
CODE OF ETHICS AND BUSINESS CONDUCT STANDARDS

LEVEL:	ORGANIZATION	DATE: JANUARY 2019
OFFICE:	E&S PERFORMANCE	SKETCH: E&S PERFORMANCE MANAGER
AREA:	MAIN DOCUMENTS	APPROVED: SUPERVISORY BOARD

The success of Credo Bank depends on the compliance by its shareholders, administrators and employees (hereinafter referred to as the person(s) within the scope of the Code) with the principles of code of ethics and business conduct standards of commercial banks, the applicable legislation (the laws of Georgia on Competition and on Commercial Bank Activities), and the rules.

1. Responsibilities of Credo Bank

Credo Bank shall carry out its activities honestly, competently and in full compliance with the ethical norms, in relations with the public, customers, employers, employees, banking sector and in general with other participants of the financial market; it shall regularly improve its services, products and work quality, and accordingly shall create the reputation of an honest, fair, respectful, responsible, reliable and sound business developer.

The knowledge of the compliance with the provisions of the code of ethics and business conduct standards of Credo (hereinafter the Code) shall be statutory for all persons within the scope of the Code:

- The Code is placed at the intranet of Credo Bank on the official web-site and represents an inseparable part of the contract signed with an employee.
- Information on the amendments made to the Code shall be sent to employees via e-mail and shall be changed no later than 7 working days after those amendments placed on the web-site take effect.

RESPONSIBILITIES OF CREDO BANK ARE:

- Introduce the company's standards to customers and business partners for them to act professionally and ethically, which shall be positively reflected on the company and generally on the banking activities;
- Give privilege to banking business and customer's interests, rather than its own interests;
- Never engage in the negotiations with competitors, which negatively reflects itself on the company and banking business;
- Facilitate the banking sector and generally the good faith of financial market and its stability for general public good and not to admit non-ethical or inappropriate conduct;
- Not allow the intentional misleading of other persons in its professional activities and during the provision of information;
- Not to allow the conduct of dishonest, fraudulent actions, intentional misleading or any other action which will be negatively reflected on the reputation of Credo Bank, its competence and good faith;

- Not to allow the engagement in such activities, which unfairly changes the prices (interest, commission, etc) or artificially increases the transaction volume in order to mislead the market participants;
- Not to be engaged in such actions which are aimed at or result in the limitation of competition, inadmissibility of and/or prohibition of competition, and/or which delay or may delay the free financial activities or the free offering of financial products, and/or gives or may give inappropriate advantage on the financial market, including, with regard to other participants of the banking sector. For example: the establishment of distinguishing/discriminating conditions for similar transactions for the existing or potential participants of the market aiming at setting artificial barriers to the entry into market, or at exiling the exiting participants from the market. Also making an exclusive agreement with regard to a transaction or refusing from the transaction using the dominant position, including in favour of the person related to the bank; also gaining and maintaining monopolistic helms in the financial sector, the result and the aim of which is unlawful limitation of competition;
- Credo bank shall be precise and honest in business activities in accordance with accounting standards. Each report and record shall describe real facts completely.

Shareholders, employees and administrators of Credo Bank (persons within the scope of the Code) shall carry out their duties and responsibilities with a professional level. The conduct of each person is of utmost importance so long as it is positively reflected on the company and the personnel. The set goal may not be achieved on the basis of unlawful or non-ethical business activity.

Based on the values of Credo Bank, the persons within the scope of the Code shall be obliged to:

- Behave professionally and treat colleagues, customers and the related persons courteously;
- Refrain from raising voice, and from insulting others;
- Show maximum care and good faith in the performance of duties;
- Not to abuse the reputation and good faith of Credo Bank and meanwhile of other commercial banks, banking sector and generally of the financial market. Besides, not to endanger the financial stability and the safety of financial sector;
- Not to incur damage/loss to Credo Bank and not to infringe its image and reputation;
- When using the status of the bank or its own position status, not to mislead the persons and/or not to exaggerate or misuse the said status;
- Fully comply its actions to the policy, procedures, rules and provisions of the company;
- Be full of initiative, and take care, independently from supervisors, of the improvement of its own job;
- Permanently take care of deepening and improving the knowledge and skills required for work;
- Be in permanent search of means for the improvement of its own activities and the activities of the company;
- Be extremely precise in observing the rules and code of business conduct.

