CODE OF CONDUCT OF JSC ALFA-BANK

Version 3.0.
CODE OF CONDUCT OF JSC ALFA-BANK

PURPOSE AND OBJECTIVES OF THE CODE OF CONDUCT

The Code is the main document, which defines the standards of the Bank’s activities and business conduct of employees, as well as responsibility for violating these norms.

Compliance with the standards of the Code is a prerequisite for success of the high quality of services provided by the Bank, responsibility of its employees to clients, partners and shareholders.

The code sets forth:

- ethical and professional standards of the Bank and ways of compliance with such standards;
- common values, code of business conduct and ethics aimed at improving the efficiency and culture, financial stability of the Bank, strengthening mutual trust among participants of banking services market;
- fundamentals of a unified corporate culture based on high ethical standards, maintaining a climate of trust in the team, mutual respect and decency;
- ways to identify and prevent potential risks, to solve problems with ethical aspects;
- ways to enhance and maintain credibility of the Bank on the part of the business community, to strengthen the reputation of open and honest market participant.

CORPORATE VALUES

OPENNESS
• We are consistent and honest with our opinions, words and actions.
• We are open to communication, ready to hear and to share a different point of view.
• We are constantly looking for new opportunities for development and training.

TRUST AND PARTNERSHIP
• We work to achieve common goals.
• We strive for mutually beneficial relations and mutual assistance.
• We do not acknowledge uncompromising attitudes and we are not guided by our own interests.

RESPONSIBILITY
• We always keep to our words.
• We are responsible for our actions and for overall performance of the bank’s team.

EFFICIENCY
• We focus on the outcome, not on the process.
• We strive to achieve our goals, and not to convince of the fact that our goals are unachievable.

COMMITMENT TO CORPORATE VALUES

Supervisory Board of the Bank:
• develops and promotes high ethical and professional standards, complies with such standards and ensures implementation of such standards and observance of such standards by the bank's heads,
Heads of control subdivisions and other employees, who contribute to minimizing the risk faced by the bank in carrying out its activities.

- ensures implementation of corporate culture in the bank, which is focused on code of responsible and ethical conduct.
- defines corporate values of the bank and ensures that heads of the Bank, heads of control subdivisions and other employees of the Bank are familiarized with corporate values of the bank and other interested parties can familiarize themselves with corporate values of the bank.

Heads and employees of the Bank are obliged to:

- know the rules and principles of the Code and adhere to them while performing their official duties and communicating with colleagues, clients, counterparties;
- perform their official duties and other tasks assigned by the Bank in a quality manner and in good faith;
- use their official positions exclusively for performance of their official duties and orders of the heads given on the basis and within the limits of their authority. While performing their official duties, the heads are obliged to act for the benefit of the Bank and the clients and to put the Bank's interests above their own;
- the heads are committed to duty of care and duty of loyalty to the Bank in accordance with the Ukrainian legislation;
- all Bank employees should avoid conflicts of interest and should not create preconditions for occurrence of a conflict of interest.

**PROHIBITION ON ILLEGAL ACTIVITIES**

The Bank’s heads and employees shall comply with the requirements of the current legislation of Ukraine, provisions of the Charter and internal documents of the Company, including antimonopoly legislation, corporate governance legislation, tax legislation, adhere to the established procedures for disclosure of financial and other indicators, anti-corruption legislation, labor legislation, law on environmental protection, law on asset protection, law on copyright and other forms of intellectual property protection etc. in their work.

The employees of the Bank are obliged to refrain from executing decisions of the heads if they violate the requirements of Ukrainian legislation or internal normative legal acts, including this Code, and to notify the Compliance unit of such cases.

**Financial and statistical reporting**

The Bank takes all necessary measures to submit reliable financial and statistical reporting, as well as to adhere to timescales and mechanisms of reporting.

The Bank complies with all the requirements established by the regulatory authorities, the current legislation on creation of financial, statistical reporting and accounting records.

The Bank ensures recording of all operations, timely, complete and accurate display of all operations in accounting registers, creation and storage of primary documents, accounting registers, preventing registration of unreliable/ forged documents of primary accounting and performance of unreliable accounting entries.

