

STATEMENT

As a member of the Global Compact, we believe that our business policies incorporate the ten principles. Our board fully supports our actions in working towards sustainability goals – in particular those contained in the UN Global Compact – and endorse the future priorities and specific targets we set out in our report. Through our support of the United Nations Global

Compact, we also aim to move the agenda forward on performance related to human rights, labor rights, the environment and the fight against bribery and corruption. Here we summarized the progress we have made against these principles and we will continue to follow them up in future.

Global Compact Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights;

Employment decisions at Ameria are based on merit, qualifications, and abilities. It is Ameria's policy to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, age, handicap, disability, sexual orientation, marital status, family responsibilities in accordance with applicable local law. This policy applies to all terms and condition of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leave of absence, compensation, and training.

Full-time staff earns annual leave of 24 working days. Accumulated earned and unused leave as of the date of termination is paid at the base salary rate then in effect. Ameria grants sick leave to full-time staff members who are unable to work due to illness or injury. The medical insurance is also provided to our main staff.

No employee is penalized or retaliated against for requesting time off for public vote. Time off to vote is not considered annual leave.

The duration of the paid maternity leave is 140 days (70 days prior to and 70 days following child delivery).

Ameria recognizes that the skills and knowledge of its staff are critical to the success of the company. The Training and Educational Assistance program encourages personal development through a variety of opportunities so that staff can maintain and improve job-related skills or enhance their ability to grow professionally within Ameria. All staff members are eligible to participate in the program. Job specific and job related training opportunities are available after the staff member has passed the probation period. Based on the recommendation of the supervisor, staff members are eligible to receive financial assistance for job specific and/or job related trainings.

Ameria constantly cooperates with the best universities of Armenia within the framework of different contests, projects, internships to support young, motivated and driven professionals.

(Ameria CJSC Employment Policies and Procedures Manual)

Global Compact Principle 2:

And make sure that they are not complicit in human rights abuses.

Ameria is committed to providing staff with a reasonably safe work environment that complies with occupational safety laws. Staff concerns in this area are promptly brought to the attention of the Management.

Ameria office is a non-smoking environment. Ameria strives to provide a work environment that encourages staff to effectively and efficiently use their skills and promotes personal development. Continuous professional development of all staff members is extremely important to the career success of the individual as well as to the Company. To attract and retain above-average staff, Ameria endeavors to pay competitive salaries taking into consideration market rates and merit of employees. To this end Ameria periodically reviews its wage scales to ensure that they are kept in line with current trends.



Ameria reviews its pay ranges and pays bonuses annually based on individual performance evaluation. Employees also access low-interest rate mortgage, consumer, and car loans. Besides the above mentioned Ameria staff has a very attractive medical and travel insurance packages as well as other beneficial promotions such as fitness plus discounts in more than 300 stores and shops.

(Ameria CJSC Employment Policies and Procedures Manual)

Global Compact Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Ameria encourages full time staff to pursue and maintain professional affiliations and to attend meetings of professional societies and associations. To assist full time staff who has been employed for 6 months in doing this, Ameria may partially reimburse staff members for membership dues of up to \$500 for one professional association or society, provide staff members paid leave and transportation and related travel expenses to a meeting of the professional association or society, etc. Based on annual training plan Ameria reimburses professional training participations as well as participation in different courses for skills and knowledge improvement,

(Ameria CJSC Employment Policies and Procedures Manual)

Global Compact Principle 4:

The elimination of all forms of forced and compulsory labor;

Ameria expressly prohibits any form of retaliatory action against any staff member for filing a bona fide complaint or for assisting in a complaint inquiry.

In hire of employees or performance of works, no direct or indirect restriction and no granting of direct or indirect privileges on the basis of person's sex, race, origin, belief is permitted.

Candidates are usually recruited using local, national, or international search and selection methods deemed appropriate to the needs of Ameria and the position's location. Ameria usually posts all open positions internally. Our staff who believe they are qualified are urged to apply; all internal candidates are interviewed.

However, in its discretion, Ameria may choose to use a different recruitment method or forgo an external search entirely.

The employee hire is conducted in compliance with the applicable provisions of the labor legislation of the Republic of Armenia.

Ameria's staff is appointed by the Managing Director through the execution of the employment contract.

Inaccurate non-payment of wages and excessive overtime hours are common violations. We regularly review timecard, payroll and records and verify their accuracy through worker interviews. When violations are discovered, we typically require back-payment of wages as appropriate.

Labor code defines work hours. The overtime procedure has a provision for employees to sign if he/she agrees to render more than 8 hours duty. The overtime is paid.

The hiring and firing policy of the group is based on the Armenian labor code.

