

CODE OF BUSINESS CONDUCT & ETHICS FOR DIRECTORS

CARGILLS BANK PLC



1. INTRODUCTION

Cargills Bank PLC (hereinafter referred to as the “Bank”) recognizes that as a Licensed Commercial Bank, all Directors occupy a position of trust and are expected to act ethically and with honesty and integrity in all matters. This Code sets out the fundamental guiding principles and standards for Directors to carry out their duties. Each Director is expected to comply with the letter and spirit of this Code.

2. SCOPE

This Code applies to all Directors of the Bank, both executive and non -executive.

3. PRINCIPLES

3.1 Competence

The Directors are required to make objective decisions in the interest of the Bank’s depositors, creditors, shareholders and other stakeholders. It is, therefore, necessary that Directors commit sufficient time and energy to fulfil the Board’s responsibilities. In order to fulfil and discharge their duties effectively, the Directors should develop and continuously maintain industry knowledge and skills and ensure their activities are conducted competently and professionally.

3.2 Fitness and Propriety

The Directors shall satisfy the fit and proper assessment criteria set out in the Banking Act and Directions issued thereunder and the Listing Rules of the Colombo Stock Exchange on a continuous basis.

3.3 Integrity and Good Faith

The Directors shall be honest and act in good faith in all their dealings. This includes being accountable and conducting themselves with utmost integrity and avoiding any acts that may damage the reputation of or bring discredit to the Bank. Every Director shall act in the best interest of the Bank, which would be the interest of all shareholders and other stakeholders.

3.4 Fairness and Transparency

The Directors are expected to act in accordance with the highest standards of personal and professional integrity, independence, honesty and ethical conduct, including use of

utmost care and sound judgment in good faith in making business decisions for the Bank. Business must be conducted in a legal, transparent, ethical and fair manner, so as to safeguard the reputation and interests of the Bank.

3.5 Confidentiality

The confidential and proprietary information of the Bank is a valuable asset. As a Licensed Commercial Bank, the Directors shall observe strict secrecy in respect of all transactions of the Bank, its customers and the state of accounts of any person and all matters relating thereto and shall not reveal any such matter except as permitted by law. This obligation will continue even after leaving the directorship of the Bank.

3.6 Conflict of Interest

Directors shall not allow any conflict of interest, bias or undue influence of others to override their business and professional judgement. They shall avoid actual, potential or perceived conflicts of interest in the activities with, and commitments to, other organisations, related parties and other stakeholders of the Bank, or the appearance thereof, in all transactions. They shall declare to the Board of Directors all matters that could impair their objectivity.

The Directors shall;

- i) promptly disclose any matter that may result, or has already resulted, in a conflict of interest;
- ii) avoid, to the extent possible, activities that could create conflicts of interest or potential conflicts of interest including political affiliations;
- iii) refrain from all conflicts of interest where he/she makes a financial gain (or avoid a financial loss), or receives some other benefit (directly or indirectly, or through a close relation or a concern in which he/she has substantial interest) as a result of a decision made during the course of his/her duties;

Examples of areas where a conflict of interest may arise in the performance of a director's duties include (but are not limited to) external directorships, contracts, advisory positions, intra-group transactions, relationships with suppliers, personal interests, gifts and hospitality, and inside information. It is not possible to define all situations or relationships which may create a conflict of interest, so each one must be evaluated individually.

- iv) abstain from participating in discussions on any Board decisions in relation to which he/she or any of his/her close relations or a concern in which he/she has substantial interest, is interested;

If the Board has reasonable cause to believe a Director has failed to disclose actual or possible conflicts of interest, it shall inform the Director concerned of the basis for such belief and afford the Director an opportunity to explain the alleged failure to disclose.

If, after hearing the Director's response and after making further investigation as warranted by the circumstances, the Board may determine the Director has failed to disclose an actual or possible conflict of interest and shall take appropriate disciplinary and corrective action.

The Directors shall also ensure that the relationships between the directors amongst themselves as well as between the directors, CEO and key management personnel are at a level that does not result in excessive familiarity, undue influence or coercion.

