



“ARMSWISSBANK” CJSC
INTERNAL LEGAL ACT

Title of the Act: *№ 222, Rule of Corporate Code of Conduct*

The receiving body; *The Board*

Date and basis of Decision; *23.04.2018. Decision No.32-2018-2-L*

Effective from; *23.04.2018.*

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Performing Division (s); *All Divisions*

Division(s) responsible for reviewing; *Business Development Department
Staff*

Circularity; *Circular* *Limited* *Confidential*

1. The objectives of the Rules of Corporate Code of conduct

- 1.1 The purpose of the Corporate Code of Conduct rules, (hereinafter,“Rules”) is defining “ARMSWISSBANK” CJSC (hereinafter “Bank”) operations’ general criteria and the employee Code of conduct aimed at acquiring and maintaining the good reputation of the Bank, to increase and secure the customer’s trust in the Bank, as well as the effective implementation of the Bank's operations.
- 1.2 These rules aim at;
 - Reinforcing the Bank’s corporative values and mission.
 - Ensuring employee’s compliance with their assigned duties and making them aware of their individual responsibilities towards the bank customers, the shareholders and the partners concerning their role in the process of fulfilling the Bank’s mission.
 - Defining the main criteria of the Bank's relationship between its employees,the customers, competitors, partners, RA Central Bank and other governmental bodies (hereinafter referred to as 'state bodies').
 - Protecting the interests of customers, shareholders, partners and employees.
- 1.3 The provisions of these Rules are defined, amended, added and approved by the Board of the Bank, in accordance with the RA legislation, international practices, as well as the common business customs.
- 1.4 The Rules herein contain mandatory codes of conducts which apply on all of the Bank employees, regardless of their position, including the Bank Board members (hereinafter referred to as 'Bank employee').
- 1.5 All of the Bank documents, including documents defining the mutual relationships of the bank with the customers, partners, governmental bodies and employees, shall be edited and approved, taking into account the internal regulations of the Bank.

2. THE CORPORATE ETHICS OF THE BANK

- 2.1. **High professionalism;** The Bank carries out all customer service transactions in genuine, timely and efficient manner. The Bank strives to constantly improve, innovate and seek new ways and opportunities to increase the effectiveness of its functions.
- 2.2. **Security;** The Bank shall undertake all necessary measures to prevent any unlawful actions by third parties against Bank's shareholders, customers, partners, employees Within the framework of relations with the Bank.
- 2.3. **Legitimacy;** The Bank shall strictly comply with the RA legislation, international banking practices, the requirements of these Rules and the internal legal acts of the Bank, as well as business customs.
- 2.4. **Team approach;** the relationships between the Bank employees are built on the basis of mutual understanding, trust, mutual assistance, and collective corporate spirit.
- 2.5. **Responsibility;** the Bank's employees bear responsibility towards the shareholders for the consequence of the functions entrusted to them , towards the customers, to deliver high-quality and intact banking services and maintain banking secrecy, and towards the partners for adequate performance of due obligations.

- 2.6. **Respecting the individual's rights and dignity;** The Bank respects human rights and freedoms irrespective of race, nationality, gender, social status and legal status.
- 2.7. **Transparency;** The Bank constantly strives to provide transparency of operations with customers, shareholders, partners, government agencies and employees of the Bank, while maintaining confidentiality of information.
- 2.8. **Corporate Responsibility;** The Bank's management voluntarily commits to develop and implement certain social-oriented projects, the main purpose of which is to improve and develop the organization's external environment. Such projects and events can be completely non-profitable (social, charitable), as well as profitable or relatively low profit one. Corporate social responsibility should correspond to the peculiarities of the bank's activities and the level of development pace, it's a system that is revised periodically and that of a dynamically developing liabilities, which are developed and invested in by the management of the bank on a voluntary basis, especially considering the opinions and interests of the Bank's employees and shareholders. It includes, but is not limited to, the following main trends.
- Corporate governance and corporate culture
 - Health and Labor Protection
 - Workplace safety
 - Protecting human rights, including labor law relations and the derived rights
 - Human resources management
 - Public Relations
 - Corporate and Individual Charity and Volunteerism
 - Meeting Customers' requests
 - Adherence to fair competition principles
 - Fighting against corruptions
 - Transparency and reporting
- 2.9. The Bank's employees shall unconditionally adhere to the values set forth by these Rules, and are of primary significance for the establishment of the Bank's internal legal acts' provisions.

