



Anti-Bribery and Anti-Corruption Policy



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1. PURPOSE

The Anti-bribery and Anti-corruption Policy is formulated in response to the most recent corporate governance rules applicable to the listed entities, published in the Consultation Paper 2023 by the Securities and Exchange Commission of Sri Lanka. This policy underscores the Company's commitment to ethical practices and legal compliance while superseding any other existing JAT policies or practices relating to bribery and corruption.

The objectives of this Anti-Bribery Policy are to:

- Clearly outline the responsibilities of JAT and its employees in maintaining the Company's zero-tolerance stance on bribery and corruption.
- Equip JAT employees with the knowledge and guidance needed to identify, address, and proactively prevent bribery and corruption.
- Implement measures to safeguard JAT's integrity and reputation against any actions related to bribery and corruption.

The role of the "Compliance Officer" will be assumed by the Head of the Internal Audit Department, ensuring that compliance oversight is integrated with the Company's internal controls and audit functions. This alignment strengthens the organization's ability to maintain robust governance standards.

2. SCOPE

The policy applies to all directors, employees, consultants, and contractors of JAT (related parties). Compliance with this policy constitutes terms of service for each director, condition of employment for each employee, and condition of providing services to JAT for each consultant and contractor.

This Policy applies to all of the Company's business activities globally. All individuals covered by this Policy must comply with local laws, especially regarding anti-bribery and corruption. If there's any uncertainty, they should contact the Compliance Officer for guidance.

In this Policy, "third party" refers to any individual or organization you interact with while working for JAT, including customers, suppliers, distributors, agents, advisers, government entities, and their representatives.

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3. GUIDING PRINCIPLES

- **Zero Tolerance:** JAT maintains a zero-tolerance stance towards bribery and corruption in all forms, regardless of location or circumstance.
- **Compliance with Laws:** All employees, directors, and third parties must comply with applicable anti-bribery and anti-corruption laws and regulations in every jurisdiction where the Company operates.
- **Ethical Conduct:** The Company expects all directors, employees, and associated third parties to conduct business ethically and with integrity, avoiding any actions that could be perceived as corrupt or improper.
- **Transparency and Accountability:** All JAT business dealings must be transparent and well-documented. Employees must report any suspected bribery or corruption and ensure accountability in all business activities.
- **Prevention and Training:** The Company will provide regular training and resources to help directors, employees, and third parties understand and prevent bribery and corruption.
- **Due Diligence:** The Company will conduct thorough due diligence on potential business partners, agents, and contractors to ensure they adhere to anti-bribery and anti-corruption standards.
- **Whistleblower Protection:** The Company will protect individuals who report suspected bribery or corruption in good faith from retaliation, ensuring a safe environment for raising concerns.
- **Monitoring and Enforcement:** The Compliance Officer will regularly monitor compliance with the policy and enforce it rigorously, with disciplinary actions taken against violators.
- **Continuous Improvement:** The policy will be reviewed and updated regularly to ensure it remains effective and responsive to new risks or changes in legal requirements.

4. BRIBERY AND CORRUPTION

- **Bribery**

A “Bribery Offense” is defined using the below highlighted terminology.

- **A bribe** is an inducement or reward offered, promised, or provided to gain any commercial, contractual, regulatory, business, or personal advantage.

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- **An inducement** leads someone to do something to bring about the desired result.
- A business **advantage** means that JAT is placed in a better position (financially, economically, reputationally, or in any other beneficial way) either than its competitors or than it would otherwise have been had the bribery or corruption not taken place.
- **Kickbacks** are payments of any portion of a contract made to employees of another contracting party or the utilization of other techniques, such as subcontracts, purchase orders, or consulting agreements, to channel payment to public officials, political parties, party officials, or political candidates, to employees of another contracting party, or their relatives or business associates.
- **Extortion** means to directly or indirectly demand or accept a bribe, facilitation payment, or kickback.
- **Sexual Bribery** refers to a situation where sexual favors are solicited or offered in exchange for something of value or as a condition for providing or receiving benefits, services, or advantages. Such incidents may be reported to the compliance officer and be resolved through the Company's Anti-harassment policy.

