BANK OF CEYLON

Bankers to the Nation

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY 2026

Last Reviewed Date: 18th September, 2024

1. Purpose

1.1 Policy Statement

1.1.1 Bank of Ceylon is devoted to prevent and eliminate bribery and corruption and conduct the business with integrity, transparency and adherence to the highest ethical standards. As a financial institution entrusted with the public trust, the Bank recognizes the detrimental impact that bribery and corruption can have on Bank's reputation, financial stability and the communities that the Bank serves.

1.1.2 The Bank's Anti-Bribery and Corruption Policy ("the Policy") outlines zero-tolerance approach towards bribery, corruption, and unethical practices in all aspects of Bank operations. The Bank is committed to complying with all applicable anti-bribery and corruption laws and regulations, both domestically and internationally.

1.2 Definitions

1.2.1 **"Assets and Liabilities"** means assets, liabilities, income, expenditure and interests directly or beneficially owned in or outside Sri Lanka, the details of which shall be prescribed by regulations.

1.2.2 "**Bribery**" means the offer, solicitation or acceptance of any gratification.

1.2.3 **"Commission"** means the Commission to investigate Allegations of Bribery or Corruption**.**

1.2.4 **"Corporate Hospitality"** means corporate events or activities organized by the Bank or an organization which involves the entertainment of employees/directors of the Bank and third parties for the benefit of the Bank or that organization.

1.2.5 **"Corruption"** means demanding, offering, giving or accepting any kind of bribe or illegal benefits that would cause deviations in the lawful performance of duties or necessary actions by a person, who directly or indirectly acquires the illegal benefit or bribe.

1.2.6 "**Gratification**" shall include –

a. any money (currency which is in digital or virtual form recognized as legal tender, whether or not such currency is recognized in Sri Lanka);
b. a gift, loan, fee, reward, commission, valuable security or other property or interest in property of any description, whether movable, intangible and unreal or immovable;
c. any office, employment or contract;

d. any payment, release, discharge or liquidation of any loan, obligation or other liability whatsoever whether in whole or in part;
e. sexual favour
f. any other service, favour or advantage of any description whatsoever including protection from any penalty or disability incurred or apprehended from any action or proceedings of a disciplinary or penal nature, whether or not already instituted, including the exercise, or the forbearance from the exercise of any right or any official power or duty;
g. any offer, undertaking or promise of any manner within the meaning of (a), (b), (c), (d), (e) and (f).

1.2.7 **"Integrity Officer"** means the officer appointed for upholding ethical standards and combating bribery and corruption within the bank.

1.2.8 "**Person**" includes both natural and legal persons.

1.2.9 **"Third Party"** may include customers, potential customers, contractors, external companies and any other stakeholders with whom a business relationship, whether current, prospective or historic exists.

2. Responsibility

2.1 Duties and Responsibilities of the Board of Directors and the Employees

2.1.1 The Board of Directors are responsible to monitor and coordinate the implementation of effective, Anti-Bribery and Anti-Corruption Policy and the practices.

2.1.2 Every Director and employee of the Bank shall;

a. read, understand, adhere to and comply with this Policy during the performance of and carrying out their duties.

b. take all possible measures to give effect to the objectives of the Policy.

c. be responsible for decisions made or actions taken, which should always be in the best interest of the Bank.

d. recognize and avoid instances of conflict of interest (actual, apparent or probable) to maintain integrity and develop trust by making professional and impartial business and operational decisions.

e. raise or speak up regarding suspected or actual concerns, violations or non-compliance to this Policy.

f. make declarations of their assets and liabilities in accordance with the Anti Corruption Act No 09 of 2023 and the regulations.

2.1.3 Any Director or employee of the Bank shall not;

a. act outside the law relating to Anti-Corruption and any other related laws prevailing in Sri Lanka or outside Sri Lanka.

b. solicit or accept, demand, invite, ask for, or indicate the willingness to receive, any gratification or any advantage, directly or indirectly, for himself or for another person in the course of economic, financial or commercial activities.

c. solicit or accept any gratification, directly or indirectly, as an inducement or a reward from any person for performing or abstaining from performing any official duty/act, or expediting, delaying, hindering or preventing the performance of any official duty/ act.

d. offer or pay or promise any gratification, directly or indirectly, as an inducement or a reward to any person for performing or abstaining from performing any official duty/act, or expediting, delaying, hindering or preventing the performance of any official duty/ act.

