

	Issue Date: 15 Aug 2015 Effective Date: Sept 2015	AYA/CORPAFF/001/2015
CODE OF ETHICAL CONDUCT		APPROVED BY BOD

AYA Bank has undertaken to develop a Code of Ethical Conduct for Employee.

The Code of Ethical Conduct provides us with a set of guidelines under which we will operate as individuals and as an organization. It involves a combination of values, ideals, principles, and demands acceptance of a certain level of personal responsibility that enables us to exhibit a high degree of personal integrity; more simply, it provides guidance in the way in which we behave.

This code not only involves sincere respect for the rights of others, but also demands that employees refrain from any behavior which might be viewed unfavorably or interfere with fellow employees, jeopardize normal business activities or influence the public's perception of AYA Bank as a company - it serves to avoid conflicts of both a moral and legal nature.

It is imperative that each employee's accountability and integrity must be of the highest order. AYA Bank has clearly accepted the challenge and made a serious commitment to sourcing long term business relationships with principals and customers. As employees of AYA Bank we are, therefore, require to make a personal commitment to accept and abide by the principles and behavior as outlined in the code not only for ourselves but also on behalf of those all related stakeholders.

Bank's system and procedures, strong leadership and innovative management provide a solid foundation from which to undertake entrepreneur business activities. The development and implementation of a Code of Ethical Conduct ensures that AYA Bank maintains its profile as a vital, vibrant and reliable business bank.

The **Code of Ethical Conduct** that intends to embrace AYA Bank's pledge for continued growth, development and bank capacity building so that we can continue to improve the mission and vision of the bank.

The AYA Bank would like to let each one of you know that, as a person working for AYA Bank, to be aware that you are an essential contributor to the success of AYA Bank. In this era of global competition, borderless trade, and diversification, AYA Bank wishes to conduct business in a transparent and fair way. AYA Bank aims to become the most reliable, valued, respected and trusted company in Myanmar by its customers and society. Accomplishing this goal requires that each one of us is aware of AYA Bank's respected reputation and standing in the community, the gratitude that we owe to our customers and society, and the necessary respect of laws and regulations.

CODE OF ETHICAL CONDUCT

INTRODUCTION

Our shared core values form the foundation of the AYA Bank. These values underpin every aspect of all our business dealings, irrespective of the business or jurisdiction involved. The AYA Bank core values are:

1. Excellence.
2. Team.
3. Honesty.
4. Integrity.
5. Care.
6. Sincerity.

The AYA Bank regards high ethical standards as non-negotiable. This Code of Ethical Conduct will be adopted to give effect to our core values and to guide our relationships with all our stakeholders and other relevant role-players as well as to outline our commitments to them.

AYA Bank's Ethical Code of Conduct binds on all senior managers, managers, employees, independent contractors, agents, service providers, business partners and principals irrespective of their status as natural person, legal person or other entity.

CODE OF ETHICAL CONDUCT

1. Policy Objective

The policy objective is twofold - firstly, it intends to promote conduct that aligns with AYA Bank's values of "Accountability" by adopting high ethical standards to guide us in the course of our official business duties and functions and secondly, it intends to protect AYA Bank as ethically reputable and reliable Bank by providing the means to avoid or resolve situations that may otherwise place the Bank in ethically questionable positions or reflect negatively on their integrity.

Policy Statement

The AYA Bank's Code of Ethical Conduct defines the broad principles and behavior standards which call for a high level of ethical conduct on the part of AYA Bank's employees. This conduct is required to maintain and enhance the public's confidence in AYA Bank.

Observance of this Code of Ethical Conduct further ensures that there will be no unresolved conflicts between the interests of AYA Bank, and AYA Bank's primary interest in service to the customers.

The policy provides a framework for defining conduct that may give rise to conflict of interest situations and therefore should not be construed as all inclusive. Issues that are not addressed will be resolved in accordance with the general principles advanced in this policy.

2. Definitions

Ethical

Having to do with ethics or morality; of or conforming to moral standards; a system of moral standards or values, conforming to the standards of conduct, the system or code of morals of a particular person, religion, group or profession; standards of conduct and moral judgment; moral philosophy.

Integrity

The quality or state of being sound moral principle is uprightness, honesty and sincerity.

