

POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND SHAREHOLDER INVESTMENTS – MILLENNIUM HOUSING DEVELOPERS PLC

1. Introduction

The Policy establishes the principles, controls, and procedures governing the effective management, safeguarding, and utilization of Company assets and shareholder investments. It is designed to ensure the optimal use of resources, adherence to applicable laws and regulations, and the protection and enhancement of long-term shareholder value.

2. Purpose

The purpose of the Policy is to ensure that Company assets and shareholder investments are:

- Utilized efficiently, responsibly, and in alignment with business objectives.
- Safeguarded against misuse, loss, fraud, and unauthorized use.
- Managed in a manner that maximizes sustainable, long-term shareholder value.
- Subject to high standards of transparency, accountability, and full compliance with all applicable legal, regulatory, and governance requirements.

3. Scope

The Policy applies to:

- All Directors, Management, and employees of the Company.
- All tangible and intangible assets owned, leased, or otherwise controlled by the Company.
- All financial resources and investments that are made, managed, or deployed using shareholder funds.

4. Principles

The Company shall manage its assets and shareholder investments in accordance with the following principles:

- **Accountability**

Company assets shall be utilized solely for legitimate business purposes and in the best interests of the Company and its shareholders.

- **Transparency**

All transactions involving Company assets and investments shall be accurately recorded, adequately supported by documentation, and disclosed in accordance with applicable accounting standards and reporting requirements.

- **Protection**

Adequate safeguards, internal controls, and risk management mechanisms shall be established and maintained to prevent misuse, loss, fraud, or unauthorized use of Company assets.

- **Efficiency**

Assets and financial resources shall be managed and deployed in a prudent and efficient manner to support sustainable business operations and maximize long-term shareholder value.

- **Compliance**

The management of assets and investments shall be conducted in full compliance with all applicable laws, regulations, internal policies, and corporate governance standards.

5. Control of Company Assets

This section establishes the controls and procedures for the effective management and safeguarding of Company assets.

- **Asset Register**

The Company shall maintain a comprehensive, accurate, and up-to-date asset register covering all tangible and, where applicable, intangible assets.

The register shall include, at a minimum:

- Asset description
- Unique identification number
- Location
- Custodian
- Acquisition date and cost
- Accumulated depreciation
- Useful life
- Current carrying value

Asset records shall be maintained in accordance with applicable accounting standards, including LKAS 16 – Property, Plant, and Equipment, and shall be periodically reviewed and reconciled with physical assets.

- **Physical Safeguarding**

The Company shall implement appropriate physical and digital controls to safeguard assets against loss, theft, damage, or unauthorized use.

Such controls shall include, but not be limited to:

- Secure storage
- Restricted access controls
- Surveillance, where necessary
- Periodic physical verification of assets

Discrepancies identified during asset verification shall be promptly investigated and reported to Management.

- **Insurance**

The Company shall maintain adequate insurance coverage for key assets to mitigate risks arising from theft, fire, natural disasters, and other unforeseen events.

Insurance policies shall be reviewed periodically to ensure the adequacy of coverage, alignment with asset values, and continued relevance to the Company's risk profile.

6. Management of Shareholder Investments

This section outlines the framework for the prudent management, monitoring, and reporting of shareholder investments to ensure optimal returns while maintaining acceptable levels of risk.

6.1 Investment Strategy

- The Company shall establish and maintain a formal investment strategy aligned with its long-term objective of maximizing shareholder value while ensuring appropriate risk management.
- The investment strategy shall promote diversification across various asset classes, including but not limited to equities, debt instruments, and real estate, to mitigate risk and enhance overall portfolio performance.
- All investment decisions shall be made in accordance with any specific mandates, restrictions, or requirements stipulated by shareholders or governing agreements.

6.2 Investment Portfolio Management

- The Company's investment portfolio shall be subject to periodic review to evaluate performance, risk exposure, market conditions, and alignment with the approved investment strategy.
- An Investment Committee shall be responsible for establishing investment guidelines, monitoring portfolio performance, and ensuring adherence to approved policies and risk parameters.
- Any material changes to the investment strategy, asset allocation, or portfolio composition shall require prior approval from the Board of Directors.

