



REGULATIONS ON EMPLOYEES' BUSINESS CONDUCT (ETHICS)

30.12.2016 Decision No. _____

Approved by

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of the Board of Mellat Bank CJSC

of the Chief Executive Officer of Mellat Bank
CJSC

Board Chairman: Mohammad Bidgeli

Chief Executive Officer: S. Mousavi

Board Member: H. Bahari

Board Member: M. Saeidi

Board Member: H. Azadi

Board Member: M. Shadfar



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MELLAT BANK CJSC
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1. OBJECTIVE

The purpose of Mellat Bank CJSC (hereinafter – the Bank) Regulations on Employees' Business Conduct (Ethics) (hereinafter – the Regulations) is to define the requirements and principles of employees' code of conduct and behavior in and beyond the premises of the Bank.

2. SCOPE

These Regulations shall apply to all the employees of the Bank's Departments.

3. RESPONSIBILITY CENTERS

The Chief of Staff shall be responsible for the observance of the provisions defined by these Regulations.

4. RELATED DOCUMENTS

- 4.1. ISO 270001:2005,
- 4.2. Mellat Bank CJSC Staff Management Policy
- 4.3. RA Labour Code
- 4.4. Bank Board Decisions
- 4.5. Orders of the Bank's CEO

5. APPENDICES

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6. DESCRIPTION

- 6.1. The Code of business conduct established in the Bank shall be the basic guidelines of business conduct, to be guided by which shall be the obligation of every employee of the Bank.
- 6.2. Rules of ethics shall define rules of necessary code of conduct and behavior for the proper fulfillment of official duties of employees of the Bank, ensuring of which shall be aimed at the Bank's image and reputation, as well as improving the quality of customer service.
- 6.3. The primary objective of the Bank's rules of ethics is to increase the transparency of the Bank's activities, create an atmosphere of mutual trust and solidarity among both the employees, and employees and clients, which will contribute to the high quality customer service and increase of the Bank's competitiveness in the financial market.
- 6.4. The rules shall define the tested principles of business conduct deemed to be acceptable for the global banking practice, on the basis of which the relationship between employees and customers shall be formed. During drafting the rules such conflict situations have been taken into account, which frequently occur in the banks and on the solution of which the most acceptable options has been offered throughout the years.
- 6.5. Rules of ethics shall be binding for all the employees of the Bank, for the experts



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working within the framework of rendering services for the Bank, for persons on probation.

6.6. Rules of ethics shall not include or refer to employment contracts, as well as shall not reserve any right to the Bank management, employees, customers and other persons.

6.1. GENERAL PROVISIONS

6.1.1 These Regulations shall establish the minimum standards of ethics and conduct necessary for the proper performance of employees' official duties, which the Bank expects from its employees.

6.1.2 All the employees of the Bank, besides the Bank's internal rules, shall abide by the rules of ethics and conduct for the maintenance and continuous enhancement of the prestige level among the Bank's partners, for which the Bank employees, during their professional activities, shall be guided by the following basic principles:

- societal norms of morality, as an indispensable basis for conduct interaction and business cooperation,
- the Bank's reputation shall be above personal interests and needs,
- high level of professionalism, legality, honesty, competence and creativity in the assigned work,
- objectivity of judgments and decisions made,
- personal responsibility,
- respect for the Bank's right of property, careful maintenance of the property,

6.1.3 Business conduct shall be the basis for the professional behavior, which assumes the following for the Bank's employee during the work:

- Lack of personal motivation and ill will,
- Exclusion of inaccurate information usage,
- Bank privacy,
- Ability to resolve disputes through negotiations during conflict of interest.

6.1.4 An indispensable part of code of business conduct of the Bank's employees shall be the communication culture and behavior, which are specific norms regulating the work style and form of contact with the organizations, the business person's appearance, methods of conducting negotiations.

7. BANK EMPLOYEES

7.1 Each employee of the Bank shall seek to effectively fulfill its tasks, come up with new initiatives, seek to promote the activities of the Bank, for which it shall be needed to:

- continuously expand professional knowledge,
- respect the dignity of each individual,
- patiently listen to every customer's suggestions and complaints;
- observe all the rules and laws on banking activities,
- immediately report on crimes and serious shortcomings, as well as the cases of abuse of office in the Bank.



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7.2 The Bank shall provide all of its employees with the same opportunities and rights, regardless of national origin, sex, marital status, religion, age, civil status or affiliation to any other vulnerable group set by the RA laws. Such policy shall not refrain the Bank from awarding an employee, transfer to another department, sending to trainings or dismissal, depending on the results of each employee's performance or shortcomings.

