

# CODE OF CONDUCT

## 1. Introduction

Present day banking serves an important function in the public eye. Maintaining high standards of service and ethics enables Askari Bank to be perceived as impartial, ethical and independent. All employees of Askari Bank must ensure that their actions and conduct protect and promote the reputation and image of the Bank. Nothing that an employee of the Bank does or says should cause the Bank embarrassment or bring the Bank into disrepute in the public eye, especially as regards the impartiality and fairness of the Bank.

This Code:

- 1.1 is mandatory for compliance by all employees, whether full or part time, employed by Askari Bank, directly or indirectly through a service contract and wherever located.
- 1.2 also applies as a general guideline to the Directors, mutatis mutandis.
- 1.3 sets out minimum standards of good banking practices and lays down core values relating to the lawful and ethical conduct of our business activities and provides guidance to all. While the Code provides guidance on the aspects of integrity and impartiality, it cannot and does not cover every situation an employee may encounter. If an employee is uncertain about what to do in a particular situation, guidance should be sought from the Reporting Officer or the concerned Manager.
- 1.4 does not alter or replace the duties and responsibilities of some of the employees as specifically defined in Banking and Corporate Laws applicable to Askari Bank.
- 1.5 may be amended or varied generally or specifically with the approval of the Board of Directors for changes due to regulations, laws and practice.
- 1.6 is not meant to be a complete record of our relationship with customers. Specific products and services have their own terms and conditions, and these will continue to govern customer relationships with regard to the use of those products and services.

Each Askari Bank employee must be fully aware of the provisions of this Code.

## 2. General guidelines of conduct

Askari Bank employees shall at all times maintain the good reputation of the Bank and shall:

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- 2.1 Render, with integrity, a responsible and effective service of high quality which is accessible by all customers, present and prospective.
- 2.2 Not abuse the authority that he or she has as an employee of the Bank, in dealings with customers and other employees reporting to him / her.
- 2.3 Act judiciously, fairly and impartially to all customers when exercising any discretion in the performance of duties;
- 2.4 Exercise those powers conferred on them in a responsible manner particularly by:
  - 2.4.1 performing all their duties impartially without favoring any customer and without regard to status, sex, race, religion, political beliefs or aspirations;
  - 2.4.2 acting honestly, respectfully, transparently and in an accountable manner;
  - 2.4.3 treating all persons with equal consideration and objectivity;
  - 2.4.4 using any discretion vested in them judiciously, sensibly, impartially and reasonably.
- 2.5 Refrain from divulging any information received in the course of their work and duties unless the performance of duty or the needs of justice require otherwise;
- 2.6 Refrain from making wrong declaration to the Bank, other employees or customers.
- 2.7 Resist and report any offers of bribes or other corruption emanating from any source.
- 2.8 In their private life behave in a manner, which does not bring discredit to or impair the dignity or reputation of the Bank.
- 2.9 Seek to attain the highest possible standards of performance; interpersonal relationships and exercise care for others in employment related activities.
- 2.10 Carry out official decisions and policies of the Bank within the ambit of law of the land faithfully and impartially.
- 2.11 Respect and apply this Code and if they have reason to believe that a violation of this Code, laws or regulations has occurred or is about to occur, report the matter to the Reporting Officer or the concerned Manager.

### 3. Corporate Culture

The Bank recognizes a staff member's personal behavior and interaction with others as a vital part of the duties of his / her position. In order to achieve the desired level of performance and corporate objectives, preservation of congenial and professional working environment is encouraged.

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Askari Bank seeks to create an environment where all persons are treated equitably and with respect, where person's rights are respected and where efforts of staff are encouraged and their achievements given due recognition.

### **4. Professionalism**

Professionalism embraces the necessary skills, qualification and knowledge to undertake tasks in a competent manner. The employees at the Bank are expected to carry out their responsibilities in a professional manner at all times. They must conduct financial or other affairs in a prudent manner and should avoid situations that could reflect unfavorably on themselves, Bank or its customers.

### **5. Customer Relationship**

Knowing our customers and their needs is the key to our business success. Fairness, Truthfulness and Transparency governs our customer relationships in determining the transactional terms, conditions, rights and obligations.

