

## 1. Introduction and objectives

This Policy defines principles and practices that are binding for all staff members including Board of Directors of HabibMetro Bank, its branches, wherever situated, and its subsidiaries, irrespective of whether these are fully owned subsidiaries or the Bank has only a majority ownership interest.

Compliance with this Policy is mandatory. Unfamiliarity with the requirements of this Policy and other Governance Documents are not to be considered as a justification for any violation of the principles and practices set forth herein.

This Policy broadly covers guidelines for aspects. For a situation that arises and is not specifically addressed herein, it is expected that all staff members, regardless of rank, apply by analogy the rules contained in this Policy and / or, if uncertain, seek guidance from their Management or Compliance function.

It is expected that all staff members, regardless of their grades, place the interests of HabibMetro and of its clients above their personal interests at all times.

## 2. Core values

This Code of conduct is derived from and founded on the HabibMetro's core values: **trust, integrity, commitment, respect, responsibility and teamwork.**

## 3. Trust

Trust is the value that binds all relationships within HabibMetro. The Bank recognizes that establishing and maintaining trust is essential to its continued existence, success and vitality and that long-term objectives can only be achieved when trust permeates the relationships between HabibMetro, its clients, its staff members and other stakeholders such as investors, regulators, governmental organizations and the general public.

### 3.1 *Mis-declaration and Forgery*

Certain factors that constitute breach of trust are defined with following examples:

- Any staff issuing an incorrect account statement, salary certificate or any other information for any customer, staff member or self
- Any staff issuing a fake claim for reimbursement of any expenses whereby either the expenses are inflated and/or the expense is not incurred at all or submitting fake medical certificate

- Any staff forging signature or any information on the certificate/document issued by the Bank

## 4. Integrity

### 4.1 *Personal Integrity and honesty*

Personal integrity and honesty are the founding values of HabibMetro. The Bank strives to maintain an unimpeachable standard of integrity in all its business relationships, both internally as well as externally.

HabibMetro places great emphasis on the ethical standard of its activities and decisions. Staff members shall discharge their responsibilities with the highest standards of ethics, professional honesty and integrity in all of their dealings with the public, clients, investors and colleagues. Staff members are also required to comply with the regulations of the HabibMetro, defined in the Governance Documents, in both letter and spirit, in order to protect the interests of the the Bank and shall immediately escalate and report any material irregularity that could potentially affect the interests of HabibMetro.

When deciding on an appropriate course of action, staff members shall both comply with the relevant laws, rules and regulations, while at the same time ensuring that it is consistent with the HabibMetro's core values.

### 4.2 *Compliance with laws, rules and regulations*

HabibMetro complies with all applicable laws, rules and regulations as well as the Governance requirements.

It manages its relationships with relevant regulators in a transparent and cooperative manner.

### 4.3 *Fairness in dealings and towards competition*

HabibMetro always endeavors to ensure fairness in its dealings including with and towards competition. The Bank does not engage in unfair business practices. Its true competitive advantage lies in its superior service and rich legacy.

Staff members shall deal fairly, honestly and in good faith with clients, business partners, general public, competitors, third-party service providers and amongst each other. Staff members shall not take unfair advantage of anyone through misrepresentation or omission of facts, manipulation or concealment, or abuse of privileged information.

### 4.4 *Conflicts of interest*

The Bank is committed to identifying and managing or avoiding potential conflicts of interest in its business.

Staff members shall ensure that their personal interests are not in conflict with the responsibilities they owe to the Bank. In particular, they shall not become personally involved in any transaction, negotiation or contract on behalf the Bank, with an individual and / or an entity in which they or any of their relatives / friends/ customers have an interest, without full written disclosure and prior written consent of the management. Staff members must consult their business line managers if their own interests either interfere or may appear to interfere with the interests of the Bank or its clients.

#### **4.5 Insider trading and insider information**

HabibMetro is committed to preventing all forms of abuse of insider information and dealing. Specific Governance documents (market conduct rules) regulate the abuse of insider information and trading. Staff members are responsible to understand if information is material non-public information (i.e. insider information).

Furthermore, staff members shall only disclose insider information to internal or external parties on a need-to-know basis and in accordance with applicable laws, rules, regulations and governance requirements.

