



PURPOSE

The purpose of “ACBA BANK” OJSC (hereinafter referred to as “the Bank”) policy of rules behavior and internal discipline is to define the rules of behavior and discipline for the management and all employees of the Bank.

APPLICATION SCOPE

This document is applied by all employees and managers of the Bank.

DEFINITIONS AND CONCEPTS

Management – Chairman of the Board, Board Members, Chief Executive Officer, Chief Officers-Deputy CEOs, Chief officers/Directors, Chief Accountant, heads of departments.

CHAPTER 1. GENERAL PROVISIONS

1.1. The rules of behavior and discipline of the Banks’ Employees are norms based on the general principles of ethics, as well as due performance of professional and job responsibilities, regulating the employee’s behavior and his/her relations with the Bank’s customers, managers and other employees.

1.2. The Management and employees of Bank must follow the right mind, general principles of business ethics, be honest and keep image and spotless reputation of Bank and their professional reputation.

1.3. In Bank rules of conduct are based on following principles:

- 1) Bank respect individuals’ right and dignity in making relations with people.
- 2) Standards of conduct and etiquette are important values for Bank. Bank retains honesty, impartially, reliability and truthfulness.
- 3) Bank considers equally to customers, stockholders, employees and society.

1.4. The success of Bank depends on confidence of customers and society. So each of employees of Bank must retain this trust.

1.5. An employee of Bank must keep the following rules of conduct:

- 1) to follow demands of legislation and legal rules of Bank.
- 2) to perform its official and working duties exactly, in time and properly.
- 3) to follow rules of moral which are based on justice, honesty, secrecy and devotion; to be unbiased, impartial, full of initiative, discreet and to serve as a model for other people.
- 4) to prevent any action (or inaction), which can compromise and deprive his/her authority.
- 5) to prevent any operation (or inaction), which can affect adversely on reputation and authority of Bank.
- 6) to keep confidential information of the Bank and its customers.
- 7) to take care of property of Bank. Don’t use property of Bank for the interests of other parties.
- 8) to not take or offer presents, free of charge services or hospitality.
- 9) to inform direct manager about any conflict of interests.
- 10) to not hide important facts not declaration of which may lead to incomplete presentation of facts or to non-disclosure of unlawful acts towards the Bank.
- 11) to avoid giving inappropriate promises and verifications, to realize the importance of the given opinion and promise and the possible negative consequence of given promises and verifications.
- 12) to not use the information about the Bank obtained at work for private interests or for other aims.
- 13) corresponding to the morality norms established in the Bank, which implies not only business ethics, but also everyday ethic norms (excluding drugs, gambling, abuse of alcohol)
- 14) to strictly follow the requirements of internal discipline.

1.6. The sequence of these rules doesn’t underline their importance.

1.7. These rules reach the Bank as a whole and the points are mandatory for all the employees and Managers of the Bank.


CHAPTER 2. LAW COMPLIANCE



- 2.1. Important clauses of Banks' policy are to follow all the laws and demands of legislation.
- 2.2. Each internal juridical act of the Bank is drafted according to demands of legislation.
- 2.3. The Management must inform employees about banking legislation, juridical acts, circulars of Central Bank of RA and any other competent bodies, which are related to the employee's duties.
- 2.4. Bank forbids any violation of the law and juridical acts. Employees must not make or prompt other to make any violation of law and juridical acts.
- 2.5. Bank cooperates with government bodies to prevent, expose and to punish money laundering and financing of terrorism.
- 2.6. Bank refuses to have business with customers whose money have lawless origin or use for illegal business and finance terrorism. If such facts are present, then legislative actions must be taken.
- 2.7. Banks' Employees must discover every event of Money Laundering and Financing of Terrorism within the frame of their competence.

