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## Anti-Bribery and Corruption Policy

### 1. Purpose

1.1 This policy sets out the company's commitment to conducting our business in an honest and ethical manner. The company has a zero-tolerance approach to Bribery and Corruption and are committed to acting professionally, fairly and with integrity in all our transactions with any stakeholder and implementing effective systems to manage this conduct.

1.2 The company will follow the relevant applicable laws in this respect.

### 2. Definitions

**"Agent"**: Any individual acting as an agent, paid by the company, acting on the company's behalf in negotiating with Third Parties.

**"Anti-Corruption Act"** shall mean the Anti-Corruption Act No. 09 of 2023 as amended from time to time;

**"Articles"** mean the articles of association of the Company, as amended from time to time;

**"Board"** means the board of directors of the Company;

**"Bribery"** means the offer, solicitation or acceptance of any gratification in contravention of any provision of Part III of the Anti-Corruption Act;

**"Company"** means Mahaweli Reach Hotels PLC and all its subsidiaries if applicable.

**"Corruption"** can include Bribery, the facilitation of payments or any other improper business practice. It also includes the misuse of entrusted power, either in the public or private sector, for business or personal gain.

**"Donation"** means a Donation is a voluntary contribution in the form of monetary or non-monetary gifts to a fund or cause for which no return service or payment is expected or made.

**“Employee”** means for the purposes of this policy this includes all individuals employed in any capacity by the company, directors, interns, Agents, or any other person associated with the company, or any subsidiaries or joint ventures or their employees, wherever they are located.

**“Gifts, Invitations & Hospitality”** means invitations given or received to social functions, sporting events, meals and entertainment, gifts or customary tokens of appreciation.

**“Director”** or **“Directors”** means a director or the directors (as the case may be) for the time being of the Company.

**“Facilitation Payment”** means any small or nominal payment made with the purpose of expediting or facilitating the performance by a Public Official of a routine governmental action

**“Listing Rules”** means the Listing Rules of the Colombo Stock Exchange;

**“Public Official”** means officials or employees of any government or other public body, agency or legal entity, at any level, including officers or employees of state-owned enterprises and officers or employees of enterprises which are mandated by a public body or a state-owned enterprise to conduct public functions.

**“Third Party”** means any individual or organisation with whom transactions are conducted with during the normal course of business. This includes actual and potential customers, suppliers, business contacts, government and public bodies, including their advisors, representatives and officials, politicians and political parties.

### **3. Scope**

3.1 This policy applies to all Employees and relevant Third Parties of the Company and shall be communicated to them at the outset of our business relationship and as appropriate thereafter.

### **4. Gifts, Invitations & Hospitality**

4.1 This policy does not prohibit general and appropriate hospitality (given and received) to or from Third Parties.

4.2 This policy prohibits the acceptance of a gift from or giving a gift to a third party in the following situations:

- (a) it is made with the intention of influencing a Third Party to obtain or retain business, to gain a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- (b) it includes cash or a cash equivalent (such as gift certificates or vouchers);
- (c) it is of an inappropriate type and value and given at an inappropriate time (e.g. during a tender process); and

(d) it is given secretly and not openly.

4.3 The test to be applied is whether in all the circumstances the gift or hospitality is reasonable, justifiable and is proportionate. The intention behind the gift should always be considered.

## **5. Facilitation Payments**

5.1 Facilitation Payments are not permitted.

## **6. Employees' Responsibilities**

6.1 An Employee should not (or another party on behalf of an Employee) should not:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- (b) give, promise to give, or offer, a payment, gift or hospitality to a Public Official or Third Party to 'facilitate' or expedite a routine procedure;
- (c) accept payment from a Third Party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- (d) accept a gift or hospitality from a Third Party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by the company in return;
- (e) threaten or retaliate against another Employee who has refused to commit a Bribery or who has raised concerns under this policy;
- (f) Make fraudulent statements with the view of obtaining personal benefit or benefit for another;
- (g) Misuse, misappropriate or inappropriately reassign property, assets and/or funds of the company for personal benefit or benefit of another; or
- (h) engage in any activity that might lead to a breach of this policy or perceived breach of this policy.

6.2 All accounts, invoices, memoranda and other documents and records relating to dealings with Third Parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness.

6.3 All Gifts, Invitations & Hospitality must be recorded according to Company practice.

6.4 All expense claims relating to Gifts, Invitations & Hospitality or expenses incurred to Third Parties are to be submitted in accordance with the Company's expenses policies and should specifically record the reason for the expenditure.

6.5 The prevention, detection and reporting of any form of Bribery & Corruption are the responsibility of all Employees. You must notify your manager as soon as possible if you are offered a bribe, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity. Such instances may be reported in accordance with the Whistleblowing policy as well.

6.6 All Employees have the responsibility to read, understand and comply with this policy. Employees should at all times, avoid any activity that might lead to, or suggest, a breach of this policy.

6.8 This policy should be read in conjunction with the Company's code of conduct.

6.9 Employees are encouraged to raise concerns about any instance, or suspicion, of malpractice at the earliest possible stage through their line manager or other available reporting mechanisms.

6.9 The Company will take reasonable steps to verify that any donation/sponsorships made by the Company does not constitute an illegal payment to a government body/official, private entity or individual, in violation of this Policy.

6.10 Employees shall act in the best interests of the Company at all times. Using the Company's property, information or position, either directly or indirectly through a third-party intermediary, for personal gains is strictly prohibited.

## **7. Protection**

7.1 Employees who refuse to take part in Bribery or Corruption, or report in good faith under this policy their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future will be protected from detrimental treatment/retaliation. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

## **8. Governance**

8.1 The Board has overall responsibility for ensuring this policy complies with the company's legal and ethical obligations, and that all those under the control of the Board comply with it.

8.2 **Director Development** has primary and day-to-day responsibility for implementing this policy and for monitoring its use and effectiveness. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

8.3 The Board reserves exclusive rights to review or amend or repeal this Policy at any time, depending on business requirements.

## **9. Non-Compliance with this Policy**

9.1 Any breach of this Policy will be taken seriously and may result in disciplinary action, up to and including termination of employment of an employee, in accordance with the applicable laws and Company policies.

9.2 In the event, service providers, suppliers, consultants, auditors and other third parties working with or on behalf of the Company are found to be in violation of this Policy, the Company may terminate its business relationship with the Company and the ability of the Company to do so should be covered in the contractual arrangements with such parties. The Company may also seek other legal/remedial action available under the applicable laws.

Anti-Bribery and Corruption Policy	
Version:	001
Approved By:	Board of Directors
Approved on:	28/11/2024
Notes:	Introduced in compliance with the Listing Rules of the Colombo Stock Exchange and applicable laws