



DIALOG AXIATA PLC
PQ 38

**BOARD CODE OF CONDUCT AND
ETHICS**

*Duly approved and adopted by the Board of Directors of Dialog Axiata PLC
at the Board of Directors' Meeting held on 7 December 2021*

BOARD CODE OF CONDUCT AND ETHICS

1.0 **INTRODUCTION**

- 1.1 The Board of Directors of Dialog Axiata PLC ("**Dialog**") has adopted this Code of Conduct and Ethics ("**Code**") to carry out their oversight responsibility in the best interest of the Company within the scope of their authority and fiduciary duties.

2.0 **FUNDAMENTAL PRINCIPLES**

- 2.1 The Board members should:

- 1) Act in the best interest of, and fulfil their fiduciary obligations to all its shareholders;
- 2) Act honestly, fairly, ethically and with integrity;
- 3) Conduct themselves in a professional manner;
- 4) Comply with all applicable legislation and regulations;
- 5) Act in good faith, responsibly and with due care, competence and diligence, without subordinating their independence in their judgment; and
- 6) Devote time and effort to attend meetings and be well-informed of matters required in discharging their duties as Directors.

3.0 **CONFLICTS OF INTEREST**

- 3.1 Every Director has a duty to avoid business, financial or other direct or indirect interests or relationships which conflict with the interests of the Company or which divides his or her loyalty to the Company. A conflict of interest occurs when an individual's private interest interferes in any way with the interests of the company or any of its subsidiary and affiliated companies (collectively, the "**Company**"). A conflict of interest may also arise when a Director, or a member of his or her immediate family, receives improper personal benefits as a result of his or her position in the Company. Directors should also be mindful of, and seek to avoid, conduct which could reasonably be construed as creating an appearance of a conflict of interest.
- 3.2 While the Code does not attempt to describe all possible conflicts of interest that could develop, the following are examples of conflicts of interest:-
- 1) receiving loans or guarantees of obligations as a result of one's position as a Director; and
 - 2) engaging in conduct or activity that improperly interferes with the Company's existing or prospective business relations with a third party.
- 3.3 Each Director must deal at arm's length with the Company and should disclose to the Chairman of the Board any conflict or any appearance of a conflict of interest on his or her part. Any activity which even appears to present such a conflict must be avoided or terminated unless, after such disclosure to the Board, it is determined that the activity is not harmful to the Company or otherwise improper.

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- 3.4 The end-result of the process of disclosure, discussion and consultation may well be approval of certain relationships or transactions on the ground that, despite appearances, they are not harmful to the Company. But all conflicts and appearances of conflicts of interest are prohibited, even if they do not harm the Company, unless they have gone through this process of full and fair disclosure. Even bona fide transactions of which a Director may entertain doubt may be disclosed to the Board so as to avoid a future confusion.
- 3.5 A resolution by the Board as to the acceptability or lack thereof of any apparent, potential, real conflict situation, relationship or transaction by the Board shall be deemed final and taken in the best interest of the Company.
- 3.6 Any question about a Director's actual or potential conflict of interest with the Company should be brought promptly to the attention of the Chairman of the Board, who will review the question and determine an appropriate course of action, including whether consideration or action by the Board is necessary. Directors involved in any conflict or potential conflict situations shall recuse themselves from any decision relating thereto.

4.0 BRIBES AND CORRUPTION

- 4.1 Directors shall not offer, give, solicit or accept bribes, facilitation payment, kickback or other improper payment in order to achieve business or personal advantages for themselves or others or engage in any transaction that can be construed as having contravened the anti-corruption laws.

A 'facilitation payment' is a small payment to low-level public official, which is not officially required, to enable or speed up a process which is the official's job to arrange.

A 'kickback' is the giving or accepting of money, gifts or anything of value that is provided in return for favourable treatment.

- 4.2 Directors shall be cognisant of the fact that bribes may be in any form, monetary or otherwise including but are not limited to unauthorized remuneration such as referral fee, commission or other similar compensation, material goods, services, gifts, business amenities, premiums or discounts of an inappropriate value or of an unreasonable level or that are not generally offered to others or that are prohibited by law or may reasonably be viewed as having crossed the boundaries of ethical and lawful business practice.
- 4.3 Prior to giving or accepting any business amenity or other gifts (in whatever form or value), Directors shall assess the appropriateness of their actions by assessing if the action could influence or could reasonably give the appearance of influencing the business relationship of the Company with that organization or individual or any business decision arising out of that business relationship.

