

JSC Cartu Bank
WHISTLEBLOWING POLICY

2024

1. General Description

- 1.1 The Anonymous Whistleblowing Policy of JSC Cartu Bank (hereinafter "the Bank") establishes the procedure for sending a whistleblower notice regarding a suspected breach of the legal requirements and internal policies, standards or procedures of the Bank by the staff, as well as the decisions made by the bank officials within the scope of their authority, and receiving/reviewing such notifications by the Bank.
- 1.2 This Policy is based on the legislation of Georgia, Articles of Association of the Bank, the Code of Ethics and Professional Conduct Standards, the international standards, including the recommendations of EU Whistleblowing Directive 2019/1937.
- 1.3 The Compliance Department is responsible for implementation and monitoring the Policy, review of a received whistleblower notice and further response in accordance with the rules specified in chapter 5 of the Policy.
- 1.4 This policy is intended for all the structural units of the Bank and compliance with it is obligatory for all the employees of the Bank.

2. Objective and Tasks

- 2.1 As a responsible financial institution, JSC Cartu Bank conduct its business in accordance with its ethical principles and Code of Professional Conduct Standards.
- 2.2 The purpose of the organization and operation of the anonymous whistleblower system of the bank is:
 - Protection of the shareholders', the Bank and clients' interests;
 - Bolstering effectiveness of corporate management and compliance control systems of the Bank;
 - Prevention of improper behavior of bank employees;
 - Creation of an effective mechanism for improving the quality of Bank products and services, prevention of potential violations and conflicts of interest between the Bank employees and the Management, as well as the risks arising in the operation of the Bank;
 - Prevention of bad faith actions of the employees, including inappropriate use of insider or confidential information;

- 2.3 The task of the anonymous whistleblowing system of the Bank is to identify possible violations, investigation thereof and implement necessary actions of preventive measures.
- 2.4 Within the frameworks of the Policy, the Bank encourages the relevant persons to report any of the possible violations listed below, in case of suspected violation in progress or a prospective violation.
- 2.5 The types of violation:
- 2.5.1 Violation of the Georgian legislation, rules and regulations applicable to the Bank;
 - 2.5.2 Failure to comply with the internal regulatory documents and/or ordinances of the Bank, decisions made by its collegial bodies and/or officers within their scope;
 - 2.5.3 Bad faith conduct of the staff, including inappropriate use of insider or confidential information;
 - 2.5.4 Financial irregularities, fraud and corrupt practices;
 - 2.5.5 Abuse of power /official position;
 - 2.5.6 Risks related to the health and safety of individuals (including potential risks);
 - 2.5.7 Harm to the environment;
 - 2.5.8 Retaliatory actions, inappropriate and/or unethical behavior committed for for whistleblowing of violations/possible violations or involvement in investigation thereof;
 - 2.5.9 Attempts to intentionally disguise or conceal any of the aforementioned facts;

3. Principles of Sending Notices by the Bank Employees

- 3.1 The Bank ensures protection of data about those employees who send a notice within the scope of this rule.
- 3.2 The Bank ensures confidentiality of messages received from employees.
- 3.3 Also, The Bank ensures protection of interests and anonymity of the whistleblowers, who voluntarily provide additional information during the investigation of the facts, or are requested to provide any assistance in connection with the investigation of the violation.
- 3.4 The "Bank" is intolerant to any kind of repression or threats of repression against the "Whistleblower", when the same are targeted against the "Whistleblower" who has carried out or may carry out a whistleblowing or, in accordance with this "Policy", has supported the "Bank" in investigation of breach.
- 3.5 Use of the whistleblowing system for personal purposes to cause moral harm to employees, clients, business partners and the business reputation of the Bank is unacceptable.
- 3.6 Based on the initial study of the employee report, the Bank reserves the right not to take into account the report and information not related to the objectives and tasks of this rule, as and to apply the legitimate measures against the reporting employee acting in bad faith and with illegitimate intent.

4. Application Acceptance Procedure

4.1 The Bank employee have the right to submit whistleblowing notice in writing or electronically. The whistleblower have the right to submit such a notice anonymously at its own description.

4.2 The possible violation may be reported internally in one or more of the following ways:

4.2.1 Electronically:

by sending an email to: info@cartubank.ge , anonym@cartubank.ge or

by completing/sending an "Anonymous Application form" posted on the website www.cartubank.ge

Also, a whistleblower may submit an electronic complaint via non-identifying email.

4.2.2 In writing:

The Bank office is obliged to receive a notice in writing to be submitted to the HR department for consideration.

4.3 If a customer submits an application/complaint to the Bank, it will be reviewed by the Quality Management Division, and the relevant decision will be made in accordance with the "Regulation on Protection of Consumer Rights in the Provision of Services by Financial Organizations" approved by the order of the President of the National Bank of Georgia.

5. Notice Review

5.1 The whistleblowing notice submitted by an employee shall be sent to the Human Resources Management Department (HR) for study.

5.2 The Bank will review whistleblowing facts based on the principles of confidentiality, fairness and objectivity.

5.3 According to the relevant procedure established at the Bank, the HR director shall familiarize oneself with the content of the notice and carry out a primary (general) analysis of the circumstances.

5.4 The employees participating in the discussion shall not be associated with the facts and the case being investigated.

5.5 While considering the notice, the HR Department is authorized to:

- Request and receive documents and/or etc. information from the Bank employees, associated with the facts and events specified in the notice;
- Involve Bank employees (agreed with the immediate supervisor) as experts within their scope and/or invite them for consultation regarding the circumstances in question;

- 5.6 Depending on the content of the notice, the immediate involvement of the Security Department shall be required if the content refers to the following violations: corruption, fraud, a crime (theft, forgery of documents, etc.), damage to property, psychological, moral, physical violence against a Bank employee/customer, or the above - mentioned threats etc.
- 5.7 Based on the received information, the HR Director shall cause processing/preparation of the issue for submission to the Board of Director.
- 5.8 The fact will be studied by the Board of Director authorized to take administrative measures against the person who violated the rules established at the Bank.
- 5.9 When the complaint concerns a Top Management member, the matter shall be reviewed by the Supervisory Board of the Bank.
- 5.10 All the reports, documents and records relevant to the review of the notice is recorded and filed with the HR Department, and the results of the review of employee reports sent to the Compliance Department.
- 5.11 Statistics of complaints received in the previous month are sent to the National Bank of Georgia on a monthly basis according to the characteristics established by the NBG.

6. Final Provisions

- 6.1 This policy is available to any employee of the Bank and can be accessed on the website/intranet of the Bank.
- 6.2 While recruiting a new employee, HR department organizes an introductory instruction regarding this Policy and the related documents, and for the staff in place informational activities/training is periodically held directly or remotely.
- 6.3 Employee shall not at any time destroy any material evidence that may be important for determining the circumstances of the violation provided under this Policy and not to disclose to a third party the information that may have a negative impact on the investigation of the said circumstances.
- 6.4 In case of conflict of any rule/provision of this instruction with the legislation of Georgia, the legislation of Georgia is prevail.
- 6.5 This Policy shall be periodically revised and updated in order to properly reflect the risks faced by the bank, changes in the legislative, regulatory and international standards.