

Approved by ARMECONOMBANK OJSC Board's Resolution

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Chairman of the Board

----- S. Sukiasyan

**PROCEDURE OF
ARMECONOMBANK OJSC PERSONNEL CONDUCT**

Yerevan 2023

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1. GENERAL PROVISIONS

- 1.1 ARMECONOMBANK OJSC (hereinafter Bank) Procedure of Personnel Conduct (hereinafter Procedure) establishes the model (standards) in accordance with which the Bank personnel (workers, employees) performs its office duties.
- 1.2 These rules equally cover all Bank officers and establish the corporate model (standard) for business conduct by the established order.
- 1.3 The Executive Board bears responsibility for creating of such an atmosphere of transparency and responsibility at the Bank's system where both the Management and the staff will refrain from the execution of illegal and suspicious actions and will actively respond against the execution of transactions which, from viewpoint of morality, seem suspicious.
- 1.4 Bank's managers of all levels bear responsibility for both the efficiency of operations and the compliance with Bank Conduct.
- 1.5 During their activities, all Bank employees must comply with moral norms established in Bank, i.e. to maintain not only business but also appropriate lifestyle standards / drug addiction, visiting casinos and other similar places and gambling, in public places, alcohol abuse at household/.
- 1.6 The Bank's relationships with partners, customers, public and other entities are built in compliance with this Conduct and moral norms existing in the Bank, which implies honesty, transparency and reliability in all situations, even those having wider implication range and not completely settled by law.

2. CONFLICT OF INTERESTS

- 2.1. In compliance with requirements of existing legislation, the Bank organizes its activity avoiding conflict of interests in business, i.e. not considering personal and family interests when making decisions under the conditions of priority of the bank's interests.
- 2.2 Bank employees or their relatives are obligated not to have any personal interest while rendering services to the Bank's partners and customers /participation in their capital, profit, gifts and other similar benefits/ and in case of existence of any personal interest promptly inform the direct management about that taking into account the interests of the Bank.
- 2.3 Bank employees are obligated to report Bank Management about intention to extend any working or consulting activities outside the Bank and to commence such activities only after the relevant permission is obtained.
- 2.4 Bank employees are obligated to report Bank Management (CEO, Board, Chairman of the Board) any situation countering normal efficient operation of Bank, potential risks, possible losses, and negative activity (inactivity) of an officer irrespective to subordination requirements.

3. STRUGGLE AGAINST BRIBERY AND CORRUPTION

- 3.1 The Bank joins the struggle against bribes and corruption. It means that we counter any manifestation of corruption in all the areas of business by both our partners and employees.
- 3.2 During its activities, the Bank personnel is obliged to exclude proposals or receipts of direct or indirect bribes, reporting any case of bribe proposal to the Management. The Bank shall not be involved in any transactions that may suppose corruption.
- 3.3 The aforementioned rule covers the cooperation with customers, partners, and public institutions. If the behavior of one of the above-mentioned persons does not comply with the Bank's business ethics principles, such person will be informed about the Bank's right to disagree and break off any relations with him/her.
- 3.4 During its operations, the Bank is strictly governed by the legislation and procedure of anti-money laundering. In particular, the Bank makes deals with well-known partners, striving to clarify and control all the suspicious situations and transactions by all possible means.