All employees must be committed to the continued development of the excellent service culture in which we seek consistently to exceed customers' expectations. Employees should seek to understand customers' financial circumstances and needs to be able to provide them with most suitable products and services.

All employees must ensure that any advice given to a customer is honest and fairly expressed and restricted to only those services or products where the Bank has the relevant expertise and authority.

### **6. Maintaining Confidentiality**

Confidential information comprises of (a) any non-public, written or oral, information received directly or indirectly from a customer, prospective customer or a third party with the expectation that such information will be kept confidential and used solely for the business purposes of the customer, prospective customer or the third party; and (b) Askari Bank's proprietary information that includes any analyses or plans created or obtained by any Askari

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Bank Division, Operating Unit or Branch.

All Askari Bank employees have a duty to safeguard confidential information, which may come to their possession during their day-to-day work. Respect for customers' private affairs, merits the same care as does the protection of the Bank's own affairs or other interests.

This duty of confidentiality involves not divulging information to third parties other than in the following circumstances:

- i. where the customer concerned has given permission to do so;
- ii. where the Bank is legally compelled to do so;
- iii. where there is a duty to the public to disclose; and
- iv. where it is necessary for the Bank to present its case - e.g. in court or in other circumstances of a related nature.

Confidentiality applies whether the information has been obtained from those with whom the Bank does business or from sources within the Bank. All such information should only be used for the purpose for which it is intended and must not be used for the personal benefit of an employee, his / her spouse or family member.

All the employees of the bank are strictly prohibited to disclose the fact to the customer or any other quarter that a suspicious transaction or related information is being or has been reported to any authority, except if required by law.

All employees must sign a declaration of confidentiality / secrecy and must comply with the procedures and regulations.

### **7. Conflict of Interest**

Circumstances should be avoided in which personal interest conflicts, or may appear to conflict, with the interest of the Bank or its customers.

Circumstances may arise where an employee, his / her spouse or family member directly or indirectly hold a business interest which conflicts or may conflict with the Bank's interest. In order to ensure that the Bank makes objective decisions, employee must declare in advance such interest to the Management through Reporting Officer.

Any involvement in an outside activity or any external position held by an employee:

- i. must not give rise to any real or apparent conflict with a customer's interest;
- ii. must not adversely reflect on the Bank; and

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- iii. must not interfere with an employee's job performance.

Employees must not negotiate or contract on behalf of the Bank with an enterprise in which they have a direct or indirect interest.

Employees on the payroll of Askari Bank must not undertake any other employment, whether part time, temporary or other, or act as consultant, director or partner of another enterprise except with the prior permission of the President of the Bank.

In case of doubt about whether a particular circumstance / situation would create conflict of interest, employees should first consult their Reporting Officer or the concerned Manager for seeking guidance before taking action.

### **8. Know your customer**

Commonly referred to as KYC, is the process to ensure that the Bank is not used for any unlawful transactions. This is achieved by obtaining sufficient information about the customers to reasonably satisfy us as to their reputation, their standing and the nature of their business activities.

Effective use of 'know your customer' discourages money laundering, which uses banks as vehicles to disguise or "launder" the proceeds of criminal activities. Involvement in such activities undermine bank's integrity, damage its reputation, deter honest customers and leads the bank to severe sanctions.

All employees, particularly working in the customer services areas, must establish the identity of every new customer from reliable identifying documents. For existing customers, they must remain vigilant and aware of:

- i. activities not consistent with customer's business;
- ii. unusual characteristics or activities;
- iii. attempts to avoid reporting or record keeping requirement; and
- iv. unusual or erratic movement of funds.

A suspicion that funds transacted with the Bank stems from illegal activities, must be reported internally to the Reporting Officer or concerned Manager.

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## 9. Personal Investments

Personal transactions are actual or intended transactions, usually in marketable investments, by employees for their own account, or in which employees have direct power to make decisions or influence the decisions of persons connected with them by reason of family or business relationship.

Employees must ensure that no conflict of interest arises between their personal transactions and corporate and customer responsibilities. Employees must never attempt to use their position in Askari Bank to obtain an advantage to buy and sell investments.

Employees in doubt about the propriety of any proposed personal transaction should consult their Reporting Officer or the concerned Manager.