e. accept from or offer any gratification to, directly or indirectly, any officer of the Bank, or any other person employed in any capacity for the prosecution, detection, investigation or punishment of misconducts/wrongful acts, as an inducement or a reward for such officer's or person's interfering with the disciplinary proceedings, or protecting from investigation or punishment the perpetrator of misconducts/wrongful acts, or abusing his official powers to the injury or detriment of any person.

f. solicit or accept any gratification, directly or indirectly, as an inducement or a reward from any third party for awarding a tender/contract, preparation of favorable Request For Proposals (RFPs), indicating favorable terms and conditions, refraining from exposing the unfavorable conditions of the bidder or the procurement of any service or a premises, or the supplying of any article, material, IT systems, solutions, services or substance, or for the execution of any contract, or the payment of the price or consideration or preventing of any such awarding, procurement or supplying or execution as mentioned in this paragraph.

g. attempt by any threat, deceit, suppression of the truth or other unlawful means to influence any employee of the Bank or any third party for the granting of any contract or advantage in favour of any person, or to perform or abstain from performing, or to aid in procuring, expediting, delaying, hindering or preventing the performance of any official act.

h. do any act by virtue of his office or by use of such office with or without any power vested with such office;
   i. to induce any other officer to perform, or refrain from performing, any act by virtue of his office;
   ii. use any information coming to his knowledge by virtue of his office for personal gains or any other person;
   iii. with intent or knowledge to cause wrongful or unlawful loss to the Bank, or to confer a wrongful or unlawful benefit, favour or advantage on himself or on any other person, or participate in the making of any decision by virtue of his office with intent or knowledge, that any wrongful or unlawful loss will be caused to any person or to the Bank, or that any wrongful or unlawful benefit, favour or advantage will be conferred on any person.

2.1.4 Any director or employee of the Bank who proposes to deal with a person, company, partnership or any other undertaking, in which that director or employee or a relative or associate of such director or employee has a direct or indirect interest, which interest is within the knowledge of that director or employee, shall disclose the nature of the interest to the following higher authorities.

i. Employees in the grade of Chief Manager & below – The Integrity Officer
ii. Employees in the grade of Assistant General Manager & Deputy General Manager – The General Manager
iii. General Manager & the members of the Board of Directors – the Board of Directors

2.1.5 Every Employee of the Bank shall assist to officers of the Bank/authorized officers of the relevant law enforcement authorities to conduct any inquiry or an investigation, as the case may be, regarding the allegations contained in any information or complaint made.

2.2 Responsibilities of Third Parties

2.2.1 Any Third Party shall ;

a. read, understand, adhere to and comply with this Policy during the correspondence with the Bank.

b. undergo the assessment of the due-diligence conducted by any authorized officer of the Bank.

c. not offer any gratification, directly or indirectly, as an inducement or a reward from any person for performing or abstaining from performing any official duty/act, or expediting, delaying, hindering or preventing the performance of any official duty/ act.

2.2.2. Any Third Party involved in the bidding and the tenders must adhere to strict compliance to this Policy, refraining from offering, soliciting, or accepting any form of bribe or undue influence. Violation or non-adherence to this Policy will result immediate disqualification from the process and blacklisting from future bids and may lead to legal actions.

2.2.3 In the event of any conflict of interest of a Third Party, the same shall be reported to the Integrity Officer of the Bank.

2.3 Duties and Responsibilities of Integrity Officer

The Integrity Officer of the Bank is responsible for preventing and combating bribery and corruption of the Bank. The Integrity Officer's responsibilities typically include;

a). identifying potential vulnerabilities within the Bank that could lead to corruption
b). creating and implementing policies, procedures and guidelines to prevent corruption and promote ethical behavior
c). regularly monitoring the Bank's activities to identify potential instances of corruption and reporting to appropriate authorities.

3. Review and Approval Process

3.1 Review and Evaluation

3.1.1 Anti- Bribery and Anti- Corruption Policy shall be reviewed at the time of any major changes in the existing business or legal environment or once in two years

3.2 Policy Owner

3.2.1 The owner of the Anti- Bribery and Anti- Corruption Policy is the Deputy General Manager (Human Resources) of the Bank. The Deputy General Manager (Human Resources) shall be responsible for the review of the policy periodically.

3.3 Approval Process

3.3.1 The Anti- Bribery and Anti- Corruption Policy is approved by the Board of Directors of the Bank.

4. Objectives of the Policy

The Policy aims to;

a) prevent and eliminate of bribery and corruption in order to conduct the business in just and fair manner;
b) promote and strengthen the measures to prevent and combat corruption more efficiently and effectively;
c) enhance the transparency of business operation;
d) strengthen the integrity of business operation and increase the accountability;
e) enhance the public confidence in the Bank;
f) adopt the standards and best practices in order to establish a culture of integrity within the Bank;
g) ensure the compliance with all relevant laws and regulations.