3. Corporate Image

- 3.1. The reputation of the Bank is the most important factor while realizing its mission and achieving its goals, and it should always be in the center of employees' attention.
- 3.2. A bank employee must be civilized, kind, responsive, regardless of the level, form or means of communication. Employee should exercise tolerance in the performance of his / her job duties in the event of unfavorable conduct by customers, partners or other persons.
- 3.3. The bank employee must constantly keep the work discipline: In the event that the situation can lead to a breach of the discipline, the employee should inform the immediate supervisor. An employee should always strive to minimize the occurrence of such situations.
- 3.4. The Bank's employee is obliged to maintain the dress code in accordance with the Bank's internal regulations: Non-compliance with the dress code by a bank employee is a violation of labor discipline and may result in a disciplinary penalty.

3.5. The rules of business conduct are consciously maintained regardless of desire, mood, or mental state.

3.6. An employee of the Bank, as a civilized individual, adheres to the forms behavioral manners and rules adopted in a civilized society, and shall bear in mind that his external conduct reflect not only his/her values but those of the organization where he/she works too.

4. *PROTECTION OF INTERESTS OF THE BANK, BANK'S DEPOSITS, CUSTOMERS, PARTNERS AND EMPLOYEES*

4.1. The Protection of interests, rights and security of the Bank, its shareholders, customers, partners and employees is an inseparable part of the Bank's operations.

4.2. The employee of the Bank shall be responsible for the protection of the material and intangible assets of the Bank.

4.3. The employee of the Bank shall put maximum efforts to prevent any unlawful action by other employees of the Bank or third parties in regards of shareholders, customers, and partners; and and in case of disclosure of such cases he/she shall immediately notify their supervisor.

4.4. The employee of the Bank actively participates in combating illegally obtained funds and activities carried out by the Bank against terrorism financing.

4.5. The employee of the Bank shall exclude any action that may cause damage to the business reputation of the Bank's shareholders, customers, partners, intangible and material interests.

4.6. The employee of the Bank shall immediately notify his immediate supervisor or managers of the relevant subdivisions of the Bank of all planned or current actions by the Bank's other shareholders, customers, partners, which contradict the requirements of the RA legislation, these Rules or other internal legal acts of the Bank.

5. *BANK'S RELATIONSHIP WITH CUSTOMERS, PARTNERS AND STATE BODIES*

5.1. Bank's relationships with customers, partners, and government agencies are based on the principles of lawfulness, honesty, decency, mutual respect and trust, . priority of customer interests, inviolability of commitments, the transparency of the necessary information, and the priorities of the negotiations prior to the trial.

5.2. The Bank employee carefully examines and responds in timely manner to the complaints, claims and discontents addressed to the Bank.

5.3. The bank employee does not disclose information about clients, partners, government agencies, accounts and investments, as well as other information that may cause damage to the business reputation of the customers, partners and public authorities, whether material or non-material, unless such information is provided by the RA legislation.

5.4. The bank employee is prohibited to be guided by hidden preferences in relations with customers, partners and public authorities.

5.5. An employee of the Bank is not eligible to conduct researches and give the client partner data on behalf of the Bank, if it is not related to the fulfillment of his / her official duties in the Bank.