4. COMPLIANCE WITH LAWS, RULES AND REGULATIONS (INCLUDING INSIDER TRADING LAWS)

4.1 Laws and Regulations

The Directors shall at all times comply with all applicable laws, rules and regulations, including relevant policies of the Bank and other directions issued by the relevant authorities. They shall also oversee the compliance by employees with laws, rules, regulations, and policies applicable to the Bank.

4.2 Protection of Bank's Assets

The Directors shall safeguard the Bank assets, including its physical premises, equipment and facilities as well as the records and data or information. All Bank assets should be used only for legitimate business purposes.

4.3 Fair Dealing/Award of Contracts

The Directors shall ensure that dealings on behalf of the Bank with existing and potential customers be conducted fairly and equitably and should not be influenced by any friendship or association, either in meeting a customer's requirements or in recommending that they be met.

4.4 Corporate Opportunities

The Directors shall not appropriate corporate business opportunities for themselves or use Bank information for personal gain or have competing interests. Monetary transactions between the Bank and a Director and/or their related parties shall be brought to the notice of the Board.

4.5 Offer and Acceptance of Gratification

In addition to the duties placed on Directors by Law or Regulation, the Bank requires its Directors to ensure that gifts and hospitality offered by customers, suppliers and potential

customers and suppliers of goods and services to the Bank are declined. It is prohibited to solicit or accept, directly or indirectly, gratification in the form of gifts or favours (monetary or otherwise) from current or potential customers, or other stakeholders conducting business with the Bank.

4.6 Accurate Accounting and Record-Keeping

Recording and reporting financial or non-financial information with honesty, accuracy, and objectivity is crucial to uphold the credibility and reputation of the Bank. This practice ensures the Bank's compliance with legal, tax, audit, and regulatory obligations, facilitating effective communication and taking informed business decisions by investors and other stakeholders. Directors shall ensure that all financial and non-financial data accurately represent transactions and events.

4.7 Encouraging reporting of any illegal or unethical behaviour

The Directors should proactively promote and inculcate ethical behaviour and encourage employees to report violations and ensure that the Bank will not allow retaliation or discrimination against such persons for reports made in good faith. A Director shall promptly report to the Bank and the Board of Directors any violation of laws or ethical principles or Bank policies that come to his/her attention.

4.8 Bribery and Corruption

The Bank and the Board of Directors are committed to preventing bribery and corruption in all forms and to promote ethical behavior and business practices in the Bank. The Directors shall act professionally, fairly and with integrity in all our business dealings and ensure appropriate policies are in place to counter bribery and corruption.

4.9 Board Dominance:

The Directors shall act in the interests of the entire organization and recognize that this responsibility to the whole is greater than any loyalty to an individual director or group of directors, whether the loyalty is based on membership on other boards or otherwise. The Directors individually and collectively shall refrain from acting in a manner detrimental or prejudicial to the interest of the Bank as a whole, its shareholders, depositors and creditors. Further, the Directors shall not attempt to exercise individual authority over the organization and respect the decisions of the Board and shall not act in a manner that will undermine those decisions.

5. Share Transactions

5.1 Disclosure

Every director who has a relevant interest in any shares issued by the Bank must immediately disclose to the Board the number and class of shares in which the relevant interest is held and the nature of the relevant interest. A director who acquires or disposes of a relevant interest in shares issued by the Bank must immediately after the acquisition or disposition, disclose same

to the Board. If a Director or CEO of the Bank makes an acquisition or disposal of a relevant interest in shares issued by the Bank, the Bank is required to make an announcement to the Exchange within a period of five (05) Market Days immediately upon such acquisition or disposal.

5.2 Trading in Shares

Directors are privy to information of a material nonpublic nature and therefore shall not trade in the shares of the Bank from the end of a quarter and until seven (7) market days after the release of the financials of the Bank. Further, they are also required to refrain from trading in listed securities of Cargills Bank PLC, whilst in the possession of unpublished price sensitive information relating to such securities, until such time as the information becomes publicly available or the information ceases to be relevant information of a material non-public nature.

This section should be read in together with the internal Code of Corporate Governance.

