

	<b>QUALITY MANAGEMENT SYSTEM</b>	<b>POLICY 07/13#4</b>		
	<b>“ACBA-CREDIT AGRICOLE BANK” CJSC POLICY OF RULES BEHAVIOUR AND INTERNAL DISCIPLINE (EXTRACT)</b>	<i>Approval date 06/02/19</i>	<i>Into effect from 20/02/19</i>	<i>Page 1 of 7</i>

## PURPOSE

The purpose of “ACBA-CREDIT AGRICOLE BANK” CJSC (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 the Bank’s structural and territorial subdivisions

## CHAPTER 1. GENERAL PROVISIONS

1.1. The rules of behavior and discipline of the Banks’ Employees are norms based on the general principles of morality 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 to right mind, common ideas of honesty and modesty to keep image and spotless reputation of Bank and an employee of Bank.

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

- a) Bank respect individuals’ right and dignity in making relations with people.
- b) Standards of high morality and etiquette are important values for Bank. Bank retains honesty, impartially, reliability and truthfulness.
- c) 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:

- a) To follow demands of legislation and legal rules of Bank.
- b) To perform its official and working duties exactly, in time and properly.
- c) 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.
- d) To prevent any action (or inaction), which can compromise and deprive his/her authority.
- e) To prevent any operation (or inaction), which can affect adversely on reputation and authority of Bank.
- f) To keep confidential information of the Bank and its customers.
- g) To take care of property of Bank. Don’t use property of Bank for the interests of other parties.
- h) To not take or offer presents, free of charge services or hospitality.
- i) To inform direct manager about any conflict of interests.
- j) 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.
- k) 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.
- l) To not use the information about the Bank obtained at work for private interests or for other aims.
- m) 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)
- n) 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 points of the law and demands of legislation.

2.2. Each internal juridical acts 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.

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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. If any employee is a spectator of a fact of law violation or is submitted to violation, he/she must inform his/her direct manager about it. If the violation comes from his/her direct manager, then employee must inform about that to the manager of his/her direct manager. In particular cases employee can send the notice right to the CEO of the Bank.

2.6. Bank cooperates with government bodies to prevent, expose and to punish money laundering and financing of terrorism.

2.7. 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.

2.8. 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:

- Expected Financial Results/Forecasts and projections
- Bank data not published previously
- New Product Announcements of a Significant Nature
- Marketing strategy and campaigns,
- Significant Litigation Exposure,
- New Equity or Debt Offerings,
- Merges and Achievements(M&A),
- Connections with Controlling Bodies,
- Information about banking security, that includes banking rules, passwords, cods and keys,
- Information about computer programs,
- information connected to documents and documental systems, data bases, systems of information and information technologic,
- Information about Employees and their wages,
- Information connected to Banks' customers,
- 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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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. Employees of Bank have no right to abuse their working position or to use any information available from their working duties for personal aims.

4.4. 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.

4.5. 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.

4.6. 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.

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

## **CHAPTER 5. GIFT POLICY**

5.1. ACBA CA Bank's (hereafter Bank) objective is doing business with private and corporate 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. On the occasion when it might be inappropriate to refuse a gift offered, the gift shall be received in the name of the Bank and reported to the Human Resources Management Department. If the market value of the gift exceeds AMD 10,000 a formal report is filled with the HR Department and the gift is physically passed to the division to determine the suitable distribution.

5.5. Bank's managers and staff may accept promotional items from the Bank's clientele like diaries, calendars, T-shirts, baseball caps, etc. provided that the market price of those items does not exceed AMD 10,000.

5.6. Bank doesn't permit taking cash or equivalent of cash.

## **CHAPTER 6. EQUAL OPPORTUNITIES**

6.1. The Bank treats its employees and applicants fairly and equally regardless of their race, color, religion, age, sex, sexuality, marital status, ethnic or national origin, disability, or any other criteria prohibited by the Constitution of the Republic of Armenia, Labor Code and any other legislation.