4. RESPECT TOWARDS EMPLOYEES, PARTNERS AND COMPETITORS

- 4.1. All Bank employees are treated with respect despite the age, sex, citizenship, nationality, religion, etc. We respect each person's right of private life.
- 4.2 The bank expects such attitude towards us, excluding any pressures towards our employees.
- 4.3 Establishment of frank and open relationship between the employees is highly encouraged in the Bank. Discussion of shortcomings or bad manners of an employee (gossip) is strictly excepted. Any disputable situation, should there be substantiated facts on such doubts, will be resolved with the help of the responsible subdivisions.
- 4.4 For the propose of expressing written (oral) solder preoccupations of employees' the following procedure on the discussion employees' complaints (proposals) is acting in the Bank.
- 4.4.1. The manager of Staff is accepting the applications on employees' complaints (proposals) registering them in the corresponding register-book, where the employee's name and surname is may be specified, keeping the application in special folder (including those received electronically). Oral complaints (also by phone) are briefly recorded in the corresponding register-book in compliance with the above mentioned procedure.
- 4.4.2 Based on the application character within 5 working days after receiving the applications the manager informs the applicator about the solutions presenting it to the Bank's Executive Boards (CEO) discussion in case of need.
- 4.3 The Manager of Staff should inform the applicant about the Bank's Executive Board resolution within 2 months.
- 4.4.4 In exceptional cases the employees can apply to the Board.
- 4.4.5 Bank's authority's reply towards the employee's complaints (proposals) excepts any punishment or persecution.
- 4.5 Bank personnel is also governed by the provisions of ARMECONOMBANK OJSC Values and Bank Management Main Principles which are deemed to be appendices for these rules. Our goal is to create such an atmosphere of mutual confidence in the Bank, where the mistakes, problems and disputable situations are openly discussed during which reasons and ways of solution to such phenomena will be found. The most important thing is that such problems will not touch the reputation of the person who has raised them.
- 4.6 The Bank's most transparent internal and external ways of action are designed to maintain and strengthen the confidence towards the Bank.
- 4.7 During its activity the Bank guarantees non-disclosure of confidential information on its competitors, customers and partners.

5. POLICY OF EQUAL OPPORTUNITIES

- 5.1 The Bank shall treat its employees and persons applying for employment without any discrimination, irrespective of their racial, national or religious affiliation, citizenship, age, sex, marital status, ideological orientation or physical disability, as well as belonging to any other vulnerable group established by the RA Constitution, RA Labor Code and other laws.
- 5.2 Any complaint of dishonesty and discrimination are thoroughly investigated and appropriate measures are taken.
- 5.3 The management actively promotes implementation of equal opportunities policy, in particular by providing all employees under their authority with equal opportunities for professional growth.

6. HUMAN RIGHTS

- 6.1 The Bank is guided by fundamental human rights principles.
- 6.2 The Bank's respect for human rights applies to employees, customers, providers and any other person who establishes a business relationship with the Bank.
- 6.3 The Bank shall comply with and be guided by the United Nations Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights regulating the given field.

7. KEEPING RESPONSIBLE PERSONS INFORMED

- 7.1 Bank employees are obliged to inform responsible persons about incidents and suspicious situations such as conflict of interests, corruption, money laundering, etc). Irresponsibility, forgetfulness as well as loss of documents for the purpose to conceal the phenomenon and other manifestations of the similar nature.
- 7.2. The correction of substantiated reports by the employee who is aware of any such phenomenon to the Bank's managerial bodies cannot be qualified as an undermining of mutual trust, but is considered to be a manifestation of the employee's commitment and responsibility towards his/her duties and the Bank.

8. MEETING THE REQUIREMENTS OF THE RULES OF CONDUCT AND CONTROL OVER IT

- 8.1. Each employee bears personal responsibility for meeting the requirements of these Procedure.
- 8.2. Control over fulfillment of such rules established by this procedure is performed by the Bank's responsible subdivisions.
- 8.3 The supervisors bear responsibility for their employees to meet and maintain the requirements of such rules and supervise their behavior during the working day by the established order.

9. OTHER PROVISIONS

- 7.1 During its activity, the Bank supports the struggle against environmental pollution.
- 7.2 These rules are developed in compliance with ARMECONOMBANK OJSC Values and Main Principles of Bank Management presented as enclosed appendices.
- 7.3 Employees breaching these Rules will be subject to disciplinary penalties in compliance with existing procedure in the Bank.

ARMECONOMBANK OJSC Values

This appendix establishes the Bank's values and slogans defining priorities and basics.

Appraising present values, we create new ones.

The Bank's most important value is its team. Confidence in the Bank, its business reputation and efficient activity aimed to fulfillment of the Bank's customers' demands and expectations of the shareholders in terms of increase of invested capitals are performed thanks to Bank's efficient teamwork.

The guarantee of Bank's progress lies in high qualification of its personnel and its tend for creative work.

