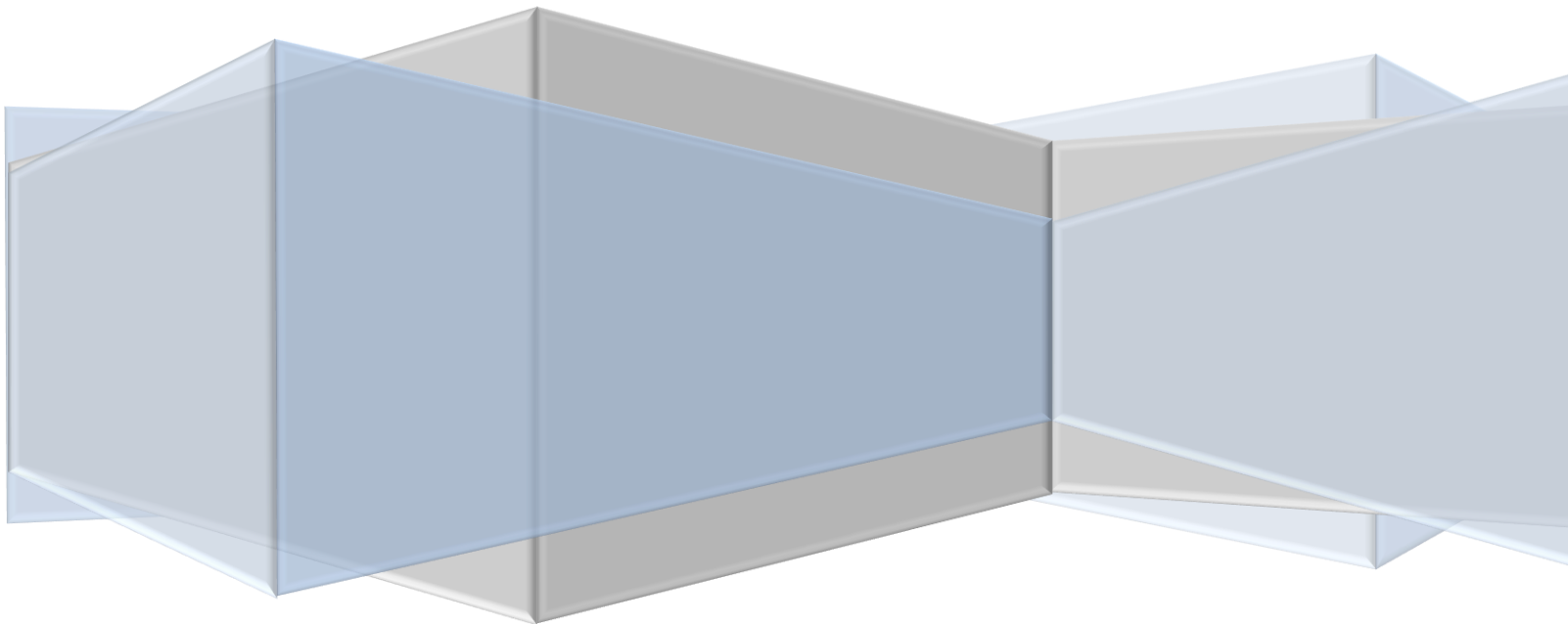




# CODE OF CONDUCT

## **Impression-1 (For Internal Use Only)**



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## **1. Preamble**

The Code of Conduct and Ethics establishes the standards that govern the way we deal with each other, our customers, shareholders, governments, regulators, suppliers, competitors, the media and the public at large. Complying with the Code is part of the terms and conditions of our employment with Union Bank Ltd. (UBL).

As a responsible business enterprise UBL is committed to conducting its affairs to the highest standards of ethics, integrity, honesty, fairness and professionalism – in every respect, without exception, and at all times. While reaching our business goals is critical to our success, equally important is the way we achieve them. We need to assess every business decision and every action on behalf of the organization in light of whether it is right, legal and fair and within our risk appetite. This applies at all levels of the organization, from major decisions to day-to-day business transactions. The Code is intended to help all officials meet these expectations and make such assessments. The Code sets out a common baseline of ethical standards required of all of us.

### **2.0 Introduction**

The nature of the banking industry requires that each employee and agent of the bank meet special, high standards of integrity and ethical conduct. For the most part, these are common sense rules. Some conduct is mandated by law. Each is extremely important and should be reviewed regularly.

It is the policy of Union Bank Ltd. to conduct the business of the bank being compliant with the laws, rules and regulations of the community in which it operates and to adhere to the highest ethical standards. To these ends employees are expected and directed to manage the business of the bank with:

- The highest ethical standard of integrity and sincerity in conformity with the code of ethics & business conduct.
- Due diligence and proficiency in all business activities.
- Compliance of all legal and regulatory requirements.
- A manner that no disfavor will reflect on the bank, both on and off the job.

### **2.1 Purpose**

The purpose of this Code of Conduct & Ethics is to set forth the guiding principles by which Union Bank Ltd. operates and conducts daily business with the stakeholders, vendors and with each other. Code of ethics and business conduct intends to deter wrongdoing and act as a ready reference to all employees in maintaining compliance with the rules and regulations laid down by the company and would be a guide in directing the banks management to ensure the observance by employees according to the stipulated policies of Union Bank Ltd. and promote the following objectives:

- Honest and ethical conduct including ethical handling of actual or apparent conflicts of interest between personal and professional relationship.
- Compliance with applicable government laws, rules and regulations.
- Promote internal reporting to designated persons of violations of the code.

- Accountability for non-adherence of the code.

## **2.2 Scope**

The Code applies to all employees of Union Bank Ltd. in their decisions and activities within the scope of employment or when representing the Bank in any capacity. A copy of code of conduct & ethics would be provided to every employee. Each of them is required to sign a written confirmation that they have understood and agreed to adhere to the code.

## **3.0 Stakeholders**

### **3.1 Clients/ Customers**

Union Bank Ltd. shall generate value for its private and commercial clients by providing them with excellent products and the best possible advice. The clients include corporations, entrepreneurs, institutional investors, financial sponsors and retails clients. The Bank's employees focus shall be on finding and implementing outstanding solutions, while delivering versatile expertise on every level. The Bank shall aspire to build a sustainable franchise through long-term relationships with its clients and clear and sustainable solutions. The Bank shall believe providing suitable instruments for the enormous variety of different needs of clients is at the heart of the banking business. In addition to quality, speed and close cooperation between its corporate divisions, innovation also plays a central role here.

### **3.2 Employees**

The Bank's shall consider its employees as an important stakeholder and the most important asset. The Bank shall invest in personal and professional development and nurture an environment where employees are treated with respect, and where diversity and differences are valued. The Bank shall be aware of the financial crisis; the public has taken a critical view of banks' compensation practices. In the context of cultural change, The Bank shall examine and adapt the best possible compensation systems. Furthermore, The Bank shall understand cultural change mean that each employee has a duty to act with absolute integrity towards clients, colleagues, shareholders and society. UBL employees must act in accordance with the Code of Conduct, handling their business with integrity, dealing with sensitive information appropriately and considering all stakeholders in their actions. The Bank shall recognize employee representative bodies such as work councils.

### **3.3 Shareholders & Investors**

The Bank shall aspire to create added value for the shareholders and shall work on this in a challenging and demanding environment. The Bank's objective shall be delivering strong earnings and dividends over the long term. In the recent past years, the Bank already strengthened its capital base and reached important settlements. The Bank's platform reconfiguration shall be designed to leverage the strengths of core businesses. As a result, the bank became safer and better balanced in previous years. In the interests of the stakeholders, The Bank shall maintain its focus on disciplined implementation of its Strategy.

The Bank shall always maintain good relations with debt and equity investors, and shall look to deliver solid and sustainable investment returns. As part of the Bank's dialogue with bond investors the Bank

shall provide them with regular updates on the company. The Bank shall be transparent and provide accessible information on its financial and non-financial performance.

