

CEYLON GUARDIAN INVESTMENT TRUST PLC
ANTI BRIBERY AND ANTI CORRUPTION POLICY

1. INTRODUCTION AND PURPOSE

Carson Cumberbatch PLC group of companies (“Carsons Group”) is a diversified group operating across several jurisdictions and its continued success depends largely on the respect, trust and confidence of its various stakeholders. The Company which is a part of it is therefore committed to conducting business in accordance with the highest ethical standards and prohibits all forms of bribery and corruption. The law governing bribery and corruption in Sri Lanka is codified in the Anti-Corruption Act No.9 of 2023 (“Act”) and covers bribery of government officials as well as private sector (commercial) bribery. This Anti-Bribery and Anti-Corruption Policy (“Policy”) explains the compliance procedure with a view to ensuring that the Company operates with the highest levels of honesty and integrity.

2. SCOPE OF APPLICATION

This policy applies to all employees and all directors irrespective of their categorization.

3. HOW TO COMPLY

The Policy will be made available to new employees and directors as a part of the induction program and the updated version will be available on the Group’s website. Employees and directors to whom this Policy applies must read and understand its terms and signify their agreement to abide it by signing off on the policy. You may also be called upon from time to time to attend awareness and training sessions initiated by the Company or outside.

4. WHAT IS BRIBERY

Means the offer, solicitation or acceptance of any gratification in contravention of the provisions of the Act. You should strictly abide by this Policy to avoid being implicated for committing the offence of bribery.

5. WHAT ARE THE ACTS OF BRIBERY YOU SHOULD NOT BE ENGAGED IN?

- Offering gratification to any Judges, judicial officers, members of any tribunal or other institution exercising quasi-judicial power, Members of Parliament, Provincial Councils and local authorities, as an inducement to do or not do any act in his official capacity.
- Offering gratification to a police officer, peace officer or public officer, officer of court as an inducement or reward for the abuse of his official powers.
- Offering gratification to a public official as an inducement or reward to procure a contract, providing any service or doing any work.
- Offering gratification to any person to obtain or withdraw a tender for a Government contract with the intension of securing that contract.
- Offering gratification to a public official as an inducement or reward to perform, not perform, delay, hinder, prevent any transaction involving Government business.
- Offering gratification to any person as an inducement or reward to procure any claim from the Government, employment, lease, service, favour or advantage from the Government or for the prevention of any of the above.
- Offering any gratification to any public official employed in a department, office or establishment whilst having dealings or 1 year before or after having dealings with that department, office or establishment.
- Offering gratification to any member, officer or employee of any Provincial Council, local authority or a scheduled institution under the Act or any governing body or committee thereof as an inducement or reward to influence a vote or performance or non-performance of an official act.
- Using threat or fraud to influence the vote of a member of a Provincial Council, local authority or scheduled institution under the Act or any governing body or committee thereof.
- Offering gratification to a foreign public official to influence any international business or to influence a foreign State or public international organization.

6. WHAT CONSTITUTES AN OFFER, SOLICITATION OR ACCEPTANCE OF ANY GRATIFICATION?

“*Gratification*” includes;

- (a) payment of money or providing any gift, loan, fee, reward, commission, valuable security or other property or interest in property of any description, whether movable, intangible and unreal or immovable. As provided here “money” includes currency which is in digital or virtual form;
- (b) offer of any office, employment or contract;
- (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- (d) any sexual favour;
- (e) 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;
- (f) any offer, undertaking or promise of any gratification within the meaning of the preceding paragraphs (a), (b), (c), (d) or (e).

“*Offering Gratification*” includes directly or indirectly giving, affording, holding out, agreeing, undertaking, promising and includes gratifications offered outside Sri Lanka as well.

7. WHAT IS BRIBERY IN THE PRIVATE SECTOR

Offering gratification (directly or indirectly) to an employee or director in a private sector entity, to commit or refrain from committing any act in breach of his duties. Any employee or director who solicits or accepts a gratification to act or refrain from acting in breach of his duties also commits the offence of bribery.

8. BRIBERY THROUGH AN INTERMEDIARY

A person offering any gratification to influence an official in the Government or an employee of a private sector entity to obtain any benefit or service for himself or another commits the offence of Bribery. The same principle applies to soliciting or accepting any gratification on behalf of another.

9. RISKS OF NON COMPLIANCE

Suspicion of bribery can end up you being arrested and kept under arrest up to 24 hours before being bailed out, freezing orders on assets of a company in which you are a director, impounding of your passport. Investigating officers have the power to make video recordings, use bugging devices, intercept phone conversations, emails etc.

On conviction you may have to pay a fine, be jailed for a period up to 7 years or both, be struck off the electoral register, be barred from running for public office or joining a public organization and forfeiture of property.

In a case where a company is convicted, every director, officer or agent will be liable to a fine unless they can show that they had no knowledge or they used all due diligence.

Remember that making false allegations of bribery is also punishable with a fine, jail term or both and being ordered to compensate the victim.

Any employee found to be in violation of this Policy may be subject to disciplinary action, up to and including termination of employment, in accordance with applicable laws and Company policies.

The Company expects all its business partners to abide by the applicable laws in conducting their affairs with the Company. Depending on the nature of the non-compliance in question, the Company will deal with the matter as appropriate.

