T.

POLICY ON INTERNAL CODE OF BUSINESS CONDUCT & ETHICS FOR ALL DIRECTORS AND EMPLOYEES INCLUDING POLICIES ON TRADING IN THE ENTITY'S LISTED SECURITIES

PAN ASIA BANK

Document Reference POL/2024/ 00 24 / Version 1.0

Version	Issued Date	Documented by & Issued by	Description
1.0	25.07.2024	Documented by HR Department Issued by HR Department	1st version Effective from 25th July 2024.
Keywords	Policy on Internal Code of Business Conduct & Ethics		
Target Group	Directors & All staff		
Distribution	Directors & All staff		

This Policy is established and maintained as per section 9.2.1 (e) of the Listing rules of the Colombo Stock Exchange.

This policy will be reviewed, only if there is a necessity to carry out any amendments.

Objective

Code of Business Conduct and Ethics consist of a set of guidelines for Directors & all staff.

The target group of this policy should make a commitment to comply and it should promote integrity, accountability and ethical conduct. This Policy has been especially formulated for all Directors and all employees to act in accordance with the set norms on desired behavior complying with all applicable laws and regulations while maintaining high professional and ethical standards.

1. Ethical Business Standards

All Directors and employees must show integrity and professionalism in the workplace. They shall be honest and trustworthy in all negotiations in which the interests of the Bank are at stake and shall fulfill any undertakings made. Employees must maintain uniformity when serving customers and keep any confidential information of the Bank they have been / become privy to, as well as any information on employees, customers, and suppliers.

Under no circumstances may an employee offer or accept gifts, invitations, privileges, or any other kind of incentives that may reward or influence a business decision. In general terms, employees shall refrain from accepting any gifts, for any reason from customers, other stakeholders, etc. of the Bank.

Employees may not promise, offer, or grant to any person (including all stakeholders) or organization, any unjustified benefits, or advantages of any kind to seek preference for them or a third party over others.

Employees shall avoid or report any conflict of interest which may place personal priorities above the priorities of the Bank and shall behave honestly. Under no circumstances may they seek their own benefit or that of third parties through the misuse of their position or contacts at the Bank. In this regard, employees may not recruit / cause the recruitment of professional services of any of their family members (either through a relationship of blood or affinity) for the purpose of business of the Bank.

2. Personal Investments and Corporate Opportunities

Employees should disclose to the Compliance Department of their personal trading accounts when required, or when a necessity arises. Employees of the Bank should not put personal interests over those of the Bank or its customers when engaging in trading for their personal or related accounts. Employees' access to proprietary information or client information should not be used in any way to advantage employee's personal investing.

Directors and employees should ensure to refrain from providing any non-public information to a family member, friend or any other person which is illegal. All non-public information should be considered insider information and should never be used for personal gain.

Directors and Employees should also ensure to refrain from entering into transactions that present potential reputational or regulatory risk to the Bank.

Directors and Employees are prohibited from taking for themselves personal opportunities that are discovered using Bank property, information, or position without the consent of the Bank. No Director and employee may use Bank property, information, or position for personal gain, and no such person may compete with the Bank directly or indirectly.

3. Family Relationships and Family Members engaged in the same Profession / working in the Industry

If an employee wishes to do business on behalf of the Bank with a member of his or her immediate family, other relative, or with a Company of which a relative is an officer, director, the employee must disclose the relationship and obtain the prior written approval of the CEO.

If any of the employee's immediate family is a competitor of the Bank or employed by one, this fact must be disclosed to the Bank, for the Bank to assess the nature and extent of any concern and how it can be best resolved. Employees must carefully guard against inadvertently disclosing confidential information of the Bank.

Directors my disclose their close family members as and when required, to the Company Secretary.

4. Bribery, Corruption, Illegal Commissions

All forms of corruption, bribery and payments of commission are prohibited be them through actions or omissions or through the creation or maintenance of preferential or irregular situations in order to obtain some kind of benefit for the Bank or for Directors and employees themselves.

Directors and Employees shall undertake not to request, accept or offer any kind of payment, in cash or in kind, or in general terms any unjustified benefit or advantage of any kind to promote themselves or a third party over others, thus failing to fulfill their obligations concerning the acquisition or sale of goods or the recruitment of professional services or any other act that may have a bearing on the affairs of the Bank.