2. Confidentiality and personal information protection

When carrying out activities, there are different confidential, personal and business information on the company, personnel, customers and on the persons related to the company that become available for persons within the scope of the Code.

Those persons who hold information that affects or may affect the internal processes of the financial market, including the banking sector, or the transactions and decisions (material non-public information), shall not disclose/use and facilitate the inappropriate disclosure of such information to other persons and/or the use of such information by other persons.

Confidential information may exist in the written form (originals of documents and their copies), and/or in the verbal form. Confidential information may be:

- Business reports and plans;
- Financial documents;
- Technical and technological information;
- Financial and market planning;
- Commercial and banking information;
- Plans, methods and experience;
- Information related to staff members, customers and providers;
- Inventions, processes, methods and products;
- Patent applications and other proprietary rights;
- Specifications, drawings, sketches, models, samples;
- Devices;
- Software;
- Technical information.

The company and each and every staff member shall be responsible for keeping the confidentiality of personal information and for personal data protection of the customer. Credo Bank shall protect and respect confidential information of its customers, related persons and employees.

All personal information on the customers (personal files) shall be stored in a special box designated for the personal information of the customer. The boxes or rooms for storing the documents containing information shall be locked. If the client's and/or the employee's personal file is taken by any employee, there is a special log, where the fact shall be registered. Information on the customers who are not active clients any more, the rules for storing and destroying information thereon are given in a separate policy (Credit Operations Policy).

There is personal data protection policy applicable in Credo, which is placed in the intranet for the availability by all employees and its observance shall be compulsory for each employee.

No one has the right to disclose the above mentioned confidential information concerning the official duties, employees and clients, except for the cases provided for by the legislation of Georgia: information on customers shall be provided to the client, his/her legal successor, guarantor, (upon their written application), the National Bank of Georgia, the Financial Monitoring Service (upon the written application of these last two), the law enforcement

bodies, only in the case of the relevant court decision. Information may also be disclosed in the cases where the client's information concern illegal activities.

IT SHALL NOT BE PERMITTED:

- To provide information to a third person using any means and methods, including the provision of information, including where such information is not included in the competence of the employee;
- The transfer of any confidential, business or client related information which involve financial and operational activity matters;
- The documents stored in the company regarding the clients and employees, and the transfer of any document reflecting the relations between the company and third persons (partners, investors, etc);
- Inappropriate access to the internal information of the bank (material non-public information, which is available for a person by way of participation in the bank capital (shareholding) or through activities, through the fulfilment of professional or official duties, or through other type of liaison with the bank, or where such information is obtained by the person through the other way) to other persons, including to the related parties of Credo Bank;
- Leaving of confidential information on the desktop without due care.

OBLIGATION AND SANCTIONS:

Shareholders, administrators and employees of Credo Bank shall act out of the interests of the company, which involves the use of their skills and competence, the observance of confidentiality and the prevention of damage to Credo Bank:

- Employees shall be subject to disciplinary liabilities in the case of the violation of the personal data protection policy and the Code. If the above mentioned violations result in the damage to the company, an employee shall be obliged and responsible to compensate for the damage;
- An employee shall be released from the position in the case of disclosing the commercial secret;
- An employee shall be imposed a penalty for disclosing confidential information to a third person depending on the seriousness of the violation, in accordance with the disciplinary liability policy;
- An employee shall be imposed disciplinary liabilities in the case of the violation of the storage of personal files/information of a customer/employee.