6. Breach of Provisions of the Code

In the event of any non-compliance with this Code by any Director, the Board of Directors shall consider and decide on the appropriate action to be taken after considering all relevant information and circumstances.

7. Approval of Code

The Policy shall be approved the Board of Directors (BOD) and any amendments thereto shall be approved by the BOD.

8. Review of the Code

This Policy will be reviewed once in two years or more often as may be deemed necessary to reflect changes in the regulatory environment.

9. Annual Disclosure

All Directors shall issue an annual declaration confirming compliance with this Code as set out in the Annexure to this Code.

Annexure

Cargills Bank PLC

Code of Business Conduct and Ethics for Directors

Annual Compliance Certificate

I, _____ certify that I have received a copy of the Code of Business Conduct and Ethics (the “Code”) for Directors of Cargills Bank PLC and confirm that I have complied with applicable laws, regulations, policies and procedures of the Bank. I also certify to the Board that I was not in violation of the Code for the year 2024.

.....
Director

Date:

Cargills Bank PLC

CODE OF CONDUCT & ETHICS FOR CARGILLS BANK EMPLOYEES

PART 1 – BANK AND YOU

1. INTRODUCTION

Cargills Bank, a Public Limited Company, was established in January 2014 as a licensed commercial bank under the Banking Act No. 30 of 1988. The bank's name was changed to "Cargills Bank PLC" in 2007. Cargills Bank is rooted in the belief that uplifting rural communities will strengthen the nation. The bank's logo features an ear of paddy, symbolizing prosperity and agriculture in Sri Lanka. The upward movement symbolizes growth, while the red and orange hue signifies a bright future. The bank's tagline "Banking on the Human Spirit" reflects the belief in the human spirit's resolve and the importance of community and support in an individual's success.

2. BANK'S VISION AND MISSION

2.1 OUR VISION

Our Vision is to be the most inclusive bank harnessing the spirit of progress in every Sri Lankan.

2.2 OUR MISSION

We aim to directly engage every customer at their convenience by a unique and far reaching network, through efficient and innovative technology.

To facilitate and empower small and medium entrepreneurs, enhance industry standards through a highly motivated team of innovative bankers.

Create sustainable value for our investors through sound financial performance embedded in transparency and accountability.

3. OBLIGATIONS AND EXPECTATIONS

3.1 BANK'S OBLIGATIONS

Our Bank prioritizes staff development, progress, training, and well-being, investing in their development and providing a positive working environment. We value our valuable assets and aim to safeguard our tradition of strong moral, ethical, and social conduct.

3.2 BANK'S EXPECTATIONS FROM YOU

Cargills Bank values staff commitment and dedication, expecting impartiality, loyalty, honesty, integrity, and a strong work ethic. Their adherence to professionalism influences the bank's overall competence.

3.3 YOUR OBLIGATIONS

Employees must work diligently, demonstrate dedication, and prioritize the Bank's interests, ensuring decorum and refraining from actions that could harm the Bank's positive image.

3.4 POSITIVE ATTITUDE AND APPROACH

Maintain positive attitude, focus on solutions, show commitment in duties.

3.5 FALSE DECLARATION

Accurate personal info required; false data may result in termination.

4. CONDUCT AND RESPONSIBILITIES

4.1 APPEARANCE AND DRESS

Staff must dress professionally with minimal makeup and jewelry. Women: saree, dress, or skirt/blouse. Men: trousers, shirt, tie, belt, shoes, socks. Department staff must adhere to office attire. On dress-down days, employees wear bank-provided T-shirts with formal pants/skirts. Any deviations require approval from HR/department heads. Bank T-shirts cannot be shared or given away.

4.2 BANK IDENTITY CARD

You must always wear the Bank Identity Card while on duty, both inside and outside the Bank. Any alteration of the card is not allowed. It is nontransferable and must be returned to HR upon employment termination. Report a lost card within 24 hours to HR through your Branch Manager. Replacement cards incur costs and failure to report loss may lead to disciplinary measures.

4.3 SECRECY

Banking relies on trust and confidentiality when managing public finances. Uphold secrecy and be vigilant about technology risks to protect sensitive data.