5. Scope of the Application of the Policy

The Policy shall apply to all internal and external stakeholders working with or on behalf of the Bank within Sri Lanka or across jurisdictions including but not limited to the following:

a) Board of Directors of the Bank
b) Employees: All employees of Bank of Ceylon in Sri Lanka and overseas locations (including permanent, contract, trainee/probationary employees who shall be considered for the permanent employment) at all grades, temporary and casual workers,
c) Ex-employees of the Bank
d) All agents acting on behalf of the Bank across counters, over telephone, via internet or any other method or channel.
e) Customers: All current or prospective clients/customers of the Bank
f) Professional Advisors and Consultants
g) Bidders, Vendors and any kind of Service providers
h) Others: Any other stakeholder working with or on behalf of the Bank not included in the above

6. Non-Compliance to the Policy

6.1 Failure to comply with this Policy by an employee may subject to disciplinary action, up to and including termination of employment, in accordance with the Disciplinary Code of the Bank.

6.2 If the Third Parties are found to have breached this Policy, or any applicable laws or regulations, such breach may result in termination of the contract(s) and if required, be subject to legal proceedings.

6.3 The Bank is committed to protect, within reason and means, anyone who reports or raises a concern in good faith, and those who participate in or conduct an investigation, from retaliation.

6.4 Reporting and Violation of the Policy

If any employee becomes aware of any actual or suspected breach of this Policy, the standards or any relevant anti-corruptions laws/regulations, or any request or demand for any undue financial or other advantage, the same must be immediately reported to the Chief Internal Auditor.

7. Related Legistration and Documents

7.**1** The below mentioned policies, key documents and guidelines of the Bank support the implementation of this Policy.

a. Code of Ethics
b. Disciplinary Code
c. Scheme of Recruitment
d. HR Policy
e. Customer Charter
f. Related Party Transaction Policy
g. Compliance Policy
h. Prevention of Money Laundering and Combating Financing Terrorism Policy.
i. Whistle blowing Policy

7.**2** Bank further adheres to following stands in order to comply with the Anti-corruption Act

7.2.1 Gifts, Entertainment and Corporate Hospitality

7.2.1.1 "No Gift" Policy/ Practice

The Bank follows a "No Gift" policy/ practice whereby all stakeholders are prohibited from, directly or indirectly, receiving or providing gifts subject only to certain exceptions.

Accordingly, the Bank recognizes that occasional acceptance or offer of modest gifts, entertainment and corporate hospitality that may be a legitimate contribution to good business relationships.

a) Exceptions to the "No Gifts" policy

Although generally Bank' practices a "No Gift" policy, there are certain exceptions to the general rule whereby the receiving and provision of gifts are permitted in the following situations:

i) Exchange of gifts between the Bank and other corporate entities (e.g. gifts exchanged between companies as part of an official visit);

ii) Gifts from the Bank to external institutions or individuals in relation to the Bank's official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending an event);

iii) Gifts from the Bank to employees and directors and / or their family members in relation to an internal or externally recognized function, event and celebration of the Bank (e.g. in recognition of an employee's/director's service to the Bank);

iv) Token gifts of nominal value normally bearing the Bank's logo or (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the Bank's brand building or promotional activities; and

v) Gifts to external parties who have no business dealings with the Bank (e.g. monetary gifts or gifts in-kind to charitable organizations).

Even in the above exceptional circumstances, employees and directors are expected to exercise proper judgment in handling gift activities and behave in a manner as per below:

i) Conscientiously maintain the highest degree of integrity;
ii) Always exercise proper care and judgment;

iii) Avoid conflicts of interest;
iv) Refrain from taking advantage of your position or exercising your authority to further your own personal interest at the expense of the Bank; and
v) Comply with applicable laws, regulations and the Bank's policies and procedures.

b). Acceptance of Gifts

The Bank is very much aware that the exchange of gifts can be a very delicate matter where, in certain cultures or situations, gift giving is a central part of business etiquette.

Although the general principle is to immediately refuse or return such gifts, accepting a gift on behalf of the Bank is allowed only in very limited circumstances, whereby refusing the gift is likely to seriously offend and may sever Bank's business relationship with the Third Party. However, in no circumstances may an employee, director or his/her family members accept gifts in the form of cash or cash equivalent.