6. THE BANK'S RELATIONSHIP WITH ITS EMPLOYEES

- 6.1. The Bank commits the relations with its employees on the basis of long-term cooperation and mutual respect, as well as on the principles of consistent performance of mutual obligations.
- 6.2. The Bank shall provide all its employees with the same opportunities and rights regardless of nationality, sex, sexual orientation, marital status, religion, age, physical disability, civil status or any other vulnerable group as defined by RA civil law. Such a policy does not prohibit the Bank from awarding some or all of its employees, or transfer to another department, send to training or dismissal based on the results or lack of performance of each employee:
- 6.3. The Bank creates all the necessary conditions for its employees for professional growth and social welfare improvement.
- 6.4. The Bank creates an atmosphere where every employee seeks to effectively fulfill his assigned tasks, take new initiatives, strive to support the Bank's activities. Therefore, it is mandatory;
 - Respect the dignity of each individual,
 - Listen patiently to every employee's suggestions and complaints,
 - approach each disagreement with sound thinking, follow all banking laws and regulations, report promptly about criminal offenses and serious shortcomings.
- 6.5. An employee of the Bank shall promptly notify his immediate supervisor of any other employment offer or intention.
- 6.6. A bank employee is prohibited to create situations that may cause damage to the Bank's business reputation, its material and intangible interests.
- 6.7. The Bank encourages the development of the risk management system. The Bank employee pays special attention to possible risks when performing his / her duties, informs its immediate supervisor and managers of relevant departments of the Bank about the risks that may cause material and other losses for the Bank, its shareholders, customers and partners.
- 6.8. Teamwork, respect for each other, appreciation of employees' interests are encouraged in the Bank. Every employee can come up with his own initiatives and ideas that will contribute to improving the effectiveness of the business.
- 6.9. The Bank should encourage its employees to express all the complaints that may arise during the work.
- 6.10. Any employee who carries out his work in good conscience may be encouraged by the Bank.

7. EMPLOYEE CODE OF CONDUCT

- 7.1. Employees should not be exercise physical or psychological violence against each other, based on Based on national discrimination, sex, sexual orientation, color, marital status, age, religion, physical disability, civil status or belonging to any other vulnerable group as defined by RA laws.
- 7.2. Every employee should be endowed with respect, honesty and dignity.
- 7.3. Use of alcohol and drugs by employees during work hours and workplace is strictly prohibited, : If an employee uses a medicine prescription by a doctor which may have a negative impact on his or her direct work ability, he / she should discuss it with his / her supervisor.

- 7.4. Employees should not disclose or discuss information about banking and customer related issues (such discussions are explicitly defamatory and do not in any way affect their activities in the Bank).
- 7.5. Heads of departments have no right to "invade" the employees' computers, documents, and e-mail , scan records and interfere with their phone conversations without informing their employees, if all these are not in their jurisdiction.
- 7.6. Each of the employees should always think about how this or that attitude may be viewed and what impact will have on the Bank's operation.
- 7.7. Employees of the Bank may use computer and other equipment, communication facilities, information and network resources of the Bank exclusively in the cases and in the manner prescribed by the Bank's internal regulations.
- 7.8. Bank employees can engage in political activities only after working hours. In such cases they must act not as an employee of this or that Bank but a citizen of Armenia, and not using their position and name of the Bank for pushing any political agenda.
- 7.9. Bank employees can not hold any positions in the political field without the consent of the Bank's Executive Director.
- 7.10. Violation or breach of business conduct rules may result in disciplinary sanctions, including the termination of employment contracts.
- 7.11 Use of the bank's property, facilities and services without permission is prohibited, which includes the usage of phonelines, internet, computers, and other office supplies for work not related to the Bank (with the exceptions of short personal phone calls and the receipt and delivery of small electronic messages).
- 7.12. It is forbidden to be indifferent to responsibilities, negligence, including non-compliance with the delegated assignments and the missue of the authorized jurisdiction.
- 7.13. It is forbidden to disseminate, comment, criticize and discuss information about the Bank's activities, functions, decisions, transactions, issues related to the Bank's activities and legal issues in social networks.
- 7.14. The Bank's employee should know how to admit guests, organizing the consultation in decent manner, specially;
 - Set the meeting time, non-business meetings are planned outside the working hours,
 - Takes note of preparatory measures for the reception and accompaniment of guests, in particular:
 - Decide the meeting participants and guests
 - Decide the purpose of the meetings, analyzing the issues as needed, organize internal consultations and identify possible options for resolving key issues;
 - prepare materials and documents related to the issues under discussion;
 - If necessary, take care of stationery and technical means;
 - Prepare the meeting language in advance with the guests,
 - (the meeting begins without delay.) If the meeting is postponed, the participants should be informed ahead of time; apologizes and agreeing on a day and hour of the meeting
 - meeting the guests and accompany them to the appropriate office.

