

## DIESEL & MOTOR ENGINEERING PLC

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| <b>DIMO</b>  | <b>POLICY ON ANTI-BRIBERY &amp; CORRUPTION</b> | Document Number: GRP/FM/CG/07/01             |
|  |  | Effective Date: 1 <sup>st</sup> October 2024 |
|  |  | Revision No: N/A                             |
|  |  | Revision Date: N/A                           |
|  |  | Version No. V01                              |
| <b>Approved by: Board of Directors on 30<sup>th</sup> September 2024</b> |  |  |

### 1. OVERVIEW

The Board of Directors of the Company has adopted this Policy on Anti-Bribery and Corruption in conformity with the Listing Rules to promote an ethical corporate culture that is accomplished by observing the highest standards of fair dealing, honesty, and integrity in the business activities of the Company.

In conducting its business, the Company shall abide by this Policy and comply with all applicable laws and regulations including the Anti-Corruption Act.

### 2. DEFINITIONS

The following words and expressions shall have the respective meanings given against each such word unless such meanings are inconsistent with or repugnant to the subject or context:

“**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 Diesel & Motor Engineering PLC;

“**Companies Act**” means the Companies Act No. 07 of 2007 as amended from time to time;

“**Director**” or “**Directors**” means a director or the directors (as the case may be) for the time being of the Company, including where the context so requires or admits alternate directors, and the directors assembled at a Board meeting.

“**facilitating payment**” shall mean any small or nominal payment made to a government official to speed up/secure the performance of a non-discretionary, routine governmental action;

“**Group Managing Director/CEO**” means an employee of the Company performing the functions of the Managing Director/CEO of the Company;

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

“**Policy**” means this policy on anti-bribery and corruption;

“**Relevant Persons**” means the persons to whom the Policy applies as identified in section 4 below;

“**Whistleblower Protection Officer**” means any officer designated to receive complaints/disclosures in accordance with the Policy on Whistleblowing.

### 3. PURPOSE

This Policy has been established to ensure that the Company conducts its business in a transparent, fair and ethical manner with zero-tolerance of bribery and corruption in any form whatsoever in its dealings with internal and external stakeholders.

The Company encourages the reporting of any instances of suspected bribery and/or corruption involving the Company’s business.

This Policy, as updated from time to time, will be provided to all employees and officers of the Company including any future employees and officers upon the commencement of their employment or engagement with the Company.

#### **4. SCOPE**

This Policy applies to the Company and any person who is, or has been, any of the following with respect to the Company:

- Employee
- Director or any other officer

#### **5. PERMISSIBLE AND RESTRICTED PAYMENTS**

- 5.1 Offering, promising and authorizing the grant or payment of money or any other form of gratification, to a government official, in order to secure an unfair advantage is strictly prohibited.
- 5.2 Directors and employees shall refrain from offering/receiving money or anything else of value either directly or through indirect means, to or from an individual or entity in the private sector in order to obtain an improper advantage.
- 5.3 Prohibited payments include cash payments, benefits and favours and any gratification prohibited as per code of Businesses Conduct.
- 5.4 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 or private entity in violation of this Policy.
- 5.5 Directors and 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.

#### **6. BOOKS AND RECORDS**

- 6.1 The Company shall ensure that all applicable laws, applicable accounting standards and internal procedures are followed in recording, maintaining and reporting financial records.
- 6.2 In order to prevent the possibility of bribes being paid or accepted, the Company's financial records must fairly and accurately reflect each transaction involving the Company's business and/or the deployment of the Company's assets.
- 6.3 All expenses must be accurately accounted for, include adequate supporting documentation and be promptly entered into company records, before any reimbursements are made.

## **7. EXTERNAL STAKEHOLDERS**

- 7.1 The Company's external stakeholders including its service providers, suppliers, consultants, auditors and other third parties working with or on behalf of the Company are required to act with the highest level of business, professional and legal integrity and refrain from engaging in any form of bribery and/or corruption when dealing with or on behalf of the Company.

## **8. MAKING A DISCLOSURE**

- 8.1 The Company relies on its employees maintaining a culture of honest and ethical behavior. Accordingly, if an employee becomes aware of any instance of suspected bribery and/or corruption where a director, officer, employee, service provider, supplier or consultant of the Company or any other person who has business dealings with the Company has engaged or is involved in, the employee is expected to make a disclosure to the Whistleblower Protection Officer in accordance with procedure for reporting set out in the Company's Policy on Whistleblowing. At all times, the Senior Independent Director (SID) will be the Whistleblower Protection Officer. The email address of the Whistleblower Protection Officer will be available on the Company's website, [www.dimolanka.com](http://www.dimolanka.com).
- 8.2 Any person who makes a disclosure will be offered protection as detailed in the Policy on Whistleblowing provided that (i) such disclosure was made without malicious intent and (ii) such person had, at the time of making the disclosure, reasonable grounds to believe that the information provided is true and warranted an investigation.
- 8.3 The Company will investigate all matters reported under this policy as soon as practicable, after the matter has been reported. For the avoidance of doubt, investigations into any complaint made under this Policy will be carried out in terms of the Company's Policy on Whistleblowing.

## **9. MISCELLANEOUS**

- 9.1 In so far as this Policy imposes any obligations on the Company, those obligations are not contractual and do not result in or confer any contractual rights to any person whomsoever.
- 9.2 To the extent that this Policy describes benefits and entitlements for employees, they are discretionary in nature and are also not intended to be contractual. The terms and conditions of employment that are intended to be contractual are set out in an employee's written employment contract.

## **10. REVIEW AND MONITORING**

- 10.1 Audit Committee of the Company will from time to time review this Policy, monitor its implementation to ensure continued effectiveness and compliance with regulatory requirements and good corporate governance practice and shall make recommendations on any proposed revisions as may be required to the Board for its review and final approval.
- 10.2 Upon the Board's approval, the said revision or amendment shall be deemed to be effective and form part of this Policy.
- 10.3 Employees are encouraged to read this policy in conjunction with other relevant Company policies, including:
- (i) Code of Business Conduct;
  - (ii) Oath of Secrecy;
  - (iii) Human Resources Policy;
  - (iv) Policy on Whistleblowing; and
  - (v) Policy on Environmental, Social and Governance Sustainability.