

Extract from the Anti-Corruption Policy and the mechanism for confidential reporting  
of unacceptable behavior in JSC “CRYSTALBANK”,  
approved by the Resolution of the Supervisory Board of JSC “CRYSTALBANK”  
No. 25 dated March 31, 2021

## GENERAL PROVISIONS

The Anti-Corruption Policy and the mechanism for confidential reporting of unacceptable behavior in JSC “CRYSTALBANK” (hereinafter referred to as the Policy) is an internal document of JSC “CRYSTALBANK”.

The Policy defines the principles and requirements aimed at implementing effective measures to prevent unacceptable behavior, fraud, abuse, violations and corruption and bribery in JSC “CRYSTALBANK” (hereinafter referred to as the Bank).

The Policy defines the participants in the procedures for preventing unacceptable behavior and combating corruption (including in relations with third parties, including individuals, legal entities, public authorities and their representatives), their tasks, functions, powers and responsibilities.

The Policy is a key element of the anti-corruption program, together with other related documents and procedures established to effectively manage the risk of corruption in the Bank.

The Bank emphasizes that all its employees and managers in their legal relations with business partners, public authorities, local governments must be guided by the principle of “zero tolerance” to any manifestations of corruption and bribery and will take all measures provided for by law to prevent, detect and combat corruption and related actions.

Confidential reporting concerns unacceptable behavior (including illegal actions), in particular fraud or corruption and bribery in the Bank, violation of the current legislation of Ukraine, regulations of the National Bank of Ukraine and internal documents of the Bank, waste or improper management of the Bank’s resources, abuse of office, behavior that causes or contributes to significant damage, may impair the Bank’s operations or management, as well as attempts to commit such actions (hereinafter referred to as unacceptable behavior),

The Policy provides for procedures by which the Bank’s employees (indirectly<sup>1</sup>, regardless of the internal chain of command) and the Bank’s clients or other stakeholders will be able to confidentially<sup>2</sup> report to the Bank’s Supervisory Board through the Compliance Unit their substantial suspicions (fair fears and observations) of potential or actual fraud, abuse, corruption, bribery, unacceptable behavior and violations by the Bank’s employees.

The Policy is mandatory for all employees of the Bank. All employees of the Bank (regardless of their position) are obliged to comply with the ethical principles, approaches and requirements of this Policy.

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<sup>1</sup> The method of indirect notification ensures that conflicts of interest are avoided, i.e. notification is not made through the usual methods of information exchange.

<sup>2</sup> Confidentially means preventing disclosure of information to persons who are not authorized to receive it.

## TERMS AND ABBREVIATIONS

**Bank** means JSC “CRYSTALBANK” consisting of structural subdivisions of the Head Office and its separate subdivisions.

**Separate subdivisions** are separate subdivisions of the Bank (directorates and branches) that do not have the status of a legal entity, carry out banking activities on behalf of the Bank, do not have a separate balance sheet and operate in accordance with the Regulations on directorates and branches. Transactions of separate subdivisions are carried out through the Bank’s correspondent account and are reflected on the Bank’s balance sheet.

**Internal document/intra-bank document** means a policy on certain areas of the Bank’s activities, regulations, instructions, methodologies, rules, orders, decisions, job descriptions, description of procedures and operational processes, or documents developed by the Bank in another form, which, among other things, include a description of procedures/processes, responsibility of the Bank’s employees for performing their functional duties on internal control, division of responsibilities, procedure for interaction between the Bank’s units and employees and other issues related to the organization and functioning of the Bank’s internal control.

**The Chief Compliance Officer (CCO)** is the Bank’s Chief Compliance Officer responsible for monitoring compliance. The functions of the Chief Compliance Officer are assigned by the Resolution of the Bank’s Supervisory Board to the Head of the Compliance Unit. The Chief Compliance Officer shall be responsible for the performance by the Compliance Unit of the functions assigned to it.