- (if the participants of the meeting are not familiar with one another, then the first to introduce is the head of the host party, then the leaders of the parties present their partners, the members of the receiving party shall be first presented. Business cards may be exchanged.
- disconnects the mobile phone during consultations, sessions, and business meetings.

8. CONFLICT OF INTERESTS

- 8.1. Every employee of the Bank must understand that a conflict of interests may arise in the event of an employee's personal activities or interests hindered or encountered, or may interfere with the employee's obligations, which may prevent them from engaging in active cooperation with their shareholders, governing bodies or customers.
- 8.2. An employee of the bank should avoid conflicts or possible conflicts that may arise from personal interests and bank interests contradictions.
- 8.3. Employees should avoid;
 - Disclosing confidential data
 - non-derivative activities or relationships that may adversely affect the reputation and activities of the Bank.
- 8.4. In order to avoid a conflict of interest, an employee should not use and abuse his / her position in the Bank, in the interest of himself / herself or his / her family members.
- 8.5. The Bank and its employees must not accept monetary or other gifts (which may be viewed as bribery) from their regular or potential customers, suppliers, and government officials. Such restrictions do not apply to gifts or entertainment that is based on family, friendship, or strict personal relationships, where circumstances become clear that all this has nothing to do with the Bank's activities:
- 8.6. Bank employee is prohibited to accept from customers, partners, their representatives or affiliated persons during their official duties, and transfer money to third parties, as well as conclude contracts with third parties that enable the Bank's employee to receive cash from the above-mentioned persons as a bonus as an employee of the Bank.
- 8.7. The Bank may set certain discounts or non-cash gifts for potential customers, suppliers, and government officials in exchange of certain service.

9. CONFIDENTIALITY AND ACCESS TO INFORMATION

- 9.1. Both the Bank and its employees are liable for the disclosure commercial, bank or personal information as per the bank internal legal acts and according to the legislation of the Republic of Armenia. They are required to maintain information the confidentiality of the customers' accounts in the Bank, transactions made with them, and other information, except in cases prescribed by law.
- 9.2. If some details of customer-related information have been disclosed for lawful or other circumstances, then the Bank and its employees should demonstrate the utmost sensitivity and take

all possible steps to remedy this situation.

- 9.3. In case the dismissal or even expel of the Bank employee, the latter shall not be entitled to disclose banking, commercial or personal information to his relatives, friends or any other person.
- 9.4. The Bank provides information on its activities in accordance with the RA legislation and international banking practice, based on the principles of trustworthiness, periodicity and operability.
- 9.5. An employee of the Bank may provide information to the mass media on the Bank's activity only with the permission of the Bank's Executive Director.
- 9.6. The bank employee should communicate with media representatives only in the presence of the Bank employee responsible for the work with the media.
- 9.7. Service information, including the Bank's internal structure, operational working style, financial flows, as well as shareholders, customers, partners, employees are of confidential nature, with the exception of the information considered publicly available by the legislation of the Republic of Armenia and the Bank's internal acts. The employee of the Bank shall assume the obligation of non-disclosure of banking and commercial secrecy information in writing.