Employees shall not, at any time, carry out:

- i. short sales of marketable securities or currencies or any other form of trading which is speculative in nature in their own account or for the account of their spouse or family members.
- ii. trading in shares, securities or currencies which involve improper use of unpublished price sensitive information for personal benefit.

## 10. Relations with Regulators

Relationship with Regulators is one of the most important relations, which Askari Bank maintains with the aim of developing mutual confidence and trust.

All employees must comply in letter and spirit, with legal and regulatory requirements applicable to the activities in which we engage.

In case a regulation appears to conflict with the provision of any other regulation or laws, or compliance appears to be impractical or against the general banking ethics, it must be reported to the competent authority for appropriate action. Under no circumstances a violation of a regulation should be committed.

## 11. Relationship with competitors

Except in situations where the Bank is participating in a transaction with other bank(s), no employee shall have any agreement, understanding or arrangement with any competitor with respect to pricing of services, profit rates and / or

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marketing policies, which may adversely affect the Bank's business.

### **12. Gifts and entertainment**

Gifts, business entertainment or other benefits from a customer or a supplier / vendor, which appear or may appear to compromise commercial relationships must not be accepted by the employees.

Employees may, however, accept normal business entertainment or promotional items appropriate to the circumstances with prior intimation to the Reporting Officer or the Manager.

In the event that a gift must be accepted for reason of customer's insistence and sensitivity of relationship, such gifts must be surrendered to the Head of Human Resource along with reasons of acceptance.

Under no circumstances an employee shall either directly or indirectly accept any amount of money, however small, as gift, gratuity, subscription or reward from any employee of the Bank, customer, supplier or vendor.

Customers who wish to express gratitude for the services of Askari Bank should be requested to send a letter of appreciation.

### **13. Political Activities**

No employee of the bank shall contribute or lend money or items of any value to any of the political candidates or parties. This also includes using Bank's facilities, equipment, personnel etc. for the purpose. However, they shall be free to participate in political process as concerned individuals through means of voting. In case of an employee considering assuming any public office, specific information with all related reasons must be provided to the Bank for approval.

### **14. Fraud, theft or illegal activities**

Employees are expected to remain alert and vigilant with respect to frauds, thefts or illegal activities committed within the Bank premises. Any such activity must be immediately reported to the Reporting Officer or the concerned Manager.

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### **15. Compliance**

All Askari Bank employees are fully committed to ensuring that all business decisions and actions comply with all applicable laws and regulations and to observing good standards of behavior and practice in accordance with the industry practices. Accordingly, all employees must acquaint themselves with all applicable laws and regulations.

Senior Management will ensure that:

- i. all employees are aware of this Code;
- ii. no employee will be asked to do anything that would contravene this Code; and
- iii. queries and concerns arising under this Code will be dealt with properly and may be addressed to the Human Resource Division at Head office.

### **16. Request for waiver**

Where there is a reasonable likelihood that a contemplated action will violate the provisions of the Code, a waiver thereto must be requested from the Executive Committee through the President & Chief Executive Officer / Reporting Officer. However, waiver shall not be granted except under extra-ordinary circumstances warranting such waiver.

### **17. Breaches and disciplinary action**

Contraventions / violations of this Code will be dealt with in accordance with the Service Rules of Askari Bank as amended from time to time.

### **18. Insider Trading**

Employee shall abide by the “inside trading” laws that prohibit from buying or selling stock with advance knowledge of important company/associates information that is unavailable to the general public. Such information may include proposed mergers or acquisitions, new equity or debt offering.



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### **19. Harassment at workplace**

Employees must avoid any behaviours that can be termed as harassment and is found to be offensive, threatening or disturbing to other employees.

“Harassment” means any unwelcome sexual advance, request for sexual favors or other verbal or written communication or physical conduct of a sexual nature or sexually demeaning attitudes, causing interference with work performance or creating an intimidating, hostile or offensive work environment, or the attempt to punish the complainant for refusal to comply to such a request or is made a condition for employment.

The above is unacceptable behavior in the Bank and at the workplace, including in any interaction or situation that is linked to official work or official activity outside the office.

### **20. Certification**

Each employee in the Bank shall be required to read / review this Code at the time of joining and subsequently each year and certify in writing that he / she understands his / her responsibilities to comply with the provisions set forth herein.