5. Participation in Political Activities

If a Director or an employee is interested or already involved in political activities in a personal capacity, all such activities entailed must be conducted outside official duties and should be handled separately. It is not permitted for any Director or an employee to coerce other Directors or employees to make political contributions.

Employees need to inform and obtain approval from the Compliance Department prior to engaging in any political activities and a Director should keep the Board informed of such interest.

6. Distribution of Literature and Merchandise

The distribution of literature, or merchandise on Bank premises during working hours is prohibited. This includes soliciting employees for membership, subscription to any organization or entity or the circulation of petitions, pamphlets, notices, or other printed materials for any public or private enterprise or for gifts of any nature.

7. Contact with Media

All media enquiries related to business activities, customers, employees, officers, or members of the Management / Board should be referred to the Head of Marketing or the Chief Executive Officer.

Directors and Employees are not allowed to make any statements in the name of the Bank or release any information or documents to the media either directly or through a third party, unless expressly authorized to do so by the Board/Chief Executive Officer.

7.1 Social Media

Only authorized employees are permitted to establish and manage social media channels on behalf of the Bank, as safeguarding the brand image and reputation is of paramount importance.

Directors and Employees must exercise prudent judgment when using social media and engaging in online activities, even in personal contexts. Posts on the internet or social media platforms referencing the Bank, its customers, or colleagues can impact both the individual employee and the Bank, potentially violating privacy laws, misusing confidential information, or breaching policies.

Social media activities are subject to the laws applicable in the country and the policies and guidelines of the workplace.

Directors and Employees must be mindful that discussing Bank-related matters on social media may potentially harm the business and/or the Bank's reputation.

When discussing Bank-related matters, employees should not portray themselves as spokespersons for the Bank, and their views do not represent the Bank's official stance. Directors and Employees are prohibited from disclosing or posting confidential information and trade secrets of the Bank on social media.

Usage of social media platforms such as Snapchat, Facebook, TikTok, and Instagram is not permitted during work hours. Similarly, employees are not allowed to use Bank materials for publication on their personal social media accounts.

Employees must avoid capturing photographs or videos that reveal their workstations, laptop/desktop screens, or Bank premises. Caution should be exercised when tagging or captioning photographs of colleagues on social media, as inappropriate images found to be harmful to the Bank's image or operations will be requested for removal from such platforms.

Employees must refrain from sharing or posting rumors on social media in relation to the Bank, Management, fellow associates, members, customers, suppliers, etc.

8. Use of Assets, Knowledge and Resources of the Bank

The assets of the Bank shall not be misused; they shall be used primarily for the purpose of conducting the business for which they are duly authorized and only for legitimate business purposes. Employees should at all times protect the Bank's assets and ensure their efficient use.

These include tangible assets such as equipment, facilities, materials and resources as well as intangible assets such as information technology and systems, proprietary information, intellectual property and relationships with clients and suppliers.

Pan Asia Bank's assets include:

- Physical assets, such as office furnishings, equipment and supplies;
- Technology assets, such as hardware, software and information systems;
- Financial assets, such as cash, securities and credit cards;
- The Bank's name, its brand and its customer relationships;
- Information assets, such as intellectual property, including about products, services, systems and other data.

Every Employee has a responsibility to protect the Bank's assets against loss, theft or other misuse as it would directly impact the profitability of the Bank. Any suspected loss, misuse or theft should be reported to the Head of the Unit or the Chief Financial Officer. Employees should ensure that they return all such property/ equipment to the Bank in good condition at the time of leaving the Bank or as and when directed by the Management.

Conduct in violation of this provision may result in disciplinary action and/or in civil or criminal penalties as the case may be.

9. Relationship with Customers / Counterparties

9.1 Treating Customers Fairly

The bank is dedicated to delivering exceptional customer service, driven by its customer-centric culture. The bank believes that its success hinges on creating value for customers through prompt solutions and services. It is crucial for the bank to uphold its commitments to customers, treating them fairly and transparently.