4.4 COMMUNICATION

The Bank emphasizes efficient communication for productivity, harmony between management and staff to foster a friendly, cooperative work environment.

4.5 GREETING

Standard greetings should be “Ayubowan” / “Vannakkam” or Good Morning/Afternoon/Evening as appropriate.

4.6 TELEPHONE ETIQUETTE

Answer calls promptly in three rings, greet callers courteously, and identify yourself to establish a positive impression. Consequently, you must be courteous, greet every caller, and begin by identifying yourself.

4.7 TECHNOLOGY

Our Bank prioritizes technology for top customer service. Use Bank's advanced tech for success; don't share passwords. Familiar with the Bank's Information and Security Policy.

4.8 SAFETY

The Bank prioritizes safety by inspecting individuals and items, adhering to established security procedures. Caution is advised when handling equipment and accessing premises. Familiarize with evacuation measures and handle official documents carefully according to filing procedures.

4.9 CLEANLINESS

The Bank's image is influenced by its physical presentation. Maintaining clean premises is essential. Store food parcels in designated areas and avoid consumption in customer service areas.

4.10 UNAUTHORIZED CIRCULATION

Approval needed from HR before distributing literature or collecting funds.

4.11 COST AND WASTE CONTROL

Demonstrate cost consciousness by using resources effectively, avoiding waste, and refraining from personal use of Bank stationery and equipment. Prioritize value for money to contribute to profitable outcomes. Staff should handle items with care to prevent breakages and cost recovery practices.

4.12 BANK PRODUCTS AND SERVICES /RULES AND REGULATIONS

It is essential to have a good grasp of our Bank's products and services. Avoid giving clients incorrect information; instead, focus on guiding them to the best solutions. Keep all public information accurate and up to date. Seek authorization for interactions with clients, and assist those who may need extra support in accessing banking services fairly.

4.13 POSSESSION OF KEYS

Handle Bank keys with care, ensure proper transfer process, seek guidance from Manager in case of absence. Follow Bank's key handling procedure.

4.14 EFFICIENCY AND EFFECTIVENESS

Efficiency alone is not sufficient; effectiveness is key. Precise planning is essential for timely delivery of results. Embrace innovation for improved task execution. Suggestions are welcomed at our Bank but follow guidelines for improvements.

4.15 CODES /POLICIES AND CIRCULARS

Knowing internal codes, policies, and circulars at our Bank is crucial. Management updates rules via Instructions, Circulars, Memos, and communication. Stay informed to comply. Access GCLs, SCLs, SIMs, Policies, Codes, and Manuals on Intranet for career guidance.

5. GENERAL PERSONAL INFORMATION

5.1 NOTIFICATION OF CHANGE IN PERSONAL INFORMATION

You must update HR on changes in NIC, marital status, contact details, qualifications, spouse/children info. Misinformation may lead to consequences.

6. CUSTOMERS

6.1 CARING FOR CUSTOMERS

Strive for excellence in delivering personalized service to all stakeholders, internal and external.

6.2 ADDRESSING EXTERNAL CUSTOMERS

Maintain high professionalism and integrity in communication with colleagues, clients, and customers. Use courtesy titles and polite language.

6.3 INTERNAL CUSTOMERS

All employees must respect each other and work together towards common goals. Abusive language is prohibited. Professionalism and respect are expected at all times.

6.4 CORRESPONDENCE

Bank correspondence must meet typographical standards, use Bank letterheads for official letters, and route non-designated correspondence via authorized signatories.

6.5 INTERNET AND E-MAIL

Bank staff members must use IT facilities responsibly for work-related purposes. Information must be classified based on sensitivity. Official email is for business only, with polite language and no irrelevant or illegal content.

6.6 RESPONDING TO LETTERS

Respond promptly to letters, inform supervisor if delayed, provide cohesive replies to customer letters, seek guidance for unresolved matters, redirect letters on customer info disclosure.

6.7 VERBAL REQUESTS

Respond to requests within authority. Guide customer if necessary. Ask for written requests for bank account instructions.

6.8 CUSTOMER APPOINTMENTS

Schedule appointments mutually, notify in advance, have prepared agenda, be punctual.