Conflict of Interest

Any situation in which an employee by virtue of his/her position has or may be perceived to have, a private or personal interest which results in the following:

- the objective of his/her official duties being influenced to the detriment of the bank /organization or those having dealings with the bank /organization.
- again or advantage or showing of preference to the bank/organization official's life-partner, immediate family member or close friend, to the detriment of the bank/organization or those having dealings with the bank/organization.

3. Principles

- Perform their duties and functions impartially, responsibly, diligently, efficiently, with integrity and in a manner that will bear the closest public scrutiny.
- Arrange their private interests in a manner that will prevent a conflict of interest or its perception.
- Not solicit or accept directly or indirectly for personal benefit, a fee, gift, or benefit from a person or an organization that deals with AYA Bank where the

fee, gift, or benefit could influence the performance of official duties and functions.

- Disclose to the appropriate level of authority the solicitation or acceptance of donations, gifts or other benefits for the use of AYA Bank from a person or a supplier that conducts business with AYA Bank where such solicitation or acceptance could be perceived to influence the performance of official duties and functions.
- Not accord preferential treatment in relation to any official matter to, a life-partner, immediate family member, close friend, or to organizations in which the AYA Bank official has an interest, to the detriment of AYA Bank or those having dealings with AYA Bank.
- Not benefit from information which is obtained in the course of performing official duties, to the detriment of AYA Bank or those having dealings with AYA Bank.
- Not benefit from the use of AYA Bank property for anything except in the course of official duties or functions, unless such use has been reviewed and approved by the appropriate level of authority.
- Not use position, office, or AYA Bank property to pursue personal interests unless such arrangements have been reviewed and approved by the appropriate level of authority.
- Not benefit from or misappropriate any AYA Bank products, assets or any other facilities.

4. Procedures for Declaring & Resolving Conflicts of Interest

Adherence to this policy and its principles helps to ensure that the best interest of AYA Bank is the focus of all employees in the performance of official duties and business functions.

Employees and Contract Staff

Employees in the course of their employment, both permanent casual and contract, have a duty to abide this policy. In its application, individuals are afforded the protections provided by contracts of employment and AYA Bank Human Resource Policies.

Where conflicts real or perceived do arise, it is the responsibility of the employee to declare the conflict to the immediate supervisor. The immediate supervisor will document the conflict for the employee file and forward a copy to the BOD/Chairman. It is the responsibility of the BOD/Chairman to determine whether a conflict exists and resolves it as soon as appropriate.

Understanding that a conflict of interest may be subtle and not easily recognized, all employees have a responsibility to alert others the possibility of a

conflict. Where it has been determined that an employee or contract employee member has not declared or satisfactorily resolved a conflict of interest situation, the BOD/Chairman will consider the extent to which the duty of honest, loyal and faithful service has been breached in considering the need for redress. Breaches deemed by the BOD/Chairman to be severe may result in the termination of employment or termination of the contractual agreement.

5. Ethical Conduct and Behavior – Understanding Conflict of Interest

Living with the AYA Bank values means that AYA Bank and every employee bound by this ethical code must commit and adhere to the following principles:

A. Nepotism

- using your position to secure a job for a significant relation, promoting or accepting the assignment of a significant relation (defined as a husband, wife, boyfriend, girlfriend, family member or personal friend) to a position such that a supervisory and subordinate relationship exists;
- purchasing goods from a significant relation without any competitive tendering;
- purchasing goods from a significant relation that are known to be sub-standard, and that will require additional maintenance or expenditure;
- using power and position to secure benefits of any kind for a significant relation from a member of the public or any individual or organization conducting business with AYA Bank.

B. Self-dealing

- using bank funds or assets to secure personal benefits unrelated to the purpose of the funds or assets;
- having financial interest in a small independent bank/supplier that is used as consultant or service provider;
- referring customers/contacts to your own private company/service (direct competition with AYA Bank) without the knowledge and consent of AYA Bank;
- receiving benefits of any kind (for example receiving a commission) from a customer or service provider that is used by AYA Bank;
- using the AYA Bank vendor network to promote personal benefits.