The Bank ensures the place and compliance with the period of electronic and paper documents (archives) retention, taking into account the requirements established by the current legislation.
**Official crime, economic crime (fraud)**

The Bank adheres to the principle of zero tolerance to the facts of official crimes, corruption, bribery, economic crimes, and fraud and fully supports the Bank's employees in counteracting manifestations of official, economic crimes and fraud.

**Sanctions policy and counteracting to legalization of the proceeds of crime**

The Bank undertakes to take all necessary measures to prevent operations, which are aimed at or which facilitate or may facilitate the avoidance of restrictions imposed by special economic and other restrictive measures (sanctions) imposed by Ukraine and / or recognized by Ukraine, international organizations and any other jurisdictions in which the Bank operates.

The Bank does not conduct any financial operations which may carry a risk of enforcement actions against it by the authorized authorities.

Each employee of the Bank, within the limits of his official duties, takes an active part in the system of counteracting to legalization (laundering) of the proceeds of crime and financing of terrorist activities and applies a risk-oriented approach to minimize the Bank's risks.

**Anticompetitive practices**

The Bank's relations with its competitors are based on the principles of mutual respect and good faith and compliance with the antimonopoly legislation and business principles of competition.

The Bank and its employees do not create, do not distribute, or do not use confidential information about competitors and do not distribute misleading information.

**POLICY ON COMPLIANCE WITH RISK MANAGEMENT CULTURE**

There is a risk management system in the Bank which is appropriate for the size of the Bank, its business model, and the risk management system ensures identification, measurement, monitoring, control and mitigation of all material risks of the Bank.

The culture of risk management is part of the overall corporate culture of the Bank.

The Bank's employees are active participants in the Bank's risk management system at its various lines of defense, depending on their official responsibilities, and they comply with risk management strategies and policy.

The Bank provides training (at least once a year for current employees and when hiring new employees) on risk management culture and compliance with this Code.

**REGULATIONS ON PREVENTION OF CONSUMER RIGHTS INFRINGEMENT**

The Bank ensures observance and strict compliance with the requirements of the Law of Ukraine on Consumer Rights Protection while providing services and products, including when developing new services.

**ACTION PLAN OF THE HEADS AND OTHER EMPLOYEES OF THE BANK FOR PREVENTION OF DAMAGE TO THE BANK'S PROPERTY**

All employees of the Bank take appropriate measures to protect assets, property of the Bank, and ensure their effective and sustainable use.
All assets and property of the Bank are used by employees exclusively for official purposes within the limits of their functional duties.

PROHIBITION ON ABUSE OF OFFICIAL POSITION BY THE HEADS OF THE BANK AND BY OTHER EMPLOYEES OF THE BANK IN ORDER TO GET UNFAIR PERSONAL BENEFITS OR TO PROVIDE SUCH BENEFITS TO THIRD PARTIES

The employees of the Bank are obliged to put the Bank's interests above their own and not to use their official powers and related capabilities in order to obtain unfair personal benefits or in connection with acceptance of the promise / the offer of such benefits to other persons.

The employees of the Bank should not have any financial interest in organizations engaged in entrepreneurial activities, if such an interest arises or may lead to a conflict of interest with the Bank. Such organizations include suppliers, competitors, clients and representatives.

REGULATIONS ON PREVENTION OF ACTS OF CORRUPTION AND BRIBERY

The Bank prohibits its employees from engaging in any corrupt practices in all its forms and in all of its aspect, including extortion and bribery.

The Bank or its employees shall not accept, give, seek or offer bribes or any monetary incentives, including benefits, entertainment or services, or any material benefit from civil servants or other business partners which are given with the intent to obtain certain benefits or personal gains.

GUARANTEES OF EQUAL RELATIONS BETWEEN THE BANK AND ITS CLIENTS, EMPLOYEES, SUPPLIERS AND COMPETITORS

The Bank provides equal opportunities for employment, including equal attitude to hiring, promotion, training, compensation, termination and disciplinary liability for all persons, regardless of race, color, religion, gender, age, national origin, sexual orientation, marital status, nationality, physical disability, or any other status, protected by the legislation.

