CODE OF CONDUCT FOR THE EMPLOYEES OF
NATIONAL BANK OF PAKISTAN

1. CODE OF CONDUCT – NBP EMPLOYEES

1.1. Introduction
This Code of Conduct applies to all NBP employees in all locations of the Bank. It lays down the basic parameters of acceptable behavior for NBP employees, which each employee must adopt during the course of their employment with the Bank. As NBP employees, each one of us has to make sincere effort to contribute towards the achievement of NBP business targets and goals, and to maintain the public’s trust and preserve the quality of the work environment.

The Code of Conduct has a strong linkage with the Mission, Vision, Core Values and Goal of NBP. The same are presented below

1.1.1 Vision
To be a leading bank for partnering in financial growth through innovation and service.

1.1.2 Mission
To be a catalyst for economic growth, serving the nation for diversified product offering, innovation, superior service quality, universal banking capabilities, multiple delivery channels, investment in people and processes and work towards sustainable higher returns for stakeholders.

1.1.3 Core Values

<table>
<thead>
<tr>
<th>People:</th>
<th>We will continue to value our people and will reward performance</th>
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<tbody>
<tr>
<td>Service:</td>
<td>Our main focus will be on providing superior service quality through diversification and development.</td>
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<tr>
<td>Integrity:</td>
<td>We will not compromise on integrity, zero tolerance for corruption and believe in doing the right thing.</td>
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<tr>
<td>Respect:</td>
<td>We respect our customers’ needs, beliefs and values, working towards their benefit.</td>
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<tr>
<td>Excellence:</td>
<td>We will continue to strive for excellence in all that we do.</td>
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1.1.4 Goal
To enhance profitability and maximization of NBP share through increasing leverage of existing customer base and diversified range of products.

The Code of Conduct for NBP employees is based on the following six principles. These principles have to be deeply ingrained in our personalities and displayed in our day-to-day interaction with colleagues as well external customers. We must…

a. Act honestly and with integrity
b. Comply with the law
c. Treat others with respect
d. Safeguard the confidentiality of information
e. Avoid conflicts of interest
f. Respect the organization

1.2 Purpose of Code.
The Code of Conduct (the “Code”) is to define the commitment that the Bank expects of its employees to know in clear terms what acts, conducts and practices are considered ethical, and clearly describe the appropriate behavior that all employees are required to adopt in order to safeguard the reputation enjoyed by the Bank and its subsidiaries, both in Pakistan and abroad. It also describes, where considered necessary, the omissions that would be against the Code.

1.3 Application
This Code applies to all employees of the Bank and its subsidiaries. It applies equally to interns, consultants, agents, and service providers who are engaged/ retained by the Bank. A copy of the NBP’s Code of Conduct will be provided to all concerned so that they know the applicable provisions and undertake to follow these in the course of their employment/ and/or business relationship with the Bank.

The rules set out in this Code are to be applied at all times and in all places when carrying out Bank duties, be they of a professional or social nature.

1.4 Compliance with this Code
If an employee fails to comply with this Code or applicable laws, rules or regulations (including the rules and regulations of the SBP) he or she will be subject to disciplinary measures, including (with respect to employees) discharge from the Bank. Violations of this Code may also constitute violations of law and may result in civil or criminal penalties for such person, and such person's supervisors. The competent authority will determine, or designate appropriate persons to determine, appropriate actions to be taken in the event of a violation of this Code. In determining what action is appropriate in a particular case, the competent authority or its designee will consider the following aspects:

a. nature and severity of the violation
b. whether the violation was a single occurrence or repeated occurrences
c. whether the violation was intentional or inadvertent
d. whether the individual in question had been advised prior to the violation as to the proper course of action, and
e. whether or not the individual in question had committed other violations in the past.

2 Basic Principles
2.1 Act with Honesty and Integrity
As a member of NBP team, you may deal regularly with clients, suppliers, auditors, attorneys, colleagues, government officials, competitors and others. Everyone has a right to expect that you will act with complete honesty, integrity and fairness in all regards. The Bank views these fundamental principles as important. As a financial services organization, whose success in the marketplace depends upon the highest standards of ethical conduct, the Bank views them as especially critical.
For example, when you engage the services of others for NBP, such as accountants, attorneys, or other professionals, or when you purchase supplies or equipment for NBP, your choice should be made on the basis of the quality of the service and the competitiveness of the price. Remember that our reputation depends on your exercise of fairness and good judgment.