Bank's Valuation

The Bank sells attractive Bank results and is an attractive investment institution itself.

The Bank's success is mostly conditioned by the valuation from the view point of its shareholders, which in its turn is conditioned by high professional qualification and business capabilities of the personnel, i.e. Bank is We.

The progress of the Bank is achieved by the good work of each of us, which encourages and stimulates the shareholders to make investments and as a result of such activities the Bank becomes a reliable employer.

Our Customers

Take care of your customers, otherwise others will do that for you.

The Customers' content from the Bank is the most important criteria for its success. Our slogan is not only to understand and completely meet the present demands of the customers, but also to look further, creating new demands and offering new services.

From this viewpoint, we tend to come nearer to the customer both in terms of distance i.e. allocation of branches and providing a wide range of bank services always keeping in mind, that the the well-being of the client depends on the well-being of the Bank, and therefore also the well-being and prosperity of each employee.

Responsibility

Despite the position, responsibility for the performed work is dominant among us.

Responsibility means each employee's readiness to bear personal obligations and to act in compliance with them.

We respect our partners, striving to support their economic progress and provide them with high quality services and consultancy. We also intend to constantly provide the Bank's value increase.

Confidence

Mutual confidence begins from you.

Bearing such responsibility, we create atmosphere of confidence among our customers and shareholders. Such confidence towards the Bank and our activity is based on our honesty, serious and responsible approach towards work and legality.

There can be no responsibility without confidence.

Communication

Communication is a two-way road.

Communication is a process of direct exchange of information, which discovers the real picture and supports the united teamwork.

Efficient exchange of information is deemed to mean unbiased approach which in its turn requires honesty, civil courage and readiness to criticize and be criticized no matter what position you occupy.

Each of us receives sufficient information for performance of official obligations and making decisions.

While making a decision, we consider all "pro" and "con" arguments, instead of blaming or justifying them; we listen to others attentively trying to understand them.

Cooperation and team work

Our power and advantages are in our unity

We are a united group of co-thinkers, but not collection of separate institutions, and carry out adopted resolutions and give solutions to arising problems.

Acting as a joint team, we understand that Bank's success will always prevail upon interests of separate subdivisions. Individual success will be valued as consistent part of general team success.

Cooperation requires honesty and mutual respect as well as readiness to assist others, which does not exclude healthy struggle of ideas aimed to adoption of more efficient resolutions and selection of ways and settlements.

Mistakes and Incidents

Making mistakes is not as dangerous as concealing it.

Mistakes are sometimes made during the work and it is very important to discuss them openly and frankly. We are governed by the following approaches: it is more important to find the reasons for such mistakes rather than the guilty person. Our goal is to eliminate consequences of such mistakes, to exclude their repetitions as well as to see what we have learnt as a result of such mistakes.

Bank management creates working atmosphere and conditions where one can frankly and fearlessly confess the mistakes.

Should there be any incidents, they are resolved within the Bank by measures strengthening bank's position. Settlement of incidents is also directed to the elimination and prevention of reasons for such incidents.

Goals and Evaluation

An important precondition to achieve the goal is to have a clear view of ways to achieving it.

We are led by a very simple principle according to which every goal must be organized per executing body clearly defining the ways to it, responsible persons and supervision. From this point of view, we are governed by activity and a clear goal programming system.

We give importance to three simple principles of achieving goals: to give the employee free possibilities to act, to support him/her as much as necessary and to give possibly fewer instructions.

Each Bank employee has the right of fair evaluation of his/her work and the remuneration of such employees depends on their personal investment into the process of achieving the Bank's goals.

We appreciate adaptive, purposeful and capable employees who find reasonable compromise between work and private life.

Training, Development and Progress

Every professional qualification needs constant development and improvement

We tend to create conditions for development of our employees' professional and personal features.

Considering the nature of Bank specialist's work we hire employees who have high professional qualification, love their profession, strive for constant improvement and are willing to learn and master innovations.

Realizing the importance of issue we have adopted efficient application of system for clear programming of the process and regular training, learning and certification of the personnel.

