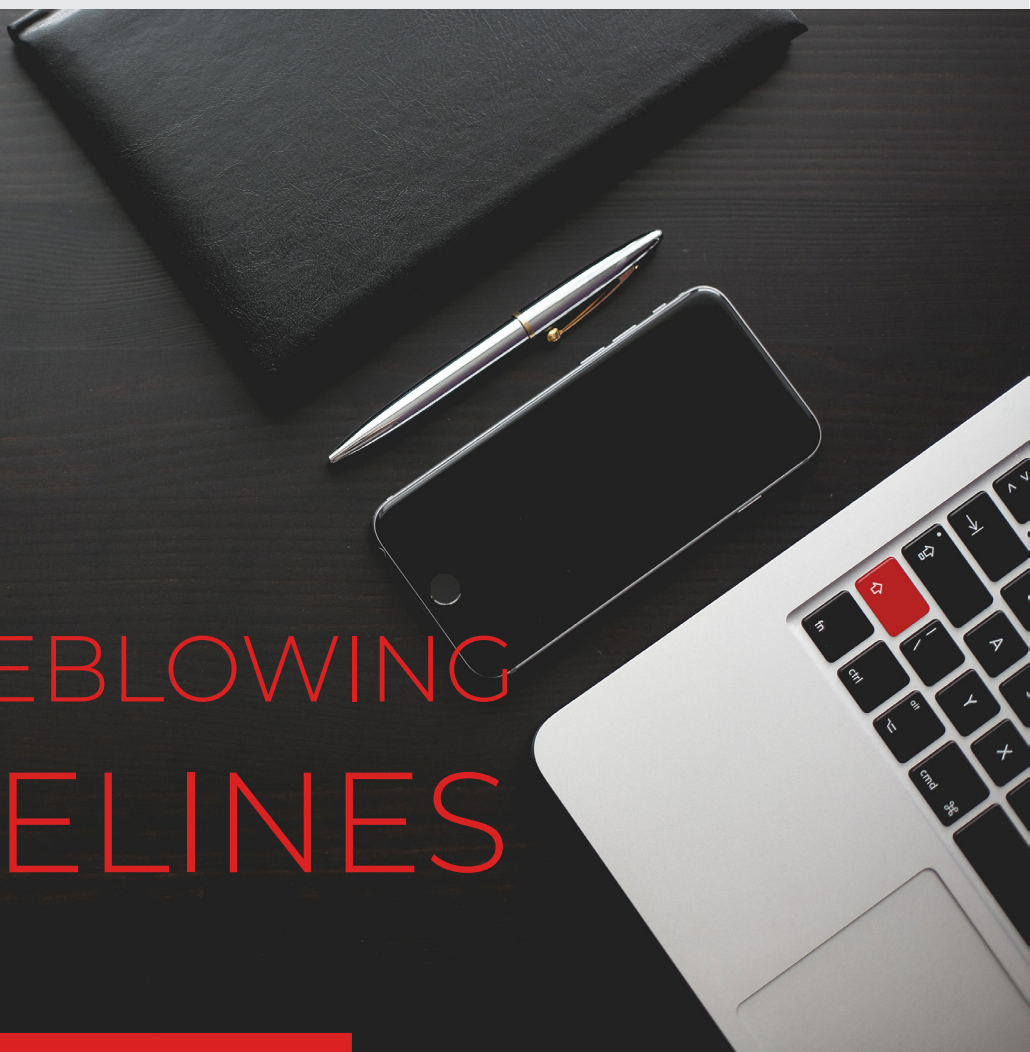


Finance
Latvia
Association

WHISTLEBLOWING GUIDELINES



1. The Whistleblowing Law¹ that came into effect on 1 May 2019 is aimed at encouraging the reporting of misconduct in the public interest, implementation of whistleblowing procedures and effective legal protection of whistleblowers.
2. According to Article 9 of the Law, associations and foundations (in our case – Association) may provide support, including consultations, to whistleblowers and individuals willing to blow the whistle, to encourage the reporting of misconduct and to guarantee whistleblower protection.
3. The Association understands that the aim of the whistleblowing tool is to ensure every staff member of a financial institution the possibility to report on any potential misconduct in the operations of the institution affecting significant public interests, for the breach to be remedied in timely manner, prior to it jeopardizing the organization's reputation, it suffers loss or the matter is brought before competent state authorities.
4. The Association understands that the whistleblowing system is a component of good corporate governance practice that facilitates sustainability, transparency and reliability. The existence of an appropriate whistleblowing platform as part of corporate governance increases the level of trust within the organization equally for investors and cooperation partners. Whistleblowing tools help develop internal corporate culture that is based upon openness and zero-tolerance to misconduct.
5. International practice reveals that it is more effective to have several whistleblowing platforms set up and launched within a single organization. Therefore the internal regulations of every financial institution must contain information regarding the possibility for its employees to blow the whistle and it must actively communicate to its employees the available whistleblowing platforms (e.g. the whistleblowing platform foreseen in the Credit Institution Law Article 106.2).
6. Moreover, employees of financial institutions may also make such disclosures to the Association electronically, using a special e-mail address: whistle@financelatvia.eu or fill-in the electronic whistleblower's reporting form at: www.financelatvia.eu/whistleblower.
7. The Association undertakes to guarantee confidentiality of the whistleblower's identity and protection in accordance with the Whistleblowing Law and Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law. Moreover, the access to the whistleblower's reports is granted only to the Association's management board. The Association will keep the disclosure reports for a term not exceeding one year.

¹ Whistleblowing Law, available under: <https://likumi.lv/ta/id/302465-trauksmes-celsanas-likums>

8. A whistleblower's report may be submitted regarding any misconduct or breaches of the financial institution, e.g. corruption, fraud, tax evasion, anti-competitive practices, circumvention of sanctions, etc.
9. The Association indicates that the whistleblower's report submitted by an employee of a financial institution to the Association **may not contain sensitive customer data or information about their business deals**. A disclosure report that contains or could potentially contain confidential data on the customer and its transactions can be presented by the employee through the financial institution's internal whistleblowing platforms or in case the financial institution is supervised by the Financial and Capital Market Commission – also through the whistleblowing platform set up by the Financial and Capital Market Commission in line with the financial institution's internal procedures and Article 106 of the Credit Institution Law.
