

Code of Conduct

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Martin PCOLA	Authorized Management	July 2016
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1.1	July 2016	Scope updates (MTSB gap analysis)	N.MARINIER	July 2017

STAKEHOLDERS

Management – the Top-Managers of the Bank holding A-signature.

Head of Division – the Head of each Division (Corporate, Global market, Private Banking and Transactional Banking) responsible to diffuse, remind, enforce and lead by example as per these rules.

Staff – All EWUB employees, to apply these rules.

Client – the holder(s) of a current account with EWUB or his/her authorized representative duly empowered to enter into relationship with EWUB.

Compliance – the Compliance department of the Bank.

PAM – the Primary Account Manager responsible for maintaining client accounts and for support in transaction processing.

RM – the Relationship Manager of a client responsible for maintaining contact with the Client.

Human Resources – Department in charge of collecting and following on signature of mandatory employee declaration and acceptance

Introduction

East West United Bank SA (hereafter “EWUB” or the “Bank”) operated in Luxembourg since 1974. It has been representing excellence of Russian Banking in Luxembourg since its origins and the responsibility to this reputation is today with the current management and employees of the Bank.

This code of conduct (hereafter the “Code”) is a description of minimum acceptable standards of behaviour that are required in a professional environment.

A code of conduct serves two primary purposes. To protect the reputation of the Bank and the people who work within the Bank. These two reputations form the main tangible asset of any organisation. Losing a reputation for integrity will make it extremely difficult to gain new or even retain existing clients. Preserving this primary asset must be a key strategy for each professional at the Bank.

It is important to realize that the Code does not exist to protect the Bank from its staff. A code of conduct should not be created with intent to limit the legal liability of the Bank as a result of the actions of staff. While limiting legal liability may appear attractive to management, the reality is that such an approach is really only useful internally. Externally the Bank will generally be viewed as being responsible for the actions of its staff no matter how successful it may have been in reducing exposure to court actions.

It is also important to note that the Code will not by itself meet all the organisational or employment needs. To add considerable value to the Bank, the Code must be applied by employees that value the quality of their work.

This Code is primarily about human behaviour. Its purpose is to identify specific behaviours that are either essential to success or those that could negatively impact objectives or the wider reputation of the Bank.

The Bank foresees compliance mechanisms, disciplinary procedures and grievance actions that are appropriate if employees fail to comply with the Code. Any employee who breaches or fails to report an actual or suspected breach will be subject to corrective and disciplinary action. Corrective or disciplinary action can range from reprimands to termination of working relationship depending on the severity of the breach.

To summarise, this code of conduct is, at its simplest, a description of the behaviours that are required in the Bank and serves two primary purposes: to protect the reputation of the Bank and its employees.

About employees responsibilities

All employees have a responsibility to know, understand, and comply with this Code of conduct. This code is established to ensure that we all conduct the business of the Bank fairly, impartially, and in an ethical and proper manner.

This Code represents the core principles which must always be observed by all Bank personnel. It is important that we know and understand these core principles, and acknowledge that we will comply with them.

EWUB's core principles

EWUB follows 8 core principles under 4 Group pillars

Service

Provide excellent service to clients, partners and colleagues;
Value strong and long term relationships with clients, partners and colleagues;
Strive to understand the need of clients, partners and colleagues.

Professional behaviour

Operate within the letter and the spirit of applicable laws;
Comply with professional standards and applicable laws and regulations;
Avoid any action that may discredit the Bank;
Perform not only what is legal, but also what is right.

Integrity

Do what we say we will do;
Earn trust by straightforward and honest behaviour in professional and business relationships;
Be truthful about the services provided, the knowledge possessed, and the experience gained.

Fair business practices

Be committed to fair business practices and "arm's length" transactions;
Receive fees that reflect the value of services provided and responsibilities assumed, and are considered fair and reasonable by clients;
Respect competitors and do not compete unfairly.

Accountability

Understand one's responsibilities and decisions and assume them without trying to avoid them;
Dare to report any relevant misconduct using the proper escalation and clearance protocol.

Objectivity

Be objective in providing services and advices to our customers;
Do not allow bias, conflict of interest, or undue influence of others to override professional judgments;
Address differences of opinion and handle them constructively and professionally.

Confidentiality

Respect the confidentiality of information;
Always consult when in doubt;
Do not misuse information of the Bank, clients or colleagues for personal advantage or for the benefit of third parties.

Respect & Diversity

Treat all colleagues with respect, courtesy, and fairness;
Understand the impact that individual behaviour has on the Bank, on colleagues, and always seek for responsible action;
Encourage and value the diverse mix of people, opinions, and experiences;
Promote equal opportunity for all.

1. Openness

Excellence

We take pride in bringing the best of our knowledge and expertise to our clients and partners. We share our expertise with our colleagues to deliver continuous outstanding service.