### **3.4 Suppliers**

Through the products and services, the Bank purchase from suppliers, have an impact on the society and the environment. The Bank shall aim to minimize negative impacts by purchasing more sustainable solutions. In every case, The Bank shall aim to know its suppliers and expect them to act as responsible corporate citizens and to meet the Bank's sustainability standards. The Bank shall, thereby, include sustainability criteria in all supplier contracts, and where appropriate, discuss sustainability opportunities with suppliers.

### **3.5 Society**

The Bank shall be concerned regarding greater transparency in its business activities which is not only important to society but to also for the stakeholders. The Bank shall help the public in forming a considered opinion and shareholders in their investment decisions. In line with the stakeholders' expectations and Union Bank Ltd.'s values and beliefs, it shall intensify the efforts to make the banks' business more sustainable, while integrating environmental and social due diligence into the approval process for all transactions and products. UBL shall also provide extensive support to the volunteer work of its employees.

UBL shall play a role in addressing the environmental and social issues in the communities where it is active by being a responsible corporate citizen. The Bank's ambition should be becoming a trustworthy, transparent and sustainable bank, and to minimize the impact on the environment and contribute to building a sustainable society for future generations. To achieve this, The Bank shall encourage its employees to participate in social initiatives within their local communities and also provide financial support. The Bank's indirect impact on society and environment shall be managed through the Sustainability Policy Framework, which will apply to all its client business. The Bank shall ensure that it will not provide financing to clients and projects where social and environmental impacts are not sufficiently managed.

### **3.6 Peer Banks**

The Bank shall engage with peer banks as counterparties, investors, co-financiers or clients. As a transparent and a trustworthy partner, The Bank shall operate with integrity in the securities and financial. To safeguard the integrity and reputation, peer banks and the banking system as a whole, due diligence checks are required prior to engaging in business with a client. UBL is also a member of the Association of Banker's Bangladesh (ABB).

## **4.0 Basic Professional and Institutional Obligations**

This code shall clarify that the conduct expected in the performance of all the employees in their duties of the Bank. This shall lead the employees to conduct themselves in accordance with the highest standards of personal and professional integrity and to comply with all laws and regulations and corporate policies and procedures of the Bank.

## **4.1 Code of Conduct for Employers**

Union Bank Limited shall be committed to maintain the highest standards of ethical conduct. This Code of Conduct and Ethics shall be applicable for the Board of Directors and Senior Management which will reflect the business practices and principles of behavior that should support this commitment. The Board of Directors and Senior Management shall be responsible for setting the standards of conduct contained in the Code and for updating these standards as and when appropriate, to reflect legal and regulatory developments. Every member of the Board and Senior Management personnel shall read and understand this Code and its applicability to the performance of his or her responsibilities. While covering a wide range of business practices and procedures, these standards shall not cover every issue that may arise, or every situation where ethical decisions must be made, but rather set forth key guiding principles that shall represent the Bank's policies and establish conditions for employment at the Bank. The Code is applicable to the BoD and Senior Management Persons (together hereinafter referred to as 'key personnel'). Senior Management shall mean persons who are hierarchically one level below the Directors of the Bank.

### **a. Fair Practices**

The Bank shall expect all key personnel to act in accordance with the highest standards of personal and professional integrity, while carrying out their day to day affairs for the Bank. UBL shall consider Fair Practice as a conduct that is practiced with utmost care and without malafide intention. The Bank shall therefore believe that key personnel will confirm to the accepted professional standards of conduct and not have conflict of actual or apparent interest between personal and professional relationships.

### **b. Conflicts of Interest**

A "conflict of interest" may exist whenever the interests of the key personnel conflict in any way (or even appear to conflict) with the interests of the Bank. A conflict situation can arise when key personnel takes actions or has interests that may make it difficult to perform his or her responsibilities towards the Bank objectively. The duty of the key personnel to the Bank demands that they avoid and disclose actual and apparent conflicts of interest. Except as may be approved by the Board of Directors or a committee of independent directors, key personnel are prohibited from:

- Taking for themselves personally any opportunities that belong to Bank or are discovered through the use of Bank's property, information, or position;
- Using Bank's property, information, or position for personal gain;
- Competing with the Bank.

### **c. Disclosures**

Key personnel shall make utmost efforts to comply with all the applicable Compliance and Accounting Disclosures. Further, they shall also provide true and fair information or data to the public at large in their communications. The public communications of the Bank shall include full, fair, accurate, timely and understandable disclosure. In order to achieve this goal, the Bank expects the Key personnel to exercise due diligence and care and provide prompt and accurate answers to

inquiries related to the Bank's public disclosure requirements. Further, no single individual or entity must be given preference while disclosing any information pertaining to the Bank.

#### **d. Confidentiality**

All key personnel must maintain the confidentiality of confidential information entrusted to them by Bank, except when the Bank authorizes disclosure or the same is required to be disclosed by laws, regulations, or legal proceedings. The term "confidential information" includes, but is not limited to, non-public information that might be of use to competitors of the Bank, or harmful to the Bank or its customers if disclosed.

### **4.2 Some specific compliance guidance**

It is a written set of guidelines issued by an organization to its workers and management to help them conduct their actions in accordance with primary values and ethical standards.

- It is a toolkit which sets out standards on how employees (both workers & management) should behave with all the stakeholders, customers, communities, investors and regulators and thus prevents any internal factors that can take only seconds to destroy the brand/image of the organization.
- The code provides a quick reference guide. Nevertheless, it does not replace the relevant policies and procedures. It is important that employees familiarize themselves with all policies and procedures applicable to their role.

However, no code of conduct & ethics can spell out the appropriate behavior for every situation. The Bank/Organization relies on each of its employees to make a judgment of what is right and proper in any particular situation.

### **4.3 Serving Customers and the Stakeholders**

The Bank's ambition is to build on client-centric approach and to make clients promoters by giving them the best experience. UBL shall continue to monitor and address the public's trust in Union Bank Ltd and in the financial industry. By actively engaging other stakeholders through dialogue and acting on material issues raised, the Bank shall continue to strengthen the cooperative relationships with them.

### **4.4 Service Provider**

- a. The Bank's first and foremost priority will be to evaluate and regulate its core customer base and realizing their requirements efficiently.
- b. The Bank shall implement integrity and sincerity in providing products and service with excellence.
- c. The Bank shall ensure security and shall provide advanced banking facilities and services to its customers.
- d. The Bank shall maintain ethical transparency and shall remain committed to its customers and stakeholders.
- e. The Bank shall maintain legal and regulatory process in all its services.
- f. The Bank shall ensure its each types of stakeholders' involvement and shall also confirm the stakeholders' acknowledgement.



#### **4.5 Encouraging people for knowledge and skill enhancement**

- a. The Bank shall have own policy and arrangements for creating the opportunity for its employees' professional development.
- b. The Bank shall evaluate its employees' performance objectively.
- c. The Bank shall give continuous emphasis on maintaining the values and principals by the employees.

#### **4.6 Delivering to Partners**

The primary objective of corporate governance should be safeguarding stakeholders' interest in conformity with public interest on a sustainable basis. Among stakeholders, particularly with respect to retail banks, shareholders' interest would be secondary to depositors' interest. Corporate governance determines the allocation of authority and responsibilities by which the business and affairs of the Bank are carried out by its board and senior management, including:

- a. Setting the bank's strategy and objectives;
- b. Selecting and overseeing personnel;
- c. Operating the bank's business on a day-to-day basis;
- d. Protecting the interests of depositors, meet shareholder obligations, and take into account the interests of other recognized stakeholders;
- e. Aligning corporate culture, corporate activities and behavior with the expectation that the bank will operate in a safe and sound manner, with integrity and in compliance with applicable laws and regulations; and
- f. Establishing control functions.

