

Commercial Bank of Maldives Private Limited

Anti-Bribery and Anti-Corruption Policy

VERSION 4.0

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1 Abbreviations

AML CFT	Anti- Money Laundering and Counter Financing of Terrorism
BOD	Board of Directors
BRMC	Board Risk Management Committee
CBC	Commercial Bank of Ceylon PLC
CBM	Commercial Bank of Maldives Pvt Ltd
CDD	Customer Due Diligence
CFO	Chief Financial Officer
COO	Chief Operating Officer
CPC	Credit Policy Committee
DCEO	Deputy Chief Executive Officer
EDD	Enhanced Due Diligence
ERMC	Executive Risk Management Committee
GOM	Government of Maldives
HOCT	Head of Credit and Trade Finance
HORC	Head of Risk and Compliance
HR	Human Resources
KYC	Know Your Customer
LOD	Lines of Defense
MD/CEO	Managing Director / Chief Executive Officer
ML TF	Money Laundering and Terrorism Financing
MMA	Maldives Monetary Authority
MVR	Maldivian Rufiyaa
RAC	Risk Acceptance Criteria
RCD	Risk and Compliance Department
SM-T, TF&HR	Senior Manager – Treasury, Trade Finance and Human Resources

2 Introduction

The purpose of this Anti-Bribery and Anti-Corruption Policy is to set out the principles for countering bribery and corruption and the management of bribery and corruption risk in Commercial Bank of Maldives (Pvt) Ltd (the Bank) by preventing the Bank, Bank Personnel (as defined below) and Third Parties (as defined below) by requiring them to commit to countering bribery and corruption in all forms in relation to transactions routed through or involving the Bank. The Bank has zero tolerance for any form of bribery and corruption, and will treat potential instances of bribery or corrupt behaviour as a threat to its integrity and reputation as a business. The Bank has developed this Policy in accordance with these commitments as well as in adherence to the applicable laws and regulations of Maldives with a view to promote a culture of compliance. As set out in this Policy, all employees are responsible for the prevention and mitigation of bribery and corruption within their own roles and responsibilities.

The Policy does not relate to customers or their transactions to the extent where they are dealt in line with AML/CFT Policy of the Bank which focuses on anti-money laundering risks and combatting the financing of terrorism in connection with customer accounts, and related controls which focus on internal and external fraud and corruption risks by its customers.

Through this Policy, the Bank strives to promote and achieve compliance with Anti-Bribery and Anti- Corruption Laws.

3.1 Scope

This Anti-Bribery and Anti-Corruption Policy (**the Policy**) is applicable to the Bank including all the branches and its activities in all geographies in which the Bank operates. The Bank's core values are incompatible with bribery and corruption. The Policy of the Bank on Anti-Bribery and Anti –Corruption has been set largely in line with the Group Policies of the parent company, Commercial Bank of Ceylon PLC, Sri Lanka.

Accordingly, this Policy applies to:

- The Bank (in line with governing laws/regulations of such jurisdictions)
- Bank Personnel
- Third Parties

The Bank encourages and influences all of its non-controlled interests (such as partners, contractors, sub-contractors, vendors, suppliers, service providers, consultants, representatives and others performing work or providing services for or on behalf of the Bank) to have and implement anti-bribery and anti-corruption policies and procedures to an equivalent standard as this Policy.

3.2 Definitions

Accountable Person – A person or an entity who is responsible and/or has an obligation for identifying, mitigating and managing bribery and corruption related risks associated with transactions with the Bank.

Bank Personnel - All Directors, Consultants, Management, Officers and Employees (including permanent, probation, temporary or contract staff) of the Bank, and individuals (including trainees, seconded staff, casual workers, agency staff, interns) acting as an Accountable Person for the Bank.

Breach – Non-compliance with any of the requirements contained in this Policy where such non-compliance has not been approved by the Managing Director/CEO or the Head of Risk and Compliance.

Bribery – Prevention and Prohibition of Corruption Act No 2 of 2000 refers to ‘Bribery’ as money, goods and property, conveniences and other benefits, other than salary, wages, benefits, perks and conveniences offered by the employer commensurate to employment, offered or obtained in order to act or omit to act or to lessen the burden, to ease, to benefit, to give any advantage whatsoever, to inconvenience or to make burdensome or to inflict any harm whatsoever on a specific party or to motivate or reward someone to carry out such.

Undue advantage - ‘Undue advantage’ refers to anything other than bribery obtained through use of influence from position in addition to salary, wages, benefits, perks and conveniences commensurate with work offered by the employer

Corruption - Corruption is the abuse of entrusted power, position and/or trust to get an improper advantage or gain, giving or receiving of any gratification or reward of any value for performing a task in relation to the person’s job profile/job description.