We take the time to ask, collect and understand our client, provider, colleague's needs and we thrive to address them.

We refrain from pushing an existing solution, service or product if this does not meet the formulated needs.

Quality of work

Our reputation is wholly dependent not only on the integrity of our people, but also on the quality of the services we provide. Each employee is individually responsible for the quality of the professional services provided. Commitment to quality operates at three levels: the individual, the team, and the organisation. At every level, it requires a dedication to having pride in your work product and an appropriate sense of professional scepticism in the conduct of all our work.

Consultation

The Bank promotes a consultative culture. At a minimum, consultation on non-routine or new issues or practices is not only expected, it is required.

Frequent consultation with colleagues, across service lines is encouraged. We speak with one voice on technical and other practice-related matters.

As professionals, we have a duty and an obligation to express differing points of view and appropriately resolve such matters in an open-minded, constructive, professional manner with a solution-oriented perspective.

Uphold the law

We operate within the letter and the spirit of the law.

The letter of law is the literal, stated interpretation of the law as it is written.

The spirit of the law is usually broader, and reflects the intention behind the law. While usually obvious, this may not be explicitly stated.

We follow the spirit of the law and always consult when in doubt to clarify.

Records

Accurate and complete records are required for compliance with regulatory, tax, and financial reporting requirements, among other things, as well as for meeting obligations to clients. Personnel who enter information into the Bank system or paper files have a responsibility to do so in a truthful, accurate, legible, complete, and timely manner and in accordance with the applicable procedures and all legal and professional standards and regulations.

We will maintain all records in accordance with the legal and business requirements applicable to us. To help preserve the integrity of the record-keeping and reporting systems, all employees have an obligation to know and comply with all current applicable records retention policy and procedures. These include how data is shared, stored, and retrieved, and the circumstances under which it may be disposed of.

Changes to and destruction of records are specifically forbidden in the following circumstances:

- Where prohibited by law, by government regulation, or by internal procedure
- Where there exists an overriding governmental, regulatory, or contractual requirement
- Where there is knowledge of — or anticipation of — any other request for documents, a regulatory investigation, or a lawsuit

We never destroy, alter, or cause the destruction or alteration of documents for any illegal or improper purpose. Records include but are not limited to paper copies, and electronic files.

We never destroy, alter, or cause the destruction or alteration of documents for any illegal or improper purpose.

2. Fairness and objectivity

Integrity

Integrity means always trying to do the right thing, the first time, every time. At every level, all employees are expected to be honest, trustworthy, and straightforward in both personal and business dealings, in accordance with both the letter and the spirit of all applicable laws and regulations.

All employees are encouraged to exceed the expectations of clients by seeking to do not only what is legal, but also what is right.

Our commercial ambitions should never be allowed to overtake professional and ethical responsibilities.

Independence

In working with clients, all employees are expected to be direct, and independent in conveying advice or rendering a professional service. Prejudice, bias, conflict of interest, or undue influence of others must not be allowed to override our professional objective or business judgments. In return, clients are expected to meet the letter and the spirit of all applicable laws and regulations.

No client or engagement that is more important than our responsibility to sustain the public trust, our commitment to do the right thing, and our concern to maintain our good reputation. The Bank and its Management will always support employees who stand up to a client they reasonably believe may be engaging in illegal or inappropriate financial reporting or other business activities.

Insider trading

In the course of rendering professional services, employees may acquire 'material non-public information' about clients and the companies with whom they do business. This information that would affect the prices of securities, either positively or negatively, that is not generally available to the investing public, is generally referred to as 'insider information.'

Buying or selling stocks using 'insider information' is referred to as 'insider trading.' It is illegal for any employee of the Bank to buy or sell any securities (i.e., stocks, bonds) being either for the Bank account, any client account or for its personal account, based on insider information, or to discuss such information with others who might buy or sell such securities.

Respect for competition

The Bank will not pursue any competitive tactic or goal that might damage our reputation or is inconsistent with the Bank to be recognised as the best in professional services. The Bank does not encourage or tolerate any attempts to gather competitive information in a deceptive, unlawful, or inappropriate manner. Furthermore, given that our reputation is affected by the reputations of competitors, the Bank does not encourage or tolerate any competitive action that could be harmful to competitors.

Accountability

As professionals, all employees have been entrusted with roles and responsibilities. While encouraged to share and consult, these roles and responsibilities remain and each employee is accountable for them. In the event of delegation, it is the duty and ultimate responsibility of the delegating party to follow up on the work being done and to perform the adequate controls and reminder to ensure proper execution and timely completion of delegated task.

Conflicts of interest

When making daily business decisions, all employees are responsible for remaining free from influence, or the appearance of influence, of any conflicting interests. All employees are responsible for conducting business ethically and legally and have a duty to avoid making business decisions that place personal interests ahead of those of our firm.