- **Corruption**

"Corruption" refers to any Company employee who, with intent, enactment, to cause wrongful or unlawful loss to the Company, or to confer a wrongful or unlawful benefit, favor, or advantage on himself or any person, or with knowledge, that any wrongful or unlawful loss will be caused to any person or the Company, or that any wrongful or unlawful benefit, favor or advantage will be conferred on any person"

- Does, or forbears to do any act, that he is empowered to do by virtue of his office as a Company employee
- Induces any other Company employee to perform, or refrain from performing, any act, which such other Company employee is empowered to do by virtue of his office as a Company employee.
- Uses any information coming to his knowledge by virtue of his office as a Company employee.
- participates in the making of any decision by virtue of his office as a Company employee.
- Induces any other person, by the use, whether directly or indirectly, of his office as such Company employee to perform, or refrain from performing, any act.

shall be guilty of the offense of corruption according to the Bribery Act of 1994.

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5. STANDARDS AND CONTROLS

- **Behavioral Controls**

It is prohibited for JAT or its directors, employees, consultants, or contractors to:

- Give, promise to give, or offer, a payment, gift, or hospitality to a third party or otherwise engage in or permit a bribery offense to occur, with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
- Give, promise to give, or offer, a payment, gift, or hospitality to a third party to "facilitate" or expedite a routine procedure.
- Accept a payment, 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.
- Threaten or retaliate against another employee or worker who has refused to commit a bribery offense or who has raised concerns under this policy or JAT's Whistle Blowing Policy.

- **Strategic Controls (Risk Assessments)**

"Annual Company Risk Assessment" will be conducted to evaluate the necessary level of control for various aspects of the Company's operations, including procurement and tender processes.

In conducting the Risk Assessments, below should be considered,

- **Country Risk:** Assessing the overall risks of corruption and bribery associated with a particular jurisdiction.
- **Transactional Risks:** Evaluating the risks involved in business transactions undertaken by the Company or its associated entities.
- **Business Opportunity Risks:** Considering the potential for bribery or corruption in pursuing or obtaining business opportunities.
- **Business Partnership Risks:** Identifying risks arising from relationships or partnerships with other associated entities.

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The Compliance Officer, with input from Department Heads, leads the Annual Risk Assessment of the Company. Tailored policies and procedures will then be implemented to address identified risks. The Risk Assessment is a continuous process, and the Department Heads need to work with the Compliance Officer throughout the year to provide the necessary information.

- **Process Controls**

All business transactions must follow the standard procedures established through the process maps, standard of procedures documents (SOPs), and Company policies. Further, the policy highlights that,

- JAT must maintain accurate financial records and implement appropriate internal controls to document the business reasons for making payments to third parties.
- All transactions must be executed following management's authorization. Transactions must be recorded as necessary to permit the preparation of financial statements in conformity with International Financial Reporting Standards.
- All business partners of the Company also should have internal controls in place and procedures that fit these criteria and enhance compliance with this policy.
- The Company will maintain accurate books and records that fairly document all financial transactions, risk assessments, and due diligence, which would be available for inspection on demand.
- Any expenses related to hospitality, gifts, or other costs incurred by third parties must be submitted in accordance with the relevant JAT Entertainment Policy and Gifts and Hospitality Policy.
- Expenditures and dealings with third parties must be accurately documented (accounts, invoices, memorandums, etc.) and supported with appropriate records. Off-the-books accounts, false documents, deceptive bookkeeping, or any practices that conceal illegal payments are strictly prohibited.
- To maintain effective internal controls, the Company's Finance Manager will review transactions and expense/payment requests for any warning signs of inadequate commercial justification or excessive risk.

- **Annual Certifications**

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JAT considers annual certifications as a mechanism to ensure that employees, directors, and other stakeholders understand and adhere to the policies, procedures, and ethical standards set by the organization. By obtaining annual certifications, the organization reinforces accountability and provides a regular opportunity to review and confirm compliance with relevant laws, regulations, and internal policies.

The Compliance Officer and the Chief Executive Officer of JAT is responsible to for ensuring that all annual certifications are obtained on or before the relevant due date and for providing written confirmation to the Board of Directors.

