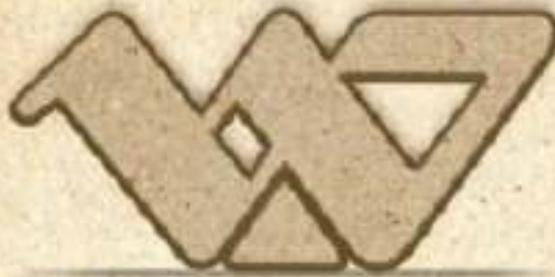




Code of Conduct & Business Practices

Giving women the power to succeed



First Women Bank Ltd.





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1. INTRODUCTION

FWB being a unique organization working for the empowerment of Women makes it unmatched and a priceless asset that each one of us is responsible for maintaining. Our reputation not only affects whether or not someone will be our customer; it also determines whether we are proud to be associated with this organization — how we feel about coming to work.

The Code of Conduct is designed to guide the personal business ethics of all of us. It applies to every employee of First Women Bank Limited (FWB). In addition, other persons performing services for the Bank may be subject to the Code by contract or agreement.

Individual business units or staff groups may issue additional policies that provide more specific guidance about certain practices related to those particular businesses.

In addition to the ethical guidelines included in the Code, staff must comply with the requirements of all applicable laws and regulations. This is mandatory for everyone and is not subject to business priorities or individual discretion.

Adherence to the Bank's Code of Conduct is a condition of employment. All employees are required to comply with the Code, and no waivers from its coverage may be granted.

2. BUSINESS PRACTICE AND COMPLIANCE WITH LAW

Employees are expected to protect and enhance the assets and reputation of First Women Bank Limited (FWB).

Our business is based on our uniqueness of facilitating Women Entrepreneurship and helping to build SME financing portfolio focusing on Women Enterprises. It is the reason our customers come to us. Honesty and integrity are cornerstones of ethical behavior. Trustworthiness and dependability are essential to lasting relationships. Our sustainability & existence depends on doing what we promise — promptly, competently and fairly.

In our rapidly evolving businesses, each of us is challenged by a complex environment, this often requires fast responses under pressure. No written policy can definitively set forth the appropriate action for all business situations. **Accordingly, rather than a set of specific rules, this Code emphasizes a standard of ethical conduct that must permeate all of our business dealings and relationships.** Individual functions may issue additional policies that provide more specific guidance about certain practices related to that specific function. Employees should speak with their manager for more information about any of those policies that pertain to them. Employees also should pay careful attention to compliance training programs to help them apply the Code in their daily activities.



The Code of Conduct provides guidelines for a variety of business situations. It does not try to anticipate every ethical dilemma staff may face. FWB, therefore, relies on employees' good judgment. **Employees must conduct business in accordance with applicable laws and regulations and the Code.**

Employees should consult the Legal Counsel whenever they have a question about the legality of a course of action. Staff must also exercise utmost care to ensure that all statements they make, especially those made to the government bodies and Regulators (or with whom we do business), are accurate. If staff are in doubt about any situation or behavior, they should speak to their manager, Compliance or Human Resources representative.

Manager(s), by virtue of their positions of authority, must be ethical role models for all employees.

An important part of a manager's responsibility is to exhibit the highest standards of integrity in all dealings with fellow employees, customers, stakeholders, vendors, regulators, and the community at large. An equally important responsibility is to obtain employees' commitment and develop their ability to make sound ethical judgments. Managers must communicate the seriousness of the Bank's expectations for ethical conduct and their own personal support of these expectations. Ethical leadership includes both fostering a work environment that encourages employees to voice concerns or otherwise seek assistance if faced with potentially compromising situations, and supporting those who speak out. Managers must be alert to any situations and / or actions that may be unethical or potentially damaging to the Bank's reputation and to respond appropriately.

Manager(s) must avoid giving even implicit approval of such situations and actions. For example, managers must ensure that financial reports and product and service claims are honest and complete.