3. Conflict of interest

Shareholders, administrators and employees of Credo Bank shall in no way allow the personal interest conflict, or the origination of such conflict, in relation to the interests of the company and its customers. Persons within the scope of the Code shall disclose those matters that may endanger their independence and impartiality, or obstruct them from the fulfilment of their duties before the customers and Credo Bank. Such disclosure shall be carried out in an evident manner, in an understandable language and by way of providing appropriate information;

In the case of Credo Bank the disclosure shall be carried out through the following sources:

- During the recruitment of a new employee, the employee shall be sent a link to the conflict of interest, where he/she shall specify information
- In the case of the exiting employee the survey of the conflict of interest shall be carried out once a year. The results shall be stored at the server of the Human Resources Management Department. The results of survey shall be sent to the management of Credo Bank.
- Information on the administrators of Credo Bank and the survey on the conflict of interest shall be carried out in accordance with the regulation of the NBG.

The conflict of interest involves:

- The engagement and interests outside the company, such as activities with other employer, or engagement in the activity other than those of the company, and other interests that may negatively affect their work and the company's interests;
- Direct or indirect financial or other type of engagement in the business, which is in competition with Credo Bank, represents the provision of the goods and services of the latter, or is its customer;
- Relations between an employee and a customer, who shall in no way infringe the working capacity of the hired employee on the professional, impartial or competitive levels, or affect the business solutions taken by Credo Bank;
- With regard to personal transactions, give privilege to transaction to be made for customers and Credo Bank;
- It shall not be permitted to disburse loans in Credo Bank as benefits for the members of the management team (senior management team, administrators of the service centre, regional managers, head of departments) or to any other related persons, or to render any financial services despite the credit type, interest rate, repayment term, loan security, or another factors;
- Credo Bank shall not carry out any operation with any management member, related enterprise or any other related person, unless such operation is approved by the supervisory board;
- If as a result of the verification by the NBG, Credo Bank is or may become in the near future the problematic company, there shall be no premium till the time when Credo Bank is deemed no more an actual or potential problematic company based on the assessment of the NBG.

Employees, shareholders and administrators of Credo Bank shall refrain from engagement in the following type of organizations:

- a. Government and governmental agencies, and/or any institution funded from the state budget;
- b. In the case of the membership of the political party, it shall be prohibited to use the logo of Credo Bank, the car or items with the logo of Credo Bank in performing any type of activities; In case Credo Bank's employee shall be involved in political activities, supervisory board shall be informed regarding this.

c. Providers and other type of contractors of Credo Bank.

Shareholders, administrators and employees of Credo Bank shall not be allowed to perform the work or to be in the work process in the following organizations:

a. Credo Bank's competitor companies;

b. Any other company related to Credo Bank and where potential conflict of interest may emerge.

4. Violation and discrimination

Credo Bank shall facilitate the corporate culture which is founded on the honesty, respect of each other and politeness. Accordingly, following this concept, Credo Bank shall ensure such work environment, where there is no sexual violence and harassment on the grounds of race, skin colour, origin, age, sex, disability, and discrimination. Credo bank shall expect from its shareholders, administrators, employees and partner organizations the compliance with this policy and to act in compliance with such policy.

Credo Bank shall not recognize and reconcile with any form of discrimination against the employees, customers, contractors and providers. The forms of discrimination are: on the political, racial, religious, sex, age, origin, etc grounds.

OBLIGATION:

- The persons within the scope of the Code shall treat people fairly;
- They shall evade any action, which will cause harassment, blackmailing or insulting and hostile attitude;
- Evade the making of any type of comment with regard to the belief, race, religion, sex, age and origin.

SANCTIONS:

Those persons who are observed to have committed violence and/or discrimination, shall be subject to appropriate measures in accordance with the disciplinary liability policy.

5. Gifts

Any kind of offer, or the agreement on mediation, or the offering/requesting/receiving of any gift, benefit or compensation, which will endanger the independence and impartiality of persons under the scope of the Code shall not be permitted in Credo Bank.