Illustrative cases of potential conflict of interest could be:

- Ownership by you, members of your immediate family of a financial interest (i.e., publicly traded stock) in a company that is a competitor of, supplier to, or client of the Bank;
- Hire and supervise close relatives or acquaintances;
- Acting as a director or consultant of an organisation that provides services, supplies, or equipment to, or is a competitor of the Bank.

Independence from clients

All employees are committed to complying with all laws and regulations dealing with professional independence requirements and are required maintaining independence, both in fact and appearance, from clients, providers and other stakeholders.

All employees must be financially independent of clients, providers and other stakeholders and maintain an independent and objective attitude in performing services for all clients.

Gifts and entertainment

Bank employees should not offer or accept gifts or payments, or undertake inappropriate activities for the main purpose to facilitate any engagements. Entertainment of our personnel or clients that is lavish or inappropriate in nature or might impair the Bank's reputation is also not permitted.

In addition, all employees have an obligation to comply with clients' policies regarding gifts and entertainment.

Gifts or entertainment should not be accepted or extended by bank's employees if they could be reasonably considered to:

- Improperly influence the Bank's business relationship with, or create an obligation to, a client, supplier, contractor, or stakeholder;
- Violate laws, professional standards and regulations, or this Code ;
- Constitute an unfair business inducement;
- Cause embarrassment to or negative impact upon the Bank.

Prudent professional judgement is expected from all staff and in case of doubt Division Head and Compliance or Management must be consulted.

Neither you nor any member of your immediate family should use your position with the Bank to solicit any cash, gifts, or free services from any client, supplier, contractor, or stakeholder for your or anyone else's personal benefit.

The Bank provides the following illustrative guidance on gifts and entertainment that can be considered as acceptable:

- Nominal gifts that are usual and customary for the professions (e.g. pens, calendars, and mugs)
- Reasonable invitations (may be either extended or accepted) to business-related meetings, conventions, or conferences (e.g. a product-training seminar, a business lunch or dinner)
- Invitations to social, sporting, or other events (may be either extended or accepted) if the cost is reasonable and attendance serves a customary business purpose (e.g. networking)

As for any other ethical issue, it is first your personal responsibility to question the appropriateness of a present or a gift.

In all cases, you must inform Compliance and Management for any gift or entertainment with a single value exceeding EUR 250.

Bribe or kickback

Under no circumstances is it acceptable to offer, give, solicit, or receive any form of bribe or kickback.

Reporting

All employees are responsible for appropriately addressing via reporting, consultation, or any other means potentially unethical, fraudulent, or illegal issues that may come to their attention and which might harm other employees and/or the Bank.

In case of any potential unethical, fraudulent, or illegal act, or other violation of firm policy, whether committed by a colleague, client, supplier, or any other stakeholder, it each employee's responsibility to report the circumstances through an appropriate reporting channel and to cooperate fully with any investigation.

There will be no reprisals against anyone because he or she, in good faith, reports an ethics or compliance concern. The person reporting a violation and person whom it was reported to have an obligation of strict confidentiality while the investigation by Management.

3. Trust

Confidential and proprietary information

As bank employees, we have access to significant client information that may not be available to the public. Accordingly, you are required to preserve the confidentiality of information obtained in client service. Information of a private and sensitive nature must be used responsibly, controlled, and protected to prevent arbitrary and careless disclosure.

The disclosure of confidential client information is prohibited to:

- Anyone who works outside the Bank;
- Anyone within the Bank without a need to know, or unless there is a legal or professional right or duty to disclose, or a written client consent has been obtained.

Confidential or proprietary information about clients, the Bank, or other stakeholders, which has been gained through employment with the Bank, shall not be used for personal advantage or for the benefit of any third parties.

Trust

The bank is committed to encourage and maintain a culture of trust, where employees can work in optimal conditions. All employees are expected to perform their jobs with integrity and to conduct themselves ethically at all times. Honesty in dealings with each other is expected and required.

Each employee is individually responsible for both the quality and the on-time completion of their own work. The respect of the workload balance within the Bank and any specific team is the responsibility of the team leader and should be discussed and agreed with team members.

Communications systems

Our communications systems, including computers, email, Internet access, instant messaging, telephones, voice mail, conferencing systems, and paper documents are the property of the Bank and are to be used primarily for business purposes.

All employees are encouraged to use the Internet and email in order to make communications more effective and efficient. However, the main purpose of these communications systems is to facilitate business objectives. All employees have a responsibility to maintain and enhance our public image and to use all communications systems in a productive manner.

The integrity of these communications systems also requires that all employees secure their personal access information (passwords, etc.) in order to prevent unauthorised access to such systems.

