



ქართული კრედიტი
GEORGIAN CREDIT

JSC Georgian Credit

Code of Ethics

2014

Preamble

The purpose of this code of ethics is to:

Demonstrate the company's commitment to the highest standards of ethical behavior.

Encourage proper ethical conduct and sanction misconduct within the company.

Develop an ethical culture based on such standards and conduct, led by the company's shareholders, directors and management, and followed by all employees.

By adopting, following and updating this code of ethics on a regular basis, together with the company's corporate governance code and charters, the company confirms its desire to demonstrably lead and promote good ethical behavior and corporate governance. In order to foster the confidence of its shareholders, employees, investors and the general public, this code of ethics goes beyond the legal and regulatory framework prevalent in Georgia today, and embraces both national and internationally recognized principles and practices.

The company's governing bodies and employees understand this code of ethics as their obligation and set forth to ensure that its spirit and provisions are respected and acted upon throughout the company and its business partners.

This code of ethics is reviewed and updated on an annual basis and published internally in booklet form and via the company's intranet site, as well as on the company's internet site.

A. The Company's Corporate Values

In all internal and external relationships, the company demonstrates its commitment to:

Social Responsibility

- The company has a strategy to achieve its social goals;
- The company strategy includes a formal mission statement, which includes increasing access to financial services for vulnerable or excluded target groups and creating benefits for these clients;

- The company states that poverty reduction as one of its social goals, and monitors the poverty levels of its clients using a poverty assessment tool;
- The company knows who it is targeting, what its goals are, and how its products and services help to achieve those goals;
- The company collects, reports, and ensures the accuracy of client-level data that are specific to the institution's social goals;
- The company discloses social performance information, including the MIX social performance data.

Responsibility to Clients

- The company offers to every client high class services, equally;
- The company understands the needs and preferences of different types of clients and its products, services, delivery models and channels are designed to benefit clients, in line with the institution's social goals;
- The company gathers direct input from clients and develops products and services that create benefits for clients, enabling them to invest in economic opportunities and address anticipated household needs;
- Fair and Respectful Treatment of Clients - Company's HR policies on recruitment and training are aligned around fair and responsible treatment of clients;
- Prevention of Over-indebtedness - Senior management and the board are aware of and concerned about the risk of over-indebtedness;
- Transparency - The company fully discloses cost and non-cost information;
- Privacy of Client Data - The company has a privacy policy and appropriate technology systems;
- The company seeks client feedback for product design and delivery and analyzes client satisfaction by client characteristic;
- Mechanisms for Complaint Resolution - The company's employees are trained to handle complaints. The company uses client feedback to improve practices and products;
- The client that receives a quality service potentially becomes a returning client; returning client that receives a quality service becomes a partner who shares the same values that the company stands for;
- The company monitors the rate of customer turnover and understands the reasons for client exit;
- The company takes action to correct institutional problems leading to customer turnover and dissatisfaction.

Responsibility to Employees

- The main working principle at Georgian Credit is equality - Any employee has equal opportunity in terms of promoting or assessment. The company conducts objective and fair policy towards employees;
- The company's core strength and value are its employees, which the company is very proud of;
- The company employees are provided with stable and development-oriented work environment;
- The company provides occupational safety of every employee;
- Employees receive a written job description and employment contract;
- Employees receive job-specific training and/or skill development;
- Each employee understands how his/her performance will be evaluated and rewarded by the institution;
- The company analyzes employee satisfaction.

Professional Competence and Integrity

- The company offers its client professional services;
- The company provides training and evaluates employees on both social performance and financial performance responsibilities related to their position;
- The company implements policies to promote ethics and prevent fraud;
- Senior management integrates company's social performance goals into business planning;
- The company culture raises awareness and concern about fair and responsible treatment of clients;
- The company provides its customers with qualified advisers/consultants, which enables them to develop their business further.

Team Collaboration

- Team work and collaborative striving for the set goals are the main support for the growth of the company;
- Benevolence, direct communication, staff support and friendly environment are essential for company's working climate;
- The company support formation and strengthening of group aspiration within the company and in micro groups in general;
- The company puts great emphasis on team work and collaboration between the company coworkers;

- The company encourages its staff to fully participate in company's everyday decisions and to feel their importance and necessity – responsibility and interest to be involved in decision making process;
- Every employee of the company has the ability to have a measurable effect on company development.