#### **4.6 Bribery**

HabibMetro does not tolerate any form of bribery. In this respect, staff members shall not:

- solicit or accept any advantage as an inducement or reward for doing or intending to commit any act in relation to the Bank's affairs or business
- show favors or disfavor to any person or entity in relation to the Bank's affairs or business, including procurement, contracting, outsourcing etc.
- offer any advantage to anyone as an inducement or reward.

#### **4.7 Fighting financial crime**

The Bank is committed to fight against money laundering, corruption and terrorist financing. In this respect, it :

- adopts a rigorous risk-based approach to its internal anti-money laundering process in an effort to prevent or detect and report any suspicion of money laundering
- adheres to strict know-your-client regulations, while respecting the clients' privacy rights
- undertakes on-going due diligence and monitoring to assist in the identification of suspicious activities, which, if discovered, are promptly escalated to COUNTRY COMPLIANCE FUNCTION for further consideration or action in accordance with applicable laws and regulations
- Does not tolerate corruption or any form of bribery

#### **4.8 Cross-border activities**

HabibMetro adheres to applicable laws, rules and regulations both in the countries where clients are located and in the countries from which staff members operate.

Staff members must understand the policies applicable to their activities when offering products or services or otherwise soliciting business from clients outside respective home jurisdictions.

#### **4.9 Tax issues**

HabibMetro complies with all applicable laws, rules and regulations regarding tax records and tax reporting and does not provide assistance of any sort including to clients in acts aimed at breaching their fiscal obligations.

HabibMetro's tax reporting complies with all applicable laws, rules and regulations or treaties and is committed to accuracy in tax-related records.

The Bank does not provide assistance to clients in acts aimed at misleading tax authorities nor does it support transactions where the tax efficacy relies on assumptions that are inconsistent with the commercial facts or on nondisclosure of material facts.

#### **4.10 Confidentiality**

HabibMetro is committed to upholding client confidentiality and protecting client information, and to prevent disclosure of confidential internal information.

Client related information must be handled, recorded and stored according to predefined data security standards and procedures in order to prevent unauthorized access, use, modification or destruction. Staff members must maintain the confidentiality of any information entrusted to them by clients, except when disclosure is authorized by the client or is required by applicable laws, rules or regulations. Even internally, client information shall be shared with appropriate discretion and only on a need-to-know basis.

Confidentiality principles also apply to HabibMetro internal information. Staff members shall not disclose to any person any information regarding the practices, dealings and affairs of the Bank, or divulge any information related to the affairs of its clients, except in circumstances in which they are permitted to do so in accordance with law, practice and custom or where it is necessary / appropriate to divulge such information.

#### **4.11 Protection and proper use of HabibMetro assets (tangible & intangible) and entrusted to HabibMetro**

HabibMetro ensures proper handling of assets entrusted to it, and expects that its tangible and intangible assets are duly protected and used for legitimate purposes.

Staff members shall not take undue advantage of the Bank's assets and proprietary information made available to them while performing their professional capacity/ies and while performing their duties. Furthermore, they are not permitted to use the Bank's equipment, systems or infrastructure for non-professional activities without written consent from the competent authority.

Staff members are also expected to handle assets owned by or entrusted to the Bank with care and to take all reasonable measures to ensure their protection against loss, theft, damage or misuse.

#### **4.12 Gifts**

HabibMetro does not allow staff members to solicit or accept for personal benefit, directly or indirectly, any gift, loan or any item of substantial monetary value from:

- Any person or company that is seeking to conduct or currently is conducting business with the Bank
- A subordinate staff member of the Bank
- Candidates looking for employment at the Bank or who's employment is in process at the Bank

However, accepting reasonable business entertainment (meals and accommodations) of normal value provided to staff by clients on company business may be accepted.

Accepting high value gifts, where refusing would cause offense, and where an apology and a return is not possible can be an exception. If accepted, gifts must be declared to HR along with a filled 'Gift Declaration Form'. Local taxes/laws shall apply.

### **5. Commitment**

#### **5.1 Professionalism**

HabibMetro seeks its long-term success through the excellence of its services and products, which can be achieved only by selecting and promoting staff members who demonstrate the highest competence, professionalism and standards of integrity.