- **Controls with Associated Entities**

- Making corrupt payments through subsidiaries, agents, or third parties, or making payments suspected to be used for bribes, is a policy violation.
- Relationships with agents and intermediaries must be documented with the Company's standard terms, ensuring compliance with the Policy and prohibiting bribery on the Company's behalf.
- Compensation paid to Associated Entities must be fair, and justifiable, and must be for the legitimate services provided.
- Associated Entities must maintain accurate books and records, which are available for inspection by the Company, its auditors, and investigating authorities on demand.
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- **Red Flags**

The Red Flags indicate the possible existence of corrupt practices and should be kept in mind by all those subject to this policy:

- Use of an agent/ service provider with a poor reputation or with links to a foreign government. (scoring lower marks in the Supplier Environment Evaluation Form which evaluates the supplier in multiple criteria such as quality, price, delivery, environment, community, etc.)
- Unusually large commission payments or commission payments where the agent does not appear to have provided significant services.

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- Cash payments, or payments made without a paper trail or compliance with normal internal controls.
- Unusual bonuses or requests for cash cheques by officers of the Company to personnel for which there is little supporting documentation.
- Contracts entered for services etc. which are not transparent to other members of the management.
- Private meetings requested by public contractors or companies hoping to tender contracts.
- Not following JAT policies or procedures — abusing the decision-making process.
- Unexplained preferences for certain subcontractors.
- Invoices rendered or paid over contractual amounts.

This list is not exhaustive, and it is expected to remain vigilant to other indicators that may raise suspicion of corrupt activity.

6. REPORTING VIOLATIONS/ WHISTLEBLOWING

All directors, officers, employees, consultants, contractors, and other 3rd parties of JAT must promptly notify the Compliance Officer or report through JAT's whistleblowing channels if they believe or suspect that a violation of this policy has occurred, may occur in the future, or has been solicited by any individual.

All reports of engaging in prohibited acts or potential violations should be submitted to the Compliance Officer for documentation purposes. The Compliance Officer will document the concerns raised in the “Reported Bribery and Corruption Registry” and notify the **Audit Committee** via a memo.

If the matter is deemed potentially serious, it will be immediately escalated to the Chief Executive Officer, the Chairman of the Audit Committee, and, where appropriate, the Chairman of the Board using the fastest communication method available.

Any whistleblowing directly reached the Board should be communicated to the Compliance Officer through the respective **Audit Committee or the CEO ensuring the timely updating of the said registry. The investigation and continuous follow-up on the case would be conducted by the appointed investigator according to the Company's Whistleblowing Policy.**

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Where it is decided that further investigation is not appropriate the reporting person/whistleblower must be given a prompt and full explanation of the reasons for reaching this conclusion.

7. RESPONSIBILITIES UNDER THE POLICY

- **Responsibility for the Policy**

The Company's Board of Directors has overall responsibility for ensuring this policy complies with JAT's legal and ethical obligations, and that all those under JAT Holding's control comply with it.

Preventing, detecting, and reporting bribery and other forms of corruption is the responsibility of everyone working for or under the control of JAT. All individuals must avoid any actions that could lead to or suggest a violation of this Policy.

- **Responsibility of the Managers**

The Board has delegated its power to the managers to implement the policy within their spheres of responsibility. The measures taken by managers will be proportionate to the risks associated with their areas of responsibility but may include:

- Devise, implement, and maintain systems and controls designed to prevent bribery, minimize the risk of bribery, and detect instances of corruption.
- Ensure employees are aware of the policy and arrange for employees to participate in anti-bribery training and other training specific to the needs of employee job functions when appropriate.
- Communicates the identified training needs relating to this policy to the Company Training Officer.

A manager to whom an employee's concerns are expressed must act promptly and escalate the matter following this policy.

Due Diligence - The Company will conduct appropriate due diligence to inform risk assessments and ensure compliance with the Policy. This will be done by each Head of operation on any relevant

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task within their department, and if any such material impact is evident, they will keep the Chief Executive Officer of JAT informed.

- **Responsibility of the Compliance Officer**

The Compliance Officer has the primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness. The compliance officer’s role is wrapped around driving Company risk assessments and maintaining accurate records of compliance activities, incidents, and investigations, reporting significant compliance issues to senior management or the Board of Directors, Overseeing the whistleblowing process, ensuring that employees can report concerns confidentially and without fear of retaliation and conducting regular audits and monitoring activities to detect and prevent compliance issues and to ensure that policies are being followed.