7.3 Employees shall not be exerted physical or psychological pressure against one another based on official capacity, or any other vulnerable group affiliation set by the RA law.

7.4 The employees shall be prohibited to take such actions that may adversely affect the work of a person or a group.

7.5 Each employee shall have at least the following essential characteristics:

- honesty,
- commitment to work,
- competence,
- respect for others;
- sense of dignity.

7.6 The use of alcoholic beverages by the employees shall be strictly prohibited at work, as it impedes the work. If an employee is using pills prescribed by the doctor, which may have a negative effect on his work, he shall discuss it with his supervisor and inform him about it.

7.7 The Bank shall encourage teamwork, mutual respect, appreciation of employees' interests. Each employee may come up with his/her own initiatives and ideas that will contribute to increasing labor efficiency.

7.8 The Bank management shall not intrude into their employees' documents, computers and emails without informing them, computers and email; interfere with their telephone conversations, beyond their competence.

7.9 The Bank's employees shall speak clearly and distinctly, treat customers with dignity, in a fair and professional manner.

7.10 The Bank employees shall show prudence and introduce rules of ethics also to the Bank's customers.

7.11 Not a single employee of the Bank shall be entitled to undertake any illegal action or incite someone else to do it. Every illegal and unethical attitude or practice may not be justified on the grounds that it has been done by the instigation of another person, even if that person is a high-ranking officer or a manager.

7.12 The Bank's employees or their family members may not accept gifts from any client in any case.

8. BEHAVIOUR

8.1 The Bank employee shall always remember that he/she may be considered a representative of the Bank everywhere. The employee's behavior, actions, contacts and statements made may serve as basis for forming an opinion on the Bank.

8.2 Out of work the Bank's employee shall be prohibited to:

- spread banking secrecy,
- display indecent and inappropriate behavior in public places, which may damage the



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Bank's reputation,

- use vehicles appropriated by the Bank to him/her for private purposes.

8.3 The Bank employee shall demonstrate a respectful attitude towards the clients and show willingness for answering their questions.

The employee's confidence, clearly structured speech, statements and structure of phrases, reasonings and substantiations brought shall prove to the customer that a specialist is speaking to him/her. It is necessary to take into account that entering the Bank, the customer shall be confident that the Bank's employees are more knowledgeable about issues of his/her concern and shall be able to provide full and exhaustive information or advice to him.

8.4 The Bank employees shall be prohibited from providing any information on the Bank's activities to the competitors. The Bank's competitors shall be other banks, credit organizations, pawnshops, money exchanges, payment and settlement organizations (PSOs) and other organizations carrying out banking functions functioning in the RA territory.

8.5 The Bank employees shall be prohibited from providing any information on the Bank's activities to the mass media without the consent of the Bank's management. Any interviews with mass media shall be arranged by the Bank's responsible employee and in his/her presence. Moreover, the Bank employees shall be forbidden to make statements or provide information, other than the Bank's official position or which may damage the Bank's image and reputation.

9. SERVICE BEHAVIOUR

9.1 The Bank employees shall always watch their relationships with colleagues, speech and behaviour, manner of contacts, realizing that each unnecessary and additional factor may be a hindrance or inconvenience for the normal work of a colleague.

The employee shall be strictly forbidden to unduly interfere with process of fulfillment of functional duties of another Department or employee, or to create inconveniences in other ways for other Departments or employees. Any interference or checking shall be planned and approved by the Bank's management beforehand.

9.2 In case of a conflict situation between the Bank's employees, it shall be immediately reported to the direct supervisors who shall be obliged to take measures for the settlement of the situation. If the immediate supervisor is unable to handle the situation on his/her own, then he/she shall be obliged to report to the relevant Deputy CEO of the Bank or directly to the CEO.

If the conflict situation was created between the employee and his immediate supervisor, the employee shall be entitled to apply directly to the CEO or other management body of the Bank.

It is necessary to realize that the customer's opinion on the Bank shall be formed from the first contact, basically from the conversation on the phone. Answering the call, it shall be



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necessary always to speak with respect, polite and friendly, make decent and complete introduction, fully answer all the questions of the caller at the same time inviting him to visit the Bank and got more information on services offered by the Bank.

It shall be necessary to avoid high noise, which can disturb the employees' activities.

During consultations or negotiations it shall be necessary to turn off mobile phones.

9.3 The workplace shall always be accurate; the documents on the table shall be sorted. We shall always remember that partners and customers shape opinion on the employee judging from the state of the workplace.