There is a system for hiring people, evaluating them, training and rewarding them on their achievements. The system applies to everyone ensuring that there are no discriminations at all.

(Ameria CJSC Employment Policies and Procedures Manual)

Global Compact Principle 5:

The effective abolition of child labor;

Child labor is not used at all.

Mechanisms for age verification in recruitment procedures are used. Ameria ensures that adult workers are given secure employment and decent wages and working conditions so that they do not need to send their children to work.

Global Compact Principle 6:

And the elimination of discrimination in respect of employment and occupation

Any staff with questions or concerns about any type of discrimination in the workplace is encouraged to bring these issues to the attention of their immediate manager, HR manager or the Managing Director. Staff can raise concerns and make reports without fear of reprisal.

It is Ameria's policy that all staff should be able to enjoy a work environment free from all forms of harassment. In support of this policy, Ameria expressly prohibits any form of employee harassment by another employee, supervisor, or a third party for any reason including race, color, religion, national origin, sex, age, marital status, sexual orientation, disability or any other status protected by applicable law. Improper interference with the ability of Ameria's staff to perform their expected job duties will not be tolerated.

Specifically, Ameria prohibits:

1. unwelcome sexual advances,
2. requests for sexual favors,
3. verbal, physical, and visual harassment.

If an employee experiences any job-related harassment, has a related complaint, or believes he or she has been treated in an unlawful discriminatory manner, that employee should promptly report the matter to the Head of Security, Head of HR, Managing Director or member of Senior Management. Staff is encouraged to report harassment early on, before it becomes severe or pervasive.

(Ameria CJSC Employment Policies and Procedures Manual)

Global Compact Principle 7:

Businesses should support a precautionary approach to environmental challenges;

Ameria Group is seeking to house a large number of employees under one roof by 2015 in Yerevan, Armenia by constructing a new building. But, this new building to be the first green commercial LEED certified building in Armenia. This entails but not limited to the use of high energy efficiency equipment/products that will reduce energy & water loads, systems & design that drastically improves indoor air quality & environment respectively for a productive work place, to the use of renewable energy such as solar power. Overall, Ameria seeks to reduce significantly its environmental impact by reducing the amount of carbon emissions and solid waste while conducting business. Moreover, be a model for citizens, real estate developers, and country to be part of the green movement.

Global Compact Principle 8:

Undertake initiatives to promote greater environmental responsibility;

Ameria Group finances projects in the field of energy and each project is accompanied with thorough environmental impact assessment. We would like to stress that no project is financed with negative environmental impact assessment. Besides Ameriabank with the support of the Netherlands Development Finance Company (FMO), and DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH, successfully completed the introduction and implementation of an Environmental and Social Management System (ESMS). It is one of the first banks in the region to have developed and implemented an ESMS. As a result of this, FMO and DEG granted Ameriabank with a certificate of appreciation, as well as a reduction in the interest rate of the facility signed between FMO, DEG and Ameriabank in December 2009.

By implementing the ESMS, Ameriabank commits to comply with local and international environmental and social regulations and worldwide best practices applicable to its operations and business services.

April 2010, Ameriabank started exploring the principles of environmental and social risk management: the development of an internal ESMS policy, procedures and tools, training of staff and the realization of a pilot running of the System. Ameriabank has also adopted and integrated environmental and social risk management policy for all ongoing corporate lending and finance operations.



The purpose of the bank's Environmental and Social Risk Management Policy is to create a framework and culture for understanding and managing our direct and indirect environmental and social impacts, risks and opportunities.

Global Compact Principle 9:

And encourage the development and diffusion of environmentally friendly technologies.

Ameria CJSC develops business projects in different sectors of economy and pays special attention on the issues of environment protection. In those projects we promote usage of environmentally friendly technologies, e.g. support in establishment of state of the art hog farm in Armenia, where most recent technologies are used. An element of these technological solutions is establishment of biomass processing facilities within the farm. This will ensure availability of own electricity and heat resources for the whole farm through application of renewable energy technologies.

Global Compact Principle 10:

Businesses should work against all forms of corruption, including extortion and bribery.

By our company's orientation, it is clearly disseminated that no employee is allowed to deal with any corruption practice. Staff may not accept gifts or favors from any customer, supplier, applicant, client, or competitor. It is unlawful to accept anything of value in exchange for a promise to influence company's decision in the selection of an assignment, contract, vendor, or other collaborator. Ameria may accept gifts only if presented to the entire organization as a culturally-appropriate memento or token of appreciation and even then only so long as the value does not exceed USD \$50 (*Ameria CJSC Employment Policies And Procedures Manual*).