6.2. Addressing the needs of individuals with disabilities provides critical support for the realization of our goals of ensuring equal employment opportunities and providing an optimal work environment for all employees.

6.3. The Bank strives to familiarize all employees with equal opportunities. Each employee, irrespective of his/her position, shall know that when a complaint about any discriminating act or unfair treatment is received it will be 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.

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6.4. Any type of harassment overt or covert– including sexual harassment is not tolerated at the Bank and will be punished up to termination of the employment contract.

## **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. During the telephone conversation with customers and colleagues the employees must present themselves, listen to them carefully and not interrupt them.

8.2. The general demands for telephone conversations are:

- a) when receiving a telephone call welcoming the caller,
- b) answering the call at least after the third call,
- c) saying good-bye in a kindly manner, in case of speaking to customer saying “Thank you, good-bye”,
- d) when making call welcoming colleague or customer,
- e) when making call to customer presenting himself/herself and saying “Hallo”. In case of official call besides the name saying also the surname.
- f) ending the call saying “Thank you, good bye”.

8.3. During the telephone conversation with customers and colleagues it is not permitted to have several conversations simultaneously, chewing and using not official language.

8.4. 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 unsobber 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.

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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. For that purpose the following ways, order and principles of communication with customers and colleagues are defined in the Bank:

### **11.3. Relationship with the Bank’s customers**

11.3.1. The servicing of the customers (colleagues) in the Bank is made with the following logo “We do everything for helping customer and giving qualitative services”.

11.3.2. The Bank’s employee:

- a) treats the customer kindly,
- b) uses only formal language,
- c) during the conversation with customers at first makes eye contact and keeps it during all the servicing process with kind expression of face,
- d) after making eye contact asks the customer “How can I help you?” saving eye contact and kind expression of face,
- e) speaks politely to the customer with calm and understandable voice matching the tone of his/her voice to the tone of customer’s voice,
- f) finishing the meeting with customer says “Thank you, good-bye”,
- g) before and during the execution of the agreement, orally explains the nature, main risks of the relevant service to the customer, provides an opportunity and enough time to get acquainted with the provisions of the agreement,
- h) verbally informs the customer of the right to receive the information in hand in the premises of the Bank, or via mail, email or phone, by clarifying the method, preferred by the customer. If the customer does not select any of the ways of receiving the information upon his/her written application, the information shall be provided to the customer in hand in the premises of the Bank,
- i) verbally presents the information to be provided to the customer during the validity of the agreement, bank statements and notifications on non-performance or improper performance of liabilities, specified by the agreement, the form and procedure of their provision to the customer. In particular, informs of the procedure on provision of the bank statements in the form, preferred by the customer, with the frequency of thirty days, and the notifications on non-performance or improper performance of liabilities, specified by the agreement – in the form, frequency and terms, specified by the internal legal acts of the Bank,
- j) verbally explains to the customer the procedure of submitting the claims (application, complaint, request), occurring after the execution of the agreement, in a written form – electronically or via mail, as well as the process of reviewing and making decisions on the submitted claims by the interested subdivisions of the Bank, in case of individuals – within maximum ten working days, and in case of legal entities and private entrepreneurs – within maximum fifteen working days, at the same time informing that in case of a positive decision, the customer will not receive a written reply, and in case of a negative decision, the reply shall be sent to the customer in the form of submission of the claim. In case of no contact with the customer, the claim remains without review,
- ja) verbally informs the customers of the opportunity to protect their rights by judicial proceedings, and in case of individuals – also with the help of the financial mediator. The procedure and terms of submission and review of claim-complaints shall in no way limit the customer’s right to

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apply to the court, in case of individuals – to the financial mediator, in case of availability of arbitration agreement – to apply to the commercial arbitration.

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

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

11.3.4. If there is a queue of customers and during the conversation with the customer another customer jumps the queue and stands (sits) beside the customer being serviced by the employee, the employee must:

- a) make eye contact with them and find out "Excuse me, are you together?",
- b) if the answer is positive then smile and continue servicing,
- c) if the answer is negative then say "Excuse me" to the first customer,
- d) keeping eye contact with the interfering person with kind voice say "Please wait until I have serviced the customer". The servicing must not be continued until the last doesn't go back.
- e) come back to the first customer, smile and continue the conversation.