Third Parties - This collectively includes, but is not limited to, customers, business partners, contractors, consultants, third party agents, third party introducers, and referrers, persons acting in a fiduciary capacity, suppliers and joint venture partners in any operations of the Bank.

3.3 Related policies

This Policy should be read in conjunction with the other policies, key documents and guidelines of the Bank listed below.

- AML/CFT Policy
- ML/TF Risk Assessment Policy
- Compliance Policy
- Risk Management Policies
- Lending Guidelines
- Code of Ethics and Whistle blower charter for officers of CBM (*Circular*)
- Whistleblowers' Charter of CBM
- Procurement Policy
- HR Policy
- Donations and Sponsorship Policy and Procedure
- Related Party Transactions Policy

3 Risk Appetite

The Bank has a Board approved Risk Management Policy which sets out the level of risk the Bank is willing to accept when pursuing strategic objectives of the Bank. As with any involvement with activities that are illegal, the Bank's risk appetite for bribery and corruption is **zero**.

The Bank is committed to countering bribery and corruption in all forms, and promotes a culture of compliance and genuine engagement with anti-bribery and anti-corruption standards as breaches of anti-bribery and anti-corruption laws attract serious criminal and civil penalties, both in Maldives and under the laws of foreign countries. Any association with bribery and corruption can also result in serious reputational damage to the Bank and individuals involved.

The Bank seeks to establish and maintain meticulous policies, procedures and controls to assist it to operate within its risk appetite at all times. The Bank recognises that certain jurisdictions, sectors, transactions, business opportunities and business partnerships pose greater bribery and corruption risks, and seeks to identify and manage these risks by way of this Policy.

4 Obligations

The Bank ensures that anti-corruption laws are not breached and ensures that reputation of the Bank is not damaged. The Bank categorically prohibit the use of Bank funds for the purpose of making or facilitating any political contribution. Bank Personnel must comply with the related policies/guidelines/circular letters when undertaking any of the following activities on behalf of the Bank.

- offering or accepting any benefits, including gifts, entertainment, meals, travel/accommodation, training or any other things of value;
- engaging and monitoring Third Parties;
- procuring goods and services;
- commencing activities in new countries or entering into new business ventures; and
- making charitable or community donations or sponsorships

It is strictly prohibited for any Bank Personnel to pay or accept bribes to obtain any improper business or other advantage. Corrupt conduct by Bank Personnel is absolutely prohibited.

Bank Personnel must comply with anti-bribery and anti-corruption standards established below by this Policy.

All Bank Personnel must not:

- pay, offer, promise or accept, directly or indirectly, any bribe, kickback, secret commission or other form of improper payment (however small) in order to obtain any improper business or other advantage for the Bank, for themselves, or for others;
- make facilitation payments. Facilitation payments are payments (typically of low value) made to a public official with the purpose of expediting or facilitating the performance of a routine governmental action;
- provide or accept benefits including gifts, hospitality, entertainment, meals, travel/accommodation, training or other things of value which are contrary in the ordinary course of business (*More fully described in the Code of Ethics and Whistle Blowing Policy of CBM – Staff should not place themselves in a position of obligation, by accepting special favours, extravagant / high value gifts, offers for staff picnics or overseas travel, frequent excessive entertainment and favours offered for their immediate family members and other favours or considerations, from persons with whom they have business dealings with*)
- provide or offer any gifts or benefits in circumstances where it is known or suspected that the recipient cannot accept the gift or benefit pursuant to law or to any duties/obligations that they owe others;

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- make political, charitable or community donations or sponsorships which are contrary to the Bank's Donations and Sponsorship Policy (*Section 3.b – Ineligible initiatives: Donation or sponsorship are not eligible from CBM if the corresponding initiative pursues an ideological objective, this includes contributions, financial or in kind, to political parties or to an individual politician*)
 - enter into or continue a business relationship with a third party if they cannot be satisfied that such third party will behave in a manner consistent with this Policy;
 - engage or make a payment to a business partner, or any other third party, knowing or suspecting the business partner or third party may use or offer all or a portion of the payment directly or indirectly as a bribe, kickback, secret commission or other form of improper payment;
 - falsify or mis-describe any book, record or account relating to business of the Bank. All receipts and expenditures must be supported by documents that describe them accurately and properly;
 - engage in a corrupt practice which is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another person.
 - engage in a fraudulent practice by acting or omitting to act which includes misrepresenting or misleading a person to obtain a financial or other benefit or to avoid an obligation.
 - engage in a collusive practice which is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.
 - engage in an obstructive practice which is deliberately destroying, falsifying, altering or concealing of evidence material to an investigation or making of false statements to investigators.
 - engage in a coercive practice which would impair, harm or threaten to impair or harm directly or indirectly any person or the property of any person to influence improperly the actions of that person
 - prevent/ abate/ refrain another staff member from performing official duties due to being influenced by any corrupt conduct.
 - cause or authorise any of the above conduct or any other conduct which is inconsistent with this Policy.