C. Accepting benefits

- an employee in a position to influence the purchase of goods or equipment accepts an offer from a competing company or supplier for a service or sum of money;

- accepting a sum of money or consulting fee from a customer or supplier that regularly conducts business with AYA Bank;
- accepting a sum of money or gift from a person, who is hoping to gain employment with AYA Bank;
- accepting a future favor from a person who conducts or wishes to conduct business with AYA Bank;
- accepting benefits in exchange for the promise of future employment with AYA Bank.

D. Influence peddling

- using position, influence or authority to promote the purchase of goods used by AYA Bank, where the employee or significant relation stands to gain financially;
- using position, influence or authority to promote the leasing of property used by AYA Bank, where the employee or significant relation stands to gain financially;
- using position, influence or authority to promote the engagement of a family member or significant relation (providing goods or services) to AYA Bank to gain financially;
- using position, influence or authority to demand that a service provider writes inaccurate receipts in order to gain financially;
- using position, influence or authority to intimidate or discriminate against (for any reason) any other AYA Bank employee, member of the public or organization that conducts business with AYA Bank.

E. Use of Company's property for private advantage

- an employee without the consent of AYA Bank operates a private business, consulting service etc. from AYA Bank property e.g. use of telephone, fax, computer etc.;
- an employee removes supplies and or equipment from AYA Bank for personal use at home without consent;
- an employee supplies AYA Bank materials, products, plans, ideas or concepts to an outside firm or individual for private advantage;
- an employee extends credit to a customer for personal gain;
- an employee loans, borrows, rents or sells for his/her own personal benefit or the benefit of others, AYA Bank assets such as vehicles, equipment, inventory, promotional items or supplies.

F. Taking/stealing Bank's property for private advantage

- an employee siphons off gas, parts from company vehicles to resell for his/her own personal benefit;

- an employee takes any AYA Bank stationery, or paper for his/her own personal use or benefit;
- an employee takes any AYA Bank computer equipment, software or diskettes for his/her own personal use or benefit;
- an employee takes any AYA Bank reference materials (documents or books procured for research that have been developed by AYA Bank or obtained from other organizations whilst acting on behalf of, and whilst in the employment of AYA Bank), for his/her own personal use or benefit;
- an employee takes any items for sale for his/her own personal benefit;
- an employee takes any AYA Bank promotional item for his/her own personal benefit.

G. Use of confidential information

- an employee improperly copies, transfers or discloses any information regarding principals (bank detail, business plan, conditions etc.) to any unauthorized individuals;
- an employee provides the names and addresses of contacts, other staff members to a friend or relative (also involves a breach of confidentiality as well as conflict of interest);
- an employee improperly copies, transfers any AYA Bank's material or discloses any information (materials, products, plans, concepts, ideas, data, proposals, budgets, marketing plans, salaries etc) to any unauthorized individuals, or company;
- an employee undertakes a consultancy or employment with any entity that would conflict or appear to conflict with his/her AYA Bank responsibilities;
- an employee breaches any AYA Bank confidentiality procedures.

H. Moonlighting

- an employee sets up a competing business, in which he/she participates in a part time basis;
- an employee engages in outside employment during office hours to the extent that it interferes with his/her ability to devote sufficient time and energy to AYA Bank responsibilities or the completion of assigned duties;
- an employee is engaged in an outside activity that will bring discredit to and/or unfavorable criticism of AYA Bank;
- an employee uses information obtained while in the employment of AYA Bank to produce articles, research papers or for submission to educational institutions without consent of AYA Bank.

I. Confidentiality/Privacy

- an employee is found looking through or removing any items, materials, receipts or personal possessions belonging to another employee;
- an employee breaches AYA Bank privacy laws by reading confidential material not addressed directly to him/her;
- an employee intentionally looks through another employee's desk files, desk drawers, pigeon-hole, computer files or personal property;
- an employee openly questions the qualifications, salary or position of another employee, in an attempt to undermine management decisions or create a hostile environment;
- an employee distributes AYA Bank employee personal details (telephone numbers, addresses, salaries etc) to any unauthorized individuals.