A person shall be immediately released from the position, if he/she, within the scope of authority, for the purposes of his/her own benefit, or for the benefit of the other person, gives his/her colleague or a business partner gifts or money, or he/she receives the same from other persons for the purposes of the benefit of such other persons.

It is inadmissible for the staff members to receive gifts, benefits, compensation, which contravenes the interests of Credo Bank, or which may damage or create the grounds for the

conflict of interest with Credo Bank, except for the cases where there is a written approval from Credo Bank thereon;

It is admissible for Credo Bank to give gifts to persons who have business relations with it, both for physical and legal persons (investors, partner organizations, competitor legal persons). The giving of such gifts shall be performed during the celebrations and shall express the respect and devoted and friendly attitude with such persons.

The giving and receipt of encouraging gifts shall be admissible between the staff members considering the fact that such gifts are of low cost (no more than GEL 1000 per year) and provided that such gifts are not indulging. Otherwise this would be reckoned as an obligation to give gift in response to such behaviour and this will automatically cause the imposition of legal sanctions on the person giving the gift and on the person receiving the gift.

OBLIGATION:

- A person within the scope of the Code shall refuse to offer the valued gift, to give such gift to the other person and to receive such gift from the other person;
- A person within the scope of the Code shall refrain from giving such gift to the other person that may be reckoned infringement of the reputation of the company.

6. The right to being equally employed

Credo Bank shall give to the qualified persons the opportunity of being equally employed despite their political views, race, religion, skin, ethnic origin, language, age, gender and other factors. This concerns all fields of business relationship, including the fields of employment, encouragement, retraining, the termination of business relationship and all other conditions of employment. It shall not be permitted to offer money and valued items for encouraging the employment by Credo Bank.

PERSONS /EMPLOYEES UNDER THE SCOPE OF THE CODE SHALL BE OBLIGED TO:

- Evade doing favours and hinder the discriminating factors in all fields of business relations;
- Never receive money, valued gifts, entertainment means or other benefits for guaranteeing the employment in the organization, or for the purposes of improving the work conditions and for the purposes of promotion;
- Take a decision within the scope of authority with regard to recruitment, encouragement, retraining of an employee and with regard to the termination of the agreement with an employee and other conditions, only on the basis of the qualification and the works performed.

SANCTIONS:

- In the case of revealing the facts of discrimination, sanctions will be imposed on the person within the scope of the Code in accordance with the disciplinary liability policy. If the fact of discrimination causes irrecoverable and serious consequences, the person will be released from the position;

- For the violation of the rules of recruitment and /or promotion, he/she shall be imposed the relevant disciplinary measure;
- For the violation of the rules of employment, he/she shall be imposed the relevant disciplinary measure;
- The person shall be released from the position if such person receives money or other valued gift or benefit for the purposes of recruiting/promoting such employee.

7. Proper fulfilment of financial liabilities

The employees of Credo Bank will be required to properly fulfil the financial liabilities of the commercial banks and non-banking depository institutions. It shall be inadmissible to recruit such person in Credo Bank, who has active overdue financial liabilities.

THE RESPONSIBILITY OF AN EMPLOYEE SHALL BE:

- If an employee has overdue liabilities, or an active negative credit history, he/she shall be responsible to cover such liabilities within the reasonable time frame determined by Credo Bank.

8. The protection of material and intellectual assets

All assets of Credo Bank are properly used. The employees shall be personally responsible for the assets assigned to them, including: for the protection of the buildings (offices, warehouses, garages) devices, supplies, IT and intellectual property. The employees are obliged to protect such assets from the loss, damage, inappropriate and non-purposeful treatment, from stealing, and disclosure.

The employees of the company, who make use of the items belonging to the company, such as cars, telephones, lap tops, etc., shall have the right to take from the office only those items that are assigned to them, and shall be obliged to take due care and not to damage them, and in the case of damage they shall be obliged to compensate for the loss.