The Bank evaluates professionalism and performance of its staff members, and has processes to promote and reward exceptional conduct and performance. In this respect, the Bank's compensation policy focuses on

rewarding long-term performance instead of short-term gains.

#### **5.2 Client relationships**

The Bank's ability to inspire trust and generate client satisfaction is a basic prerequisite for long-term success.

The Bank aspires to build relationships with clients based on mutual trust, and to provide them with solutions and services of the highest quality.

Staff members shall treat clients fairly and with integrity and act in their relationships with them, in accordance with the Bank's ethical, legal and regulatory responsibilities.

Concerning products and services offered to clients, staff members shall:

- offer only suitable products / services (i.e. products or services that meet clients' needs)
- be sufficiently knowledgeable of the products / services they are offering as well as the clients who are buying such products / services (e.g. risk appetite, objectives, financial situation etc.)
- make every effort to ensure that clients understand the nature of products or services and their risks
- Staff members are committed to avoiding conflicts of interest with clients by acting in their best interest and shall not inappropriately favor one client over another.

#### **5.3 Outside Employment**

Employment with the Bank is and should be seen as a full-time occupation and for this reason, other employment or business association shall not be taken up without the written consent of the management.

For the purpose of this section of the Code, "outside employment of any kind" includes, but is not limited to, acting as an officer, staff, proprietor, partner, agent, independent contractor or advisor or any similar capacity.

### **6. Respect**

#### **6.1 Diversity and equal opportunity**

HabibMetro commits itself to maintaining a work environment that is free from discrimination and/ or harassment.

The Bank shall ensure equal employment and advancement opportunities for all staff members regardless of ethnic origin, gender, national origin, age, disability, sexual orientation or religion. Furthermore, the Bank actively supports an inclusive culture and does not tolerate any

form of discrimination, bullying or harassment. Staff members are encouraged to report to Human Resource Department any questions or concerns regarding workplace behaviour.

## **6.2 Health and safety**

HabibMetro is committed to conducting its business in compliance with applicable environmental and workplace health and safety laws and regulations and takes reasonable care of the health and safety of its staff members as well as of its clients whenever they are inside HabibMetro premises/facilities.

## **6.3 Drugs and alcohol**

HabibMetro does not tolerate the abuse of narcotics, drugs, alcohol or controlled substances (altogether drugs) by staff members in the performance of their duties or on Bank property. Furthermore, off-the-job abuse of drugs can adversely affect job performance, workplace safety, public or HabibMetro equipment, and damage the Bank's reputation since staff members are the representatives of the Bank and carrier of its values. Disciplinary action in such situations can result in termination of employment.

Staff members arrested for off-the-job drug activity or excessive alcohol consumption may also be considered to be in violation of this policy. Management shall take into consideration the nature of the charges, the staff member's record with the Bank as well as other factors relating to the case, while taking any disciplinary action.

## **7. Responsibility**

Responsibility means doing the right thing and holding oneself accountable. It takes a considerable time to build a reputation as a responsible individual. A solid track record of doing the right thing is therefore crucial in achieving this goal.

HabibMetro believes in high moral integrity, therefore, shall not tolerate irresponsible statements, or comments subversive to its legacy, values and reputation whether from its staff members or any other stakeholder/s. Staff members are strictly prohibited from making statements, interviews, comments including sending electronic material/ using social media to malign the Bank its staff, clients, regulator or any other stakeholder.

### **7.1 Principles and standards**

HabibMetro's principles and standards clearly define the manner in which the Bank achieves its goals. These apply to all aspects of the Bank's business and the ways in which it engages with its stakeholders. The Bank accordingly expects all staff members to adhere to them.

As an organization, the Bank recognizes its responsibility to foster the debate on important societal topics, to contribute to the setting of standards and to collaborate with the banking industry and charitable organizations.

### **7.2 Corporate social responsibility**

HabibMetro is dedicated to exerting a positive influence on the social and environmental well-being of the local communities in which it operates. In this respect, the Bank is committed to contributing to local communities. It participates, wherever possible, in a variety of charitable activities in long-lasting sustainable ways.

