



JSC BASISBANK

Whistleblowing Regulation

Article 1. Goal and Scope of Application

1.1. This Regulation (hereinafter – the Regulation) has been developed in compliance with the Charter and other legal acts of JSC Basisbank and the laws of Georgia, including: Code of Ethics and Principles of Professional Conduct (№154/04, 9.07.2018) and Code of Corporate Management of Commercial Banks (№215/04, 26.09.2018).

1.2. This Regulation lays down a procedure for the operation of the whistleblowing system, incident reviewing principles and approaches, defining, in parallel, the procedure for filing and reviewing claims in this connection.

Article 2. Rule for the Operation of the Whistleblowing System

2.1. The Bank sets up a whistleblowing system to promote the identification of and a correct reaction to any possible unethical, criminal incidents.

2.2. The whistleblowing system can be used by any person (including a Bank employee, a Bank customer, contracting party, etc.) if he or she believes that on the part of the management/employee of the Bank, its affiliated/associated company or on the part of a person related to the Bank there has been an unethical action (hereinafter – **Incident**), including:

- Fraud
- Conflict of interest
- Corruption
- Damage to the environment
- Money laundering
- Harassment, blackmail (mental, physical pressure)
- Fabrication
- Disregarding the Bank policies/instructions
- Abuse of power
- Other illegal actions
- Other criminal actions

2.3. Incident may be reported using the following channels:

Verbally	To a Bank service center or by using a hotline, by identifying or declining to identify oneself.
In writing	An Incident may be reported in writing to a Bank service center or by mail sent to the legal address of the Bank, by identifying oneself or anonymously.
Electronically	By sending an e-mail to incidents@basisbank.ge ; through I-Bank, social network or another remote channel.
Through National Bank of Georgia	A customer applies to NBG to report a claim, with NBG communicating on its own with the Bank.

2.4. Anyone wishing to report an Incident may identify oneself or not disclose his/her identity. In any case, the Bank shall review the Incident by taking an equal approach.

Article 3. Incident Reviewing Structural Unit Avoiding Conflict of Interest

- 3.1. The information about the Incident shall be forwarded to the Review Commission of the Bank within not later than 1 (one) business day of receipt using the following e-mail: incidents@basisbank.ge
- 3.2. For the purpose of reviewing incident is stuffed special commission (hereinafter “commission”) under the led by Audit Committee Chairman (hereinafter “Committee”), the members are Head of Human Resources and Administrative Management and Head of Compliance Group (if such does not exist- the substitutes)
- 3.3. Depending on the magnitude of the issue involved, the Chairperson of the Committee may apply to other Committee members and request their involvement.
- 3.4. If the Incident in any way comes into conflict with the interests of the reviewing person or anyone related to the reviewing person, he/she shall disclose such conflict to the Chairperson of the Committee and not take part in reviewing and making a decision on the Incident. If the conflict of interest involves the Chairperson of the Committee, other member of Commission or anyone related to him/her, he/she shall disclose such conflict with the Supervisory Board of the Bank. In any case, to avoid a conflict of interest, the Chairperson of the Committee/other member of Commission must not in any way be involved in reviewing and making a decision on the Incident.
- 3.5. Members of Commission and other member of Commission are entitled to within the frames of incident reviewing to request any information from any of structural units of the Bank and/or from Members of Board.
- 3.6. The decisions are taken by simple majority

Article 4. Principles for the Investigation and Review of and Making Decisions on Incidents

- 4.1. Any Incident shall be investigated, reviewed and decided upon in consideration of general ethical principles and standards, including non-discrimination and impartiality. The Incident shall be investigated and reviewed without delay, objectively and impartially, by obtaining as much exhaustive information as possible and verifying facts. The Bank undertakes to make sure that the allegations of incompliance/breach and Incidents are sought and obtained from a variety of sources; this also implies incidents and breaches identified in the course of monitoring, self-disclosure, written complaints or the information received from any other public source. The process of investigation and review shall also involve the retrieval of records, if any, obtaining statements, gathering all the possible information and conducting surveys.
- 4.2. The process of investigation shall be carried out without any prior disclosure of information to those who might possibly be involved in the Incident.
- 4.3. Depending on the nature of the Incident, the employees whose functions and/or subordinates are associated to the Incident may be involved in the process of review.
- 4.4. Based on the results of the investigation, the Chairperson of the Committee makes an impartial and objective decision.

Article 5. Procedure for Making, Enforcing and Appealing Decisions

- 5.1. The decision shall be communicated to the whistleblower if the nature of the Incident requires giving a reply to the whistleblower and at the same time the disclosure of the decision does not involve the disclosure of the personal details of a person or a bank secret.
- 5.2. The information containing personal details and/or a bank secret may be released only if the Bank has identified the person having filed a claim and the release of the information would not disclose the personal details of another person and/or a bank secret
- 5.3. The Chairperson shall immediately contact the law-enforcement authorities if the elements of a criminal action transpire.
- 5.4. In the case of a breach, depending on the gravity of the breach, the breaching person may be subjected to sanctions according to the Bank Discipline and Sanctions Guideline.
- 5.5. If the breaching person is a representative of the Bank's senior management, the information shall be disclosed to and the decision in relation to the said person shall be made by the Supervisory Board of the Bank.
- 5.6. The decision may be appealed with the Supervisory Board that reviews an appeal and, if necessary, make a decision to re-investigate the matter/change the measures taken by the Chairperson of the Committee or upholding/changing/repealing the decision of the Chairperson of the Committee.
- 5.7. If any member of the Board/Committee is directly or indirectly related to the matter under review or to the persons related to the said matter that might jeopardize the objectivity and independence of or give rise to a conflict of interest in relation to the member of the Board/Committee, the member shall not take part in reviewing and making a decision on the matter and be excluded from the Board/Committee to the extent of the review of the specific matter.

Article 6. Reporting

- 6.1. The Supervisory Board accepts, From time to time but at least once a year, a report from the Chairperson of the Committee on the results, complaints and subsequent decisions.
- 6.2. Reports shall be submitted to National Bank of Georgia in the form and within the terms established.

Article 7. Final Provisions

- 7.1. Any matters not provided for by this Regulation shall be governed by the laws of Georgia.
- 7.2. Any change or amendment to this Regulation shall be made only by a resolution of the Supervisory Board.
- 7.3. This Regulation shall come into force from the day it is approved by the Supervisory Board.

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