Bank Personnel must not do any of the above in their 'personal capacity' in an attempt to evade the requirements of this Policy.

No Bank Personnel will be penalised, or be subject to other adverse consequences, for refusing to pay bribes or engage in any other conduct which would be a breach of this Policy, even if that refusal may affect business of the Bank.

Bank Personnel must keep accurate and complete records of all steps that have been taken towards compliance with the requirements of this Anti-bribery and Anti-corruption Policy.

Individuals and corporate entities associated with the Bank including Third Parties, which act for or on behalf of the Bank, or who perform functions in relation to or on behalf of the Bank are expected to have and comply with policies managing bribery and corruption risk.

5 Non-compliance with this policy

Since the Bank has **zero** tolerance for conduct in violation of this Policy, a breach of any of the provisions of this Policy may lead to disciplinary action and will be investigated in line with the HR Policy of the Bank. It may be treated as gross misconduct and could render Bank Personnel liable to summary dismissal. Conduct in violation of this Policy may also breach applicable anti-corruption laws and result in criminal or civil penalties, including fines and imprisonment.

Bank Personnel must cooperate fully and openly with any investigation by the Bank into alleged or suspected corrupt activity or breach of this Policy. Failure to cooperate or to provide truthful information is a breach of this Policy.

6 Reporting suspected or actual breaches

If any Bank Personnel becomes aware of any actual or suspected breach of this Policy, the standards or any relevant anti-corruptions laws, or any request or demand for any undue financial or other advantage, this must be immediately reported to the Branch Manager or the Department Head or Chief Operating Officer and/or escalate it to the Head of Risk and Compliance in accordance with the Whistleblower Charter of the Bank.

Material breaches of the Policy will be reported to the Board Risk Management Committee.

Channels of reporting any breach or allegations

<u>Any reportable conduct by</u>	<u>Reporting Authorities</u>
Chairman of the Board	Deputy Chairman
Any other Director including Managing Director	Chairman of the Board
Members of the Corporate Management	Managing Director
Any other employee	Head of Risk and Compliance (HORC)

Where a staff member is uncomfortable to report to the immediate supervisor or to the responsible persons given in the reporting channel, he/ she is encouraged to report to one of the reporting authorities stated above with whom the staff member is comfortable in approaching.

The Head of Risk and Compliance's independent Hotline for reporting is +960 3029101

Processes are in place to ensure that reports are logged, investigated and appropriate action is taken. Measures are in place to ensure that complaints are treated confidentially to the extent possible, and consistently with legislative protections.

In circumstances where the bribery or corruption relates to customers, the Bank may have obligations to report the conduct to the Financial Intelligence Unit (FIU) at the Maldives Monetary Authority (MMA). These obligations are detailed in the AML/CFT Policy of the Bank. Where potentially relevant, Bank Personnel should consider whether the Bank has additional reporting obligations in line with these requirements.

The Bank will not permit retaliation of any kind against any Bank Personnel where they have reasonable grounds to suspect a violation of this Policy. Any actual or attempted retaliation is also a breach of this Policy.

Bank will use an appropriate channel to inform its customers, on the ability to raise their concerns on Bribery or Corruption related activities that they are aware of with the Compliance Officer / the MD/CEO of the Bank. **HORC will be referred to as the Compliance Officer in this policy.**

Material breaches of the Policy will be reported to the Board Risk Management Committee in accordance with the Compliance Policy.

7 Risk Assessment

The Bank shall undertake a risk assessment of the overall operations of the Bank in relation to bribery and corruption at least once in two years and as and when necessary (including when there is a change in law, changes in businesses of the Bank or circumstances whereby a risk assessment is warranted) to identify, analyse, assess and prioritise actions needed to mitigate internal and external corruption/ bribery risks identified.

The Management shall review the risk assessment report of the Bank and consider improvements on the policies and procedures in combating bribery and corruption. The report will be presented to the Board Risk Management Committee.

8 Exceptions and variations from Policy requirements

Bank Personnel will not be penalised for making a payment or providing a benefit in circumstances where they fear imminent physical injury to themselves or another person if the payment or benefit is not made/provided. If any payment or benefit is made/ provided in such coercive circumstances, Bank Personnel must:

- immediately contact either the MD/CEO and/or the Compliance Officer.
- promptly record it (including the amount of the payment made or identification of the benefit provided, the identity of the person to whom it was made and the circumstances in which it was made).

Any other variations from the Policy requirements must be approved in advance by the Head of Risk and Compliance.