2.2 Comply with the law
The laws of Pakistan shall always be obeyed by all NBP employees. At no time will we participate in any illegal activity or activity that may appear illegal, including activities outside our functions, and we will always comply with the legislation and regulations applicable to the Bank (the “Law”), in accordance with the law of land (i.e.) the law of the land the employee is stationed at”.

   a. We will at all times act in compliance with the letter and the spirit of the Law and avoid acts or voluntary omissions that could result in violation of the Law.

   b. Our bye-laws, permanent instructions, policies, procedures and other sector codes of professional conduct in effect at the Bank will all be drafted in accordance with the Law. We must respect them at all times. Employees who work in certain sectors of activity are also bound to abide by the rules of conduct specific to their sector.

   c. We will make sure that all operations, transactions and other actions carried out in foreign country comply with the respective legislation and any other legislation of a country or territory associated with such action. We will follow the applicable foreign legislation and we will not take any action intended to contravene these laws and regulations.

   d. We will act with the utmost caution when giving monies to foreign public officials. It is our duty to keep abreast of applicable Laws and all relations with such officials will comply with the relevant laws in effect in the foreign country.

2.3 Treat others with respect
We require objectivity in your dealings with others and in our decision-making. You should treat all clients, applicants for employment, colleagues, suppliers and others, kindly, fairly, courteously and respectfully.

2.4 Non-Discrimination
NBP will not tolerate discrimination in any form, or any dishonest, unethical or inappropriate behavior. NBP’s policy is to ensure a harmonious environment with equal employment opportunity for all, regardless of age, gender, race, religion, color, national origin and marital status and that client and prospective clients are not discriminated against on a prohibited basis. If you believe you have experienced any form of harassment or discrimination, report it immediately to your supervisor/Incharge or to HRM&AG.

If you supervise others, you are directly responsible for implementing this policy. In addition, you are expected to maintain a work environment free of any kind of harassment, intimidation and offense.
2.5 Safeguard the confidentiality of information

We expect you to treat information entrusted to us by our clients and employees as you perform your duties for NBP as confidential and privileged. This includes information relating to accounts and loan balances, information concerning the management, financial condition and future plans of our clients’ businesses, employee salary information and information obtained in the course of fiduciary relationships. You must not disclose confidential information to anyone either inside or outside NBP who does not have a clearly legitimate need and right to know the information. Any disclosure of information about a client to unauthorized individuals constitutes a violation of this policy. Duty of confidentiality involves not divulging information to third parties other than in the following circumstances:

- Express permission has been given
- Where the Bank is legally compelled to do so.
- Where there is duty to the public to disclose and
- it’s necessary for the bank to present its case e.g. in court or other circumstances of a related nature

Confidentially applies whether the information has been obtained from those with whom the bank does business or from a source within the bank. Such information should be used for the intended purpose only.

All employees must sign a declaration of confidentially/secrecy and must comply with the procedures and regulation in place within the bank. These procedures/ regulation are designed to manage and segregate confidential information and to prevent its inadvertent spread and misuse.

An employee must not remove any documents containing confidential information from office/ bank premises unless prior approval has been sought from his/ her immediate supervisor.

2.5.1 Disclosure of Information/Transactions (STRs/CTRs) to Outsiders

The employees of the banks/DFIs are strictly prohibited to disclose the fact to the customer or any other quarter that a suspicious transaction or related information is being or has been reported to any authority, except if required by law.

You are required to treat information concerning NBP or any of its clients as confidential. Confidential information obtained as a result of employment with NBP may not be used for the purpose of furthering any private interest or as a means of generating any personal gain or the personal gain of your family, friends, or others. The use or disclosure of such information may result in civil or criminal sanctions.

2.6 Limited Use of Confidential Information

While recognizing the need for a constant flow of information for the smooth operation of NBP, we expect you will not disclose confidential information pertaining to our clients’ affairs to your fellow workers within NBP unless they have a clear business need to know the information for the performance of their duties. You must exercise particular care in communicating confidential information to persons in other teams of NBP who may have
different responsibilities or conflicting obligations.

2.7 Avoid conflicts of interest
As part of your employment responsibilities we expect you to act in a way that contributes to the financial success of NBP, enhances its reputation and fosters its client relationships. This requires you to look after your own private financial interests in such a way that you do not profit improperly from your position with NBP.