**Ethics** means a set of norms of behavior, moral rules of a certain social or professional group (banking ethics).

**Abuse** means intentional violation of the current legislation of Ukraine, regulations of the National Bank of Ukraine and internal documents of the Bank, abuse of authority by the Bank’s employees in the course of banking operations.

**The Bank’s managers** are the Chairman and members of the Supervisory Board, the Chairman, his/her deputies and members of the Management Board, the Chief Accountant and his/her deputies, and persons temporarily performing these duties.

**Collegial bodies of the Bank** are the Supervisory Board of the Bank, the Management Board of the Bank, committees of the Bank, which operate on a regular basis in the form of meetings or in a working order (without holding a meeting) and make decisions on the Bank’s activities within their competence in accordance with the provisions on collegial bodies and the Bank’s Articles of Association.

**Client** means any individual or legal entity using the Bank’s services.

**Conflict of interest** means actual and potential conflicts between personal interests and official or professional duties of a person that may affect the honest performance of his/her duties, objectivity and impartiality of decision-making.

**Corruption** is the use by a manager of the Bank, a head of a structural/separate subdivision and an employee of the Bank of their official powers or related opportunities to obtain an unlawful benefit or acceptance of such benefit or acceptance of a promise/offer of such benefit for themselves or other persons, or, accordingly, promising/offering or giving an unlawful benefit to the Bank’s manager, head of a structural/separate subdivision and employee of the Bank, or at his/her request to other individuals or legal entities in order to induce this person to unlawfully use the official powers or related opportunities granted to him/her.

**Corruption offense** means an act containing signs of corruption committed by a Bank’s employee for which the law establishes criminal, disciplinary and/or civil liability.

**Unlawful benefit** means money or other property, advantages, privileges, services, intangible assets, any other benefits of an intangible or non-monetary nature that are promised, offered, provided or received without legal grounds.

**Unacceptable behavior** includes submission of false financial, statistical and management reports, crimes in the field of official activity, crimes in the field of economic activity (fraud), violation of sanctions, legalization (laundering) of proceeds of crime, financing of terrorism and financing of proliferation of weapons of mass destruction, non-competitive practices, giving/receiving gifts, corruption, violation of the Ukrainian legislation, the Bank's internal documents.

**Control units** are the Bank's units that carry out an objective and independent assessment of the Bank's activities, ensure the reliability of reporting, and fulfillment of the Bank's obligations. Such units are the Risk Management Unit, the Compliance Unit and the Internal Audit Unit.

**Compliance Unit (Compliance)** is a unit headed by the Chief Compliance Officer that ensures the performance of compliance risk management functions defined by the legislation of Ukraine, NBU Resolution No. 64 and internal documents of the Bank (hereinafter referred to as the Compliance Unit).

**Related parties** are persons determined to be related to the Bank in accordance with Article 52 of the Law of Ukraine "On Banks and Banking Activities".

**Potential conflict of interest** means a person's private interest in the area in which he/she exercises his/her official or representative powers, which may affect the objectivity or impartiality of his/her decision-making, or the performance or non-performance of actions in the exercise of such powers.

**Gift<sup>3</sup>** means money or other property, benefits, privileges, services, intangible assets provided/received free of charge or at a price below the minimum market price.

**Violation** means non-compliance with the requirements of the current legislation of Ukraine, regulations of the National Bank of Ukraine or internal documents of the Bank that regulate the activities of the Bank in general and individual employees in particular.

**Private interest** means any property or non-property interest of a person, including those arising from personal, family, friendly or other off-duty relations with individuals or legal entities, including those arising from membership or activities in public, political, religious or other organizations.

**Unlawful actions** are deliberate actions or omissions related to violations of the laws of Ukraine, regulations of the National Bank of Ukraine, internal documents and administrative documents of the Bank, or fraudulent activities, actions of the Bank's employees, provided that they have signs of abuse of their rights and obligations, suspicion of fraud, or actions of counterparties that may result in loss of assets or deterioration of the Bank's image.