3. TREATMENT OF EMPLOYEES AND OTHERS

It is expected to treat colleagues, employees and others with respect and dignity.

Treating all employees with respect and dignity is a FWB Value that applies to everyone. This is particularly important for managers who influence the work environment of their areas on a daily basis. Managers must remember that they are role models for their employees and that these employees are likely to treat their colleagues, including employees whom they manage and others, as they themselves are treated.

The Bank expects managers to seek out the ideas of subordinates and to involve them in decisions whenever appropriate. At the same time, once a decision is made, everyone involved is expected to pull together and support it.

In addition, employees must respect and maintain the confidentiality of information they learn about employees and colleagues (e.g., salaries, performance reviews, disabilities or leaves of absence). They must not share this information with anyone either inside or outside the department, except as is necessary to perform the job.



4. RELATIONS WITH REGULATORS

All communications with regulators must be handled through the appropriate Department / Division. Where communication with the regulator is part of an employee's job description (e.g. dealing with the regulators for filing regular financial returns which is the responsibility of the respective department sending the regular returns), in these cases, Compliance Division will need to get involved if there is a potential breach of regulations. Guidelines of SBP issued in this regard shall be strictly followed. A copy of all non-routine correspondence with the regulators must be provided to the Compliance Division.

4.1. Meetings with Regulators

Any visits to regulators by employees or Senior Management must be notified to and if required may be coordinated by the Compliance Division.

4.2. Reporting to Regulators

Information provided to regulators by FWB must: -

- a) Be accurate;
- b) Not omit any information that might result in the information provided being misleading;
- c) Be provided only after all reasonable enquiries are made to ascertain the accuracy and completeness of the information;
- d) Be reviewed by a Head of the Department/ Division.

4.3. Inspection by Regulators

Regulators may inspect FWB to enable them to inspect its activities, FWB must maintain all records in a form capable of being checked or audited. Employees must ensure that they do not amend, destroy, erase or make further entries to any record or file which is, or may be, relevant to a matter being inspected or investigated by a regulator or to any disciplinary process or appeal process. Employees must co-operate with any inspection carried out by the regulator to the fullest possible degree. Compliance Division may co-ordinate inspections but employees must:

- a) Make them readily available to the inspection team;
- b) On receipt of a proper request by the regulator, produce to the inspection team any documents, files and computer data and other material in their possession or control;
- c) Give the inspection team access, at all times, to FWB's premises and reasonable facilities;
- d) To the extent that they are properly requested by the regulator, permit the inspection team to copy any documents or other material in FWB's premises or elsewhere at FWB's expense and to remove copies and hold them elsewhere; and
- e) Answer truthfully and fully all questions put to them by the inspection team. Failure to comply with a request by regulators to produce records and documents, give regulators access to the premises, staff or records of FWB for the purposes of supervision or inspection or to provide information relating to a transaction is an offence for which FWB and senior management may be



punished by fine or imprisonment. Directors, officers or employees of FWB must comply with any fines, prohibitions, requirements, sanctions, penalties, orders and decisions of any regulator.

5. RELATIONS WITH CUSTOMERS

Employees must ensure that all communications are clear, fair and not misleading. FWB must manage conflicts of interests appropriately and ensure fair treatment of all affected clients. Employees must not unfairly or unreasonably place the interests of FWB above those of a client. Employees must ensure they are aware of each client's current financial situation and other relevant facts about the client appropriate to the services provided to or requested by the client.

If FWB has control of client assets it must ensure those assets are properly accounted for and safeguarded in accordance with regulatory, contractual or fiduciary responsibilities.

No employee shall divulge any information relating to the affairs of customers except in circumstances in which it is, in accordance with law, practice and usage customary among bankers, necessary or appropriate to divulge such information.

6. KNOW YOUR CUSTOMER & MONEY LAUNDERING

Every client must be owned by Branch Manager. Branch Manager will be responsible for the client's KYC, due diligence and ensuring that FWB is safeguarded against criminal activities like money laundering, terrorist financing and drug trafficking etc in this regard.