While you as NBP employees have personal lives and private interests outside your work, as a member of a financial institution you must manage your personal financial and business affairs to avoid conflicts of interest, or even the appearance of any conflict of interest, with the performance of your responsibilities and duties to NBP. When a conflict of interest, or potential conflict of interest, does confront you in the performance of your job, you must immediately disclose its existence to your manager and, if you are an employee of Audit function, you must also immediately disclose its existence to the immediate supervisor as well, fully describing the facts giving rise to the conflict or potential conflict, and excuse yourself from any decision made with respect to the transaction.

Conflict of interest rules apply to all transactions made, directly or indirectly, for your own account or for the account of your immediate family or other family members who share with you the same residence. Your immediate family consists of your spouse and the children, parents and siblings of you and your spouse, whether by blood, marriage, adoption or operation of statutory or common law. You may also have a legal liability if someone outside your immediate family or outside of those other family members who share with you the same residence obtains a personal gain or advantage on the basis of confidential information they have obtained directly or indirectly from you.

2.8 Use of NBP's Computer Systems
Utilization of NBP's computer systems provides an employee access to confidential client information based on the business/support function(s) being performed. Employees are granted access to the various computer systems to perform their job duties. Each employee is expected to protect the access granted to him or her and to keep any associated passwords confidential at all times. In addition, each employee must only utilize software that has been acquired through proper channels and installed properly by or under the supervision of a technical manager. Unauthorized use of the computer programs or software that has been acquired or used by NBP, including, but not limited to, accessing inappropriate websites, using email in a manner that may be construed by others as harassment or offensive, or disclosing the program or software to, or permitting the use of such program or software by, any other employee or a third party without appropriate authorization, will not be tolerated. Computer usage will be monitored to ensure compliance with NBP's IT Security Policy.

2.9 External Communications
Only designated Senior Management Officials liaisons through Corporate Communications Division are responsible for NBP's relationship and communication with the press and the general public.

Discussions of NBP's structure, financial performance, products and services and position on issues that we wish to share with those outside of NBP are contained in publicly available
publications such as our annual and interim reports, press releases, published speeches and statements and marketing brochures. You may request brochures or marketing pieces from the Marketing Team and share them with any external audience. Should you receive any inquiries about NBP from the media, you may not offer comment, except to state that the inquiry may be referred to the Corporate Communications Division.

All proposed public statements or press interviews must be reviewed in advance with Senior Management/Corporate Communications Division. In addition, you must have written approval, secured from the President/CEO of Bank, before giving speeches or publishing written materials, fiction or non-fiction, on subjects related to NBP or its business.

Some non-public information about NBP, its organization, systems and procedures may be considered confidential or proprietary and is therefore inappropriate for external circulation. If you have any questions about whether certain information is public or private, check with Senior Management before disclosing it to anyone outside NBP.

2.10 Employee Information
All credit and personnel inquiries, such as an employee's complete name, job title and length of service, must be referred to HRM&AG, and information concerning an employee will be released only with the consent of the competent authority or when legally required. NBP's policy is not to give employment references other than to provide the employee's complete name, job title, work conduct and length of service.

2.11 Sincerity with NBP/Management and Others
In any organization, mistakes occur and sensitive situations will occasionally arise. When you have knowledge of any questionable or possible illegal act or occurrence involving or affecting NBP, you have an obligation to report the act or occurrence using means made available by the Bank for such purpose. Care should be taken to ensure that only factual events are reported. Any willful misuse of this facility will be treated as gross mis-conduct and the employee may be subjected to disciplinary action as per the Bank’s policy.

We expect you to fully cooperate with internal and independent auditors and counsel in the performance of their designated duties. This means providing them with complete and accurate information at all times.

2.12 Self-Dealing
You are not in any way to represent or exercise any authority on NBP's behalf, grant direct or indirect credit accommodations or make credit recommendations, or act in the capacity of an account officer with respect to any type of transaction for yourself, members of your immediate family, any other family members who reside with you, any individual or organization which has granted to you, a member of your immediate family or any other member of your family who shares with you the same residence a power-of-attorney, or with any other persons, corporations, partnerships, trusts or other organizations in which you, any member of your immediate family or any other family member who resides with you are a fiduciary, an officer, an authorized signer or have a material financial interest.