**Direct subordination** means the relationship of direct organizational or legal dependence of a subordinate on his/her supervisor, including through the decision (participation in the decision) on hiring, dismissal, application of incentives, disciplinary sanctions, provision of instructions, orders, etc., and control over their implementation.

**Real conflict of interest** is a conflict between a person's private interest and his/her official or representative powers, which affects the objectivity or impartiality of decision-making, or the performance or non-performance of actions in the exercise of such powers.

**An independent structural subdivision of the Bank** is a structural division of the Bank (department, unit, office, service, etc.) that performs homogeneous/different functions determined by the Bank in accordance with the Regulations on the structural division of the Bank and is directly subordinated to the Supervisory Board/ Chairman of the Management Board/ Deputy Chairman of the Management Board/ Chief Accountant in accordance with the approved organizational structure of the Bank.

**Subordination** is a system of service relations determined by the hierarchy of the organization (organizational structure), the service subordination of a junior to a senior based on the rules of service discipline.

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<sup>3</sup> A gift whose value does not exceed 25% of one minimum wage established as of January 1 of the reporting tax year is not considered a gift.

**Fraud** means unlawful actions aimed at obtaining bank property, financial resources or property by deception or breach of trust.

All definitions of the terms used in this Policy are used only for the convenience of presenting information and are used solely for its application and interpretation.

All other terms used in this Policy shall have the meanings defined by the laws and regulations of Ukraine.

## **GOALS AND OBJECTIVES OF THE POLICY**

The purpose of the Policy is to create an effective system of preventing and combating corruption and bribery in the Bank based on the principles of formulating and implementing anti-corruption policy, eliminating corrupt prerequisites for doing business, and developing intolerance to corruption among the Bank's managers and employees.

The Policy reflects the commitment of the Bank, its managers and all employees to high ethical standards of conducting open and honest business, ensuring fair client service, compliance with corporate governance standards, maintaining the Bank's business reputation at the proper level and avoiding reputational risks that may arise in the Bank's activities.

The main objectives of this Policy are:

- Establishment of a unified policy on unacceptable behavior, fraud, abuse, corruption and violations;
- Effective prevention of unacceptable behavior, fraud, abuse, corruption and violations;
- Creating and maintaining a culture of zero tolerance for unacceptable behavior, fraud, abuse, corruption and violations in the Bank;
- Creating an atmosphere of comprehensive control in the Bank;
- Establishing effective communications with the Bank's employees on the prevention of unacceptable behavior, fraud, abuse, corruption and violations.

The Bank's corporate values recognize the critical importance of timely, frank discussion of unacceptable behavior, signs of corruption or other violations. In this regard, the Bank's employees may freely provide the Compliance Unit with information (including anonymously) regarding unacceptable behavior, signs of corruption in the Bank or other violations in the Bank's activities and be encouraged by the Bank without fear of possible punishment.

The Bank informs all employees of the mechanism according to which they can anonymously report unacceptable behavior, corrupt practices in the Bank and violations in the Bank's activities, in particular by familiarizing them with the procedures of this Policy against their signature before the appointment of employees of the Bank to positions and annually by April 1.

Any punishment of a Bank employee, who has reported in good faith suspicious behavior or signs of corruption in the Bank, even if the results of the review of the employee's report are completed without evidence of unacceptable behavior, fraud, abuse, corruption or violation, is strictly prohibited.

Such an employee shall not be subject to retaliation, discrimination, sanctions in accordance with the Bank's disciplinary procedures and other negative consequences of actions, namely an employee may not be dismissed or forced to resign, refused to conclude or extend an employment agreement (contract),

brought to disciplinary liability, or subjected to other negative measures of influence by the Bank's management (transfer, certification, change of working conditions, refusal to appoint to a higher position, reduction of salary, etc.) or threat of such measures of influence, refused to provide services, in connection with reporting possible facts of unacceptable behavior, corruption or corruption-related offenses.

## **PROCEDURES FOR PREVENTING CORRUPTION AND BRIBERY**

The Bank ensures the development and implementation of measures that are necessary and sufficient to prevent, detect and counteract corruption and bribery in its activities.