HabibMetro actively engages with local communities in markets where the Bank has presence. It aims to help local communities overcome their disadvantages by supporting education and entrepreneurship through targeted funding as well as through the commitment and skills of its staff members. The Bank strives to deliver long-term, sustainable and measurable benefits to these communities.

### **7.3 Engagement and support**

HabibMetro's success depends on the skills, experience and commitment of its staff members. This goal is realized by reinforcing the Bank's reputation as an employer of choice in order to attract and retain talented professionals.

The Bank offers an engaging and dynamic working environment, progressive employment conditions and wide-ranging training and development opportunities to its staff members who benefit from attractive long-term career prospects.

HabibMetro offers market-driven and competitive remuneration in an inclusive work environment to ensure employee retention and motivation.

### **7.4 Computer, Email and Internet Usage**

Internet usage is provided on a need bases.

The Bank's Internet and e-mail access may not be used for transmitting, retrieving or storing of any communication of a defamatory, discriminatory or harassing nature or materials that are rated or obscene. Messages with derogatory or inflammatory remarks about an individual's race, age, disability, religion, national origin, physical attributes or sexual preference must not be transmitted. Harassment of any kind is prohibited.

Use of computer resources is strictly limited to business requirements. Staff should be aware that e-mails are not confidential and may be accessed for monitoring purposes. Any breach of IT security protocol that involves private business use or unsuitable material will be considered as a disciplinary matter. Staff will be held accountable for all activities carried out through their password and such

instances will be treated as gross misconduct. Therefore, passwords must not be shared with anyone.

E-mail is not guaranteed to be private or confidential. All electronic communications are Bank's property. Therefore, the Bank reserves the right to examine, monitor and regulate e-mail messages, directories and files, as well as Internet usage.

Any staff member who abuses e-mail or the Internet facility provided by the Bank may be denied access to the same, if appropriate, be subject to disciplinary action. Messages sent to all users should be restricted and approved by respective functional heads.

## **7.5 Borrowings**

Staff should not indulge or engage in any financial matters including borrowings beyond their financial capacity and above the debt service ratio as specified in staff loan policy.

Any cases of non-compliance, directly or indirectly reported, will lead to an in depth management review of the facts and may result in termination of services.

## **8. Teamwork**

### **8.1 Open communication**

HabibMetro is committed to common goals based on transparent and honest communication. Teamwork is possible when staff members treat one another with respect and communicate openly. Clear and frequent communication in all dimensions in the organizational hierarchy is encouraged to strengthen a fair and inclusive culture in the Bank which is critical for organizational performance.

### **8.2 Collaboration for synergy**

Teamwork is the ability to work together towards a common goal by sharing knowledge and skills to assist each other.

Effective and efficient teamwork goes beyond staff members' individual accomplishments. Rather, when staff members align their individual accomplishments towards organizational objectives, it results in synergy.

HabibMetro values multiple perspectives and diverse expertise, and fosters collaboration while respecting the individuality of each of its staff members.

Staff members are expected to treat their colleagues with fairness and respect, and to collaborate with each other on the basis of trust, respect and mutual support.

## **9. Other Requiring Acknowledgment**

### **9.1 Register of Relatives**

As a general policy, the Bank does not discourage appointment of close relatives of staff of the Bank.

Close relatives are defined as: husband, wife, child, parent, brother, sister, niece/nephew, parents-in-law, brother/ sister-in-law, son/ daughter-in-law. However, to avoid conflict of interest, the placements of related staff will be made in separate branch (es) / division(s) or to positions where one relative may not have the opportunity to check, process, review, and/or audit or otherwise influence or affect the work of another relative. Moreover, in order to maintain a record of all related staff it will be mandatory for such staff to disclose the detail of all such relative(s) to HRD.

This will also be reinforced by our code of conduct and disclosure requirements. It is **your responsibility** to inform the bank of such relationships.

I have read and understood the "Code of Conduct" alongwith "HR Policy" and "Service Regulations", and I undertake and confirm adherence to the same. I also acknowledge receipt of a copy of the aforesaid documents.

**In addition to HabibMetro – Code of Conduct, staff in the following roles/units need to acknowledge prescribed Code of Conduct by SBP:**

- a. Treasury
- b. Branches handling 'Sale of 3rd Party Products'