To ensure progress, we always comply our capabilities, actions, and applied technologies with market requirements. We always seek for the best ways of solution and prefer quality to quantity.

To us, progress means implementation of new things even if we have to waive old customs and accept new ones, which is a good precondition for success.

BANK MANEAGEMENT MAIN PRINCIPLES

1.GENERAL PROVISIONS

- 1.1 The goal of such main principles is to establish and more efficiently settle objectives of corporate governance in the Bank and minimum requirements of governing capabilities of Bank management.
- 1.2 Main principles describe the governing objectives of managerial bodies and are designed to support the creation of corporate management style based on mutual cooperation, which is deemed to facilitate the initiative, interest and willingness for cooperation of Bank employees.
- 1.3 Capability to manage is more important than professional qualification of managers from separate fields, thus, Bank management must be governed by these principles.

2. RESPONSIBILITIES AND ORGANIZATION OF WORKING PROCESS

- 2.1 It is supervisor's duty to plan and perform the activity and objectives of the managed subdivisions in a manner that will provide maximum result and minimum expenses.
- 2.2 Main objectives of management are: thoughtful division of work, establishment of each employee's scope of activity and level of responsibility as well as coordination of procedures for the purpose to obtain maximum general result.

3. DELEGATION OF FUNCTIONS, SUPERVISION FOR ITS PERFORMANCE AND REPLACEMENT

- 3.1 Managers perform the assignment of instructions, name responsible persons and establish the area for their activity, scope of responsibilities and relevant liabilities. Supervisors bear responsibility for the selection of employees to perform such instructions. At the same time, supervisors still bear responsibility for such instructions, as the employees only bear performing responsibility for the completion or non-completion of tasks.
- 3.2. Necessary qualification and confidence are mandatory conditions for delegation of functions but, at the same time, the supervisor's control is not less important. The results of the instruction must be submitted to discussion during the evaluation of personnel activity. They may have decisive influence on deciding on necessity of raising the employee's qualification.
- 3.3. Should the manager be absent, his/her obligations are delegated to the deputy manager or employees defined by the subdivision's regulation -job description, being a good specialist, the latters must also have good managing skills.

4. COOPERATION AND WORKING ATMOSPHERE

- 4.1 We tend to create an atmosphere of mutual respect and indulgence in relationship of Bank employees. Because of this, Bank management supports cooperation and exchange of information both inside and among the subdivisions.
- 4.2 We expect the supervisors to create working atmosphere that will increase the employee's devotion to his/her work, promote the improvement of indicators and, thus, support the improvement by performed work. The supervisor must serve a vivid example of work, responsibility and conduct for his/her employees.

5. KEEPING THE EMPLOYEES INFORMED AND ASSIGNMENT OF TASKS AS MANAGEMENT INSTRUMENT

- 5.1 Supervisors must keep their employees informed of all objectives concerning their activity, as well as of internal procedures and instructions. It helps the employees be well informed of the Bank's interests and programs as well as of their operations.
- 5.2 Supervisors assign clear instructions to their employees based on the tasks of the particular subdivision. In this case, the supervisor must also consider the employee's qualification.
- 5.3 When performing such instructions, the supervisor must provide the employee with necessary support and control.

6. EVALUATION OF THE PERSONNEL AND REMUNERATION

- 6.1 Supervisors perform regular evaluation of their personnel through appropriate system of certification.
- 6.2 Supervisors may affect the remuneration of their employees' based on the scope of responsibilities and results of the performed work and are governed by fair level of payment within the subdivision. Initiatives and innovations must be remunerated.

7. RAISE IN QUALIFICATIONS

- 7.1 The more qualified Bank employees are, the more professional the Bank becomes. That is why, all managers should constantly improve their knowledge and provide raise in qualification of their employees by means of purposeful trainings. Employees should become more qualified based on future objectives and professional compliance.
- 7.2 Supervisors bear responsibility for professional training of new employees. They also assist new employees to discover their capabilities to be able to use all the possibilities that will rise on their ways.

With the help of the supervisor's initiative and progressive work, the Bank strengthens its reputation as an efficient, capable and friendly partner.