Confidentiality

- The company fully discloses cost and non-cost information;
- The company informs clients of their rights;
- The company collects, reports, and ensures the accuracy of client-level data that are specific to the company's social goals;
- The company uses a variety of disclosure mechanisms;
- The company provides accurate and timely account information;
- The company has a privacy policy and appropriate technology systems;
- The company informs clients about when and how their data is shared and gets their consent;
- The company employees are obligated not to disclose confidential information which they receive while on duty. Employees are required not to use, publish, disseminate or disclose to any person, other than those officials or employees, any commercial or confidential information;
- The Employee of the company shall keep company's confidential information secret. Such as, information about the financial plans and operations; internal standards and methodology; Annual and multi-year financial plans; Internal instructions and regulations.

Clear Corporate Identify and Branding Policy

- The company sets and monitors growth rates that promote both financial sustainability and client wellbeing;
- Pursuit of profits does not undermine the long-term sustainability of the institution or client well-being;
- The company's strategy defines measurable social targets for client-level outputs and outcomes;
- Any employee of Georgian Credit is the representing face of the company and in any social gatherings is associated with the company name, thus their actions should always be in harmony with company's social goals and above stated ethical standards.

B. The Company's Ethical Principles

The company is committed to act ethically in all aspects of its business. Georgian Credit is committed to conducting business in a fair, honest and sound manner to help assure that the long term interests of its shareholders are being served.

As part of this commitment, this Code of Conduct sets out the policies and procedures for the fair and honest business practices and behavior that Georgian Credit expects from its staff.

This Code applies to all Georgian Credit employees, contractors, officers and members of the Board of Directors, who are referred to below as "Employees".

The company's ethical standards are based on the following principles:

- Honesty
- Integrity
- Fairness
- Transparency

Similarly, the company expects the same in its relationships with all those with whom it does business.

The company's ethical standards focus on the following areas: employees, customers, relations with its business partners, government, society and the wider community. These ethical standards shall also apply to all business areas for all subsidiaries and dependent companies both within and outside of Georgia.

All of the company's ethical standards are based on:

- Respecting the rule of law, Georgian laws and regulations, and showing respect for human rights.
- An Employee must take no action on Georgian Credit's behalf which the Employee knows, or suspects that it violates any applicable law or other act. While we must compete vigorously, we must at the same time do in such strict compliance with all the laws and other acts that apply to us.
- Georgian Credit and its Employees may not assist any other Employee or a third party in violating any law.
- Managing the company's financial and operational performance to maximize the long-term value for its shareholders; Employees must maintain truthful business records that accurately and fairly reflect Georgian Credit business and financial transactions. Employee must not falsify or forge any business records.

- Georgian Credit shall at all times provide full, fair, accurate, timely and understandable disclosure in report and documents that it files with, or submits to any regulatory authorities, and on other public communications made by Georgian Credit.
- Conducting business with integrity and fairness, renouncing bribery and corruption or similar unacceptable business practices, and not giving or accepting gifts and entertainment unless they fall under business custom, are immaterial and infrequent.
- Georgian Credit will not tolerate, and no Employee may pay, offer or authorize any bribe or any other unlawful payment on behalf of Georgian Credit.
- Bribery is giving of money or anything else of value in an attempt to influence the act or decision of a public official, or to induce the public official to influence any act or decision of the government, to assist Georgian Credit in obtaining or keeping business. Any Employee with knowledge of a request for payment of a bribe must immediately disclose the information to the CEO.
- Creating mutual advantage in all the company's relationships to build and foster trust.
- Demonstrating respect for the community the company operates in, as well as for the natural environment.

C. Ethical Standards for the Company's Relationship with its Stakeholders

Relations with Employees

The company values its employees as the keystone to success. The company is thus committed to treating all employees with dignity, trust and respect, and to building a long-term relationship based on Georgian labor law and the respect of human rights. The company will not employ child labor.

The company fosters teamwork, believing that diversity in talent, perspectives and opinions stimulate new and creative business opportunities and innovation. Similarly, the company renounces all forms of bureaucracy and excessive hierarchical structures that impede operational efficiency.

It is the company's policy to provide for and regularly improve upon a healthy, safe and secure working environment for its employees.

Conflicts of interests can, or appear to, compromise the judgment or objectivity of the company's employees and officers. An appropriate policy and disclosure thereof has been developed to this extent.

The company is an equal opportunity employer. Its recruitment, promotion and compensation policy is based on merit and free of discrimination. Clear and transparent policies to this extent have been developed and put into practice.

Any kind of discrimination or harassment at the workplace will not be tolerated and contrary behavior properly investigated and dealt with through the company's human relations manager.

Employees are recognized and rewarded for their performance, based on performance objectives, and constructive and regular feedback through face-to-face meetings. Rewards are given both at the team and individual level. The company has to develop a training program, accessible to all employees, which encourages individuals to formulate personal development plans and provides for coaching, mentoring and formal skill-enhancing trainings.