#### **4.7 Being Proactive**

The objectives of UBL's responsive banking are to cut customer waiting time, reduce transaction time, and cut costs and wastes through reduction in idle time, wastes, and other inefficiencies in both the front-line and back rooms. The Bank's Responsive banking shall prevent the loss of customers by eliminating the causes of slow and insensitive bureaucratic service. It will address this concern with system changes that result in paperless and queue-less banking. UBL's Branch concept eliminates queues by shifting customer service, where customer relationships are "opened, serviced, deepened, and broadened."

#### **4.8 Working in Teams**

The efforts of teams often produce far greater results than individual efforts. The Bank shall encourage, promote and appreciate Team work among its employees at all level. The Bank shall strengthen teamwork in office environment so that it can contribute to a greater sense of unity, improved productivity, and employee satisfaction. The Bank shall establish team-building goals, clarifying employee roles and responsibilities, holding regular team meetings, and organizing social activities which are all the effective ways to increase camaraderie and cooperation. Ideally, the lessons learned

during teamwork-building exercises will carry over into day-to-day operations, making everyone work better and more efficiently.

- a. The Bank shall foster a Collaborative Environment.
- b. Employees will share a common goal.
- c. Develop a vision statement reflecting goal.
- d. Reinforce and clearly outline roles and responsibilities.
- e. Cultivate open communication.
- f. Address non-cooperative behavior.
- g. Lead by example.
- h. Build up trust and respect.
- i. Encourage socializing.
- j. Organize team processes.
- k. Recognize and appreciate good work.

#### **4.9 Respecting Each Other & Reciprocity**

The base of the Bank's working relationships is upon trust and respect and recognize the contributions of every member of the Bank. The Bank shall value the unique qualities, abilities and perspectives each person brings to a challenge or opportunity. The Bank shall encourage its employees to communicate openly and candidly with each other and extend respect and team spirit to customers, partners, suppliers and the communities in which it works.

- a. Employees of the Bank will be valued.
- b. Communication will be kind, open and honest.
- c. Employees will be treated with courtesy, politeness, and kindness.
- d. Conflict is addressed in a positive and respectful manner.
- e. Disrespectful behavior is addressed.

#### **4.10 Guarding against Arrogance**

- a. The employees of the Bank shall show respect to all the members of the Bank.
- b. Success Celebration and all sorts of achievements will be done with utmost modesty and humbly.
- c. The Bank shall make an effort to meet the appropriate expectations of its stakeholders.
- d. The Employees will express personal identity with dignity, courtesy and tolerance.

### **5.0 Responsibility**

#### **5.1 Responsibility to Shareholders & Investors**

- a. The Bank shall ensure Transparency and security of operations.
- b. The Bank shall ensure quick exchange of information through multiple communication channels with shareholders.

#### **5.2 Responsibility to Clients/ Customers**

- a. High quality of products and services will be offered.
- c. The Bank Shall maintain Ethical marketing and selling practices.

- d. Shall Immerse fair consumer practices.
- e. The Bank Shall ensure safety of deposited funds.
- f. The Bank Shall construct an ease of communication with the Bank.
- g. The Bank Shall make a continuous effort for the improvement in the operation of products and processes.
- h. The Bank Shall implement Product and service satisfaction surveys.
- i. The Bank Shall implement customer service quality surveys.
- j. The Bank Shall conduct Meetings with clients

### **5.3 Responsibility to Community/ Society**

Banks play an important role in society. A bank's main role in society is to provide financial services to help people and businesses achieve their goals and reach their potential. By assisting customers with financing, investments, secure payments and asset management, UBL shall support economic development and international trade and contribute to financial security. By sharing expert knowledge, UBL shall help households, entrepreneurs and companies make well-grounded decisions so that they can achieve their plans and ambitions. This creates value for customers encourages customer loyalty, and by extension, long-term shareholder value.

As a source of finance, UBL shall generate value directly for the customers, suppliers, business partners, employees, shareholders, the companies in which it invests, and other investors. Enabling these stakeholders – and thus the economy – to thrive is UBL's core purpose and contributes significantly to a healthy, well-functioning society.

### **5.4 Commitment to the Environment**

Environmental sustainability is a key part of UBL's social responsibility efforts. Bank shall establish environmental policies, goals and practices that will help guide their activities inside and out. Environmentally-oriented thinking is incorporated into a range of bank operations, lending, products and services and community activities.

Bank's activities shall range from participation in conservation initiatives in communities across the country, to commitments to well-recognized domestic and international standards and reporting agreements.

#### **a. The Bank Shall adopt Sustainable operations**

From recycling programs to energy conservation in offices and branches, The Bank Shall work to reduce their operational footprints on the environment.

#### **b. The Bank Shall implement Sustainable lending**

The Bank Shall take environmental protection into account when making lending decisions. In commercial and wholesale banking this means incorporating environmental due diligence into the lending process, which may include site visits, assessments of a client's environmental record, or third-party reporting on proposals.

#### **c. The Bank Shall implement Green products and services**

The Bank Shall develop new products and services that respond to consumer demand for sustainable choices, and from paperless statements.

d. **The Bank Shall assume Community activities**

Bank gives generously to support environmental organizations and projects in cities and towns across the country.

## **5.5 Moral & Professional Responsibilities of Employees**

Every employee shall:

- a. Maintain peer group harmony and shall not bully, discriminate or harass other employees due to rank, position, gender, disability, religion etc.
- b. Not interfere with the private life of the members of the Board of Directors or Senior Management by visiting their houses without being called for or invited.
- c. Not create pressure on the Board members or Senior Management for avoidance of disciplinary action or influence for promotion, posting, transfer, sanction of investment etc.
- d. Feel responsible for career development by way of Continuous Professional Development (CPD).
- e. Not use Bank's stationary, daily usable things and other work related facilities for personal consumption.
- f. Not misuse bank's vehicle, equipment, photocopier, telephone etc.
- g. Not transfer or misuse UBL's intellectual properties.
- h. Not use UBL's Information Technology Platform or database for personal or third party benefit, and last but not least
- i. Not make a commitment or contract that detracts UBL's interest.

## **6.0 Property and Information of Bank**

### **6.1 Property of Bank**

Protecting the Bank's assets against loss, theft or other misuse shall be the responsibility of every employee of the bank. Loss, theft and misuse of the resources and assets of Union Bank Ltd. directly impact the profitability of the bank. As such,

- a. All employees will be responsible for safeguarding Bank's and customers' tangible assets including cash, securities, business plans, customers' information and physical property and services.
- b. Copying, selling using and distributing information, software and other forms of intellectual property in violation of license agreements will be prohibited.
- c. The use of e-mail, telephone, fax and computers and primarily for business purposes. Personal communication must be kept to a minimum.
- d. Stationary including letterheads will be strictly used for business purposes only.
- e. Any suspected loss, misuse or theft should be reported to the respective in-charge immediately.

### **6.2 Information Security**

Confidential information about Union Bank Ltd. business plans, products and services, marketing methods technology or systems must never be disclosed to a third party except pursuant to statute or regulations, or valid court order. The Bank owes a strict promise of confidentiality to their customers. Employee must always protect the **confidentiality of proprietary and confidential information** obtained

or created in connection with activities for Union Bank Ltd. in accordance with the applicable law. Employees obligation to protect the Bank's proprietary and confidential information continue even after they leave the bank and they must return all proprietary information in their possession upon leaving the Bank.

- a. Proprietary and confidential information include any system, information or process that gives Union Bank Ltd. businesses, its customers and its employees, any other non-public information received.
  - b. Proprietary and confidential information about Union Bank Ltd., a customer, supplier or distributor should not be disclosed to anyone (including other employees) not authorized to receive it or has no need to know the information, unless such disclosure is authorized by the customer, etc. or by law appropriate legal process or appropriate internal authorities.
- Intellectual property of Union Bank Ltd. such as trade secrets patents trademarks and copyrights, as well as business, research and new product plans, objectives and strategies records, databases, salary and benefits data, employee medical information, customer, employee and suppliers lists and any unpublished financial or pricing information must also be protected.