J. False Information/Lying

- an employee inaccurately completes his/her leave forms, or not recording all days taken as leave of absence (sick leave, personal leave etc);
- an employee claims sick leave in excess of 2 days without providing a medical certificate, or claims any leave of absence without management approval;
- an employee does not respect the working hours stipulated and regularly reports late for work, especially in the absence of senior management;
- an employee incurs inappropriate, unneeded, or unnecessarily expensive expenditures and charges to AYA Bank;
- an employee submits a false expense report.

K. Drugs

- an employee is found to be under the influence of any intoxicating, inhibiting or prohibited substance which would affect that employee's performance or judgments, or place any other AYA Bank employee in danger;
- an employee involved in a car accident incurring injury to themselves, or any other person or incurring damage to the vehicle (AYA Bank property) is found to be under the influence of any intoxicating, inhibiting or prohibited substance;
- an employee is convicted of a drug-related violation outside of the workplace and does not notify his/her supervisor or BOD/Chairman within a period of five days of his/her conviction;
- an employee does not notify his/her supervisor or BOD/Chairman of a medical condition (pre-existing or otherwise) that necessitates his/her take any form of medication that may affect that employee's performance or judgment or place any other AYA Bank employee in danger;

- an employee is found to be under the influence of any type of alcohol including beer during the duty hours regardless of in the territory of AYA Bank's premises or not, causing discredit to AYA Bank as a company;
- an employee is found to be under the influence of any intoxicating, inhibiting or prohibited substance outside of the workplace and behaves in such a manner as would reflect negatively on, or bring discredit to AYA Bank as a company.

6. **How to guard against a conflict of interest situation**

The most effective means of avoiding a personal conflict of interest situation in the course of conduct of official duties is to abide by the Code of Ethical Conduct as outlined by AYA Bank. Respecting the principles in the policy promotes ethical conduct and will minimize the possibility of a conflict occurring and/or remaining unresolved. If an employee is uncertain whether his/her past or current behavior is in violation of the Code of Ethical Conduct, he/she should approach a senior manager of AYA Bank for advice and guidance.

7. **Disclosure Process**

Employees are obliged to disclose activities involving any of the above outlined behavior including purchases, contracts or activities to their immediate supervisor or the BOD/Chairman. Employees are also obliged to disclose the activities of any other employee that falls in direct breach of the AYA Bank's Code of Ethical Conduct. Employees are given full support and encouragement to disclose any activities or behavior they may view with uncertainty, or that they feel requires clarification. Disclosure may be achieved by:

- Speaking to your supervisor, a senior manager or the BOD/Chairman,
- Raising the issue during mass employee or management meeting,
- Addressing issue by a memo to senior management or BOD/Chairman.

It must be noted that the only behavior viewed as unacceptable in this instance is not to act at all. Failure of disclosure will be considered an intentional breach of the Code of Ethical Conduct.

8. **Disciplinary Action**

Employees found willfully behaving outside any of the above outlined guidelines, will be considered to have been in breach of the Code of Ethical Conduct, and to have opposed AYA Bank's policy of honesty, loyalty and faithful service. The employee will be subject to disciplinary action up to and including dismissal and all activities undertaken by the employee may be made public knowledge within the AYA community. In order to be a fair process, an "Enquiry

Board” comprising of Director, Admin Manager, Finance Manager, HOD of accused employee, and Chief Auditor will access and probe the situation and report its findings and recommendations to CEO/Chairman. Any breach of COC which is linked with violation of criminal conduct by an employee will also be charged with criminal law.

9. Employee Contractual Obligations

Employees are obliged to sign an official declaration that has been incorporated into the AYA Bank’s Employment Agreement that binds them to abide by the Code of Ethical Conduct for the duration of their employment with AYA Bank. Any breach of the Code of Ethical Conduct by an employee will result in disciplinary action up to and including dismissal.

CONCLUSION

“AYA Bank’s Code of Ethical Conduct” serves as the important ethical guiding tool when implementing our daily business operations. It describes ethical values and methods to be shared and practiced among AYA employees. It also provides detailed explanations and examples of the actions and issues that we must be aware of when carrying out our daily business activities and living in our society.

The logo for AYA Bank is a large, semi-transparent watermark centered on the page. It features a stylized red and white circular emblem above the text "AYA Bank" in a large, red, sans-serif font.

References:

- Max (Myanmar) Holding Co., Ltd & Its Subsidiaries_COC001/2014