We must ensure that we have sufficient information about our customers to satisfy ourselves as to their reputation and standing and the nature of their business activities. Money laundering is the process by which bank's are used as vehicles to disguise or "launder" the proceeds of criminal activity. Such activities undermine a bank's integrity, damage its reputation deter honest customers and expose a bank to severe sanctions. FWB fully supports the international drive against serious crime and is committed to assisting the authorities in preventing money laundering.

First Women Bank's success on this front is dependent upon the co-operation of all employees. Everyone must exercise prudence and vigilance when assessing potential new clients, handling client requests and processing client transactions. With everyone's commitment and determination, it is possible to translate the spirit of FWB's core values and business principles into daily practice, continue to protect the integrity of the banking system, and maintain the Bank's reputation as a respectable and trustworthy institution. Accordingly, the following precautionary steps are to be adopted in this connection:

The identity of every new customer with whom we deal must be established from reliable identifying documents. If you suspect that funds stem from illegal activities, this must be reported internally to your next Reporting supervisor or Compliance who will liaise with competent authorities.



Customers should not be warned when information relating to them is being reported to the regulators as per SBP regulations.

7. INSIDER TRADING

Insider trading involves the improper use of unpublished price sensitive information for personal benefit when dealing in securities.

According to Sections 15A and 15B of Securities and Exchange Ordinance 1969, employees and other persons who have privileged price information about a company during the preceding six months should not deal in securities of the company. Those found guilty of contravening the provisions of the Ordinance can be awarded punishment and obliged to pay fine as well as compensation to any person who may have suffered on account of such insider trading.

Personal trading and observing care of material non-public information: Dealers should not deal for their own account / the account of the institution which they represent, or induce another party to so deal, & exercise extreme care while in possession of material non-public, price sensitive information in relation to the financial instruments.

8. SPECULATIVE DEALING

Personal dealing in speculative transactions can entail employees with risks to their financial standing, can distract them from the performance of their duties and can impact on the reputation of the Bank. For these reasons, employees should not engage in speculative transactions for their personal account.

Accordingly no employee shall:

- Borrow money from or in any way place her/ himself under pecuniary obligation to a broker or money lender or any firm or persons having dealings with the Bank.
- Buy or sell stocks, shares, commodities, foreign exchange or securities of any description without funds to meet the full cost thereof.
- Lend money in her / his private capacity to a constituent of the Bank or have personal dealings with a constituent for the purpose of sale of bill of exchange, Government paper or any other securities.
- Dealers shall not engage in manipulative or deceptive conduct that gives false or misleading impression as to prevailing market conditions.

In this connection employees are advised to note that borrowing money from any source, placing themselves under pecuniary obligations beyond the capacity to repay or honor the commitment will tantamount to speculative activity.



If employees are unclear regarding whether any particular transaction / activity could be considered speculative, they should seek guidance from their Divisional Head or Head of Compliance.

9. CONFLICT OF INTEREST

Employees must be alert to any situation that could compromise the position of trust employees hold as a First Women Bank staff, and avoid any kind of conflict between personal interests and those of First Women Bank Limited.

Employees may engage in outside activities that do not conflict with the interests of the Bank, interfere with the responsibilities of its employees, or damage or misuse the reputation, trademarks, relationships, confidential information or other property of the Bank. The Bank has adopted the following guidelines to protect both the Bank and employees against conflicts of interest, and from situations that create a perception of impropriety.

From time to time, situations will arise that are not clear-cut. If an employee is uncertain about the propriety of conduct or business relationships, Supervisor, Legal or Compliance Division must be consulted.

Employees should never use their position with the Bank, or information acquired during employment, in a manner that may create a conflict — or the appearance of a conflict — between personal interests and the interests of the Bank or its customers and clients. Employees should be aware that actual or potential conflicts of interest can arise not just from dealings with external parties, such as customers or suppliers, but also from relationships or transactions with lenders, subordinates or other employees. If a conflict or potential conflict arises, employee must report it immediately to their manager or the Compliance Division, who will review and any such discussion will be held in confidence to the extent possible and in a spirit of cooperation.

