected breach of securities laws.

17. HIGHER STANDARDS SHALL PREVAIL

Where this Share Trading Policy imposes requirements that are more stringent than those imposed by law or regulation, directors and employees shall comply with the higher standard established by this Code.

18. REVIEW

The Board shall review this Policy at least annually or whenever there are changes to applicable law, regulatory requirements or best practice.

Schedule A

FREQUENTLY ASKED QUESTIONS

How does one determine whether they are free to trade in the securities of the Company?

Every Director and employee should ask the following questions before dealing in Company securities:

1. Do I possess any confidential information?
2. Could that information influence a reasonable investor?
3. Has the information been publicly disclosed?
4. Has sufficient time passed for the market to absorb the information?
5. Am I trading during a permitted Trading Window?
6. Have I obtained all required approvals?

If the answer to any of these questions is uncertain, the transaction should not proceed until advice has been obtained from the Company Secretary.

What will constitute "inside information"?

The following examples are illustrative of what might constitute "inside information". However, they are not exhaustive.

A. Financial Information

Examples include:

- unpublished annual, interim or quarterly financial statements;
- draft financial statements or management accounts;
- actual or forecast profits materially above or below market expectations;
- unexpected losses;
- changes to earnings guidance;
- significant impairments or asset write-downs;
- material provisions for litigation or doubtful debts;
- liquidity concerns or cash flow difficulties;
- breaches of banking covenants;
- refinancing proposals;
- proposed declarations, increases, reductions or omissions of dividends;
- significant tax assessments or settlements.

B. Corporate Transactions

Examples include:

- proposed mergers or amalgamations;
- acquisitions or disposals of companies or businesses;

- takeovers or takeover approaches;
- management buy-outs;
- schemes of arrangement;
- proposed joint ventures;
- strategic alliances;
- restructuring of the Company's business;
- proposed sale of a material subsidiary;
- negotiations concerning a significant transaction.

Information may constitute inside information from the commencement of negotiations and not merely when definitive agreements have been signed.

C. Capital Raising

Examples include:

- rights issues;
- private placements;
- public offerings;
- debt issues;
- issue of convertible securities;
- employee share schemes;
- share buy-backs;
- reductions of stated capital;
- bonus issues;
- share splits or consolidations.

D. Business Operations

Examples include:

- commencement or cancellation of a major project;
- entry into or withdrawal from a significant market;
- commencement or closure of a manufacturing facility;
- discovery of a significant operational problem;
- interruption of production;
- loss of a major supplier;
- shortages of key raw materials;
- major product failures;
- significant technological developments;
- substantial changes in production capacity.

E. Contracts

Examples include:

- winning or losing a major customer;

- entering into a significant supply agreement;
- termination of a material contract;
- exclusive distribution arrangements;
- long-term procurement contracts;
- significant outsourcing arrangements;
- concession agreements;
- infrastructure contracts;
- Government procurement contracts.

F. Assets

Examples include:

- acquisition or disposal of significant land or buildings;
- acquisition or disposal of valuable intellectual property;
- major investment property revaluations;
- destruction of significant assets through fire or natural disaster;
- discovery of commercially valuable natural resources;
- impairment of major assets.

G. Financing

Examples include:

- obtaining substantial new banking facilities;
- withdrawal of existing credit facilities;
- debt restructuring;
- default under financing arrangements;
- significant guarantees;
- material changes to borrowing terms.

H. Litigation and Regulatory Matters

Examples include:

- commencement or settlement of material litigation;
- investigations by tax authorities;
- environmental prosecutions;
- regulatory sanctions;
- suspension or revocation of licenses;
- significant court judgments.

I. Governance and Management

Examples include:

- appointment or resignation of Directors;

- appointment or resignation of the Chief Executive Officer;
- significant changes in Board composition;
- internal fraud;
- major internal investigations;
- material weaknesses in internal controls.

J. Information Technology

Examples include:

- major cyber security incidents;
- ransomware attacks;
- large-scale data breaches;
- prolonged system outages;
- failure of critical information systems;
- loss of confidential customer information.

K. Sustainability and ESG Matters

Examples include:

- major environmental incidents;
- industrial accidents;
- significant health and safety failures;
- environmental enforcement action;
- loss of key environmental permits;
- material climate-related risks affecting operations.

Does a transaction have to be crystalized to constitute "Inside Information"?

Information may constitute inside information even though it concerns only one stage of a transaction.

Examples include:

- commencement of due diligence;
- appointment of financial advisers;
- receipt of an indicative offer;
- negotiation of principal commercial terms;
- draft Board papers;
- preparation of valuation reports;
- financing discussions;
- regulatory consultations.

The fact that Board approval has not yet been obtained does not prevent information from constituting inside information.

Information does not cease to be inside information merely because—

- negotiations are incomplete;
- conditions remain outstanding;
- legal documentation has not been finalized;
- approvals have not yet been obtained;
- the transaction may ultimately not proceed.