### **6.3 Invisible Property**

- a. The Bank shall prohibit its employees from using the corporate brand, goodwill, patents, trademarks and copyrights of the Bank for any sorts of non-official/ own purposes.
- b. The Employees will be strictly restricted to use the contractual agreements, designation for personal benefit.

### **6.4 Intellectual Property of Others**

The Bank and its Employees will exhibit extreme cautiousness protecting the Intellectual Properties of others. Thereby, protection of all sorts of customer information, logo of third parties, performance reports of customers, CIB reports of customers will be strictly maintained by all the employees of the Bank. The Bank and its employees will also refrain themselves from plagiarism of other Banks or Financial Institutes Credit Analysis for personal gain or purposes.

### **6.5 Bank's Information**

The Employees of the Bank will abide by the privacy policy of the Bank and will be responsible for keeping the secrecy of the information of the Bank. He/ She shall be aware of his/ her position while performing the assignments and will also be aware of the sensitivity of the task. Thereby, He/ She shall not supply any information of the Bank to the third party without prior consent of the Authority. Furthermore, He/ She will not disclose any unpublished and sensible information of the institution related to its performance, strategy, system, policies etc. and will be held responsible for the violation of any.

### **6.6 Customer Information**

Banking secrecy is the heart and soul of the trust the client attributes the banker. The act of depositing a client's money in the hands of the banker can be deemed in this day and age as the most tangible, dominant, even unique, statement of such person's assets; even more, it is an expression of confidence unparalleled in normal commercial relations. The basis of this trust the client gives the banker is largely based on the existence of the obligation to banking secrecy. Moreover, the Bank secrecy should be: "The duty of the bank not to disclose to any unauthorized third party, information it has received as part of

its handling of a client's account. With respect to maintenance of secrecy, a client is any person who has a bank account."

- a. The Bank and its Employees will be accountable to its clients.
- b. The Employees will keep the customer up to date on why information is being collected.
- c. Employees will obtain customer's consent for the collection, use and disclosure of personal information.
- d. The Bank shall limit the collection of customer's personal information.
- e. The Bank shall limit the use, sharing and storing of personal information.
- f. The employees will keep personal information of the customers current and accurate.
- g. Personal information security shall be considered as a priority at UBL.
- h. The Bank shall maintain an open-door policy regarding the protection of personal information
- i. The Bank shall provide customers with access to their personal information stored at UBL.
- j. Employees will respond to the customer's questions and concerns regarding the protection of personal information.

## **6.7 Information of Government Agencies**

The Bank shall not disclose any sort of information without the prior approval of the competent authority and there by liable to keep the secrecy and will be held responsible for breach of the said.

## **6.8 Employee Information**

At Union Bank Ltd. the privacy and confidentiality of employee, medical and personal records will be recognized and protected. Such records will be shared strictly on need to know basis or as required by law, rule and regulation or when authorized by the employee or as per **subpoena** or court order and requires approval by internal counsel.

## **6.9 Suppliers' Information**

The information of the goods and service purchased, price quotation, methods, business process, supply chain and information regarding the vendors of the Bank shall be kept confidential and responsible Employees will be liable for the disclosure of the same.

## **7.0 Use of Positions**

Employees must not offer, give or accept bribes nor engage in any form of corruption. Bribery and corruption damage the business and conflict with the bank's values. All forms of bribery and corruption must be opposed because it is illegal and dishonest and damages the countries and communities where it occurs. Employees are in breach/infraction of the code of conduct and also liable to criminal prosecution if they engage in such practice.

### **7.1 Private Gain**

- Employees are prohibited from taking for themselves personally opportunities that arise through the use of corporate property information or position.
- They are further prohibited from using corporate property, information or position for personal gain and/or competing with the bank.
- Employees have an obligation to advance the company's legitimate interests when the opportunity to do so arises.

## 7.2 Endorsement

An employee shall not use his office and his title for his own private gain or for that of persons or organizations with which he is associated personally. An employee's position or title should not be used to coerce; to endorse any product, service or enterprise; or to give the appearance of Bank's sanction.

## 8.0 Conflicts of Interest

The officers and employees must be aware that they owe a duty and loyalty to the bank. They should be scrupulous in avoiding any action or interest that conflicts or gives the appearance of a conflict with the Bank's interests.

- a. A conflict situation can arise when an employee takes actions or has interests that may make it difficult to perform his or her work for the bank objectively and effectively.
- b. Conflicts of interest may also arise when an employee or member of his or her family receives improper personal benefits as a result of his or her position with the Bank, whether from a third party or from the Bank.
- c. Conflicts of interest can take many forms and arise wherever there are actual or potential competing interests. It is very vital that this risk is managed in a way that is acceptable to our regulators and customers.

Conflicts of interest fall into two broad categories: **Business and Personal**

### Business Conflicts:

Business Conflicts of interest are those where the Organization has:

- a. A conflict of interest with a customer;
- b. Two or more customers who have a conflict of interest;
- c. Confidential information about an existing customer that could be used in another customer relationship.

### Personal Conflicts:

- a. Personal Conflicts of interest are those where employees put their own Personal interests ahead of those of a customer or the organization.
- b. Managing conflicts of interest ensure that employees must act in the best interest of customers, avoid legal and regulatory risk, protect the bank's brand and employee's own personal standing.

## 8.1 Conflict of Interest – Principles

- a. Employees must ensure that their personal interests do not conflict with the duties that they adhere to the Bank or which the bank owes to its customers. In particular, an employee should never become personally involved in any transaction, negotiation or contract on behalf of an organization with an entity in which the employees or any of their relative or friend has an interest, without full written disclosure to and prior written approval from the competent authority.
- b. An employee must avoid conflict between his/her personal social financial or political interests.
- c. An employee must not participate in reviewing and approving an application for a loan from company which he/she is a director.

In short, bankers must be aware that they have a responsibility to bring opportunities first to the organization rather than taking advantage of them personally. Otherwise, they may find themselves accused of having usurped a corporate opportunity.

## **9.0 Engagement in Other Employments**

The Bank shall not permit an Employee:

- a. Engaged himself in any commercial activity or pursue such activities either on his own account or as an agent of others.
- b. Receive any external employment, honorary, without prior approval/ consent of the competent authority of the Bank.
- c. Undertake any part time work except those, which may be requested to be accepted by competent authority.

## **10.0 Private Trade or Employment**

### **10.1 General**

As per the provisions of the Bank's Code of Conduct implies, no employee shall engage him/herself in any trade or undertake any employment or work other than his/ her official duties except the prior permission of the competent authorities.

### **10.2 Exceptions**

In some exceptional cases, an employee below officer rank may undertake/ run small business/ enterprise which fascinates only his/ her family members with prior approval of the competent authorities along with the declaration of the assets.

### **10.3 Social Work**

The Bank may permit its employees to undertake honorary work in social, religious or charitable organizations in occasional work of a literary or artistic character/ nature, which may include publications of one or a few literary or artistic works, provided that his/ her official duties do not hamper thereby. But the Bank holds the authority to cancel or withdraw the permission and ask him/ her to abandon the work with a valid justified reason to do so.

### **10.4 Procedure for Applying in Outside Employment**

The Bank shall deal with the eligible applications received from the employees for outside employment on the basis of the following:

- a. The Bank shall forward the applications of the employees appearing for the competitive examinations of Bangladesh Public Service Commission and in other government, semi-government entities/ institutions including state owned/ specialized Banks, private Banks and other public/ private entities/ institutions.
- b. The Bank shall forward applications of the Employees applied for employment in International organizations where Bangladesh is a member and for employment under Foreign Governments provided that all such applications are processed through the concerned/ competent channels of the Government of Bangladesh.
- c. The Bank shall forward Applications for employment in the autonomous bodies including public and private universities.