9 Responsibility for Policy

The prevention, timely detection and prompt reporting of bribery and corruption are the responsibility of all Bank Personnel. Hence, all Bank Personnel are responsible for complying with this Policy and other related policies/ guidelines.

In addition, in accordance with its risk management approach, the Bank adopts the three Lines of Defense (**LOD**) approach to ensure effective governance and management of bribery and corruption risk, as described below.

Structure	Responsibilities
1. Business Units	<ul style="list-style-type: none"> • Takes primary accountability for the identification, ownership, management and control of bribery and corruption related risks including management of gifts and entertainment registers, embedding a supportive risk culture and completion of annual compliance risk assessments. • Undertakes enhanced due diligence where required in accordance with this Policy and the standards. • Notifies the Compliance team where a bribery and corruption risk has been confirmed by enhanced due diligence and the action proposed to be taken to address such risk. • Monitors controls to ensure the bribery and corruption risk related controls are continually implemented and followed. • Ensures all staff complete required anti-bribery and corruption training, have a practical understanding of this Policy and the standards and, within the ambit of their role, are competent in detecting and responding to bribery and corruption. • Implements and follows procedures for notifying the Compliance team of bribery and corruption (suspected or actual), or Finance /Procurement team where the bribery and corruption relates to suppliers. • Collaborates with 2nd LOD on implementing and improving processes and controls for the management of bribery and corruption risks.

<p>2. Compliance</p>	<ul style="list-style-type: none"> • Responsible for compliance and ensuring that the Policy remains up-to-date and relevant to the business of the Bank. • Responsible for this Policy and ensuring that it remains up-to-date with legislative changes. • Advises on the compliance obligations under anti-bribery and corruption legislation and associated regulatory guidance, assists the business to assess its bribery and corruption risk with the support of Risk Management team, and provides oversight of activities of the Bank in respect of bribery and corruption risks. • Monitors the progress of actions identified in Management Action Plans arising from annual compliance risk assessments. • Assists Bank Personnel to identify activities (including procedures and controls) to mitigate bribery and corruption risks. • Monitors the effectiveness of the controls designed to address bribery and corruption risks. • Develops anti-bribery and corruption training materials and delivers training. • Conducts annual review of the maturity of compliance within Business Areas. • Reports to the Board Risk Management Committee. • Acts as the contact point for relevant authorities, regulators and law enforcement with regard to bribery and corruption related matters. • Monitors and performs reviews of gifts and entertainment registers, maintained by the Branches/ Departments. • Conduct investigation on whistle blowing matters. • Share the details of identified/reported incidents related to bribery or corruption, in order to escalate to the BRMC / BOD.
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Structure	Responsibilities
<p>3. Internal Audit</p>	<ul style="list-style-type: none"> • Provides the business with independent objective assurance on the overall effectiveness of the design and operation of internal controls to deal with bribery and corruption risk. • Conducts periodic independent testing and evaluation that risk management practices and internal controls are functioning as intended in accordance with the Bank Audit. • Conduct investigation on whistle blowing matters. • Share with the Head of Risk and Compliance, the details of identified/reported incidents related to bribery or corruption, in order to escalate to the BRMC / BOD.

10 Training and guidance on the Policy

Bank Personnel will receive or be provided with access to a copy of this Policy, and will be provided with appropriate training on bribery and corruption awareness. This Policy will be hosted in the corporate website of the Bank - www.cbmmv.com as well as in the internal file server accessible to all staff. The Bank will ensure that Bank Personnel are adequately informed about the requirements of this Policy.

Additional training will be provided to Bank Personnel identified for specific anti-bribery and anti-corruption training. Any questions or clarifications in relation to this Policy should be directed to the Head of Risk and Compliance.

11 Governance

When a weakness or a gap is detected during a breach, or where there are new developments in the industry, laws or regulations, improvements on the policies and procedures of the Bank, a process review exercise shall be considered and/or necessary modifications will be made to the Policy promptly. In the event of any inconsistency between this Policy and other policies of the Bank, provisions in this Policy shall prevail.

Internal Audit shall review the anti-bribery and anti-corruption compliance and measures to assess its compliance, performance, efficiency and effectiveness. The audit report shall be presented by Internal Audit to the Board Audit Committee for review.

12 Reviews

This Policy and related procedures will be reviewed at least annually, or more frequently if required, by the Risk and Compliance Department to:

- ensure they remain effective and relevant to Commercial Bank of Maldives (Pvt) Ltd;
- ensure that they continue to comply with relevant laws, regulatory guidance and industry standards;
- ensure reports of breaches were appropriately recorded, investigated and responded to; and
- determine if any changes are required.

The results of reviews will be presented to the approval of the Board of Directors through the recommendation of the Board Risk Management Committee.

- End of the Document -