10. When making a disclosure, it is important for the whistleblower to specify their identity, allowing the Association to contact them for additional information and to inform on the progress of handling the matter.
11. The management board of the Association must confirm the receipt of the whistleblower's report within seven days after having received it. The management board of the Association undertakes to notify the whistleblower within a reasonable term on the examination of the report and measures taken by the financial institution.



12. To ensure adequate whistleblower protection after receipt of the disclosure report, the whistleblower's report is fully pseudonymised, by replacing any personal data and other information contained in the report that would allow identification of the whistleblower.
13. Following data pseudonymisation, the management board of the Association refers the report to the management board or supervisory board of the financial institution and ensures feedback, inter alia, aimed at identifying whether the financial institution facilitates elimination of the misconduct and breach without making any attempts to identify the whistleblower.
14. Where necessary for complete elimination of the financial institution's suspected breach, the management board of the Association refers the pseudonymised whistleblower's report to a competent authority to clearly identify and remedy the breach and, where possible, inform the financial institution.
15. In case the whistleblower does not want to receive any further information on the progress of the report and is not sure that his – as the whistleblower – identity will receive proper legal protection, he may use the option to report anonymously. In such a case the whistleblower's report will be reviewed to the extent possible and the whistleblower is not granted the protection prescribed by the Whistleblowing Law.
16. The Association has drawn up a whistleblowing reporting template that is enclosed as an annex to these guidelines. The individual fills in the reporting template to blow the whistle on misconduct or illegal practices at the financial institution through the whistle-blowing platform maintained by the Association. The disclosure report may also be submitted in free form, nevertheless we recommend using the whistleblowing reporting template.
17. In its informative materials and during employee training the financial institution must keep its employees regularly informed about whistleblowing possibilities and particularly – the available tools for reporting to the Association.
18. Financial institutions do not tolerate bad faith conduct and breach of whistleblowing principles. Although this policy is only a recommendation and financial institutions have voluntarily committed to comply with the policy, it is important to have these principles respected by all stakeholders, thus strengthening the reputation and reliability of financial institutions. In case a financial institution violates the policy, the Association's council will act in accordance with the procedures prescribed in its by-laws.