- d. Applications, exception of the above instances or which does not fulfill the above criteria, will not be entertained and forwarded.
- e. In case of employment abroad, employees shall resign and follow the Employee Service Rules and regulations of the Bank.

### **10.5 Teaching, Speaking & Writing**

Any employee considering speaking in front of the media or write & publish a book connected with his work but at the same time which is not ordered by the Bank should seek guidance and prior approval from the Management through the HRD before making any commitment. The employee should bear in mind that his such activities should not tarnish the image of the Bank.

### **11. External Pressure/ Approach to Member of Parliament, Political Leader, Board Members etc.**

Employee must refrain from bringing in outside pressure or influence to attain personal gains within the organization; any such attempt will be subject to disciplinary action.

### **12. Acceptance of Gifts and Foreign Awards**

**Offered to Employees:** Employees are not permitted to accept gifts, entertainment other favors from existing or prospective customers of the bank. This is essential to keep the employees of the Bank from being prejudiced or influenced or showing lenient attitude keeping aside bank's interest. Gifts and Entertainment must not be, nor be perceived to be, an inducement for business.

**Offered by Employees:** Save and except normal business practices of offering meals, entertainment, promotional gifts etc. employees shall not, on behalf of UBL, directly or indirectly give, offer or promise anything of value to any individual, business entity, organization, public officials or political party with a view to influencing the recipient thereof.

### **13. Fair Treatment of Counter-parties**

The quality of our relationships with our suppliers and other external counter-parties often has a direct bearing on the quality of Bank products, services and ultimately our customer relationships.

We, therefore, expect our suppliers to operate to the same standards as we expect of ourselves.

- a. All such relationships with external counter-parties should be conducted in professional and impartial manner.
- b. Vendor selection and hiring decisions must be made objectively and in best interest of the Bank, based on evaluation of integrity, suitability, price, delivery of goods/ service, quality and other pertinent.
- c. Employee should commit to fair contract and payment terms with them in return of good service at a good price supplied in a responsible manner.
- d. Employee personal relationship with contractors, suppliers and vendors should be disclosed to the superior at the time of entering into the transaction and should not influence decisions made on behalf of Union Bank Ltd.
- e. Negotiations with customers and potential customers should be conducted in a professional manner.

Vendors or suppliers should not be used for any personal purposes, so as to have any conflict of interest while dealing with them.

#### 14. Anti-Money Laundering

Money Laundering legislation criminalize money laundering in respect of all crimes including drug trafficking, terrorism, theft, tax evasion, fraud, handling of stolen goods, counterfeiting and blackmail. It is also an offence to undertake and or facilitate transaction with individual and entities involved in criminal activities.

- a. Union Bank Ltd. is fully aware that no customer relationship is worth compromising our commitment to combating money laundering, doing business with drug traffickers and other criminals.
- b. Union Bank Ltd. has formulated **Anti Money Laundering Policy** following Central Bank Guidelines to enable all employees to follow the policy meticulously.
- c. Employees must exercise requisite care in selecting those with whom Bank conducts business.
- d. Employees responsible for opening accounts are required to obtain the **“Know Your Customer” (KYC)** form prior to opening accounts periodically as per regulatory rules framed by Bangladesh Bank from time to time.

While conducting business, employee must adhere to processes in place for checking the credit and character for customers and counter parties. These processes ensure adequate customer due diligence and ongoing monitoring of our customers to detect suspicious transactions during the entire period of the relationship.

#### 15. Accuracy of Records and Reporting

Banks books, records, accounts and reports must accurately reflect its transaction, and must be subject to an adequate system of internal controls and disclosure controls to promote the highest degree of integrity.

- a. An employee must ensure that records, data and information owned, collected, used and managed by him/her for Bank are accurate and complete.
- b. Records must be maintained as per the applicable **Record Retention Policy** of the Bank in sufficient details so as to reflect accurately the company's transaction.
- c. An employee must assist in maintenance of appropriate records so as to ensure that financial transactions are prepared in accordance with generally accepted accounting principles and that they fairly present the financial conditions and results of the company.
- d. An employee must observe standards of good taste regarding content and language when creating business records and other document (such as email) that may be retained by Union Bank Ltd. or a third party.
- e. Non-maintenance of these records that comes into employees notice and any misappropriation or tampering of records needs to be reported to the relevant authority.
- f. An employee must not make a fake claim for reimbursement of any expense.

## **16. Copy Rights**

Employees will not make unauthorized copies of copyright materials, banks proprietary information such as bank documents, policies, manuals, instructions, computer program etc. Any work that they undertake for the Bank is the sole property of Bank and that should be kept secret and treated as copyright.

## **17. Fraud, Theft or Illegal Activities**

While the Bank believes that the employees would realize and appreciate the need to follow this code in letter and spirit, in an unfortunate incident or act of breach, corrective and deterrent action becomes unavoidable. Therefore, any breach of the stipulations mentioned in the code should be treated as misconduct for which appropriate penalty would be imposed.

Based on the intent seriousness and mitigating/extenuating circumstances of such non-compliance, the breaches can be broadly classified into 04 (four) categories as detailed hereunder:

### **A. Habitual Irregularities**

Repeated negligence in performing duties, depending on the gravity and consequences to the company may fall under this category. Illustrative behavior includes:

- a. Unpunctual or irregular attendance, leaving workplace without permission, habitual or prolonged absence without leave.
- b. Negligence or failure to take due care while obtaining and preserving document/records.
- c. Negligence or failure to ensure accuracy and timely completion of work.
- d. Indecent/ discourteous behavior with customers, employees' superiors etc.
- e. Not following the prescribed Dress Code.
- f. Showing an intransigent or unreasonably negative attitude to Management and /or fellow employees.
- g. Minor breach of health and safety requirements.
- h. Careless use of the company's equipment or furniture.
- i. Refusing to attend nominated training programs unless agreed upon with superior.
- j. Use of foul or abusive language (whether verbal or in writing)
- k. Refusing a reasonable request to moderate changes in responsibilities if such a change is a business necessity.
- l. Being under the influence of alcohol and/or drugs not medically prescribed when at work (whether on Union Bank Ltd. premises or otherwise).
- m. Consumption or being under the influence of drugs not medically prescribed and/or alcohol at a Management sponsored event.
- n. Indulging in habitual errors, negligence while performing duties.

### **B. Gross/Serious violations**

Any act which is in breach/infracton of the code, internal policies & procedures and which may cause financial loss or reputation risk to the company falls under this category. Illustrative behavior under this category includes:

- a. Failing to comply with Union Bank Ltd. policies, procedures rules and working practices.

- b. Obstructing the customer from dealing with Union Bank Ltd. or obstructing other employees from discharging their responsibilities
- c. Engaging in any other trade/business/employment while in the employment of the company without confirming with their supervisor.
- d. Participation in any demonstration against the company or its officials.
- e. Accepting gifts and favors from clients and vendors in violations of relevant guidelines.
- f. Disrupting/slowing down of continuous customer's service or work, in the branch or office – either solely or by way of participation in strike, bandh etc.
- g. Violation of any of the provisions of the security policy including IT security policy of the company.
- h. Taking a decision, which has financial implications favoring the employees, any of their teams or relatives.
- i. Involvement in harassment including sexual harassment or racial harassment.
- j. Failure to take all possible steps to protect the interest of Union Bank Ltd. and to perform duties with utmost integrity honesty devotion & diligence.
- k. Indulging in any act which is likely to cause damage/loss to the property and which are prejudicial to the reputation and interest of Union Bank Ltd.
- l. Failure to act in the best judgment while performing duties as well as while exercising delegated power entrusted by Union Bank Ltd.
- m. Failure to avoid indebtedness in any manner while in service.
- n. Engaging in and/or facilitating any financial dealing/s including money lending whatever with colleagues.
- o. Any act which brings or has the potential to bring disrepute to the image of Union Bank Ltd. at all times.
- p. Failure to comply with existing regulatory rules and regulations such as Bank Company Act.
- q. Any other act which is against the ethos /culture of the company.