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5.0 GIFTS AND HOSPITALITY

- 5.1 As a general rule, Directors are discouraged from directly or indirectly, offering, giving, seeking or accepting gifts and hospitality, cash or cash equivalents (including per diems unless contractually agreed) to or from business partners especially those they would not be comfortable telling their colleagues, family or the public that they had offered or accepted. Notwithstanding this, the Company recognizes that the occasional acceptance or offer of modest gifts and entertainment may be a legitimate contribution to good business relationships.
- 5.2 Generally, all invitations to business luncheons or dinners may be given or accepted by the Directors. Directors receiving or giving the gifts or hospitality is responsible for assessing whether it is appropriate and within the boundaries set out in this Code. The following rules and guidelines shall be observed:
- 1) The purpose of the gifts or hospitality shall never be to influence Directors' actions as a member of the Board, or where acceptance of the gift or hospitality could otherwise reasonably create the appearance of a conflict of interest or cause others to perceive an influence; and
 - 2) The situation in which the gifts or hospitality is received or given shall not be in connection with contractual negotiations of similar situations.

6.0 COMPETING AGAINST DIALOG GROUP

- 6.1 Directors shall not engage in activities that have conflict with the business interests of Dialog Group, even in their own time, including commercially marketing products or services in competition with the current or potential offerings of the Dialog Group.
- 6.2 Directors are not allowed to provide any form of assistance to organizations that market products or services in competition with the Dialog Group regardless if they receive any direct or indirect remuneration of any kind for the assistance provided.
- 6.3 Directors shall not act for the competing organization in any capacity as a member of its board of directors unless prior Board's approval has been obtained from the Board of Directors of Dialog.

7.0 INSIDER TRADING

- 7.1 Directors who are in the possession of market sensitive information are not allowed to trade in securities of the Company or the shares of another listed company if that information has not been made public (i.e the information has been broadly disseminated and adequate time has passed for the securities market to digest the information) and classified as inside information - such as financial and operating results, possible acquisitions, divestments or financings, marketing plans or new product introductions.

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7.2 Further, Directors shall not disclose such price sensitive information to any third party, unless they are authorised to do so, or encourage any other person to deal in price-affected securities.

7.3 If in doubt, Directors should refer to the Company Secretary to clarify the status of the information held by them.

8.0 RELATIVE OF DIRECTORS

8.1 Directors shall disclose to the Company if any relative (for this Code, “relative” comprises employee’s spouse, parents, children, brothers, sisters and spouse of child, brother or sister) provides any form of goods or services direct or indirect to the Company, or is a competitor, vendor, business partner, contractor or consultant to the Company. Directors shall avoid or abstain from participating in or making decisions on any deal involving Director’s relative.

8.2 If the Director’s relative is a competitor or supplier of the Company or is employed by one, the Director is expected to exercise extra caution in their communication and conduct to ensure the security and confidentiality of information important to the Company and to avoid and/or create a conflict of interest situation.

8.3 Any exception to the above restrictions shall be approved and allowed on a case by case basis after considering the personnel involved.

9.0 DATA PRIVACY

9.1 Directors shall ensure that the collection, process, use and retention of personal data by Dialog from its employees, customers, suppliers and other individuals is only as necessary for Dialog’s business in compliance with the laws in which Dialog does business and to take all reasonable steps to safeguard such information from inappropriate access or misuse.

9.2 Directors shall not share such personal data with third parties unless required by applicable laws and regulations.

10.0 INVESTORS, MEDIA, ANALYSTS AND OTHERS

10.1 Any Director approached by investors, prospective investors, media and analysts on confidential information shall refer such requests to Dialog’s Group Chief Executive Officer or Group Chief Financial Officer.

10.2 Directors shall also refer any request for information on the Company’s business from investigators or law enforcement officials to Dialog’s Legal Division.

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- 10.3 No Director should respond to any such request because any inappropriate or inaccurate response, even a denial or disclaimer of information, may result in adverse publicity and could otherwise seriously affect Dialog's legal position.

11.0 MONEY LAUNDERING

- 11.1 Directors do not tolerate any form of money laundering activities. Appropriate measures shall be implemented, including awareness training and conduct checks and verifications as necessary to know who we are doing business with to prevent Dialog's financial transactions from being used by others to launder money.

'Money laundering' is the process of concealing the identity of proceeds from unlawful activities to convert "dirty" money to a legitimate source of income or asset or when legitimate funds are used to support criminal activities, including terrorism. Money laundering is an offence under the applicable laws and regulations in Sri Lanka.