The company sanctions the illegal use of confidential and insider information by all officers and employees, and has developed a detailed procedure to effectively deal with this matter.

A regular consultation process between the company's employees and managers has been put in place to effectively deal with employment conditions and other issues that affect the employees work environment.

These principles do not limit the right of the company to enforce discipline or to terminate workers in accordance with Georgian legislation.

Relations with Customers

- Customer satisfaction is tantamount to the company. Safe and quality products and services, fair pricing and appropriate after-sales service shall define the company's relations with its customers.
- The company always seeks to deliver what it promises.
- We impose the highest standards in our services.
- We strive to serve our customers so they have confidence in us. Our success depends on user satisfaction and trust. Client requirements are continuously changing, which is why we need to constantly monitor our customers and use our capabilities to meet the changing demands.

Relationship norms:

- Each employee shall be attentive, fair and patient to customer;

- It is forbidden to communicate with customers in an unpleasant, condescending manner, as well as engaging with them in a too close and friendly relations;
- Employees should establish reliable and favorable business like relations with customers.

While communicating with customers its strictly prohibited to:

- Assault;
- To be in any kind of moral or financial obligation to the customer: accepting expensive gifts or any other form of benefit service (including invitation) the value of which amounted to more than 20 GEL.

Relations with its Business Partners and Lender

- The company believes that a long-term relationship with its business partners and lenders founded on respect, trust, honesty and fairness is vital to its success.
- The company will put forth its best effort to only cooperate with those business partners and lenders that share the company's ethical standards.
- The company will respect the sanctity of contracts and business relations.
- Contractual negotiations shall be conducted on the basis of mutual advantage.
- Business relations shall be based on high performance standards, delivering in a timely and qualitative manner.
- In case of a commercial dispute, the company will strive to negotiate and compromise in good faith in order to reach an amicable solution.

Relations with Government

- The company will pay all taxes that are owed and due, fully and in a timely manner.
- The company abides by all regulations of the National Bank and Georgian legislation.
- The company has also legally obtained all licenses required to do business.
- The company seeks to build and manage a sound relationship with the National Bank and other governmental authorities on an arm's length basis. No attempts to improperly influence governmental decisions shall be made, and the company will not offer, pay, solicit or accept bribes in any form or shape, either directly or indirectly, in its dealings with the government, administration or courts. Transparent procedures regarding transactions engaged in by the company with any government agency or official, or in dealings with any company owned or controlled by a government agency or official, shall be established to this end.
- The company will never make political contributions whether in cash or in kind.

Relations with Society

- The company views itself as an integral part of the community in which it operates and is committed to a sound relationship built on respect, trust, honesty and fairness.
- The company is committed to creating jobs and developing local talent when this is economically sustainable.
- The preservation of the environment is of the utmost importance to the company. The company thus strives to minimize any disruption to the environment arising from its activities by reducing waste, emissions and discharges, and by using energy efficiently. All operations and activities will be carried-out according to the highest standards of care and in-line with internationally recognized principles.
- Company employees are encouraged to engage and commit part of their time to help the local community through a variety of charities and foundations, educational organizations and similar institutions.
- The company promise to engage and consider the specific developmental needs of communities in which it operates, through a process of regular and open dialogue.

D. The Basic Principles of Employees Ethical Conduct

The given Code of Ethics also regulates the employees basic principles of conduct. Every employee is required to act in accordance with the following principles:

Conflict of interest may jeopardize the employee's impartial and fair judgment.

- No Employee should be subject, or even appear to be subject, to influences, interests or relationships, which conflict with the best interests of Georgian Credit. This means avoiding any activity, which might compromise or seem to compromise Georgian Credit or the Employee, or bring embarrassment to or adversely affect the reputation of Georgian Credit or the Employee.
- It is prohibited to employ family member or close relative of a staff worker in organization. Rare exceptions are allowed when a candidate (a family member or close relative of a staff employee) is distinguished by his/hers unique skills, which the concurring candidates do not possess and is indispensable to be considered for the position.
- If the organization already has family members and/or close relative employees, a necessary conditions are the following:
 - They should not have company's funds or other property at their disposal;
 - They Should not give out the loan independently, without interference from other parties;
 - The should not authorize each other's loans;

- The company shall not have structures of political parties and movements. Employees are banned to be guided while on duty by the decisions of parties, political movements, as well other public organizations; overt political propaganda is also prohibited;
- It is forbidden to use the occupied positions for personal gain;
- There shall be no preferential products and service offerings for clients based on personal initiative, except as regulated by normative acts;
- Vendor selection based on personal connections. All contacts and dealings with customers, suppliers, and potential suppliers must be conducted so as to avoid even the appearance of impropriety or violation of any applicable law or any other act or this Code;
- Employees are prohibited from: participating in the process of issuing a loan to a client who is a relative or a close friend; Participation in decisionmaking process, where his or her relatives or family interest are concerned.
- Employees must not accept employment with, or act as consultants or agents for any Georgian Credit customer, supplier or competitor. An Employee's personal transactions with Georgian Credit customers, suppliers or competitors must not involve the use of Company time, property or information, and must be on non-preferential terms and independent of any relationship with Georgian Credit.