10. SERVICES PROVIDED TO CUSTOMERS

- 10.1. The Bank should offer all its clients the same services regardless of their nationality, political, religious or gender affiliation, financial and professional capacity, respecting the dignity of each individual. However, some exceptions should be taken into account as a result of which the Bank may,
 - refuse to render service if it does not comply with the charter or the prescribed order; or it stems from the legal or economic interests of any customer,
 - apply different tariffs based on the business nature and potential of the customer, or the risk assessment,
 - provide versatile conditions for customers, proceeding from the nature of the activity or the intention to engage in rapid activity,
 - identify the services that the client really needs and which can maximize customer satisfactionProviding the necessary information on the service provided.
- 10.2. The Bank must ensure that the customer service is most appropriate and best tailored to the needs of the Bank.
- 10.3. The Bank prohibits the use of words that may mislead customers about the offered Service.
- 10.4. The Bank should constantly seek to upgrade and improve the technological skills of its services.
- 10.5. The technical and operational conditions of the Bank's services, based on the use of new technologies, should be simple and easy for people who are not familiar with new technologies related to banking.
- 10.6. Prior to entering into any banking service agreement, which will require the use of new technology, the Bank shall provide relevant information regarding the use of new technologies and the manner in which it is used.
- 10.7. The Bank presents its customers with such financial and business benefits of new technologies, as well as any other value that may arise in the case of utilizing such technologies.
- 10.8. If some transaction fails due to failure of electronic equipment, , the Bank shall take all possible

remedies to protect the personal data of the contracting parties.

- 10.9. There will be no agreement between the Bank and the customer, which will force the client to use other services of the Bank, as well as preventing transactions with other banks and use the services offered.
- 10.10. In its internal regulations, the Bank shall define the Bank's services, as well as the general principles of communication between customers during service provision, procedures, conditions, forms and communication features at different stages of customer relationships.

11. MARKETING AND ADVERTISING

- 11.1. Through its marketing policy, the Bank aims to ensure the proper representation and promotion of the Bank's services and products in the market, attracting new customers and promoting sales.
- 11.2. Within the framework of the Bank's marketing policy, the marketing instruments applied shall be in line with international experience, such as advertising on the media, social networks and specialized periodicals, services and analytical materials, publishing articles, creating and updating own home page.
- 11.3. Within the framework of marketing policy, the Bank constantly emphasizes the development and introduction of new products, rapid response to environment changes by reviewing existing product terms; providing individual and flexible approaches to clients and / or their target groups.
- 11.4. The Bank constantly focuses on the direct marketing method of attracting new clients and identifying potential customers, providing direct connection with customers.
- 11.5. The Bank designs a marketing program for each year, within which marketing activities and marketing expenses are defined.
- 11.6. Implementation of the Bank's advertising policy is based on the Bank's strategic goals and marketing policy; with conservative approach in regards of massive advertising campaigns through television and other media.
- 11.7. The Bank's advertising policy is based on the use of effective tools, which aim to raise the Bank's popularity both within the society and to provide customer target groups with the conditions, peculiarities and benefits of the Bank's products.
- 11.8. When applying for advertising, the Bank maintains the following principles:
- advertising is carried out exclusively in literary Armenian, the advertisement is edited in a way so that it can be brief and understandable for the average representative consumer,
 - advertising is carried out on a fair basis without violating the rights of consumers, as well as not complying with anti-competitive advertisements,
 - advertising does not include inaccuracies, uncertainties, exaggeration or defective elements in order to influence the consumer's response;
 - while stressing the idea of advertising, does not overwhelm the advertising text with extra details,
 - Advertising not only emphasizes individual but also social interests
 - , ensure the reliability and consistency of the information published through advertising;
 - excludes the use of ideas that are confusing, intriguing, misleading or duplicating in advertising, information and announcements,

- excludes advertising of services rendered by other banks, as well as advertising containing unnecessary comparisons with the rights and position of legal and natural persons;
- The advertisement of the Bank must contain the address of the Bank and the contact details of the Bank (telephone number, e-mail address).