- 11.2 Directors shall be made aware of the applicable anti-money laundering laws and shall seek to ensure they are appropriately and adequately informed of developments in the laws relating to this area.
- 11.3 Directors are expected to be mindful of the risk of the Company's business being used for money laundering activities and to promptly raise any suspicious transactions to the Group Chief Financial Officer.

12.0 CORPORATE OPPORTUNITIES

- 12.1 Directors are prohibited from:

- 1) Taking for themselves personally or companies with which they are affiliated opportunities that are discovered through the use of Company property, Company assets, Company information or their position as a Director;
- 2) Using the Company's property or information or their position as a Director for personal gain; or
- 3) Competing with the Company for business opportunities. However, if the Company's disinterested Directors determine that the Company will not pursue an opportunity that relates to the Company's business, a Director may then do so.

13.0 CONFIDENTIALITY

- 13.1 Pursuant to their fiduciary duties of loyalty and care, Directors must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever

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source, in their capacity as Directors and not to disclose such information to other internal parties or third parties except when disclosure is authorized or legally mandated, and in those instances, with confidentiality designations and other data protection mechanisms such as password protection or encryption. For purposes of this Code, “confidential information” includes all non-public information relating to the Company.

- 13.2 Directors must not accept confidential information from a third party unless the Directors have permission to do so and have agreed to receive it under a prior written agreement.
- 13.3 Directors must not misuse confidential information of a third party.
- 13.4 If the Directors leave Dialog, the obligation to protect this confidential information continues until the information becomes publicly available or the Company no longer considers it as confidential.

14.0 PROTECTION OF ASSETS

- 14.1 Directors shall be personally responsible for protecting the proprietary information made available to them during their tenure as Directors which include board papers for the Shareholders’ meetings, Board of Directors’ and Board Committees’ meetings and Directors’ Circular Resolutions as well as the minutes for Shareholders’ meetings and Board of Directors’ and Board Committees’ meetings and all other information (whether in written or oral form and whether on paper or electronic form) including but not limited to technical, product and services, financial data and projections, marketing strategies and business plans, organizational and any non-published financial or other data that is not public information or if known will have an adverse effect on the Company.
- 14.2 Directors are not allowed to use the Company’s assets including equipment, resources and proprietary information for any non-Company related work.
- 14.3 Additionally, Directors are not permitted to perform non-Company related work or solicit such business on the Company’s premises or while working on the Company’s time.

15.0 COMPLIANCE WITH LAWS, RULES AND REGULATIONS

- 15.1 Directors must comply, and oversee compliance by employees, officers and other directors, with laws, rules and regulations applicable to the Company, including insider trading laws.

16.0 FAIR DEALING

- 16.1 Directors must deal fairly with the Company's employees, customers, suppliers and competitors. No Director may take unfair advantage of the Company's

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employees, customers, suppliers, or competitors through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

17.0 COMPLIANCE OFFICER

17.1 The Company has designated the Company Secretary as its Compliance Officer to administer this Code. Directors, at their discretion, may make any report or complaint provided for in this Code to the Chairman of the Board of the Company or to the Compliance Officer. The Compliance Officer will refer complaints submitted to the Chairman of the Board.

18.0 REPORTING OF VIOLATIONS AND SUSPECTED VIOLATIONS

18.1 Directors are expected to abide by and be conversant with the Code and should consult the Compliance Officer for clarification on any aspects of the Code to avoid any misinterpretation or violation of the Code.

18.2 Directors who come across any unlawful or unethical situation, or any suspected violation of the Code shall raise their concerns to the Compliance Officer.

18.3 All reports shall be discreetly, promptly and thoroughly investigated in accordance with applicable laws and regulations. In the event of severe incompliance, the matter shall be brought up to the Board for decision.

18.4 Reports shall be treated with the strictest confidence. Directors who report violations or suspected violations shall be protected from any threat. This assurance does not however extend to those who are found to have raised the matter under false or malicious intention.

19.0 TRAINING AND EVALUATION

19.1 All Directors shall be made aware of the Code and its contents upon commencement of their tenure as Director and this shall form part of the Induction Programme.

19.2 The Code shall be made available on Dialog's website and be accessible to the public.

20.0 WAIVER

20.1 Any waiver of any provision of the Code may be made only by the Board and in full compliance with any applicable law or securities exchange regulations.

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21.0 REVIEW OF THE CODE

- 21.1 The Board of Dialog adopted the Code as a testimony of its commitment to adhere to the standards of loyalty, honesty, integrity and the avoidance of conflicts of interest. This Code shall be reviewed by the Board from time to time to keep in pace with the regulatory environment and any amendments to this Code, shall be approved by the Board of Directors.
