PAN ASIA BANK
The Truly Sri Lankan Bank

Anti Bribery & Corruption Policy
Pan Asia Banking Corporation PLC

1. Purpose

The aim of this Anti-Bribery and Anti-Corruption Policy is to establish clear principles for combating bribery and corruption and effectively managing associated risks within Pan Asia Banking Corporation PLC (the Bank). This policy applies to the Bank itself, its personnel (as defined below), and third parties (as defined below), mandating their commitment to combating all forms of bribery and corruption in transactions conducted through or involving the Bank.

The Bank maintains a zero-tolerance stance towards any manifestation of bribery or corruption. Such behaviors are viewed as direct threats to the Bank's integrity and reputation in the business sphere.

2. Scope

This Anti-Bribery and Anti-Corruption Policy (the Policy) is applicable to Pan Asia Bank Corporation PLC, and its activities in all jurisdictions in which the Bank operates. The Bank's core values are incompatible with bribery and corruption.

Accordingly, this Policy applies to:

- The Bank and its all branches
- Bank Personnel
- Third Parties

3. Definition

"**Bribery** is the offering, promising, giving, accepting, or soliciting of an advantage as an inducement for action which is illegal, unethical or a breach of trust. A bribe is an inducement or reward offered, promised, or provided in order to gain any commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards or other advantages."

"**Corruption** is the abuse of entrusted power, position and/or trust to get an improper advantage or gain, giving or receiving of any gratification or reward of any value for performing a task in relation to the person's job profile/job description."

Bank Personnel - All Directors, Consultants, Management, Officers and Employees (including permanent, probation, temporary or contract staff) of the Bank, and individuals (including trainees, seconded staff, casual workers, agency staff, interns) acting as an Accountable Person for the Bank.

Third Parties - This collectively includes, but is not limited to, customers, business partners, contractors, consultants, third party agents, third party introducers, referrers, persons acting in a fiduciary capacity, suppliers, and joint venture partners in any operations of the Bank

4. Policy:

Prohibits bribery, corruption, and illegal commissions, emphasizing transparency, legality, and ethical conduct in all business dealings. The policy establishes a zero-risk appetite for bribery and corruption. It is strictly prohibited for any bank personnel to pay and accept bribes to obtain any improper business or other advantage. Corrupt conduct by Bank Personnel is absolutely prohibited.

5. AB&C Principles:

Bank personnel must adhere to anti-bribery and anti-corruption standards outlined in the policy. Prohibited activities include offering or accepting bribes, making facilitation payments, and engaging in corrupt, fraudulent, collusive, or obstructive practices.

- *Pay, offer, promise, or accept, directly or indirectly, any bribe, inducement, secret commission*, or other form of improper payment (however small) in order to obtain any improper business or other advantage for the Bank, for themselves, or for others.

- *Make facilitation payments.* Facilitation payments are payments (typically of low value) made to a person/officer with the purpose of expediting or facilitating the performance of a routine governmental action.
- *Provide or accept benefits* including gifts, hospitality, entertainment, meals, travel/accommodation, training, or other things of value which are contrary to the standards in the related policies.
- *Provide or offer any gifts or benefits* in circumstances where it is known or suspected that the recipient cannot accept the gift or benefit pursuant to law or to any duties/obligations that they owe others.
- *Make political, charitable, or community donations or sponsorships* which are contrary to the Bank's policy.
- *Enter into or continue a business relationship with a third party* if they cannot be satisfied that such a third party will behave in a manner consistent with this Policy.
- *Engage or make a payment to a business partner*, or any other third party, knowing or suspecting the business partner or third party may use or offer all or a portion of the payment directly or indirectly as a bribe, kickback, secret commission, or other form of improper payment.
- *Falsify or mis-describe any book, record, or account* relating to the business of the Bank. All receipts and expenditures must be supported by documents that describe them accurately and properly.
- *Engage in a corrupt practice* which is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another person.
- *Engage in a fraudulent practice* by acting or omitting to act which includes misrepresenting or misleading a person to obtain financial or other benefit or to avoid an obligation.
- *Engage in a collusive practice* which is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.
- *Engage in an obstructive practice* which is deliberately destroying, falsifying, altering, or concealing evidence material to an investigation or making false statements to investigators.
- *Engage in a coercive practice* which would impair, harm, or threaten to impair or harm directly or indirectly any person or the property of any person to influence improperly the actions of that person.