6.3 Performance Monitoring and Reporting

- The Company shall provide regular reporting on the performance of shareholder investments, at a minimum on a quarterly and annual basis. Such reports shall include details on returns, asset valuations, portfolio composition, and key risk indicators.
- All financial reporting related to investments shall comply with applicable accounting standards, including LKAS 32 – Financial Instruments: Presentation and LKAS 39 – Financial Instruments: Recognition and Measurement (or any applicable successor standards).

7. Internal Controls and Monitoring

The Company shall maintain robust internal control systems to ensure the proper management, safeguarding, and utilization of Company assets and shareholder investments.

Management shall:

- Establish an Independent Internal Audit Function

Implement an independent and adequately resourced Internal Audit Division responsible for evaluating the effectiveness of internal controls, risk management, and governance processes.

- Develop and Maintain Standard Operating Procedures (SOPs)

Develop, document, and maintain comprehensive Standard Operating Procedures (SOPs) covering all key processes related to asset management and investment activities.

- Prevent Misuse and Misappropriation

Design and enforce control mechanisms, including authorization limits, segregation of duties, and approval hierarchies, to prevent misuse, fraud, or misappropriation of Company assets.

- Monitor Capital Expenditure and Investments

Establish systems to regularly monitor capital expenditure (CAPEX) and evaluate the performance of investments against approved plans, expected returns, and risk parameters.

- Ensure Compliance with Budgets, Policies, and Regulations

Ensure that all expenditures and investment decisions comply with approved budgets, financial policies, and applicable regulatory requirements.

8. Roles and Responsibilities

8.1 Board of Directors

The Board shall provide strategic oversight of the Company's asset management and shareholder investment practices. In particular, the Board shall:

- Approve policies and frameworks governing asset management and investments.
- Ensure that robust governance, risk management, and internal control systems are established and maintained.
- Review periodic reports on asset utilization, investment performance, and risk exposure.
- Ensure alignment of asset and investment decisions with the Company's long-term strategic objectives and shareholder interests.

8.2 Management

Management shall be responsible for the implementation and operationalization of the Policy. Specifically, Management shall:

- Establish and maintain effective internal controls and procedures for asset safeguarding and investment management.
- Ensure accurate recording, monitoring, and reporting of all Company assets and investments.
- Manage assets and investments in a manner that optimizes efficiency, returns, and risk.
- Ensure compliance with applicable laws, regulations, accounting standards, and approved budgets.
- Report regularly to the Board on performance, risks, and any significant issues relating to assets and investments.

8.3 Employees

All employees shall be responsible for safeguarding Company assets within their custody or control. Employees shall:

- Use Company assets solely for authorized business purposes.
- Exercise due care to prevent loss, damage, theft, or misuse of assets.
- Comply with all applicable policies, procedures, and internal controls.
- Promptly report any incidents of misuse, loss, or irregularities to Management.

9. Reporting

Management shall provide periodic reports to the Board of Directors or the Audit Committee on matters relating to the management and utilization of Company assets and shareholder investments.

Such reporting shall include, but not be limited to:

- Significant Capital Expenditure and Asset Utilization

Details of major capital investments, including approvals, funding sources, and the extent to which such assets are being effectively utilized.

- Asset Management Performance

An evaluation of asset performance, including returns on investments, efficiency of asset usage, and alignment with the Company's strategic objectives.

- Incidents of Misuse, Loss, or Impairment

Disclosure of any material incidents involving misuse, damage, loss, or impairment of Company assets, together with corrective actions taken or proposed.

10. Review of the Policy

The Policy shall be reviewed at least annually to ensure its continued alignment with the Company's strategic objectives, applicable regulatory requirements, and market conditions.

The review process shall:

- Involve the Board of Directors and the Internal Audit function to ensure comprehensive oversight and evaluation.
- Assess the effectiveness, relevance, and adequacy of the Policy in managing Company assets and shareholder investments.

Any amendments, revisions, or updates to the Policy shall be subject to the approval of the Board of Directors.

11. Effective Date of Implementation

The Policy shall come into effect from 1st April 2026.
