Code of Professional Ethics (Code of Conduct)

Introduction

The Municipal Development and Lending Fund (MDLF) is committed to carrying out its work in accordance with the law, regulations, and instructions, and to upholding the highest ethical standards.

MDLF's operations are based on five core values:

Professionalism, which reflects MDLF's identity.

Transparency, which reflects its policy.

Accountability, which signifies its excellence.

Credibility, which represents its principle.

Scientific Methodology, which defines its mode of operation.

These values—credibility, accountability, professionalism, and transparency—require an increased level of responsibility from MDLF and its employees to adhere to desired work ethics, proper behavior, and all applicable laws and regulations that promote and enforce such standards and prohibit any violations.

Purpose of This Code

This Code represents the policy and standard that defines the ethical and behavioral guidelines that all relevant parties must observe. It also serves as a tangible expression of MDLF's commitment to the highest levels of professionalism, ethics, and proper conduct, and its rejection of all that contradicts these standards.

Who Is Subject to This Code

This Code applies to all members of MDLF's Board of Directors, employees, committee members, consultants, and volunteers (whether compensated or not). Senior management, as well as all other aforementioned parties, must comply with this Code and the policies and instructions related to professional ethics.

Ethical Standards

All MDLF employees must fully uphold professional integrity in executing their duties, especially in accounting procedures and the disclosure and reporting of accurate financial information in accordance with the law.

Senior management must foster a culture that supports compliance with professional ethics and create a work environment that encourages and supports adherence to such standards.

In general, ethical standards fall under duties and prohibitions, which include but are not limited to the following:

Duties of All Individuals Subject to This Code

Devote their efforts to achieving MDLF's interests.

Comply with applicable laws, regulations, policies, and procedures and refrain from violating them.

Personally perform their assigned tasks with accuracy, honesty, efficiency, and credibility.

Dedicate all official working hours (and any additional time when required) to fulfilling their job duties.

Not be absent during working hours without permission or during any time assigned by MDLF.

Follow all instructions and directives issued by supervisors to perform their duties thoroughly and without delay.

Protect MDLF's property, finances, and assets and avoid misuse.

Avoid and prevent any violation of laws, regulations, and work instructions, and report any errors or deficiencies to supervisors immediately.

Maintain the confidentiality of MDLF's information and that of its partners and stakeholders—gained through work or through colleagues. All information is deemed confidential, regardless of its nature, and this obligation continues beyond the end of employment.

Respect the administrative hierarchy in communications and not bypass their direct supervisor.

Conduct themselves with politeness and courtesy in interactions with supervisors, colleagues, subordinates, and stakeholders, avoiding any behavior that might cast doubt on their integrity or that of MDLF.

Maintain a professional and objective approach in their work and interactions, ensuring neutrality and avoiding personal bias—especially in resolving conflicts and addressing issues.

Cooperate and interact positively and smoothly with colleagues, subordinates, and supervisors, respect differences, and work as part of a team in good spirit.

Always maintain a presentable appearance and good personal hygiene.

Keep their workspaces clean and organized, and observe occupational health and safety practices.

Work on continuously developing their scientific and professional capabilities to maintain and improve efficiency.

Train and develop their subordinates in appropriate duration and methods to ensure they gain sufficient expertise to perform their tasks effectively.

Prohibited Conduct

Individuals subject to this Code are prohibited from:

Prioritizing personal interests over the interests of MDLF or failing to pursue MDLF's interests.

Exploiting their position or authority for personal gain.

Engaging in activities—directly or indirectly, in their own name or another's—that conflict with their duties, whether for themselves or others.

Neglecting or showing indifference toward the regulations, policies, and procedures.

Failing to perform assigned duties with accuracy, honesty, and credibility.

Failing to dedicate working hours to job responsibilities.

Being absent during official working hours without authorization or during assigned additional work times.

Failing to execute supervisors' instructions properly or delaying their implementation.

Misusing or carelessly using MDLF's assets, finances, or property for personal purposes.

Failing to maintain confidentiality of MDLF's or its partners' information or disclosing information to media without proper authorization.