Further, ensure following,

- Individuals and corporate entities associated with the Bank, including Third Parties, which act for or on behalf of the Bank, or who perform functions in relation to or on behalf of the Bank, are expected to have and comply with policies managing bribery and corruption risk.
- The Bank ensures that anti-corruption laws are not breached and ensures that the reputation of the Bank is not damaged. Bank Personnel must comply with the related policies/guidelines/circular letters when undertaking any of the following activities on behalf of the Bank:
- offering or accepting any benefits, including gifts, entertainment, meals, travel/accommodation, training, or any other things of value.

    - engaging and monitoring Third Parties.

    - procuring goods and services.

    - commencing activities in new countries or entering new business ventures; and

    - making political, charitable, or community donations or sponsorships.

- It is strictly prohibited for any Bank Personnel to pay or accept bribes to obtain any improper business or other advantage. Corrupt conduct by Bank Personnel is absolutely prohibited.
- Engaging in any kind of Bribe, or corrupt behavior, regardless of whether or not a benefit is given to or received by another person, and regardless of the value of the benefit.
- Carrying out any dishonest accounting or concealment of complete and accurate financial activity; and
- Making political donations in the form of cash/money on behalf of the Group; other political related expenditure, such as sponsorships, memberships, payments to attend political events, and gifts or entertainment to be given to political stakeholders or senior government officials, must undergo appropriate approvals and conform with relevant policies, standards, and procedures.
- Prevent/abate/refrain another staff member from performing official duties due to being influenced by any corrupt conduct.
- Cause or authorize any of the above conduct or any other conduct which is inconsistent with this Policy.
- Bank Personnel must not do any of the above in their 'personal capacity' to evade the requirements of this Policy.
- No Bank Personnel will be penalized or be subject to other adverse consequences for refusing to pay bribes or engage in any other conduct which would be a breach of this Policy, even if that refusal may affect the business of the Bank.
- Bank Personnel must keep accurate and complete records of all steps that have been taken towards compliance with the requirements of this Anti-bribery and Anti-corruption Policy.

6. Bribery and Corruption Risks:

Risk assessments are conducted to identify and mitigate bribery and corruption risks. Due diligence is performed on employees and third parties, and training and awareness programs are implemented to promote compliance.

7. Reporting:

The policy encourages reporting of any suspicions of bribery or corruption without fear of reprisal. Internal audit investigates allegations independently, and regulatory reporting obligations are fulfilled if necessary.

Please refer to the whistleblower policy for reporting procedure to inform any bribery or corruption incident related to the PABC.

Channels of reporting any breach or allegations

Any reportable conduct by	Reporting Authorities
Chairman of the Board	Deputy Chairman
Any other Director including the CEO	Chairman of the Board
Members of the Corporate Management	Chief Executive Officer
Any other employee	DGM Internal Audit /AGM Human Resources / Compliance Officer

Where a staff member is uncomfortable to report to the immediate supervisor or to the responsible persons given in the reporting channel, he/ she is encouraged to report to one of the reporting authorities stated above with whom the staff member is comfortable in approaching.

8. Breach of Policy:

Breaches of the policy may result in disciplinary action, legal consequences, reputational damage, and financial loss. Material breaches must be reported to the board.

9. Responsibility:

Preventing bribery and corruption is the responsibility of all bank personnel. The three lines of defense approach ensures effective governance and management of bribery and corruption risk.

10. Reviews:

The policy undergoes regular review to ensure compliance with regulations, effectiveness, and relevance. Necessary modifications are made to address weaknesses or changes in the industry or regulations.

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