10. BANK CULTURE

10.1 Bank culture is the integrity of material and spiritual values during the Bank employees' activities and practices created in the Bank, which shall be the basis for the Bank's employees' Code of Conduct and professional culture.

10.2 Appearance: the Bank employees shall always watch their dress and appearance, dress in business formal. Uniforms of business formal dresses shall be defined in the Bank and employees shall be obliged to comply with the requirements of the Bank's dress code.

10.3 Celebration of traditional holidays shall be one of the most important factors in the shaping of the Bank culture.

The events to celebrate New Year, Christmas and other holidays shall be organized both inside and outside the Bank. Not only Bank employees, but also persons invited by the Bank management, including the Bank renowned customers, representatives of partner organizations and other persons, may participate in the events.

Persons invited by the Bank's employees may take part in festive events organized by the Bank only upon the consent of the Bank's CEO.

11. CONFLICT OF INTERESTS

11.1 The Bank employees shall be responsible for the creation of conflict of interest situations. Conflict of interest shall be the situation under these Regulations when Bank employees will be in a situation which would directly or indirectly require him to make a choice between:

- the Bank or its customers and its own business interests or the interests of persons related to him/her,
- the interests of customers serviced by the Bank ,
- any situation which calls its impartiality or objectivity into question, which may contradict the principles of these Regulations and its consistency.

The Bank employees shall exclude the Bank's participation in the activities, which might be relevant to members of his/her family, with material interests of friends.

11.2 Abuse of official position and use of service information: the Bank's employees shall be prohibited from abusing their position and use the information available to them, to satisfy their personal interests and interests of their relatives, friends or other persons related to them. Moreover, this requirement continues to operate in case of termination of employment agreement during 2 years. In case of detection of violation of this requirement within the



specified period, the Bank shall reserve the right to take all measures prescribed by the RA law to impose sanctions on the given employee.

11.3 Gifts: the Bank employee shall be prohibited to accept gifts from customers, services, entertainment invitations, or any other similar proposals from persons or organizations that expect practical cooperation with the Bank or are waiting for the Bank's decision concerning their activities.

After the agreement with the Bank management, Bank employees shall be allowed to take only pens, notebooks, calendars, and similar other accessories containing advertising information or provided for that purposes.

12. POLITICAL ACTIVITY

12.1 The Bank is a commercial legal entity and is not involved in political activity.

12.2 The Bank employees may engage in political activities only after work hours. In such cases, they shall act not as an employee of the Bank, but as a RA citizen, not using their position and the Bank's name for their political activity.

12.3 The Bank employees may not occupy any paid or unpaid positions in politics or engage in political activity without informing the Bank management.

12.4 If the Bank enters into any transaction with any state body or an official, even in this case the Bank and its employees shall act in accordance with the RA legislation and the Bank's rules of ethics and in accordance with regulations adopted by the Bank.

13. PRIVACY

13.1. Keeping of bank secrecy shall be the important norm of conduct and bank ethics standard for the employees.

13.2 The Bank employees shall be liable for disclosure of information on bank and personal secrecy prescribed for by the RA legislation and the Bank's internal regulations. They shall be obliged to maintain information on the client's deposit accounts, transactions and other information existing in the Bank, except for cases stipulated by law.

13.3 If some details of information regarding the customer have been revealed stipulated by law or depending on other circumstances, the banks shall show maximum prudence and take all possible measures to rectify this situation.

13.4 The Bank employees, quitting their job or even in case of dismissal, shall have no right to reveal the information containing bank and personal secrecy to relatives, friends and any other person.

14. BANK ASSETS

14.1 Bank assets (computers, phones, copying equipment, real estate, etc.) shall be meant first of all for the provision and development of the Bank's activities. The use of the Bank assets for personal purposes shall be strictly prohibited and may result in termination of the employment contracts or applying other sanctions.

14.2 In case of employee's dismissal or quit, all the materials, documents (paper or electronic) created by him/her shall be left with the Bank as the Bank's property (if the



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employee opened an email for banking on behalf of the Bank, then upon his/her dismissal shall be obliged to hand over the email, password and materials to the relevant authorities.

15. ETHICS COMMISSION

15.1 The functions of the Ethics Committee in the Bank shall be carried out by the Bank's CEO, Deputy CEO, Chief Accountant and Chief of Staff.

15.2 Any violation of the rules of bank ethics shall be considered by the Committee members in advance, and the appropriate decision shall be made.

The Bank's CEO shall impose sanctions on the employee who has violated the rules of ethics on the basis of the decision of the Committee members.

15.3 The decision of the Committee members on violation of rules of ethics by the Bank's employees shall be a basis of for imposing disciplinary sanctions on the Bank's employee.