Employees must ensure that their personal interests do not conflict with the duties which are owed to the Bank or which the Bank owes to its customers. This includes engaging in any of the following activities without the prior written approval of the Management:

1. Becoming personally involved in any transaction of the Bank.
2. Negotiating or contracting on behalf of the Bank with an entity in which employee or a relative has an interest.
3. Accepting any employment (whether part time, temporary or other), consultancy, directorship or partnership outside the Bank. In case of Voluntary engagement, the same should be highlighted to Head HR / P&CEO and proper clearance / permission should be sought in this regard.

If there is doubt about whether a certain circumstance might create a conflict of interest employee may consult the Compliance Division for guidance before taking action.



Employees may not simultaneously work for, whether paid / unpaid / honorary any concern that does business with or competes with the Bank without the approval of the Head HR / President & CEO.

Staff must disclose the following outside positions to the Head HR, who will determine if a conflict exists:

- A member of immediate family or household works for, and holds a position that can influence decisions at, a firm that directly competes with or does business with the Bank.
- A member of immediate family or household holds a position that interacts with positions of authority at a firm that directly competes with or does business with the Bank.

Further, the employees may not serve as a director, trustee, officer or similar position (paid or otherwise) of any business, other than with the Bank, without prior approval of the Head HR / P&CEO. This rule does not apply to charitable, civic, religious, educational, public or social organizations, or to residential boards whose activities do not conflict with the interests of the Bank and do not impose excessive demands on time.

10. PERSONAL INVESTMENT POLICY

This policy covers staff of Treasury (Front & Back-Office) who are required to disclose their personal investments in Stocks and shares and other securities.

Accordingly a staff member in the above category is required to obtain prior permission in writing from the President & CEO for personal investments making sure that there is no case of conflict of interest. A copy should also be forwarded to Compliance.

In case prior approval could not be obtained for any reason investments made should be reported to Compliance Division as and when investment is made.

11. BOOKS AND RECORDS

11.1. Accuracy and Completeness

Employees must ensure that the accounting and financial records of the Bank meet the highest standards of accuracy and completeness.

Reporting accurate, complete and understandable information about the Bank's business, earnings and financial condition is an essential responsibility of all employees. It is not the exclusive responsibility of the Bank's accounting personnel to ensure that the Bank's accounting and financial records are accurate and complete. If employees have reason to believe that any of the Bank's books and records are not being maintained in an accurate or complete manner, they are expected to report this immediately to their manager, the Chief Financial Officer, Compliance or the HR Division. Similarly, the Bank relies on its employees to speak up if they feel that they are being



pressured to prepare or destroy documents in violation of Bank policy. They also should speak up if they become aware that any misleading, incomplete or false statement has been made to an accountant, auditor, attorney or government official in connection with any audit, examination or filing with a government agency, such as the State Bank of Pakistan or Securities and Exchange Commission.

11.2. Protection and Proper use of Bank's Property

All First Women Bank employees, are entrusted with protecting the Bank's property.

Acts of dishonesty against the Bank or its customers involving theft, destruction or misappropriation of money, property, office equipment, supplies or any other items of value, are, of course, prohibited. Falsification, alteration or substitution of records for the purpose of concealing or aiding such acts is also prohibited. If employees suspect someone has committed such an act or have witnessed such an act, they should report it immediately to Security. If preferred, employee can speak informally and confidentially with Compliance Division.

The employees also must protect the use of the Bank's computer equipment, including Internet access. Staff should follow the Bank's procedures in this connection.

12. GIFTS AND ENTERTAINMENT

It is the policy of the Bank that gifts are not to be accepted from customers or suppliers and potential donors must be diplomatically informed of this.