Anti-corruption measures include:

- familiarizing new employees of the Bank with the content of this Policy and conducting training activities for the Bank's employees on corruption prevention and counteraction;
- restrictions on gifts and control over hospitality expenses;
- restrictions on charitable activities;
- mechanisms for preventing abuse by the Bank's managers and other employees of the Bank in their interactions with public authorities and regulatory authorities and their officials, officials of clients and counterparties;
- implementation of a mechanism for reporting unacceptable behavior, signs of corruption or bribery, as well as ensuring the confidentiality of such reports and protection of employees who reported such actions/offenses;
- the procedure for reviewing reports of unacceptable behavior, corruption offenses, including internal official investigations and disciplinary sanctions;
- a mechanism for preventing and resolving conflicts of interest;
- corporate ethics standards and obligations and prohibitions for the Bank's employees;
- the Compliance Unit shall exercise control over compliance by all employees of the Bank with the provisions of this Policy;
- provision of explanations and consultations by the Compliance Unit on compliance with the provisions of this Policy.

## **INTERACTION WITH GOVERNMENT AUTHORITIES AND REGULATORY AUTHORITIES**

The Bank's interaction with public authorities and regulatory authorities is based on the principles of mutual responsibility, openness and transparency. Representatives of the Bank are prohibited from offering undue benefits to representatives of public authorities and/or regulatory authorities, their related parties, or any other persons in order to influence their decision-making.

Mechanisms to prevent abuse of power by the Bank's managers and employees in their interactions with public authorities and regulatory authorities and their officials, officials of clients and counterparties shall ensure

- separation of functions and powers of managers, employees, and collegial bodies of the Bank, taking into account the principles of collegiality and personal responsibility, which are determined by the Bank's internal documents, in particular: regulations on collegial bodies, regulations on structural divisions, job descriptions, resolutions of the Supervisory Board and the Management Board, orders, instructions and/or other documents regulating banking activities;
- collective decision-making on banking operations, provision of services, conclusion of contracts and ensuring cooperation with the Bank's clients and counterparties. Such decisions are made in

several stages with the preparation of relevant conclusions of the Bank's specialized units (within the scope of their duties and powers), which analyze the possibility of conducting relevant operations/services/concluding contracts and assess risks in accordance with the procedure established by the Bank's internal documents;

- pricing approaches and tariff proposals are established based on the cost of the Bank's services and in accordance with the analysis of market offers for a similar product or service for the Bank's clients/counterparties. The pricing policy and the procedure for setting tariffs for banking products/services, as well as the procedure for their approval, are determined by the Bank's Tariff Policy.

## **RESTRICTIONS ON GIVING AND RECEIVING GIFTS**

The Bank's employees do not accept gifts from the Bank's clients, suppliers, and partners that could

- lead to the emergence of informal obligations in relation to this client or supplier;
- cause a conflict of interest;
- adversely affect the quality of the employee's performance of his/her duties, impartiality and independence in decision-making.

Giving and receiving gifts and invitations from business partners and other third parties that do not comply with the requirements of the law, may be interpreted as payment for specific services, and may affect the objectivity of the decision-making process, is prohibited.

The prohibition on giving/receiving gifts and remuneration does not apply to accepting invitations to informal events (dinners, concerts, receptions), as well as gifts related to advertising of the organization and not of great value (for example, souvenirs accepted in business society) and not compromising the Bank's employees.

Gifts to the Bank's clients, suppliers and partners are given as part of the budget process or by a separate decision of the Bank's Chairman of the Management Board.

In cases where refusal to accept a gift may lead to negative consequences for the Bank and its dependent structures, the Bank's employees are obliged to notify their immediate supervisor and the Compliance Unit of the acceptance of the gift no later than the next business day after the date of acceptance.

