

POLICY ON ANTI-BRIBERY AND CORRUPTION

1. INTRODUCTION

This Policy lays out the guidelines adopted by Vallibel Finance PLC (“Vallibel Finance”) in its stance on Anti-Bribery and Corruption and explicitly prohibits bribery of government officials as well as private sector (commercial) bribery, including the offering, promising, authorizing or providing anything of value to any customer, business partner, vendor or other third party in order to induce or reward the improper performance of an activity connected with the Company’s business.

2. SCOPE OF THIS POLICY

This Policy is intended to outline the Company’s risks related to bribery and corruption, to highlight responsibilities under both the relevant anti-corruption laws and Company policies, and to provide its employees and stakeholders with the tools and support necessary to identify and combat those anti-corruption risks.

Vallibel Finance expects all employees, officers, directors, and third parties working on its behalf to refrain from engaging in any form of bribery or corruption, irrespective of rank or position, domicile, or location. In addition to this general prohibition on bribery and corruption, a violation of this Policy could result in disciplinary action including, but not limited to, termination of employment. It is therefore vital that the employees and other stakeholders not only understand and appreciate the importance of this Policy, but also comply with it in the ordinary course of business of the Company.

3. PROHIBITION OF BRIBERY

Directors and employees of the Company must abide by all applicable Anti-Bribery laws of the country. In addition to the prohibition of bribery, the Company also has an established and accurate book and record keeping mechanism ensuring adequate internal controls, which are also subject to the purview of the relevant internal Board and Management Committees established under regulations.

(a) Bribes and Bribery

Under the law, bribes and bribery have a very wide definition. Bribery involves improperly offering, authorizing, giving, agreeing to give, promising, soliciting, providing, receiving or agreeing to receive a benefit or something of value (gratification) to or from a public official (means any executive, official, or employee of a Governmental Authority, political party or member of a political party, political candidate, executive, employee or officer of a public international organization, or director, officer or employee or agent of a wholly owned or partially state-owned or controlled enterprise etc.), someone in business, any employee/director in a private sector entity or a close relative of such a person (either directly or indirectly) in order to obtain or retain business or an advantage or to induce, influence or reward improper conduct or an improper decision. While a gratification may involve a monetary payment or offer, it covers anything of value such as:

- (i) cash or cash equivalents (eg: gift vouchers, tickets to an event or loans)
- (ii) some gifts, hospitality, entertainment or travel
- (iii) donations or scholarships
- (iv) offers of employment or favouring a hiring decision
- (v) the provision of favours (eg: discounted or 'free' use of services of the Bank, facilities or property)
- (vi) training
- (vii) sexual favours
- (viii) anything else that is of value to the recipient

(b) Commissions and "Kick-Backs"

In addition to the prohibitions of bribing government officials discussed above, the Company prohibits employees from offering or providing corrupt payments and other advantages to or accepting the same from private (non-government) persons and entities. Such payments constitute bribery in a commercial sense and are often called "commissions" or "kickbacks."

(c) Corruption

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, and the Company strongly condemns such practices.

4. RISK APPETITE

The Company has a Board approved Policy on Risk and Internal Controls which sets out the backdrop against assessment of risk levels of the Company when pursuing its strategic objectives.

As with any involvement with activities that are illegal, the Company's risk appetite for bribery and corruption is zero and the Company is committed to countering bribery and corruption in all forms.

Any association with bribery and corruption can also result in serious reputational damage to the Company and the individuals involved. It is for these reasons that the Company has well-established and curated policies, procedures and controls to assist it to operate within its risk appetite at all times.

Vallibel Finance recognizes that certain jurisdictions, sectors, transactions, business opportunities and business partnerships pose greater risks of bribery and corruption, and thus seeks to identify and manage these risks by way of its policies and internal committees who are dedicated to ensuring strict compliance with all applicable laws and regulations.

5. REPORTING SUSPECTED OR ACTUAL BREACHES

If any official or employee becomes aware of any actual or suspected breach of this Policy, or any relevant anti-corruption laws, or any request or demand for any undue financial or other advantage, this must be immediately reported to the Assistant General Manager - HR and/or to the Compliance Officer and rest of the proceedings shall be followed in accordance with the Policy on Whistleblowing.

(a) Channels of reporting any breach or allegations

Anyone becoming aware of a breach of this policy shall report such breach as above to either the Assistant General Manager - HR or Compliance Officer.

The Company has processes in place to ensure that reports are lodged, investigated and appropriate action is taken. Measures are in place to ensure that complaints are treated confidentially to the extent possible, and in line with the Policy on Whistleblowing. In circumstances where the bribery or corruption relates to customers, the Company may have obligations to report the conduct to the Financial Intelligence Unit (FIU) at the Central Bank of Sri Lanka. These obligations are detailed in the Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) Policy of the Company.

6. REVIEW OF THE POLICY

This policy shall be reviewed as and when necessary in accordance with the changes in the regulatory and business environment. Any revision or amendment to this policy shall be approved by the Board.

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