The Bank strictly prohibits any forms of persecution in the workplace, including sexual harassment. The Bank will take immediate and effective measures to prevent and, where appropriate, to punish for the conduct, which has features of persecution.

The Bank respects the confidentiality of its employees and strives to adhere to strict standards when storing their personal data.

The Bank collects and stores only such private and personal information which is permitted by the law and regulatory acts of the National Bank of Ukraine and which is necessary to ensure effective performance. All personal data collected is stored legally, carefully and in such a way as to protect the confidentiality of personnel and other persons.

The Bank seeks to offer its employee an interesting and competitive work environment, where openness, respect, trust and equal opportunities prevail, and seeks to provide employees with a safe workplace.

The Bank's relations with Clients, business partners, suppliers, competitors and representatives of the state authorities are based on the principles of good faith, honesty, professionalism, mutual trust and respect, priority of interests of the Client and observance of his rights as a consumer, inviolability of obligations, completeness of disclosure of necessary information in the manner prescribed by the current legislation of Ukraine, the priority of negotiations before the trial.
RESTRICTIONS ON GIVING AND ACCEPTANCE OF GIFTS

The employees are not allowed to accept or to give personal gifts or entertainment, except for personal gifts or entertainment of a nominal value which does not exceed reasonable and standard hospitality standards. In such cases, employees should be guided by the requirements of the Anti-corruption policy and Conflict of interest management policy implemented by the Bank.

If there are any doubts that acceptance of a gift or service may lead to a possible conflict of interest, an employee has to inform his direct line manager and Compliance unit of such a situation in advance.

The Bank’s employees do not give gifts or entertainment to government officials.

REQUIREMENTS TO ACCEPTABLE PERSONAL CONDUCT OF EMPLOYEES OF THE BANK

The heads and all employees of the Bank, while performing their official duties, are obliged to demonstrate acceptable conduct and to avoid unacceptable conduct.

Acceptable conduct means compliance with the requirements of the Code, the laws of Ukraine and internal regulations, good faith, openness, honesty, and loyalty to the Bank.

Unacceptable conduct is a violation of the rules of the Code, the laws of Ukraine and internal regulations, including, but not limited to: submission of unreliable reporting, official crimes, fraud, violation of financial monitoring rules, anti-competitive practices, corruption, violation of consumer rights, decision making under the conditions of a conflict of interest.

PRINCIPLES FOR PROCESSING, STORING AND DISTRIBUTING OF CONFIDENTIAL AND INSIDER INFORMATION

The employees of the Bank should use information which constitutes bank, commercial secrecy, confidential and insider information exclusively for the benefit of the Bank, for performance of their official duties.

The employees of the Bank are obliged to take all necessary measures in order not to allow unsanctioned distribution of restricted information.

The employees, who collect or process any personal data, bear responsibility for storage of personal data and those employees, who are granted an access to such information, should use the information only for the purposes and within the limits, defined for storing and processing of personal data for each data file.

The employees are not allowed to purchase or to sell financial instruments, issued by the Bank, any securities, which are publicly available, or related derivative financial instruments, if they possess insider or important information about the Bank which is not publicly available, including to disclose such information to third parties in order to conduct securities trading on the basis of receiving of such information.

The employees are obliged to ensure the use of their private keys / passwords and other means to restrict an access to their computers and other electronic devices in order to protect the information contained on these data carriers.

The employees of the Bank bear responsibility for the use of communication resources of the Bank, including corporate e-mail and Internet network, which is the property of the Bank and which may be used exclusively for performance of their official duties not exposing the Bank to reputational risks and possible legal suits.

Only official representatives of the Bank may give an interview, make publications in mass media in terms of the Bank and/or its activities.
Disclosed information must be complete, reliable and must be placed within statutory time limits in accordance with the current legislation.

NOTIFICATION ABOUT ABUSIVE PRACTICES AND MISCONDUCT

The employees have to inform of any illegal, inappropriate, unethical conduct OR misconduct, unlawful accounting or audit, abusive practice or manifestations of corruption or any other violation of the Code, Bank’s procedures or any law regardless whether such a violation occurred or may occur, and to inform of concerns, complaints or put a question, related to the above-mentioned.