- **Responsibility of the Finance Department**

If anyone is asked to make a payment on the Company's behalf, it is expected you should always be mindful of what the payment is for and whether the amount requested is supported by the relevant supporting document.

- Payments related to commodity- PR/PO/GRN documents or system entries
- Payments related to Services – Service agreements or a valid formal document with appropriate endorsement.

As a control measure, the Payment Officer must verify the payment details and file the receipt after confirming the reason for the payment as mentioned in the receipt. Suppose there are any suspicions, concerns, or queries regarding a payment. In that case, it is expected to raise the concern to the Compliance Officer before taking any action.

8. COMMUNICATION OF THE POLICY

- **Communication of the Policy**

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The Policy will be available on the Company intranet and official website to ensure that all directors, officers, employees, consultants, and contractors of JAT are informed of the Policy. Any significant changes to the policy will be communicated to all relevant parties by the respective Department Heads. Additionally, new directors, officers, employees, consultants, and contractors will be educated on the Policy’s importance during their onboarding process by the Company’s Human Resources Department.

- **Training and Awareness**

All directors, officers, employees, consultants, and contractors of JAT must read, understand, and comply with all the policies mentioned under section number 11 - “Related Policies and References”.

To ensure compliance, Company associates must complete the assigned anti-bribery training, which may be delivered through in-person sessions, web-based courses, or instructor-led programs. If an associate is assigned an online training course, they are required to complete it, even if they have already participated in in-person training.

9. EXCEPTIONS PROVIDED BY THE POLICY

- Personal Safety

In exceptional situations (extraordinary) where the Company operates in areas where personal safety may not be guaranteed by the local authorities, you may prioritize your well-being (safety) if faced with an immediate threat, even if it requires making a payment that violates this policy. All such incidents must be promptly reported to the Compliance Officer, who is then required to notify the Chief Executive Officer of JAT Holdings PLC.

- Charitable Contributions and Social Benefits

JAT is dedicated to positively impacting the communities in which it operates. In line with this commitment, JAT carefully considers requests from governments and local organizations for contributions, whether in cash or kind, to support community well-being and development. All contributions must receive prior approval according to the Company’s Philanthropic Donation

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Policy and should be thoroughly vetted to ensure they are used for their intended and lawful purposes.

- Gift Giving and Hospitality

This policy does not prohibit customary hospitality given or received for humanitarian reasons or in accordance with the Company’s Gifts and Hospitality Policy. However, it is never permissible to provide gifts, donations, direct promotional expenses, or entertainment to anyone—whether government officials or commercial partners—in exchange for any improper favor or benefit that may constitute bribery or corruption, as described above.

10. MONITORING, REVIEW AND QUERIES

To ensure the effectiveness of this policy, the Compliance Officer will monitor its implementation, assessing its suitability, adequacy, and overall impact. Any identified deviations will be promptly addressed.

A review of Company processes and internal controls in this regard will also be integrated into the annual internal audit plan, which the Head of Internal Audit will lead. Internal control systems and procedures will undergo audits to confirm their effectiveness in preventing bribery and corruption. The individual responsibilities of each role in relation to this policy are detailed in section number 7. “Responsibilities under the policy”.

All directors, officers, employees, consultants, and contractors are encouraged to provide feedback on this policy and suggest improvements. Comments, suggestions, and queries should be directed to the Compliance Officer.

Any questions about how this code should be applied in a specific situation should be directed to the Compliance Officer or the Chief Executive Officer of JAT.

11. CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY

The Company has a zero-tolerance policy for violations, with severe consequences for non-compliance, including disciplinary action or termination. Personnel must fully cooperate with investigations into suspected breaches, and failure to do so will be considered a policy breach, potentially leading to dismissal for misconduct.

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12. RELATED POLICIES AND REFERENCES

Company Whistleblower Policy (*JAT/HR/GHR/P/10*)

Entertainment Policy (*JAT/FIN/FR/P/01*)

Gift Giving and Hospitality Policy – *in progress*

Anti-harassment Policy (*JAT/HR/GHR/P/03*)

Philanthropic Donation Policy (*JAT/FIN/FR/P/02*)

Code of Business Conduct and Ethics.

13. VERSION CONTROL

This policy was adopted by the Board of Directors of JAT Holdings PLC and shall become effective from 01st October 2024.

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