6.9 HANDLING COMPLAINTS

Respond promptly and sincerely to customer complaints to improve service quality rather than viewing them as temporary issues. Apologize and take remedial action when necessary.

PART 2 - CODE OF CONDUCT

1. INTRODUCTION

Adhering to banking conduct standards is crucial for professionals to maintain trustworthiness. The Code of Conduct serves as a guide for staff members to follow diligently.

2 PRINCIPLES OF GOOD CONDUCT

All Cargills Bank PLC team members must uphold the bank's reputation for integrity both at work and outside. Misconduct will lead to disciplinary action.

3. DUTY OF SECRECY

Banking hinges on trust and confidentiality for managing public funds. Upholding secrecy is crucial. Do not misuse or disclose information to family or outsiders, including for personal gain. Familiarize with confidentiality practices.

4. OUTSIDE DEALINGS

Obtain approval before accepting directorship or appointments to avoid conflicts of interest. Engage in public, charitable, or religious activities that do not interfere with work. Notify HR of affiliations. Avoid agreements impacting business without approval, and refrain from appearing in ads or events without HR sanction. Staff can join group activities with HR approval.

5. ACCOUNTING AND RECORD-KEEPING

Accurate reporting of financial and non-financial information is vital for the Bank's credibility, compliance with regulations, and informed decision-making.

6. CORPORATE OPPORTUNITIES

Employees must not take advantage of business opportunities that could benefit the Bank. Competition with the Bank is prohibited.

7. PROTECTION OF BANK'S ASSETS

Protect assets to maintain profitability and efficiency.

8. CUSTOMER CARE AND DILIGENCE

Employees must fully understand the Bank's offerings and not provide false information. Biased service based on race, religion, or personal interest is unacceptable.

9. SUPERFLUOUS CONNECTIONS

Employees are not allowed to accept gifts or roles from customers without permission. Disclosure of personal ties to customers or suppliers is required. Close relationships among colleagues are encouraged but must not compromise internal controls. Engaging in external business interests is prohibited. Family members conducting business with the Bank must be declared in advance.

10. FAIR DEALING/AWARD OF CONTRACTS

Our Bank prioritizes fairness in dealings with customers, suppliers, competitors, and employees. Unethical practices like manipulation, abuse of information, or biased decisions are not tolerated. Awarding contracts should be based solely on price, quality, and services. Accepting personal fees for transactions on behalf of the Bank is strictly prohibited.

11. DECLARATIONS/ TESTIMONIES

Permission required from HR or management before commenting on Bank to media or external parties. Witnessing not allowed without approval.

12. BANKING AND FINANCIAL RELATIONSHIPS

Staff must pay financial obligations on time, follow guidelines for loans from the Bank, avoid borrowing from colleagues, and report suspicious account activity. Only certain employees can introduce current account holders, while family members' accounts are limited to spouses, children, and parents. Trading shares and obtaining credit facilities should be done through the Bank, with clear distinctions needed for business relationships requiring prior approval from HR.

13. OCCUPATIONAL HEALTH AND SAFETY REGULATIONS

Bank safety procedures prevent harm to people and property. Inspections may be conducted for security.

14. REPORTING UNETHICAL PRACTICES

Our Bank promotes ethical behavior and encourages reporting to supervisors when unsure of the right actions. Reporting concerns in good faith ensures protection from retaliation. It is important to report any issues that may harm the Bank and cooperate with investigations, including questionable, fraudulent, or criminal activities. Follow the Whistleblowing policy for reporting violations of laws, rules, and regulations.

15. PUBLIC STATEMENTS

Bank maintains good relations with media, but confidential info should not be shared. Public statements can be made only by Managing Director or delegates. Staff should refer media inquiries to Corporate Management.

16. ADVERTISING

Bank ads align with values, branding guidelines, ensuring ethical content and moral impact.

PART 3 - CODE OF ETHICS

1. INTRODUCTION

Employees expected to maintain high ethical standards to protect bank's reputation, encompassing moral principles and discerning right from wrong.