Retaining any MDLF documents or copies thereof, or sharing such documents with unauthorized persons without prior written approval.

Bypassing direct administrative levels without permission or valid reason.

Leaving or abandoning the job without proper prior authorization.

Accepting gifts, gratuities, grants, payments, or financial aid from parties related to or with interests in MDLF.

Using or being under the influence of intoxicants or drugs during work.

Engaging in political, religious, or sectarian activity with negative impact within MDLF.

Inciting sectarian or nationalistic tensions or offending societal values.

Using obscene language or expressions offensive to decency, or cursing divinity or religions in any form.

Violating any of the aforementioned duties, even if not explicitly listed under the prohibitions.

Compliance with Laws, Regulations, and Instructions

Employees are expected to understand that a variety of laws and policies govern MDLF and its operations and must adhere to them. MDLF's management—represented by the Director General and department directors—must comply with these laws and report any violations as outlined in the "Reporting Violations and Misconduct" section.

Conflict of Interest

A conflict of interest arises when personal interests conflict—or appear to conflict—with the interests of MDLF as a whole.

Employees are expected to handle any potential conflict of interest ethically. Conflicts arise when an employee lacks objectivity in their work due to personal benefit or benefits to others, including family members, as a result of their position.

Before accepting any position, benefit, job arrangement, or investment that could create a conflict of interest, employees must disclose the facts and circumstances and obtain MDLF's prior written approval. Accordingly:

Board members or employees may not benefit directly or indirectly (via intermediaries) from any company or institution that has a working relationship with MDLF. They may not accept commissions, compensation, gifts, or financial/material contributions from such entities.

Employees may not engage in any external work that creates a conflict of interest. If the external work is unpaid, prior approval from the Director General must still be obtained.

Reporting Violations and Misconduct

Employees must immediately report any violations of this Code of Professional Ethics that occur anywhere within MDLF, including accounting or financial misconduct that affects disclosed financial reports.

MDLF will report any suspected criminal violations to the appropriate authorities. Non-criminal violations will be investigated and handled internally, with reports submitted to the relevant MDLF management and Board, as necessary.

No individual will face retaliation for reporting a violation in good faith. MDLF strictly prohibits harassment, pressure, or harm toward any individual who reports misconduct.

Penalties

In cases of Code violations, appropriate disciplinary action will be determined based on the severity and nature of the infraction, in accordance with the Disciplinary Procedures System. Penalties may include written warnings, demotion, reassignment (functionally or geographically), suspension of promotions, unpaid suspension, or termination.

If the violation is committed by someone below the level of Director General, the Director General determines the penalty. If the violator is the Director General or a Board member, the Board of Directors makes the determination.

When determining a penalty, the responsible authority may consider relevant factors, including the nature and seriousness of the violation, whether it was a single or repeated offense, whether prior guidance was provided, and whether the individual has a history of violations.

Exceptions and Amendments

If an employee seeks an exception to any provision of this Code, they must submit a written request with detailed reasoning to the Director General, who may grant written approval if convinced by the justification.

This Code may be amended periodically in line with changes in work requirements or applicable laws. Amendments are made by the HR and Administrative Affairs Department and approved by the Director General and the Board of Directors.

Commitment to the Code

All new employees must sign a commitment to this Code and to the Conflict of Interest Policy. Employees are given a three-month period to assess their ability to comply with these rules. Compliance is a condition of employment.

All employees are expected to take this Code seriously and adhere to it at all times. Periodically, employees may be asked to confirm their continued commitment in writing.

Employee Acknowledgment

Unethical or illegal behavior constitutes a violation of this Code, whether or not the specific behavior is mentioned. Any violation may result in disciplinary action, including possible termination. These provisions apply to all personnel—whether the Director General, department director, employee, consultant, volunteer, or otherwise.

By signing this form, I confirm that I have received, read, and understood the Code of Professional Ethics and all its contents. I pledge to act ethically in service of MDLF and its interests, and to adhere to this Code and all its requirements.

Name (preferably printed) and Signature Date of Signature

Note: A signed copy of this form shall be kept on file by the Administrative Affairs and Human Resources Department at MDLF.