Our communications systems may be used for incidental and occasional personal use provided that such use is kept at a minimum and is in compliance with the Code and applicable policies and procedures (e.g. communications systems should not be used for personal gain or to access pornographic web sites or of a racist nature).

When sharing client information, all employees are required to operate on “need to know” basis rather than “nice to know” basis. Sensitive information is share only with those who need it for business purpose and always using proper procedure to do so securely.

When working in public places, all employees are expected to take care not to be overheard or let client information visible or left behind.

Any potential or actual privacy or information security incident or breach must be reported immediately to Compliance, IT and Management.

Use of social media

As with any communication media, it is important to apply appropriate behaviour and content to preserve the image and reputation of the Bank. Both professional and personal aspects should be considered to represent the Bank both as and outside of work. Because most of the information posted in social media is publicly accessible, it is not an appropriate scene to express personal or professional concern, opinion, litigation or other sensitive information about the Bank, competitors, stakeholders or employees.

External inquiries

We should always exercise care not to disclose confidential, personal, or business information through public or casual discussions with the media, government officials, or others.

External inquiries (e.g. media and regulators) must be referred to Legal, Compliance and Management for a response prior to any communication. This includes newspapers, magazines, trade publications, radio, television, and government inquiries, as well as any other external source seeking information about the Bank or any of its clients.

While it is standard policy to respond to external inquiries in an honest, polite, and patient manner explaining that responses may be limited by confidentiality requirements and other related concerns.

4. Respect towards people

Respect

All employees are expected to treat their colleagues with respect to provide a safe, healthy, and productive work environment to all. Employees are expected to refrain from any actions or circumstances that could have a negative impact on this respectful environment.

The workplace must remain free from violent and abusive behaviour. Threatening, aggressive, or abusive behaviour, unlawful discrimination, verbal or physical harassment or abuse, or offensive behaviour (whether or not sexually related) towards colleagues, client, providers of any other stakeholders will not be tolerated and will be subject to appropriate sanctions.

Diversity

All aspects of the bank's HR policies are driven by high standards of equal opportunity and fair treatment to all employees. This includes recruitment, promotions, training, and remuneration. The Bank seeks strict respect and application of all laws and regulations relating to equal employment opportunity, and diversity.

As per all applicable laws or regulations, the Bank recruits, employs, trains, compensates, and promotes high-quality, competent, and responsible professionals without distinction of race, religion, faith, colour, national origin, age, gender, sexual orientation, marital status, disability, or any other legally protected basis.

The rich mix of individuals, viewpoints, talents, and experiences found at the Bank is a key asset to provide better service to our clients. This variety is respected and valued.

Principles realisation

Respect of shareholders' and investors' legal rights

Please refer to provisions detailed in EWUB Articles of Association and General Terms and Conditions.

Prevention of corruption

Please refer to provisions and controls detailed in the Anticorruption Policy.

Timely and credible disclosure of information

Please refer to provisions and controls detailed in the Escalation and Whistleblowing policies.

Interaction with the State and regulators

Please refer to AML procedure section 8 – Cooperation with authorities

Relations between the Bank and employees (including employee's responsibilities)

Please refer to the provisions of the employment contract in line with current legal framework (labour law, and criminal law) in Luxembourg and Employee Handbook (currently under finalization).

Usage of the Bank's property

Please refer to provisions and controls detailed in the Employee's Handbook (currently under finalization).

Organization of feedback for problems communication

Please refer to provisions and controls detailed in the Escalation and Whistleblowing policies.

Spirit and limits of this Code of Conduct

This Code is not intended to cover every questionable situation or dilemma that you may encounter. Rather, it is intended to provide a perspective to guide thinking, and to direct our personnel to resources for further information.

For example, internal policies, and department-specific extra resources are intended to provide additional guidance and address risk areas in more detail.

As a simple test, you should ask yourself the following questions to aid in making the right decision about a possible course of action:

- Do I understand the reason and consequences of my operations?
- Are my actions illegal or unethical?
- Am I being fair and honest?
- Would I be unwilling or embarrassed to tell my family, friends, or colleagues?
- Would the reputation of the Bank be impacted if these actions were front page in the newspapers?
- Am I personally uncomfortable about the course of action?
- Could someone's life, health, safety, or reputation be endangered by my action?
- Could the intended action appear inappropriate to a third party?

If you are unsure or you need assistance with ethics and compliance matters, and to report potential violations, you should use at your own convenience any of the following reporting lines:

- Your counsellor
- Your service line leader
- Human resources
- Staff delegation
- The Management, Chief Compliance Officer or in-house Legal Advisor

Mandatory employee declaration and acceptance

I have received East-West United Bank SA Code of Conduct, which I have read, understood and agree to abide by. I understand and accept the responsibilities related to this Code of Conduct and the sanction in case of failure to respect them.

NAME: -----

SIGNED: -----

DATE: -----

Please return this page to Human Resources