10. HOW DOES THE BRIBERY COMMISSION COMMENCE AN INQUIRY

- ✓ Upon receipt of any information
- ✓ Upon receipt of a complaint
- ✓ On its own accord
- ✓ Based on any other material received

11. APPLICABLE LAWS

Employees and directors of the Company must abide by this Policy, Anti-Corruption Act No. 9 of 2023 and the local laws in every country in which we do business (for example, federal, regional, provincial, and state laws).

12. WHAT IS PERMITTED

- a. This Policy permits employees to provide modest gifts, hospitality or certain other things of value where it is customary to the industry and traditions of the country, other than as an inducement or reward to obtain

a benefit or favour. The Company and the employees are permitted to offer or accept business entertainment and gifts without prior approval, provided that the entertainment or gift in question is;

- Modest
- Appropriate and consistent with reasonable business practice; and
- Permissible under all applicable laws.

The following are examples of entertainment and gifts which are usually acceptable without prior approval;

- Occasional drinks and meals
- Seasonal Hampers
- Occasional attendance at sports, theatre, cultural and other events
- Token gifts of modest amounts.

- b. When deciding whether a gift is appropriate, employees must take into account any past, pending or future business or administrative matters that are within the recipient's realm of influence. The timing and context of such gifting must be considered in order to assess whether any particular gifting could objectively be perceived as bribery.

c. Giving and Receiving of Gifts

All employees of the Company are expected to conduct themselves with integrity, impartiality and honesty at all times. Accordingly, all employees are required to follow these rules on Gifts, Hospitality and Entertainment.

You must maintain a high standard of professionalism and not open yourself up to suspicion of dishonesty or put yourself in a position of conflict between your work and your private interests.

Gifts, hospitality and entertainment given and received as a reward, inducement or encouragement for preferential treatment or inappropriate or dishonest conduct are strictly prohibited.

Gifts of any nature received, whether it is one article or several within a short frame of time, that is reasonably perceived to be of a value over Rs. 25,000/-, should be disclosed to the Divisional Head and Human Resources Department in writing.

EASY TO REMEMBER: SAY 'NO' TO GIVING OR RECEIVING:

- Any gift that would be illegal or in breach of the prevailing laws in Sri Lanka or territory in question [if Company employees are based overseas or in relation to operations abroad].

- Any gifts that come with a direct/indirect suggestion, hint, understanding or implication that in return for the gift, some expected or desirable outcome is required (“quid pro quo”).
- Any gift which can reasonably be considered lavish or excessive, that may adversely affect the reputation of the Company.

d. Hospitality and Entertainment

The Company recognizes that providing modest but appropriate entertainment is a legitimate way of building business relationships, networking and as such a common practice within the business environment to foster good business relationship with external business partners and clients. As such, eligible employees are allowed to entertain external business partners and clients through reasonable acts of hospitality as part of business networking as well as a measure of goodwill towards the recipients.

Employees and directors should always bear in mind that this is an area where perception is often regarded as equally important as facts and therefore you should always exercise proper care and judgment when providing entertainment to third parties especially when it involves public officials to ensure compliance with anti-bribery and corruption laws.

You are required to comply with the policies and procedures of your Human Resource Department & Finance Department, when organizing, carrying out or participating in entertainment activities.

13. CHARITABLE CONTRIBUTIONS

13.1. The Company supports the making of contributions to the communities in which it does business and permits reasonable contributions to charities and conduct of corporate social responsibility initiatives within the guidelines of the applicable laws.

In this respect:

- 13.1.1. Reasonable steps must be taken to verify that any such contribution does not constitute an illegal payment to a government body or official or any employee or official in a private sector entity or any individual in violation of this Policy.

13.1.2. It may be permissible to make contributions directly to a government agency or private sector entity (rather than to any individual government official or employee) as part of a charitable effort or to promote goodwill.

13.1.3. All contributions must strictly ensure that the same be not used as a means to improperly influence decisions of a public officer or a private sector employee.

14. BOOKS, RECORDS, ACCOUNTING AND PAYMENT PRACTICES

14.1. In order to prevent the possibility of bribes and kickbacks being paid or accepted, all business, financial transactions and deployment of Company assets must be duly recorded.

14.2. All expenses must be accounted for, include appropriate supporting documentation and be promptly entered into Company records before they are reimbursed.

15. CORRUPTION

The offence of corruption applies only to public officials where his action or inaction involves a loss to another or to the Government or a wrongful benefit, favour or advantage.

16. REPORTING BREACHES OR CONCERNS

16.1. It is the responsibility of all employees to ensure compliance with this policy.

16.2. Any employee who is in doubt, suspects that this policy has been breached or has concerns about the actions by anyone in the Company, or any third party working with the Company in any capacity; is encouraged to contact the Director/Head of Legal of Carsons Management Services (Private) Limited ("CMSL"). Confidentiality of any information provided and anonymity of the person providing the information will be assured.

17. CLARIFICATIONS & POLICY REVISION

This Policy is not intended to provide definitive answers to all questions regarding bribery and corruption. This Policy sets out what is and is not acceptable in general terms, but if you are in any doubt as to whether any conduct could amount to bribery or corruption, you should seek further guidance from the Legal Department of CMSL.

This Policy must be reviewed at least every two years. It may be amended at any time with the approval of the Board of Directors of the Company.