Such a notification may be sent to the direct line manager as well as to we_care (we_care@alfabank.kiev.ua) or to the Compliance unit, while the manager must notify Compliance unit of such facts, which are received and processed in a confidential manner pursuant to Whistleblowing policy implemented in the Bank and pursuant to the requirements of the current legislation.

FINAL PROVISIONS

This Code of conduct (hereinafter referred to as the Code) was developed in accordance with the requirements of the current legislation of Ukraine, namely:

- The Law of Ukraine On Banks and Banking Activities;
- The Resolution of the Board of the National Bank of Ukraine dated 11.06.2018 No 64;
- The Resolution of the Board of the National Bank of Ukraine dated 03.12.2018 No 814 On Approval of Methodological Recommendations on the Organization of Corporate Governance in Banks of Ukraine

This Code is not an employment agreement, but compliance with the rules and regulations set forth in the Code and the internal regulations of the Bank is a prerequisite for working in the Bank. When being hired each employee signs a letter about familiarization with the Code.

Violation of provisions of this Code may be a ground for imposition of administrative, disciplinary and other measures up to and including termination of employment in accordance with the current legislation.

The Compliance unit has the right to initiate making of appropriate decisions aimed at refusing to enter into an agreement, modifying the terms or termination of an agreement, suspending performance of an agreement entered into or performed with violation of provisions of this Code or Conflict of interest management policy and the internal documents of the Bank adopted on the basis thereof.

All internal statutory documents are developed taking into account the requirements of this Regulation.

DEFINITIONS AND TERMS

JSC Alfa-Bank - Joint Stock Company Alfa-Bank, hereinafter referred to as the Bank.

Insider information is undisclosed information about the issuer, its securities and derivatives or transactions with them, disclosure of such information may significantly affect the value of securities and derivatives.

Heads of the Bank – persons, defined in the first part of the article 42 of the Law of Ukraine on Banks and Banking Activity.
**Corporate code of ethics** is a culture of conduct of the Bank's employees, their convictions, traditions, the level of relationships between managers of the middle level and employees, between the Bank, its clients (consumers) and partners, the state and society.

**Duty of care** is a duty of the Bank's executives to make decisions and act for the benefit of the bank on the basis of a comprehensive assessment of the available (provided) information;

**Duty of loyalty** is a duty of the Bank's executives to act in good faith for the benefit of the bank (and not for their own benefit, or benefit of another person or a group of persons with a detriment to the benefit of the bank);

**Compliance unit** – compliance control unit of the Bank, a structural subdivision of the Group’s Company, responsible for meeting compliance requirements.

**Duty of care** is a duty of the Bank's executives to make decisions and act for the benefit of the bank on the basis of a comprehensive assessment of the available (provided) information. The duty of loyalty means that the bank's executives:

1) disclose all existing and potential conflicts of interest in terms of themselves in accordance with the procedure specified by the internal documents;
2) do not use their official position for their own benefit to the detriment of the interests of the bank;
3) prefer the interests of the bank, its depositors and lenders, and not the interests of participants whom they represent, in the course of solution of issues in respect of which the interests of the bank and participants do not coincide (applicable to the members of the board of the bank - representatives of the participants);
4) refuse to participate in making decisions if a conflict of interest does not enable them to fully perform their duties for the benefit of the bank, its depositors and participants.

**Duty of loyalty** is a duty of the Bank's executives to act in good faith for the benefit of the bank (and not for their own benefit, for the benefit of another person or a group of persons with a detriment to the benefit of the bank). The duty of care means that Bank's executives:

1) act with awareness of their decisions and a sense of moral responsibility for their conduct;
2) take responsibility for performance of their official duties;
3) make decisions within the limits of their competence and on the basis of a comprehensive assessment of the available (provided) information;
4) adhere to the requirements of the legislation of Ukraine, the provisions of the charter and internal documents of the bank;
5) ensure preservation and transfer of property and documents of the bank when managers are dismissed from their positions.