11.3.5. If during the conversation with the customer another customer interferes in the conversation, the employee must:

- a) say "Excuse me" to the first customer,
- b) keeping eye contact with the interfering person with kind voice say "Please wait until I have serviced the customer". The servicing must not be continued until the last doesn't go back.
- c) come back to the first customer, smile and continue the conversation.

11.3.6. If the employee is servicing a customer and simultaneously is receiving a telephone call, he/she must:

- a) say "Excuse me" to the first customer,
- b) answer the phone and welcome the caller,
- c) during the telephone conversation keep eye contact with the first customer,
- d) if it is an internal call (from an employee) say "I am servicing customer at the moment" and listen to the answer. If the issue is not urgent suggest to call later and come back to the customer,
- e) if it is an external call (from a customer) listen to the question and approximately count the length of the conversation. If the conversation may last less than two minutes, than answer to the question. If the conversation may last longer then say: "Excuse me, I am speaking to the customer at the moment. Please give your telephone number, I will call you after \_\_\_\_\_minutes".,
- f) if the caller doesn't want to give the telephone number, then tell the customer: "Please call again after 20 minutes. I will answer your question with pleasure."

11.3.7. If for servicing the customer it is necessary to leave for a while, tell the customer: "To meet your question I must leave for \_\_\_ minutes, please wait"; or "Please wait for a minute, thank you". Coming back smile and say: "Excuse me".

11.3.8. When leaving the workplace the sign "Isn't being served" must be put. Coming back the sign must be put off immediately. The break lasts for an hour. The total length of breaks for drinking tea, coffee, smoking or for other reasons cannot exceed half an hour.

#### **11.4. Management of conflict situations.**

**11.4.1.** In conflict or extraordinary situations emerged during immediate treatment with customer it is forbidden:

- a) to speak to customer with a loud tone,
- b) to quarrel with the customer,
- c) to touch the customer.

11.4.2. In conflict or extraordinary situations emerged during immediate treatment with customer when the employee doesn't know how to treat or if the manager's help is needed, the employee must:

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- a) keep confident and calm tone and the eye contact with the customer,
  - b) be patient, answer calmly and with dignity to customer's questions that express anger and uncertainty, show kindness and balanced behavior,
  - c) tell the customer: "Excuse me, but this question is under authority of the head of the Division, please wait for a minute, I will call him",
  - d) go to the work room of the head of the division and to present the situation,
  - e) if the head of the subdivision is absent or is busy at that moment, then go back to the customer immediately and say: "Excuse me, the head of the subdivision is busy at the moment. Please wait a little, he/she will come in \_\_\_\_ minutes".
  - f) in force majeure situations (when the employee doesn't manage to call the head of the division and the customer rebels):
    - 1) with a calm, confident tone say: "Please, calm down, otherwise I will have to call the security employee".
    - 2) if the customer continues to behave aggressively or offensive than call the security employee by hand movement or by glance,
    - 3) it is forbidden to do that by loud sound or by calling except for the cases when the employee's life is in damage.
- 11.4.3. Employees must do their best to avoid conflicts at workplace.
- 11.4.4. If conflict situations occur among employees they must avoid personal insults and impolite behavior.
- 11.4.5. If the employee cannot solve the conflict himself/herself:
- a) the employee applies to the immediate manager presenting his/her point of view on essence, reasons of appearance of the conflict and ways of solutions. The manager must also listen to the point of view of the second part of the conflict. After comparing opinions of two parts the manager makes decision on conflict solution.
  - b) not having proper solution or having conflict with the immediate manager the employee applies to the manager of his/her immediate manager.
  - c) if the conflict continues the employee applies to the Bank's appropriate structural subdivisions related with staff management and security affairs which must 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.