If the Bank's employees are offered to accept a gift, the value of which exceeds 25% of one minimum wage established as of January 1 of the reporting tax year, from clients, business partners, competitors and other third parties, they shall notify the Compliance Unit no later than the next business day.

The Compliance Unit registers all notifications in the Gift Register and within 2 business days reviews the information received and sends a conclusion to the Chairman of the Management Board on the subject of the employee's notification. The Chairman of the Management Board has the right to make a decision alone or to submit the relevant issue for consideration by the Management Board of the Bank.

Based on the results of the decision made by the Chairman of the Management Board / Management Board of the Bank, the Bank's employee shall take all necessary measures to implement the decision and notify the Compliance Unit within 5 business days from the date of receipt of the decision of the Chairman of the Management Board / Management Board of the Bank by means of corporate e-mail.

## **COMPLIANCE WITH THE REQUIREMENTS OF THE CURRENT LEGISLATION OF UKRAINE**

The Bank values its reputation and carries out its activities in strict compliance with the current legislation of Ukraine, regulations of the National Bank of Ukraine and internal documents of the Bank.

Fraud and any misleading behavior are prohibited. This includes words, promises, omissions of material information (even mere omissions), advice and statements. It is also forbidden to mislead about the characteristics of a product or service, such as its standards and quality, price, profitability, cost, benefits, exceptions, etc.

It is not allowed to receive money or gifts in cash or equivalent form, or other types of benefits in relations with competitors, business partners or clients. The Bank's employees shall not demand, offer or accept such payments or gifts. The Bank does not accept or carry out illegal transactions in any form, does not use unethical and unfair methods of influence on partners, competitors or clients, and does not threaten to use them.

The Bank does not tolerate any illegal activities, including submission of false financial and statistical reports, malfeasance, economic crimes (fraud), violation of sanctions, legalization (laundering) of proceeds of crime, financing of terrorism and financing of proliferation of weapons of mass destruction, non-competitive practices, corruption or violation of consumer rights.

The Bank is categorically against any attempts of bribery to obtain additional competitive advantages/benefits.

Employees of the Bank are prohibited from engaging or using counterparties or other persons to perform actions that contradict the requirements of the legislation of Ukraine on combating corruption.

All employees of the Bank shall comply with the applicable laws, regulations of the National Bank of Ukraine and internal documents of the Bank (including requirements for preventing and counteracting the legalization (laundering) of proceeds of crime, terrorist financing and financing of the proliferation of weapons of mass destruction). The Bank builds and implements business projects with those clients and business partners who have an impeccable reputation and are engaged in legitimate activities, whose financial income comes from legal sources. When establishing a relationship with a new business partner, the Bank conducts appropriate due diligence as required by law to ensure that it meets these criteria.

## **MAIN MEASURES, PRINCIPLES AND REQUIREMENTS FOR PREVENTION OF VIOLATIONS, UNACCEPTABLE BEHAVIOR, FRAUD, ABUSE, CORRUPTION AND BRIBERY**

The main measures and principles of prevention of violations, unacceptable behavior, fraud, abuse and corruption in the Bank are:

- approval and maintenance of the Bank's organizational structure, which clearly delineates areas of authority, responsibility and accountability;
- delimitation of the scope of authority between collegial bodies involved in making management decisions on the Bank's activities (the Management Board, the Bank's Committees), which excludes the occurrence of unacceptable behavior, fraud, abuse, corruption and violations;