WHISTLEBLOWING REPORTING FORM

1. DESCRIPTION OF THE MISCONDUCT

Please provide details of the suspected misconduct. Give specific facts and circumstances proving the same (e.g. data and location where the potential misconduct was observed), individuals (specify their position) or companies involved therein. Please specify whether you possess any evidence (e.g. documents, photo images, e-mail communication).

2. HOW DID YOU OBTAIN THE INFORMATION (E.G. EMPLOYMENT RELATIONSHIP)

Specify the financial institution involved in the suspected misconduct (member of the Association, associate member):

Your involvement with the financial institution suspected of the misconduct (please mark as appropriate):

- ☐ I work for the financial institution that is covered by the report (Contractual relationship / I hold a position / I am in a service relationship);
- ☐ I perform work duties at the financial institution I report about, however I have no contractual relationship with it (e.g. I render services to it, nevertheless I have a contractual relationship with another organization);
- ☐ I detected the suspected misconduct while establishing a legal relationship.

3. SPECIFY THE HARM CAUSED OR POTENTIALLY CAUSED BY THE SUSPECTED MISCONDUCT TO THE COMPANY'S INTERESTS² (NAME THE SPECIFIC INTERESTS) AND THE COMPANY'S REPRESENTATIVES AFFECTED THEREWITH.

4. HAVE YOU ALREADY REPORTED ON THE MISCONDUCT?

(mark the appropriate, provide commentaries, if required)

- ☐ No, this is the first time I have reported it.
- ☐ Yes, I already reported at my workplace through the internal whistleblowing platform.
- ☐ yes, I reported to another institution (specify _____).
- ☐ Yes, I reported at my workplace and also to another institution.

Other information _____

Comments:

² Reporting on the infringement of any personal interests is not considered to constitute whistleblowing.

5. ENCLOSURE

Specify the documents enclosed with the report which, in your opinion, support the suspected misconduct. In case you have indicated that you have already reported on the misconduct earlier, please enclose the response thereto, if any.

- 1.
- 2.
- 3.
- ..

6. PLEASE GIVE THE NAMES AND SURNAMES OF PERSONS (IF ANY) YOU DO NOT WANT TO BE INVOLVED IN THE EXAMINATION OF THE PSEUDONYMISED VERSION OF THE REPORT:**7. REPORTER'S INFORMATION (NAME, SURNAME, PERSONAL ID NUMBER, DATE OF BIRTH, IF NOT CONTAINED IN THE PERSONAL ID NUMBER):**

Contact details (E-mail, phone number or other information for contacting you, incl. for sending the response):

8. REPORTING DATE:

By submitting the whistleblowing report I:

- Consent to the processing of my personal data (registration of the report, verification of the data given therein and for repeated communication with me);
- Confirm that I consider the information presented herein to be true;
- Am aware that I may be held liable under the applicable laws for providing misleading or false information.

In case my report is not recognized a whistleblowing report:

- ☐ **I consent** to my report being further reviewed as a private individual's application (according to the general procedure without any protection guarantees);
- ☐ **I do not consent** to my report being handled as a private individual's application.

Filled-in by the Finance Latvia Association

Registration date _____ No. _____

INFORMATION ON FURTHER COMMUNICATION:

- You will be informed of our decision (Using the contact details given under Item 7) within seven days after taking the decision on the recognition of your report to constitute a whistleblowing report;
- We may contact you for additional details, in case it is required for examining the whistleblowing report;
- Finance Latvia Association will inform you on the progress of examining the report within the term of three months;
- In case you have any questions, please contact the management board of Finance Latvia Association via: whistle@financelatvia.eu

THANK YOU FOR REPORTING!