CHEVRON LUBRICANTS LANKA PLC
(the "Company")

POLICY ON RISK MANAGEMENT AND INTERNAL CONTROLS

1. OVERVIEW

The Board of Directors of the Company has adopted the Policy on Risk Management and Internal Controls (the "Policy") in conformity with the Listing Rules to establish a framework to identify, assess, mitigate and monitor risks across all aspects of the Company's operations. This document sets forth a summary of the Policy.

Any capitalized term not specifically defined in this Summary will have the meaning therefor set forth in the Policy.

2. GOVERNANCE AND RESPONSBILITY

The Board retains ultimate oversight of the Company's risk management activities, whilst delegating the implementation and monitoring of the risk management framework to the Audit Committee.

Employees will receive regular training on risk management principles, processes and tools pertinent to their roles.

The risk management framework shall be periodically reviewed on an annual basis and updated to reflect changes in the business environment, emerging risks and lessons learned from past experiences.

3. RISK IDENTIFICATION AND ASSESSMENT

Risks will be identified through regular risk assessments.

Risks will be categorized based on their nature, severity, and likelihood of occurrence.

Risk assessments will consider both internal and external factors, including market conditions, regulatory changes, technological advancements, and the competitive landscape.

4. RISK MITIGATION AND INTERNAL CONTROL

Following identification and assessment, risks will be prioritized based on their potential impact and likelihood of occurrence.

The Company will address high-priority risks in one of the following ways:

(i) Risk Avoidance - Avoiding the risk by deciding not to commence/continue with the activity that gives rise to the identified risk
(ii) Risk Reduction - Involves reducing the severity or loss or the likelihood of the loss from occurring.
(iii) Risk Transfer - Sharing the burden of loss or the benefit of gain from an identified risk with another party.
(iv) Risk Acceptance - Involves accepting the loss or benefit from a risk when it occurs.

All risks not addressed through avoidance or transfer will be retained by default.

5. MONITORING AND REPORTING

Key risk indicators will be established to monitor changes in risk exposure, assess the efficacy of internal controls, and identify emerging risks.

Regular risk reporting will be provided to the Board and Senior Management to keep them informed of the Company’s risk profile, control environment and compliance status.

Any significant changes in risk exposure or unforeseen events will be promptly reported to the Audit Committee.