2. PRINCIPALS OF ETHICS

2.1 BEHAVIOUR WHILE ON DUTY

Staff must uphold decorum, avoid behaviors harmful to the bank's reputation, inform management of absences, and treat all colleagues with respect and professionalism. Harassment, discrimination, and violence are strictly prohibited.

2.2 BEHAVIOUR WHILE OFF DUTY

Maintain personal relationships separate from bank work to avoid harming the bank's reputation.

3. CONFLICT OF INTEREST

"Conflict of Interest" arises from conflicting duties/interests. Partnerships harming the Bank are forbidden. Key Management Personnel must avoid conflicts. Staff disclose personal interests. Employees avoid conflicts with Bank/customers, report staff relationships. Lending officers can't engage in loans with personal interests. Approval needed for loan applications from relatives/friends. Employees must not exploit beneficial business opportunities.

4. PROTECTION OF CONFIDENTIAL INFORMATION

Confidentiality in banking essential; disclose information only as needed for banking use.

5. ABUSE OF AUTHORITY

Illegal actions in finance sector: Insider trading, exploiting clients, unethical recommendations, collusion, withholding info.

6. PUBLIC TRUST AND CONFIDENCE

Prohibited actions include insider trading, exploiting clients' ignorance, recommending individuals of questionable integrity, colluding to harm the bank's interests, and withholding transaction-relevant information.

7. OFFER AND ACCEPTANCE OF GRATIFICATION

Employees must decline gifts or hospitality from suppliers of goods/services. Prohibited from accepting any form of gratification from customers, government officials, or politicians to avoid influencing them. Only trivial gifts can be accepted, all others must be refused or returned.

8. ENTERTAINMENT

Staff should avoid accepting entertainment, gifts from customers or officials, or implying preferential treatment.

9. ETIQUETTES

Adhere to professionalism by abstaining from alcohol, drugs, and smoking at work. Consequences for violations. Promote respectful conduct for a positive workplace.

10. SELF DEALING

Staff member engaging in activities harming Bank's interests or relationships considered self-dealing.

11. PUBLIC AND VOLUNTARY WORK

Participate in approved public and voluntary activities without any conflicts. Notify HR of affiliations.

12. POLITICAL AND CIVIC ACTIVITIES

Bank policy encourages employee participation in public duties, but without implying official bank endorsement. Approval needed for publicizing bank affiliation.

13. BRIBERY AND CORRUPTION

Bank prohibits bribery, corruption under Bribery Act. Bribes lead to dismissal, authorities notified.

14. GAMBLING/ RAFFLES/LOTTERIES AND ADVERTISEMENTS

Avoid gambling, unauthorized raffles, lotteries, and customer advertisements.

15. INSIDER TRADING/ TRADING/ DEALING IN CARGILLS BANK SECURITIES

Insider Trading is dealing with investments such as shares and bonds whilst in possession of nonpublic price-sensitive information [insider Information]. It will also include giving 'tips' or vital information to others - friends, relatives, or third parties based on this insider information. Insider Dealing/Insider Trading is considered an offence in Sri Lanka. Therefore, employees shall not buy or- sell in listed or unlisted securities, like shares/bonds/debentures /etc., which also includes shares/bonds debentures, etc., of Cargills Bank PLC whilst in possession of insider information. Such information is which they have received as a result of being employed at Cargills Bank, until such time as the information becomes publicly available or ceases to be relevant information of a material nonpublic nature, it is considered insider information.

To be amongst the best of corporate citizens, we must act with integrity, honesty and must avoid making gains through dealings when in possession of insider information. Further, an employee who deals in listed securities of Cargills Bank for his/her own account or for a close family member is required to report the details of such trades to the Compliance Officer/Delegate within seven days from the date of such transactions as per the format issue by the bank (Circular No 2024/-001 dated 9th October 2024 - Trading in Cargills Bank shares by staff while having access to material nonpublic information).

16. CORPORATE GOVERNANCE

Corporate Governance shapes business conduct; Cargills Bank prioritizes ethics, integrity, transparency, and trust as core values.

17. ADHERENCES TO GOVERNING LAWS

Cargill Bank employees must comply with all laws and regulations.