### **C. Fraudulent Irregularities**

Any act with a fraudulent or malaise intention irrespective of whether there was any financial loss or loss of reputation of Union Bank Ltd. falls in this category. Some illustrative behavior under this category would include:

- a. Suppressing or misrepresentation of facts.
- b. Any act of creation/acceptance of fake/incorrect/fraudulent records or manipulation of records with fraudulent intention i.e. fudging of records, MIS records etc.
- c. Failure of due diligence in any deal/transaction to avoid any possibilities of a fraud or money laundering.
- d. Theft or pilferage or any dishonest act.
- e. Involvement in any act in the area of corruption, misuse of office, criminal offences, suspected or actual fraud etc.
- f. Helping customers in any ways, which has a financial bearing on their financial relationship with Union Bank Ltd. or guiding them to lead to any loss to the Group.

### **D. Irregularities in High Risk Areas**

Any act which may not be apparently with fraudulent intention but are considered as High Risk area irrespective of any financial loss or loss to the reputation of Union Bank Ltd. falls in this category. This includes:

- a. Failure to act in spite of having knowledge of wrong things being practiced,
- b. Failure to take corrective steps to stop such wrong practices,
- c. Failure to escalate such matter to higher authorities.

The areas considered as **High Risk** will be assessed by the Senior Management of the Bank. The Senior Management of the Bank will also have the power and authority to notify the list of **High Risk Areas** from time to time. It must be noted that irregularities cited in the above categories are indicative in nature and the lists are not exhaustive.

## **18. Working Environment**

### **18.1 Health & Safety**

Union Bank Ltd. is committed to providing a safe work environment and fostering the well-being and health of its employees. As such employees should ensure that his workplace is healthy & congenial, productive & free from drugs.

- a. The Bank shall create a plan to control workplace hazards and identify hazards in workplace and take steps to eliminate or minimize them.
- b. The Bank shall train its employees regarding Health & Safety.
- c. The Management or Managers will talk regularly with the employees.
- d. Investigate incidents.
- e. Maintain records.

### **18.2 Workplace Environment**

The Bank shall recognize that employee's workplace environment is a key determinant of the quality of their work and their level of productivity. How well the workplace engages an employee impacts their desire to learn skills and their level of motivation to perform. Skills and motivation level then influences an employee's:

- a. Error rate
- b. Output rate
- c. Level of innovation
- d. Collaboration with others
- e. Absenteeism, and
- f. Length of service

Therefore, the Bank shall adopt all necessary measures which may prompt continuous improvement of the working environment and shall keep the workplace friendly, congenial, transparent, free from harassment & corruption and shall also ensure the cohesiveness among the employees.

## **19. Team Work**

Good teamwork helps to build morale in the workplace, which makes the employees more productive and ultimately improves profits. The Bank shall consider all the employees as human capital and shall recognize their value. The Bank shall give emphasis on the bondages of the colleagues and team work for the greater achievement of the goals.

- a. The Management and Senior Executives shall communicate the clear expectation that teamwork and collaboration are expected.
- b. The Management and Senior Executives shall execute model teamwork in their interaction with each other and the rest of the organization.
- c. The Management and Senior Executives shall talk about, motivate and identify the value of a teamwork culture among the employees.
- d. The Bank shall make an arrangement for Teamwork rewards and recognition.

## **20. Diversity**

Union Bank Ltd. is an equal opportunity employer in hiring & promotion practices, benefits and wages. The Bank will not tolerate discrimination against any person on the basis of race religion, color, gender, age, and citizenship in recruiting, hiring placement, promotion, or any other condition of employment.

## **21. Employee Grievance**

UBL shall recognize its responsibility to provide an environment in which all employees will be treated fairly and with respect. UBL shall be committed to maintaining an organizational culture in which an employee's right to seek resolution of a complaint will be recognized, supported and will be without retribution. This employee grievance shall provide a visible and accessible process for complaints resolution and encourages prompt attention to all complaints, despite these efforts the rules of natural justice may not apply to this Policy in all circumstances.

UBL will, subject to principles of confidentiality and persons' rights to privacy endeavor to provide updates to complainants and persons against whom a complaint is made. UBL recognizes, however, that there may be circumstances in which this would not be desirable and therefore reserves the right to decline to inform or update any persons on any complaint. Circumstances in which these updates will not be desirable will be entirely at UBL management/board discretion.

All parties to a complaint:

- Must respect confidentiality.
- Shall have the right to seek independent advice.

All persons shall have the right to:

- Make a complaint to their direct manager or another member of the organization at an appropriate level.
- Be treated with respect & impartiality and provided with support throughout the process.
- Have the principles of natural justice and procedural fairness observed. This means:
  - Complaints must be fully described by the person with the grievance.
  - The person who is the subject of concern must be informed of all the allegations in relation to his/her behavior.
  - The person who is the subject of concern must have a full opportunity to put forward their case.
  - All parties to the complaint must have the right to be heard.
  - All relevant submissions and evidence must be considered.
  - Irrelevant matters must not be taken into account.
  - The decision-maker must be impartial, fair and just.

- Investigations and proceedings that are conducted honestly, fairly and without bias.
- No undue delay in investigations and proceedings.

It will be the responsibility of all parties involved in a grievance to participate fully in the resolution process in good faith. Confidentiality must be respected and maintained at all times within the constraints of the need to fully investigate the matter, subject to any legal requirements for disclosure and consistent with the principles of natural justice.

A grievance is a work related concern, problem or complaint that an employee raises with the Group. In general terms a grievance results from an employee who perceives treatment towards them at work as being unfair or who is dissatisfied with any aspect of their work or working environment. For example, performance, working conditions, discrimination or new working practices. Thereby, the following people shall have the responsibility in relation to this procedure:

- Managing Director.
- Management Committee.
- Human Resources Division.
- Line Manager.

## **22. Compliance with laws, rules and regulations**

Employees must comply with the spirit, not just the letter of laws, regulations and Bank's standards. This means that employees must follow the underlying principles of laws and regulations as well as following their exact wording. The policy of Union Bank Ltd. is to maintain an open and co-operative relationship with our regulators and to comply with all applicable laws, rules and regulations. Bank also disseminates information regarding compliance with laws, rules and regulations that affect business.

- Violation of the law must be avoided under any circumstances, especially violations that attract punishment of imprisonment, monetary penalties, or fines.
- Notwithstanding the legal consequences of such violation, any employee found guilty will be additionally liable to disciplinary actions, initiated by the company for violating the code.
- Particular care should be taken to act legally in those areas where the law is evolving rapidly or is being extended to cover activities that have not been covered by legal requirements in the past.
- When in doubt, the Compliance Authority should be consulted.

## **23. Fair Employment Practices and Diversity**

Union Bank Ltd. is committed to adoption of fair employment practices. It ensures diversity of workplace through efforts to recruit, develop and retain the most talented people from a diverse candidate pool. It upholds the principle that advancement is based on talent and performance and there is a commitment to Equal Employment Opportunity (EEO).

As a fair employment practice, it is expected that employees shall not (during the course of service or upon cessation of service for a period of six months from the date of cessation) directly or

indirectly on their own accord or on behalf or in conjunction with any other person, convey or solicit or attempt to induce any employee or business associate to leave their current employment with Union Bank Ltd. and join the service of the new employer or any competitor.

## **24. Harassment**

i. All employees are entitled to safe working environment that is free from discrimination, bullying and harassment.

Union Bank Ltd. is committed to prohibition of harassment and intimidation of employees in the workplace.