12.1. Exceptions

In cases where refusal of a gift would be regarded as an affront or it would be impractical or impossible to return the gift then in certain cases it can be accepted provided the gift is:

1. Not in the form of cash.
2. Clearly not in return for any consideration or in the anticipation of such.
3. Of nominal value only.

Any departure or proposed departure from the above must be reported through the line to the Compliance Division for a ruling on acceptance.

12.2. Personal Gifts by Employees

Personal friendships developed on the basis of banking relationships can sometimes encourage the exchange of gifts for personal account. Care must be taken in this regard as it must be realized that, unfortunately, what may be offered simply as a token of friendship and goodwill, may be construed, in some circumstances, as not only a breach of ethics but even a criminal action.



12.3. Presenting Gifts

Gifts may be given for promotional purposes or on special occasions where it may be appropriate while remaining within the jurisdiction of FWB's management. The context in which such gifts are given is important and care must be exercised to avoid any such event that could be misinterpreted or construed as bribery or corruption.

13. CONFIDENTIAL INFORMATION AND TRADE SECRETS

Employees must protect confidential information and trade secrets, and prevent such information from being improperly disclosed to others inside or outside the Bank.

Employees may learn, to a greater or lesser degree, facts about the Bank's business, plans, operations or "secrets of success" that are not known to the general public or to competitors. Sensitive information such as customer lists, the terms or fees offered to particular customers, marketing or strategic plans, or proprietary or product systems developments are examples of the Bank's confidential information and trade secrets. Similarly, during the course of performing their responsibilities, employees may obtain information concerning possible transactions with other companies or receive confidential information about other companies. Employees may not disclose any confidential information or trade secret of the Bank to others or use any such information for their own or someone else's benefit. Within the Bank, confidential information and trade secrets should be divulged only to other employees who need the information to carry out their business responsibilities. Employees are also responsible for maintaining the confidentiality of sensitive data information, such as salary, bonus or performance appraisal data. These obligations apply both during and subsequent to the employment with the Bank. Care must be taken not to discuss such matters with family members, business or social acquaintances, or in places where there is a possibility of being overheard, such as taxis, elevators, and Public places etc. In addition, should not communicate or transmit confidential or sensitive information through external online communications services, such as the Internet.

13.1. Related to Treasury Division:

- Prohibition of Cell / Smart phones use in the Dealing room as well as by the settlement staff.
- Limited access in terms of frequency and duration to the dealing room by both non-treasury personnel and visitors.



14. DISCRIMINATION & HARASSMENT

The Bank encourages a work environment where employee differences are valued and respected. We promote equality of gender, race and religion and prohibit gender bias or any other kind of discrimination, harassment or intimidation whether committed by or against a supervisor, co-worker, customer, vendor or visitor.

15. BREACHES & DISCIPLINARY ACTION

In the event of an employee committing breach of this Code or any of the provisions of Employment Rules or contravenes instructions / orders issued to her / him in connection with official work or who displays negligence, inefficiency, indolence or criminal (riotous) behavior or does anything detrimental to the interests of the Bank or is guilty of any other act of fraud, misconduct or insubordination, the Competent Authority, in its sole discretion and without limitation may impose on her / him one or more of the possible penalties given in the Grievance Handling & Code of Conduct Rules approved by BoD.

NOTES:

- 1. Employee, director or their relatives cannot obtain secured finance for business activities.**
- 2. Employees cannot give personal guarantees for financial obligation of another employee or outsider**



ACKNOWLEDGEMENT

I certify that I have read and understood the foregoing Statement of Code of Conduct & Business Practices.

I agree to conduct all my duties in accordance with the standards outlined in this Code. I certify that to the best of my knowledge, information, and belief, I have not engaged in any behavior which is unacceptable under this Code. I further certify that I am not aware of any possible conflict of interest as described in this Code.

Name: -----

Employee number: -----

Grade: -----

Posting: -----

Location: -----

Signature: -----

Date: DD / MM / YEAR