OBLIGATION:

- To take care of the items belonging to the company that have been assigned to them for use;
- Evade the loss, damage, inappropriate use, stealing and non-purposeful use and infringement of the assets belonging to the company;
- Not to disclose and/or transfer to other persons intellectual property belonging to the company.

RESPONSIBILITIES:

- In the case of the loss or damage of the items belonging to the company that have been assigned to employees for use, the company shall be compensated for the loss;
- For the purposes of illegal disclosure of the intellectual property belonging to the company, a person shall be obliged to compensate for the loss and/or appropriate

liability measures shall be imposed on such employees in accordance with the disciplinary liability policy.

9. The use of company's communication systems

The communications systems of Credo Bank are critically important for the company's activities. The use of the company's communication systems does not involve the sending, storage, demonstration or forwarding the illegal, confidential material and the material containing personal information, also insulting, materials causing pressure, discriminating or other inappropriate material, including the photographs or the texts of photographs containing materials of violence and abuse.

OBLIGATION:

- Observe the use and provision policy if informational technologies.

RESPONSIBILITY:

For serious violation of the use of company's communication systems an employee shall be imposed appropriate disciplinary liability measure, which shall be determined depending on the seriousness of violation.

10. Procurement activities

Procurement activities by Credo Bank shall be transparent. Procurement activities shall be carried out in accordance with the company's procurement policy.

OBLIGATION:

- The providers shall be selected on the basis of the fair assessment of the procurement conditions;
- Any revelation of the fact of doing favours shall be evaded with regard to the providers;
- The conflict of interest shall be evaded during the procurement process;
- The rules determined by the procurement policy shall be strictly abided by.

IT SHALL NOT BE PERMITTED:

- To receive money and valuable items from providers, as this may affect the taking of a final decision;
- The use of a position for one's privileges.

SANCTIONS:

For the serious violation of the procurement policy a person shall be imposed a disciplinary liability measure depending on the seriousness of violation.

11. The use of alcohol and banned substances

It shall be prohibited to use alcohol and drugs in Credo Bank's offices, as well as their selling, purchasing, storage and besides, the transfer of drugs shall also be prohibited. It shall not be also permitted to smoke cigarettes in Credo Bank's offices, including the smoking of electronic cigarettes.

- It shall not be permitted to use alcohol and drugs that are not permitted by the legislation of Georgia, as well as their sale, transfer, purchase or possession in Credo Bank's offices and/or during the working hours;
- It shall not be permitted to smoke cigarettes/electronic cigarettes in Credo Bank's offices;
- It shall be permitted to use alcohol during the events permitted by the company's administration.

THE RESPONSIBILITY OF AN EMPLOYEE SHALL BE:

- A person under the influence of the alcoholic substance who is present in the company's office shall be subject to a disciplinary liability in the form of a warning under the disciplinary liability policy;
- The person who is observed to have used drug substances prohibited by the legislation of Georgia in the offices of Credo Bank, or who is under the influence of drug substances and appears in the offices of Credo Bank, shall be released from the position;
- A person who is observed to have smoked a cigarette in the offices of Credo (except for specially designated areas) shall be subject to a disciplinary liability under the disciplinary liability policy.

12. Dress code and face control

An employee of Credo Bank shall be in compliance of the rules of dressing etiquette applicable in Credo Bank in terms of dress code and face control.

AN EMPLOYEE SHALL BE OBLIGED TO:

- Observe the dressing etiquette of the office.

THE RESPONSIBILITY OF AN EMPLOYEE SHALL BE:

- If an employee's dressing manner does not conform to the dress code applicable in the office, his/her immediate manager shall have the right not to let such employee to the work place until such employee is properly dressed.
- If the employee takes from the manager a warning three times unofficially due to inappropriate dressing, such employee shall be given an official warning in the written form.

13. Compliance with the Code

The protection of the company's reputation and the compliance with the given Code shall be the duty of each person. Immediately after receiving information on the violation of the rules under this Code, the persons on the managing position shall be obliged to take all possible measures to eliminate such violations and to take disciplinary measures against such violating persons.