The Bank must refrain from taking advantage of or disadvantaging anyone through manipulation, concealment, misuse of confidential information, or unfair practices

All Employees interacting with customers must understand their needs, expectations, and interests to offer suitable solutions that align with their requirements, level of sophistication, and risk tolerance.

Employees must always conduct themselves with fairness, honesty, and transparency, avoiding favoritism toward certain customers over others.

It is strictly prohibited for staff members to use customers' confidential, sensitive, or personal data for personal gain.

9.2 Protecting Customer Assets and Accounts

No employee can share any confidential or customer's personal data with any third parties under any circumstance.

10. Requirements on Trading in securities of the listed entities

Directors/KMP shall immediately inform the Company Secretary if they trade in securities of the listed entity.

Directors, KMP and all other employees who is privy to price sensitive information shall not trade in listed entities securities within the stipulated time frames, as per section 8.6 which is given below.

10.1 Trading by connected parties

Connected persons should not trade, borrow or lend on the basis of price sensitive information that has not been disclosed to the public. Moreover, connected persons shall not trade, borrow or lend the Securities of the Listed Entity even after release of the information to the Exchange for a period, which should not be less than two (02) Market Days after the release of the information to permit thorough public dissemination and evaluation thereof. In computing this period of two (02) Market Days, the day on which disclosure is made will be excluded. For the purposes of this Rule, an individual is connected with an Entity if, and only if:-

a. He is a director of that Entity or a related Entity or his spouse and children under 18 years of age; or

b. He occupies a position as an officer (other than director) or employee of that Entity or a related Entity or a position involving a professional business relationship between himself (or his employer or an Entity of which he is a director) and the first Entity or a related Entity which in either case may reasonably be expected to give him access to information which, in relation to Listed Securities of either Entity, is unpublished price sensitive information and which it would be reasonable to expect (a person in his position not to disclose except) for the proper performance of his function.

Any sale/purchase of shares, which amounts to 10% or more of the issued quantity of the respective class of shares of the Entity listed on the Exchange, through one transaction or series of transactions.

All employees shall not trade in the company shares to gain any benefit if they are privy to confidential information

11. Breach of the Code of Conduct

Failure to adhere to this Code can have significant consequences. Not only may the individual in violation of the Code be personally liable for the legal or ethical violation, he or she may also be subject to Disciplinary Procedure policy of the Bank which may result in a disciplinary action and/or be liable for Civil or Criminal action as the case may be.

11.1 Procedure for notifying Breaches of the Code of Conduct

All employees have the duty of complying with the provisions of this Code. In this regard, the Bank has an established procedure which allows employees to report any breach of the principles contained herein to the management confidentially, without fear of reprisals.

Whoever may seek advice or may wish to report an incident shall be treated with respect and dignity. Employees reporting such matters will not be penalized or personally disadvantaged.

Similarly, employees are discouraged from making unfounded / false reports and are advised to avoid acting in mala fide (not acting in good faith) when making such reports. Therefore, employees, when making such report, shall ensure that as far as possible the report is factually accurate and based on first-hand knowledge. Employees are expected to act in a professional manner in keeping with the highest standards of integrity.

If employees do not believe it appropriate or are not comfortable approaching their supervisors about their concerns, then they may contact HR Department or the Management. If their concerns require confidentiality, and they so request, then the Bank will endeavor to protect this confidentiality (unless they are reporting their own wrongdoing), subject to applicable laws, regulations or legal proceedings.

12. Authority and Responsibility

At the sole discretion of the Partners / Management, this Code can be modified in whatsoever manner or can be completely / partially withdrawn at any time depending on the situation of affairs / business requirements of the Bank.

Note:

This Code of Conduct does not provide a full, comprehensive and complete explanation of all the rules that employees are bound to follow. Employees have a continuing obligation to familiarize themselves with all applicable laws, policies, procedures and work rules of the Bank.

13. Declaration

All Directors and KMP's to make an annual declaration with regard to the compliance of this code, and if unable to make such declaration, reasons for non-declaration to be stated.

Thushari Malalgoda	Nayantha Fernando	Naleen Edirisinghe
AGM – HR	**DGM/Company Secretary**	**Director / CEO**