Communication and Reporting

Company employees are required to provide to each other, customers, internal and external auditors, and other third parties only accurate and reliable information, as well as complete, accurate and timely reports on the production and storage.

Reliability of information

- All information submitted to the employer (resume, employee questionnaires, etc.) must conform to reality and be accurate.
- All information submitted by a subordinate (reports, records or other information) must conform to reality and be accurate.

No personal appropriation of Georgian Credit property

- No Employee may without proper authorization use or permit others to use Georgian Credit property or services for personal purposes or their own personal benefit. The unauthorized removal of Georgian Credit material, equipment or supplies, or unauthorized use of Georgian Credit property is treated as theft.

- The submission of a fraudulent expense report and the misuse of Georgian Credit -issued credit and telephone cards are treated as theft. Each Employee is expected to use the same care for Georgian Credit's property as he or she would if it were the Employee's own property.
- Fraudulent or negligent damage of the company property is one of the foundations of the disciplinary proceedings.

Confidential Information

- Company employees are obligated not to disclose confidential information, which they obtain while on duty. Employees are required not to use, publish, disseminate or disclose to any person, other than those officials or employees, whose competence is included, any commercial confidential information, which includes, but is not limited to: company performance, cost, financial or contractual arrangements or other agreements, transactions or business relationships with current or former employees, customers, suppliers information of which they become aware.
- Every employee is required to keep any document containing confidential information, in a closed drawer and turn the computer off once the work is complete.
- The employee shall not disclose any confidential information even after the dismissal.

Public Information

- This duty of confidentiality does not apply to information that is considered public information and is subject to declaration in compliance with the law.
- Information on the company, its activities, products, tariffs, financial or other condition is transparent and accessible for all the shareholders, controlling bodies and other interested individuals.

Discrimination and Harassment

- The company reacts strongly against the occurrence of the facts of any form of discrimination in the workplace, properly investigates and executes the appropriate response to such actions.
- No employee, regardless of his/her position and length of service in the organization, does not enjoy any special privileges.
- The company's approach is irreconcilable with respect to discrimination and violence, its irreconcilable not only towards discriminators , but towards those who gave the directive of discrimination and abuse.

- Any kind of discrimination and harassment cases will be investigated in accordance with the HR department policies and the disciplinary punishment will follow.

In particular, with regard to employment:

The company does not discriminate against any employee or applicant according to race, color, religion, sex, gender identity, national origin, age, sexual orientation, disability, marital status or any other characteristic, which is protected by law. This applies (but is not limited to) the recruitment, selection, promotion, transfer, training or release.

Responsibility

Each individual is responsible for his or her ethical behavior. The company has implemented a procedure for all officers and employees to regularly state that they understand and apply the provisions of this code of ethics. Adherence to this Code is further made obligatory as it is referenced in all employee contracts and linked to disciplinary procedures. A copy of this code of ethics is given to every employee on his or her first working day.

Department heads are accountable to the CEO and/or executives for implementing this code of ethics within their departments, ensuring that all officers and employees understand it, and for providing assurance on compliance. The CEO and/or executives are in turn accountable to the board.

The principles and provisions in this code of ethics have been integrated into the company's system of internal control. Rigorous and objective processes to measure performance identify gaps and implement measures to address ethical gaps are regularly reviewed and modified.

Willful or careless breach or neglect of this code of ethics will be treated as a serious disciplinary matter and can lead to the termination of employment.

The board's audit committee periodically reviews and updates compliance with these principles, and formulates proposals for the board's approval.

Violation of the Code

Georgian Credit will take immediate disciplinary actions, up to and including termination, of any Employee who violates this Code. In addition, Georgian Credit reserves the right to take all appropriate legal actions in connection with violations of this Code, including, but not limited to, the initiation of criminal prosecution.

Every employee has the right to report violations of the internal audit, which, in turn, must apply to the Director-General and the Audit Committee in connection with the invite.

The Code of Ethics is reviewed and updated every year.