- Bank encourages a work environment where employees are valued and respected.
- Bank promotes equality of gender race and religion and prohibits sexual or any other kind of discrimination, harassment or intimidation whether committed by or against a superior, coworker, customer, vendor or visitor.
- No employee shall because of race, creed, color, national/ethnic origin, gender/sex, marital status, sexual preferences, religion, region age or physical disability, be subjected to any discrimination or to any harassment be another employee of the bank.

ii. While there is no prohibition against the employment of close relatives, the integrity of the professional process must be maintained.

In order to ensure fair treatment for all employees of the Bank,

- Avoid discrimination and being biased;
- Every employee should disclose the name of his/her close relatives and shall not serve a committee. Close relative means father, mother, wife, brother, sister, son, daughter, first cousins, nephews, nieces, uncles/aunts, brother-in-law, Sister-in-law, Son-in-law etc.
- Avoid making personal recommendations or decisions or influence any person making decisions such as appointment, retention, transfer, advancement or promotion affecting a close relative.

## **25. Zero Tolerance to Violence Whistle Blower in the Workplace**

The Bank is committed to creating and maintaining a working, learning and customers care environment, which is free from violence.

- Mutual understanding and respect toward all employees is an essential element for excellence in professionalism, existence of safe and healthy work place, and maintenance of a corporate culture, which serves the needs of the community.
- The Bank prohibits violence, acts of threats, etc.
- Any employee, who commits or threatens to commit a violent act, is subject to disciplinary action.

The Bank has zero tolerance for violence against any member of the workforce or its property.

## **26. Special Responsibilities of Superiors**

In addition to responsibilities as employees, superiors must abide by the:



- a. **Duty of selection** - Carefully select the employees for a job in light of their personal and professional qualifications. The duty of Care increases with the importance of the obligation to be entrusted to the employee.
- b. **Duty of instruction**- Formulate obligations in a precise, complete and binding manner especially with a view to ensure compliance with provisions of instructions.
- c. **Duty of Monitoring**- Ensure that compliance with provisions of applicable laws/regulations is monitored on a constant basis (duty of monitoring).
- d. **Duty of communication** – Communicate to the employees that any violation of the applicable laws/regulations is disapproved of and would have disciplinary implications.

## **27. Fair Treatment of Customers**

### **Treat Customer Fairly (TCF):**

Employees must treat customers fairly and meet their needs and expectations.

- a. Do not miss-sell or misrepresent the bank or its products or services.
- b. Respond to customer complaints quickly & fairly.
- c. Be responsive to customer feedback on products and services.

### **There are 7 TCF standards, which employees must follow:**

- a. Understand both the Bank's products & customers risk appetite, objectives, finances and personal circumstances in order to ensure that employees must meet customer needs.
- b. Provide relevant, complete and clear information to customers to ensure they that have the best choice of suitable products.
- c. Only provide products or services to customers that meet their needs.
- d. Make sure that the customers understand the product and its risks.
- e. Comply with the Bank's advertising standards and ensure all advertisements are appropriately reviewed before they are launched.
- f. Keep customers appropriately informed before, during and after the point of sale.
- g. Deal with customer complaints in a courteous, efficient and timely manner. Remember to record all complaints appropriately.

## **28. Privacy & Security of Clients/ Stakeholders Information**

Union Bank Limited is committed to protecting the privacy and confidentiality of clients, employees and stakeholders in the way information is collected, stored and used.

- a. The Bank shall gather, preserve and use the personal information of Clients and Stakeholders in a manner which will allow the Bank to provide well-tailored products and services and better meet the clients' financial needs and purposes. All the information, thereby, will be considered strict confidential.

- b. The Bank shall preserve and shall give security to the information of its employees at all the stages. The information shall be treated as confidential unless it is clearly stated otherwise. Furthermore, the information shall be used only for the performance of the assigned job responsibilities in line with all rules, regulations, laws and other policies governing the individual employee's employment. The information will be kept securely even after leaving the employment by the employee.

## **29. Transparency and Accuracy of Financial, Tax and other Reporting**

The Bank shall recognize and value the importance of accurate financial statements its clients and stakeholders as follows which the Bank shall not underestimate and shall adopt proper steps for maintaining the accuracy & transparency of the reports and true communication.

- a. Financial Transparency
- b. Evaluate Tax Liability.
- c. Mitigate Errors.
- d. Build Trust.
- e. Better Decision making, planning and forecasting.

## **30. Interaction in Print, Electronic and Social Media**

- a. Employees receiving requests for information from reporters or other press and media representative should refer the matter to Head Office for that the relationship with the Press & Media has wide ranging effects on the Bank's corporate image.
- b. Only those persons authorized by the Board of Directors in that behalf can therefore give press release and interviews to the extent as authorized.

## **31. Guidelines for 'Speak Up Policy'**

- a. Employees are to be alert and vigilant with respect to frauds, theft or significant illegal activity committed within the office.
- b. If any such activity comes into employee's attention or if they suspect, or know of, any actual, planned or potential behavior that breaks or may break any laws, regulations or organization's standards, they must speak up and immediately disclose or report the same to their immediate superiors or appropriate authority who will arrange for appropriate follow up action to be taken.
- c. Failure to report any such activity will be subject to disciplinary action.

## **32. Personal Investments and Insider Trading**

- a. Insider dealing is dealing on a personal basis in all investment relating to securities while one has relevant non-public price sensitive information (known as inside information). Inside information is information which, if it were made generally available, would be likely to have a significant effect (either positive or negative) on the price of the shares or other securities of which it relates.

- b. Insider dealing includes giving “tips” to another person, encouraging anyone else to deal, or dealing on behalf of anyone else based on inside information.
- c. Employees must not engage themselves in insider trading in securities meaning that they are not to make deal, advice or arrange for anyone else to deal, in any shares or other securities of the Bank or subsidiaries listed or trade on a recognized stock exchange.

Employees should note that using non-public information to trade in securities, or providing a family member, friend or any other person with a “tip” is illegal all.

### **33. Arranging Seminar/ Workshop/ Training**

A strong ethical culture within the Bank is important in safeguarding its assets and resources. Employees who abide by the workplace ethics would be able to protect and respect the Bank’s assets also. Despite employees' competing responsibilities, ethics training is important and can have an impact on business, the Bank's reputation, and daily office morale. An organization cannot afford to leave ethical decision making to chance because one hasty or ill-conceived action by an employee can harm an entire organization.

The Bank shall, thereby, identify the purpose of Ethics Training that is "to enable employees to identify and deal with ethical problems developing their moral intuitions, which are implicit in everyday choices and actions" and shall arrange Seminar, Workshops and Training to promote, stimulate and nourish ethics among its employees.

### **34. Automation/ Digitalization of Business Process**

In business, automation/ digitalization most often refers to enabling, improving and/or transforming business operations and/or business functions and/or business models/processes and/or activities, by leveraging digital technologies and a broader use and context of digitized data, turned into actionable, knowledge, with a specific benefit in mind. With the advancement of technology, UBL shall embrace and materialize technological requirements in its business keeping in mind that implement of such should not compromise the integrity of information security and the guiding principles of the Code of Conduct are complied with accordingly. Thereby, the Bank shall follow the Six Key Steps to build a successful Business Automation/ Digitalization as mentioned below:

1. The Bank shall create the right mindset and shared understanding.
2. The Bank shall put the right individual in place.
3. The Bank shall launch a digital business center of excellence.
4. The Bank shall formulate digital strategy to respond to opportunities and threats.
5. The Bank shall find, develop & acquire digital business skills and roles.
6. The Bank shall create new digital business capabilities.

### **35. Employee Conduct Outside the Office Premises**

- a. Employee’s activities must not weaken and destabilize the institutional and formal working environment.