You are not to act, without prior written approval of the immediate supervisor, as:
a. An agent, deputy or attorney in fact on any account of another at NBP. Any application to the immediate supervisor to so act will only be considered based upon your close, personal relationship with the accountholder;

b. An executor, administrator, trustee, guardian, custodian or in any other fiduciary capacity on any account of another at NBP. Any application to the immediate supervisor to so act will only be considered based upon your close, personal relationship with the estate person or persons for whom you are acting as fiduciary; or

c. An official of any organization with the following exceptions: residential cooperative or condominium apartment boards where you live, social, religious, philanthropic or civic organizations, fraternal organizations, neighborhood associations, clubs, colleges or schools or trade or professional organization associated with the financial services industry or your profession. However, registered representatives must notify the Chief Compliance Officer in writing via e-mail prior to assuming any such role.

Requests for approval should be submitted in writing to the immediate supervisor. In all cases where approval is granted, you must disclose to the principal, beneficiary, trustor, court or other third party as the case may be, that you are so functioning solely because of the close personal relationship, and that you are in no way acting as a representative or agent of NBP.

2.13 Respect the Policies of the organization
You are required to be aware of all policies and processes which apply to you as an employee of NBP. These policies and processes are issued by the authorized officials of NBP and modifications may be enforced from time to time. In case of any doubt regarding any applicable policies and/or processes, you may seek clarification from your immediate superior or from the Human Resources department. Any willful disregard for approved policies and processes will be treated as mis-conduct.

2.14 Demonstrate Discipline and Decency
Timeliness
NBP expects that employees devote their full attention and energy to official duties during working hours. Employees are required to attend at work as required and not to absent themselves from duty without authorization.

Punctuality
Every employee must demonstrate regularity in attendance and punctuality. You are required to attend to your official duties with due regard for office timings and office discipline as notified by State Bank of Pakistan. Breaks allowed as per NBP rules for lunch and prayers, and for any other purpose, where applicable, should be adhered so that these are not unduly extending beyond permissible limits. Habitual late-comings and absence from duty station will not be tolerated, and any employee found to be guilty of such behavior may be subjected to disciplinary action. Some allowance may be made, on a case to case basis by the immediate superior/ HOD of the employee concerned in case of any hardships faced by any employee, and in all such cases, the onus will be on the employee to submit details of hardships to the superior on a timely basis, and to obtain his approval, which should be based solely on the merits of the case.
and at the sole discretion of the Head of Department.

2.15 **Dress Code**
The Bank expects all employees to be appropriately dressed when presenting themselves for work.

Employees are required to maintain proper dress code (office attire as may be prescribed by NBP management from time to time) and appear well groomed & presentable all the times. Cleanliness and personal hygiene should also be given due importance while attending work. Non Management staff should be in their proper uniforms during office hours.

Female employees should ensure that their attire and presence is in accordance with Islamic values and consistent with the cultural norms of the country/region where they are based.

2.16 **Acceptance of Gifts from Suppliers or Clients**
NBP employees are prohibited from giving, seeking or accepting gifts for oneself or any other person anything of value beyond Rs. 5000 (including services, discounts or entertainment) from clients, suppliers or anyone else in return for any business or service from, or confidential information about, NBP. There are certain exceptions to the general prohibition against giving, seeking or accepting anything of value as follows:

a. Lunches, dinners and other customary entertainment (e.g., sports events, golf, theatre, etc.) provided in the ordinary course of a supplier's or client's business and in situations where we would normally reimburse the cost as a proper business expense;

b. Nominal services or discounts customarily afforded by suppliers or clients in the ordinary course of their business; and

You must report anything of value beyond those items listed above if offered to you, received by you or you anticipate receiving promptly to the Immediate Supervisor for appropriate action including the return of the gift forthwith to the provider.

Penalties including fines and imprisonment may be imposed for violations.

2.17 **Borrowing Money from Vendors or Clients**
You are not allowed to borrow money from, or lend money to, any of NBP's vendors or clients. This is strictly prohibited. You may, however, receive credit on customary terms in connection with the purchase or lease of goods and services from a commercial establishment that is a vendor or client of NBP. Loans made to officers and employees by other financial institutions that are vendors or clients of NBP, in the course of their business, are allowed.

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**DECLARATION OF CODE OF CONDUCT COMPLIANCE**
I, the undersigned hereby confirm having read and fully understood the contents and agree to abide by the “NBP Code of Conduct” issued by the Management of the Bank.

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<tr>
<th>Employee’s Name</th>
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<tbody>
<tr>
<td>PF/Employee Number</td>
<td>:</td>
</tr>
<tr>
<td>Place of Posting</td>
<td>:</td>
</tr>
<tr>
<td>Date</td>
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Employee’s Signature