CHAPTER 3. CONFIDENTIAL INFORMATION AND BANKING SECRECY

- 3.1. Bank realizes that Employees and Managers during their job can deal with secret (confidential) information and information including commercial and banking secrecy.
- 3.2. The Bank's managers, employees, the Bank's former managers or employees as well as persons, organizations that deliver or have delivered services to the Bank are not allowed to publish the confidential information and/or information including banking and/or commercial secret as well as to use them for their personal or third parties interests, to give such an opportunity to third parties by allowing, not preventing or making it possible be breaking the order of keeping such information.
- 3.3. Confidential Information includes all information not publicly announced that could reasonably affect the Banks' business if it were disclosed to the public. It is defined as the type of information or technical data which would give the Bank a competitive edge in the marketplace, and which, if released without authorization, could result in harmful consequences for the Bank. Confidential information is a valuable asset to the Bank and must be protected from unauthorized disclosure to ensure the Banks' success. Examples of such information include:
 - 1) expected Financial Results/Forecasts and projections;
 - 2) Bank data not published previously;
 - 3) new Product Announcements of a Significant Nature;
 - 4) marketing strategy and campaigns;
 - 5) significant Litigation Exposure;
 - 6) new Equity or Debt Offerings;
 - 7) merges and Achievements(M&A),
 - 8) connections with Controlling Bodies;
 - 9) information about banking security, that includes banking rules, passwords, cods and keys,
 - 10) information about computer programs;
 - 11) information connected to documents and documental systems, data bases, systems of information and information technologic;
 - 12) information about Employees and their wages;
 - 13) information connected to Banks' customers;
 - 14) information about new branches which will be opened etc.
- 3.4. Information about Bank's customers is the information on the customers' accounts having obtained by the employee while serving the customer, information on the operations handed by customers or doing operation in favor of customers, as well as its trade secrecy, information about programs of each activities or each cultivation, about intention and industrial model and each information which customers intend to keep a secrecy and Bank are aware or can be aware about that.
- 3.5. Publishing banking secrecy is spreading or publishing part of banking secrecy orally or in written form by means of mass media or in another way, reporting it to third persons, giving directly or indirectly a chance to another person for getting such information: that is allowing, not preventing or making the information possible for other people by violation the rules of keeping such information except legal events.
- 3.6. Claim must be presented in written form by CEO's name if information includes a secrecy. Every Employee of Bank without CEO's permission has competence to report secrecy or information containing banking secrecy to third person including governmental controlling bodies.

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|  | “ACBA BANK” OJSC POLICY OF RULES BEHAVIOUR AND INTERNAL DISCIPLINE (EXTRACT) | POLICY 07/23#4 | | |
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3.7. The employees must not discuss together questions which are confidential, relate to their customers or to the spheres of banking activity.

3.8. Within the limits of laws Bank can demand to compensate material and moral losses, which raised from disclosure of secrecy or information containing banking secrecy.

CHAPTER 4. CONFLICT OF INTEREST

4.1. Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which Bank wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation.

4.2. Each employee of the Bank irrespective of its position has to abstain from such operations, abdicate any relation which contradict the rules and principles of this document or they can be observed as an abstaining or can influence on an employee's working duties to be made honestly and impartially.

4.3. The Employees of the Bank are not permitted to provide service to the persons related to them, unless separate cases provided for by the internal legal acts of the Bank.

4.4. Employees of Bank have no right to abuse their working position or to use any information available from their working duties for personal aims.

4.5. Banks' Employees have no right to be drawn into such operations which will be in conflict with their basic duties or make an image of such a conflict.

4.6. Bank employees are prohibited from participating in and acquiring property from auction sales of collateralized property held by the Bank and assets subject to auction proceedings resulting from foreclosure actions.

4.7. During the employment, the Bank Employees can simulate profitable activity only by CEO's approval. In any case this activity mustn't have a relation to Employees' working duties. That activity mustn't deflect Employee's attention, time and efforts from doing his or her working duties.

4.8. The Bank's staff, Bank's name, Bank's area, Bank's technical means and equipment must be used only to achieve strategic goal of Bank and can't be used for own or for third person's interest or suppose Banks' assistance for any measure.

4.9. Bank does not encourage the employment of family members except if the candidate is very professional and the management of the Bank consider candidate to work in the Bank.

4.10. Members of family can't make direct report relations.

4.11. It is not possible to describe all possible cases of conflict of interests in this document, so the Bank's employees shall be guided by the standards of the business and banking ethics.

CHAPTER 5. GIFT POLICY

5.1. ACBA CA Bank's (hereafter Bank) objective is doing business with private, corporate and private entrepreneur clientele based on mutual benefit.

5.2. Bank's employees shall avoid the appearance or actuality of impropriety in the receipt of gifts, gratuities and favors in connection with Bank's endeavors.