In these limited circumstances, employees/directors shall immediately record such gift in the Gift Register which should be kept with the Manager of the Branch/respective Assistant General Manager of the Province/Head of the Department/General Manager/Secretary to the Board for reporting the same to the Integrity Officer or to the Board of Directors as the case may be, within the day or next working day.

7.2.1.2 **Entertainment**

a). Providing Entertainment

The Bank recognizes that providing modest entertainment is a legitimate way of building business relationships and as such a common practice within the business environment to foster good business relationship with third parties including customers.

As such, employees who are duly authorized to entertain third parties through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients.

Employees and directors are strictly prohibited from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery and contrary to this Policy.

The employees and directors are required to comply with the policies and procedures of the Bank, and maintain expenses within the limits of the entitlement, when carrying out entertainment activities.

Any entertainment activities that would involve public officials shall require the prior approval of the respective Head of Department. Directors are also expected to abide by the same rules.

b) Receiving Entertainment

The Bank recognizes that the occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a legitimate way to network and build good business relationships.

However, it is important for employees and directors to exercise proper care and judgment before accepting entertainment offered or provided by a third party.

7.2.1.3 Corporate Hospitality

Corporate hospitality is recognized as a legitimate way to network and build goodwill in business relationships. The employees/directors shall consider whether there is any intention to influence or be perceived to influence the improper outcome of a business decision by providing/accepting the corporate hospitality.

As a general principle, the Bank strictly prohibits employees and directors from soliciting corporate hospitality nor are they allowed to accept hospitality that is excessive, inappropriate, illegal or given in response to, in anticipation of, or to influence a favorable business decision, particularly from parties engaged in a tender or competitive bidding exercise (for e.g. contractors, vendors, suppliers etc.).

Notwithstanding the above, the Bank recognizes that the occasional acceptance of an appropriate level of hospitality given in the normal course of business is usually a legitimate contribution to building good business relationships. However, it is important for employees and directors to exercise proper care and judgment before accepting the hospitality.

Corporate hospitality would be illegitimate in the following situations:

i. If it provides an advantage to any person if offered; or

ii. If it is given with the intention of inducing the person to perform a relevant function improperly;

iii. If there is knowledge that acceptance of the advantage would in itself be improper performance.

It is compulsory that corporate hospitality arrangements / activities conform to the following basic principles:

i. Transparency
ii. Proportionality - the corporate hospitality must not be too excessive. In addition, the corporate hospitality must commensurate with the recipient's official capacity and not provided in his/her personal capacity;
iii. Reasonableness in ensuring that the corporate hospitality is not lavish; and
iv. Bona fide - where the intention to offer and/or provide the corporate hospitality is done with good and legal intentions.

7.2.2 **Donations and Sponsorships**

The Bank may donate and participate in sponsorships for the purpose of business objectives while adhering to this Policy and existing laws and the Bank assures that such donations or sponsorships shall not influence the business relationship with the Bank.

7.2.3 **Interactions with Public/Government Officials, Politically Exposed Persons ("PEPs") and identification of Beneficial Ownership**

All employees are advised to strict adherence to applicable laws, and all rules and regulations governing interactions with Public/Government Officials and PEPs.

7.2.4 **Corporate Social Responsibility (CSR)**

Bank actively supports various types of CSR activities in countries in which we operate, to ensure the sustainability of society and our environment.

CSR activities must be carefully examined and assessed for legitimacy and genuineness in not being carried out to improperly influence a business outcome.

7.2.5 **Conflict of Interest**

7.2.7.1 Conflict of interest arises when an individual's objectivity is compromised or perceived to have been compromised, and there is a conflict between his/her professional duties or responsibilities at the Bank and his/her personal interest.

All Stakeholders have a contractual obligation and are accountable for decisions made or actions taken, which should always be in the best interest of the Bank.

7.2.7.2 All Stakeholders shall recognize and avoid situations of conflict of interest (actual, real, perceived or potential) to maintain integrity and develop trust by making professional and impartial business decisions.

7.2.7.3 If any conflict of interest is identified, even if it is perceived or potential, the Stakeholder must immediately declare and report the situation(s) to the Integrity officer and the matter will be escalated to the relevant higher authority by the Integrity Officer for further action.

8. Records of Amendments to the Policy

Approval and Review	**Details**
Approval Authority	Board of Directors
Advisory Committee to Approval Authority	Human Resource Policy Committee Human Resource and Remuneration Policy
Administrator	Deputy General Manager – Human Resource
Next Review Date	01.01.2028

Approval and Amendment History	**Details**
Original Approval Authority and Date	Board of Directors 18.09.2024
Amendment Authority and Date	Human Resource Policy Committee