- b. Part time employments, outside consultancy, political activities or discussions within the bank premises are discouraged.
- c. Participation in philanthropic, educational or civic organization, clubs and professional organizations associated with banking or business is exempt.
- d. Leaving of Bank during banking hours **without** authorization is punishable offence.

### **36. Sound Personal Finance & Lifestyle**

Employee's performance and attitude towards the job can be affected by the manner in which employees manage their Personal Finance & Lifestyle. Hence,

- They should live within the means;
- They may borrow, if required, from recognized financial institutions subject to the approval from the competent authority.
- Borrowings by the employees and members of their families from customers and suppliers of Union Bank Ltd. are strictly prohibited.

### **37. Employment of Relatives**

Family members and other persons with whom an employee has close personal relationship should not work in the same department of the bank or be placed in positions where one may supervise another or be placed where one may be in a position of processing, tracking, monitoring or recording of transactions initiated by the family member. The Board of Directors must approve any exception to the policy due to some exigencies.

### **38. Grooming, Etiquette and Compliance with Dress Code**

- a. All the employees are obligated to comply with the office work timings and ensure that work commitments are not disrupted.
- b. Employees are required to maintain proper dress code (office attire) and look well groomed & presentable all the time. Livery staff should be in their proper uniforms during office hours.
- c. Employees are to observe high standards of behavior/attitude that include positive attitude/body language politeness & optimistic approach. Clumsy/abnormal behavior/short-temperament should be avoided at all times.
- d. Employees are responsible for ensuring their own work area.

### **39. Post-Employment Activities and Responsibilities**

Employee must not use their position to advance their prospects for future employment, or allow their work to be influenced by plans for or offers of, external employment which would conflict or compromise in any way the best interests of the bank.

Employee's professional duty while being employed by the Bank is to maintain confidentiality, therefore, an employee must maintain the same professionalism and secrecy after the employment of the bank and not disclose any official information.

#### **40. Responsibilities of Ethics Committee to uphold the Code of Conduct**

i. Union Bank Ltd. shall be responsible for the creation, development and implementation of the its own Code of Conduct for all the members of the Bank. The Bank shall make formal circulation of the same within 60 (sixty) days and shall adopt the steps & procedures outlined in the policy. The Board of directors as well as the Management of the Bank shall supervise the implementation of the same and will bear the responsibility as well.

ii. The overall and prime responsibility for the promotion & implementation of the Code of Conduct will fall upon the Ethics Committee and they will lead by example in in embedding the Code in their day to day work. The Code of Conduct thereby, shall be supervised strictly and any breach of the same shall be dealt with the proper disciplinary procedures. Ethics Committee shall have their own work plan to promote and monitor/ observe due development against their work plan at a regular interval.

#### **41. Recognition & Award**

The Bank shall felicitate its Employees with ‘Employee Recognition & Awards’ for outstanding services and achievements from various work disciplines. The Bank shall recognize the importance of employee recognition and reward as a tool to motivate employee as well as to inculcate a positive, productive and innovative organizational culture. Recognition & Awards will be aimed at fostering a culture of acknowledgement and appreciation amongst employees for introducing innovative business practices, showing extra ordinary efforts for achievement of goals and enhancing Bank’s corporate image. Using various methods of recognition ranging from simple “Thank you” letters to elaborate celebrations and monetary rewards, the Bank shall take the endeavor to motivate employees, encourage optimum performance and instill professional commitment and loyalty throughout the Bank. The Employee Recognition & Awards Policy and Program will be encompassing four types of recognition levels, based on the achievement of the individuals/teams. These are:

1. Individual Contribution Award.
2. Divisional/ Departmental Commitment Award
3. Organization Competence Award.
4. Excellence Award.

In order to effectively realize the benefits of this highly beneficial program, all employees of the Bank in general and particularly departmental and divisional are encouraged to recognize employees who through their effort promote organizational values or are high achievers on an ongoing basis to create an environment of mutual support and respect. By adopting the practice of recognizing and recommending each other’s positive behaviors for reward the Bank shall develop and achieve an organization wide culture of mutual trust and appreciation which will contribute towards making UBL a better place to work with highly motivated employees proud of their association with the Bank.

#### **42. Disciplinary procedures and actions**

The Primary objective of the disciplinary procedure is to-

- a. Make employees aware of the instances of apparent and reported breach of the code on their part;
- b. Afford such employees with an opportunity of making submission against such reported instances including improving their attendance, work performance or amending/rectifying their conduct as the case may be, should/if they fall below the standards expected by Union Bank Ltd.

### **Disciplinary action in the event of failure to comply**

Failure to follow the code may result in breaches of law, regulations, organizational standards and reputational change. It may lead to disciplinary action, which could lead to the dismissal of any employee from the service of the Bank.

Depending upon the nature and seriousness of non-compliant behavior, the Bank makes take corrective action against the erring employees. The Bank may prefer civil or criminal action against errant employees. Such actions may include penalties as deemed appropriate considering the nature of violation and its implications on the Bank. The extenuating/mitigating circumstances, if any, may also be considered while taking action.

These actions could be – Cautionary action, Deterrent action and capital Action

#### **A. Cautionary action**

The cautionary or exemplary action(s) may be in the form of:

- Condoning, advising, warning, censuring etc.
- Imposition of fine.
- Suspension from employment for a certain period of time.
- Adversely impacting annual performance rating
- Withholding of increment.
- Withholding of performance linked bonus /incentive (partly).
- Leave without pay for unauthorized absence from duty.

#### **B. Deterrent action**

The deterrent action(s) may be in the form of:

- Recovery of full/partial monetary loss caused or likely to be caused to the Bank
- Withholding of performance linked bonus/incentive (fully)
- Withholding of promotion
- Demoting to the lower grade or level
- Reduction in basic salary

#### **C. Capital action**

The capital action may be in the form of:

- Termination of services
- Compulsory retirement.
- Removal from service. Dismissal from services.

### **43. Compliance with the Code of Conduct**

Union Bank Ltd. recognizes the need for this code to be applied equally to everyone to covers.

- All employees are expected to comply with all of the provisions of this code.
- The code will be strictly enforced and violations will be dealt with immediately.
- All employees are expected to report any suspected violations promptly and intends to thoroughly investigate any good faith reports of violations. If the individuals to whom such information is conveyed are not responsive, or if there is reason to believe that reporting to such individuals is inappropriate in particular cases, then the employee may contact the chief Executive Officer of the Bank. Such communications will be kept confidential to the extent possible.
- The Bank will not tolerate any kind of retaliation for reports or complaints regarding misconduct that were made in good faith.
- Retaliatory action against an employee for making a good faith report is prohibited.
- An employee who knowingly violated the internal policies and guidelines shall be subject to disciplinary action, including demotion or dismissal.

Open communication of issues and concerns by all employees, officers and Directors without fear of retribution or retaliation is vital to the successful implementation of this code. Even employees are required to co-operate in internal investigations of misconduct and unethical behavior.

#### **44. Merits of the Code**

This code clarifies all the employees of the Bank the conduct expected in the performance of their duties. This leads the employees to conduct themselves in accordance with the highest standards of personal and professional integrity and to comply with all laws and regulations and corporate policies and procedures.

#### **45. Amendments or Modifications to and Dissemination of the Code of Conduct**

The Board of Directors of the Union Bank Limited reserves its right to amend and modify all or any of the articles of this Code of Conduct as it may deem necessary which shall be binding for all employees of Union Bank Ltd. for the time being from the effective date thereof.

### **DECLARATION**

I, the undersigned, have read the Code of Conduct and Ethics for Employees of Union Bank Limited with full understanding of its contents and confirm to abide by the same so long as I remain an employee of the UBL.

I also hereby declare that I will abide by the Code and/or its subsequent updates.

Name: .....

Employee ID: ..... Date of Joining: .....

Signature: ..... Date: .....

## **CONFIRMATION OF PERIODICAL READING**

Branch/Division: .....

SL. NO.	Name	Designation	Signature	Date