5.3. Solicitation of personal gifts, gratuities and favors in any form by the Bank's managers and staff from the Bank's clientele, suppliers, business partners or any other partner that is in business relation with the Bank of any type is prohibited.

5.4. If an employee is offered a gift and the latter has to accept it, as the refusal may offend the person offering the gift, and by the evaluation of the employee, accepting the gift, and their manager, there is an objective impossibility to reject the gift, it is allowed to accept the gift, but it is necessary to immediately inform the Compliance Maintenance and Assessment Division.

5.5. If it is not possible to reject the gift, after notifying the Compliance Division, the employee, accepting the gift, shall complete "ACBA BANK" OJSC questionnaire of fighting corruption [eFO 80-02-03](#) and send it to the email cmad@acba.am of the Compliance Division and physically transfer the gift to the Human Resources Management and Organizational Development Directorate.

5.6. The Compliance Division provides a conclusion on the submitted questionnaire, after which the process of gift acceptance can continue, taking into account the given conclusion.

5.7. The Bank employees are not allowed to receive or give gifts or provide business hospitality to third parties, except for:

- 1) Bank promotional materials, symbolic gifts (diaries, pens, notebooks, etc.) given to the latter;



2) If the market value of the gift from the same person does not exceed AMD 10,000, during the financial year, it does not intend to influence the employee in the process of making work decisions. Acceptance of cash or non-cash, regardless of the amount, is strictly prohibited;

3) The market value of the gift to the senior management shall not exceed 50 000 AMD;

4) if business hospitality is not provided to influence work decision making.

5.8. Bank employees are prohibited to accept incentive payments in order to make work decisions in favor of any interested party, expedite processes, or influence the process in any way.

5.8.1. In case of receiving an incentive payment offer, the employee shall immediately reject it and urgently inform the Compliance Division, by filling in “ACBA BANK” OJSC questionnaire of fighting corruption [eFO 80-02-03](#) upon receiving the offer and sending it to the Compliance Division.

CHAPTER 6. POLICY ON EQUAL OPPORTUNITIES AND PROHIBITION OF DISCRIMINATION

6.1. In the announcements of open roles (vacancies) and during the implementation of employment relations, it is prohibited to set any other condition, besides practical characteristics and professional training and qualification, that can be the basis of discrimination, except if it arises from the inherent requirements of the job. **Discrimination is considered to be** distinction, exclusion or limitation on the basis of sex, race, skin color, ethnic or social origin, genetic characteristics, marital status, language, religion, outlook, political or other views, nationality, property, birth, disability, age or personal or other social circumstances, the purpose or the result of which is the less beneficial approach in case of origin and/or modification and/or termination of collective and/or individual labor relations, or the prohibition or denial of the right to recognition and/or exercise of any right, established by labor law on an equal basis with others, except where such distinction, exclusion or restriction is objectively justified with the legal purpose and the means, used to achieve that, are proportionate and necessary.

6.2. The Bank is committed to providing people with special physical needs with sufficient working conditions, so that they can perform all their work duties and take full advantage of all the opportunities provided in the Bank.

6.3. Workplace violence or sexual harassment is prohibited. The latter is an unwanted act of a sexual nature that has a physical or verbal or non-verbal manifestation (including sexual suggestions, touching) and that directly or indirectly affects a person's decision-making about work or creates degrading or social isolation work environment. Violence in the workplace or other place of performance of work duties (including business trips) is a one-time or repeated act of violence or threats of violence against an employee or a third person, which results or may result in physical, mental, sexual or economic harm or hostile or creating a humiliating environment.

6.4. Any kind of harassment, overt or covert, is not tolerated in the Bank and will be punished in accordance with the law.

6.5. The Bank promotes the equality of the parties in employment relations, regardless of their gender, race, nationality, language, origin, citizenship, social status, religion, marital and family status, age, beliefs or views, membership in parties, trade unions or public organizations, other circumstances unrelated to the characteristics of the employee, and ensuring the right to fair working conditions for each employee (including conditions that meet safety and hygiene requirements, the right to rest).

6.6. In the application of employee qualification system, training programs, performance management systems, remuneration, reward systems, the same standards are applied in the Bank to both men and women (these systems exclude any discrimination).

6.7. The Bank must familiarize all employees with the policy on equal opportunities and prohibition of discrimination. A complaint about any discriminating act or unfair treatment is thoroughly investigated and, when necessary, corrective action will be taken. The Bank expects from all employees and particularly all managers to actively support the company's commitment to equal employment opportunity and prohibition of discrimination.

CHAPTER 7. PUNCTUALITY AND APPEARANCE

7.1. Employees of Bank must be on time to keep the effectiveness of work.

7.2. If the employees cannot avoid being late or finish the work within the envisaged period, they shall inform their line managers of delays in advance.



7.3. Dress, grooming and personal cleanliness standards contribute to the morale of all employees and affect the business image the Bank. During business hours or when representing the Bank, the employees are expected to present a clean, neat, and tasteful appearance. They should dress and groom themselves according to the requirements of their position and accepted social standards. Appearance and dress of workers in the Bank are defined by the document Submitted claims of appearance and dress of workers at work [eFO 62-00-15](#).

CHAPTER 8. USE OF COMMUNICATIONS AND MAIL SYSTEMS

8.1. Employees shall not use passwords of other persons that become known to them accidentally or otherwise, examine files not related to their work, or remove any information from the Bank without permission.

8.2. Employees must speak together in a low voice not to interrupt others.

CHAPTER 9. DRUG AND ALCOHOL USE

9.1. It is the Bank's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

9.2. Bank forbid Employees to report for work in unsober state.

9.3. It is forbidden to use alcohol on the territory of the Bank.

9.4. While conducting business-related activities, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. In any such case the employment agreement with such an employee will be subject to immediate termination, and the information about such an employee will be immediately provided to the relevant bodies.

9.5. Smoking is prohibited according to legislation of Republic of Armenia. This clause is equally applicable for Employees, customers and visitors.

CHAPTER 10. SAFETY

10.1. Every Employee of Bank must be informed about Banks' security demands, submit to the security rules and keep them strictly.

10.2. Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate supervisor. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report or, where appropriate, remedy such situations may be subject to disciplinary action, up to and including termination of employment.

10.3. For the purpose of safety of the Bank's employees, confidentiality of information and security of equipment, only visitors, having permission, may be on the territory of the Bank.

10.4. All visitors should enter the Bank at the main entrance. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors. If an unauthorized individual is observed on the Company's premises, employees should immediately notify their supervisor or, if necessary, direct the individual to the main entrance.

CHAPTER 11. THE RELATIONSHIP WITH CUSTOMERS AND COLLEAGUES. MANAGEMENT OF THE CONFLICTS

11.1. The Bank taking into account the rules of keeping rights of the person and showing respectful treatment to everybody expects the staff to show polite and careful treatment towards customers and colleagues.

11.2. Being led by the principle of "towards customer direction" in the process of staff management in the Bank during the decision making and business processes the needs and wants of the customers, provision of quality service, as well as the complaints and recommendations of the customers shall be taken into consideration, understanding that the customer is the most important person for each employee of the Bank.

11.3. From the viewpoint of protection of customers' rights, designing marketing materials about the Bank and its services, the following principles shall be considered:



- 1) information of a marketing material shall contain the simplest terminology, expressions for the customers to understand, it cannot be misleading or ambiguous;
- 2) information shall be clear to the customers and make it possible for them to understand the nature of the offered service and relevant risks;
- 3) information cannot be presented in a way so that the important provisions are disguised or seem to be not important;
- 4) importance of services, provided by the Bank, shall not be exaggerated, by providing fake, unreliable and incomplete information;
- 5) information of a marketing material shall be presented in a clear and readable font.

11.4. Management of conflict situations:

- 1) Employees must do their best to avoid conflicts at workplace.
- 2) If conflict situations occur among employees they must avoid personal insults and impolite behavior and shall show constructive behaviour.
- 3) In the event of a potential conflict, the employee notifies his or her supervisor, or in the event of a conflict with the immediate supervisor, the supervisor of the direct supervisor. The latter, understanding the reasons and details, tries to find possible ways to solve the problem, maintaining an impartial, unbiased and constructive approach.
- 4) If the conflict continues the employee applies to the Bank’s appropriate structural subdivisions related with staff management and/or security affairs which must examine the reasons for the conflict and find ways for conflict solution. The ways and methods of solving the conflict must come from working situation, serve concrete work purposes and have constructive character.
- 5) Management of conflict or extraordinary situations with the client are defined by the document “ACBA BANK” OJSC customer service standards [eFO 62-00-13](#).