- regulation in the Bank's internal documents of the procedures for conducting banking operations and transactions that exclude unacceptable behavior, fraud, abuse, corruption and violations and strict compliance by the Bank's employees with these procedures, as well as the requirements established by the legislation of Ukraine, regulations of the National Bank of Ukraine and internal documents of the Bank;
- prohibition of disclosure and use for personal purposes of information constituting commercial and banking secrets, personal data of clients, counterparties, partners, employees of the Bank (hereinafter referred to as confidential information), as well as transfer of such information to third parties, except as provided by the laws of Ukraine;
- establishment of information barriers (delimitation of access to confidential information, as well as establishment of control over its transfer or dissemination);
- in exercising their powers, the Bank's Managers, heads of structural and separate subdivisions shall act only within the limits of the powers granted to them and, when representing the Bank to third parties, shall behave in such a way as not to damage their own business reputation, business reputation of other officials and the Bank as a whole;
- the Bank's managers, heads of control units, managers and employees of the Bank's structural/separate subdivisions shall not allow personal views to adversely affect the objectivity and impartiality of decisions;
- managers of the Bank, heads of control units, managers and employees of structural/separate subdivisions of the Bank shall exercise their official powers in good faith, competently, in a timely manner, efficiently and responsibly, fulfill official and professional duties, decisions and instructions of the bodies and persons of the Bank to whom they are subordinated, accountable or controlled, and shall prevent abuse and inefficient use of bank property;
- managers of the Bank, heads of control units, heads of structural/separate subdivisions of the Bank and employees of the Bank are prohibited from using their official powers or their position and related opportunities to obtain unlawful benefits for themselves or others, including using any bank property or funds in private interests;
- managers and employees of the Bank shall refrain from behavior that may be regarded as a willingness to commit a corruption offense related to the Bank's activities;
- the Bank's managers shall incur hospitality expenses within the approved budget. Control over hospitality expenses is regulated by the Regulations on Budgeting of JSC "CRYSTALBANK";
- the Bank's charitable activities are carried out in accordance with the general rules (in the absence of legislative and other prohibitions). The Bank is entitled to make contributions for charitable purposes in the form of supplying goods or services, providing technical assistance, training or financial support, provided that the Bank has no reason to believe that the assistance is provided for the purpose of obtaining benefits (including by a public official or his/her close relatives).

In order to prevent unacceptable behavior, fraud, abuse, corruption and violations, the Bank's collegial bodies, managers and employees shall perform the following duties:

The Bank's Supervisory Board shall take measures to prevent unacceptable behavior, fraud, abuse, corruption and violations in the Bank and facilitate their settlement, including by

- approving the Bank's internal documents on corporate behavior (ethics); reporting unacceptable behavior, fraud, abuse, corruption and violations; managing the risks to which the Bank is exposed in its activities; managing conflicts of interest; identifying related parties and the procedure for conducting transactions with them; organizing the internal control system; structural and separate subdivisions of the Bank and others aimed at ensuring proper corporate governance of the Bank;



- establishing an obligation for the Bank's Managers, heads of control units, heads and members of the Bank's collegial bodies, heads and employees of structural/separate subdivisions not to use their positions and powers in personal interests at the expense of the Bank;
- make decisions (within the powers defined by the Bank's Articles of Association) on transactions with the Bank's related parties in accordance with the requirements of the Regulation on Determination of the Related Parties of JSC "CRYSTALBANK" and the Procedure for Conducting Transactions with Them.

The Management Board of the Bank takes measures to prevent unacceptable behavior, fraud, abuse, corruption and violations in the Bank and facilitates their settlement, including by

- organizing the development of internal documents on corporate governance and behavior (ethics), on prevention of unacceptable behavior, fraud, abuse, corruption and violations, on risk management and conflict of interest management, on work with related parties, on organization of the internal control system, on procedures governing the activities of structural and separate subdivisions of the Bank and other internal documents of the Bank, and distributes powers among the Bank's units and employees to prevent unacceptable behavior, fraud, abuse, corruption and violations, and to ensure that the interests of all stakeholders are balanced;
- approval of rules, procedures and other internal documents of the Bank;
- introducing a mechanism for confidential reporting of unacceptable behavior in the Bank and monitoring its functioning;
- decision-making (within the powers defined by the Bank's Articles of Association) on transactions with the Bank's related parties in accordance with the requirements of the Regulation on Determination of the Related Parties of JSC "CRYSTALBANK" and the Procedure for Conducting Transactions with Them.

In order to ensure that the Bank's managers and other employees of the Bank adhere to corporate values, the Compliance Unit monitors compliance with the following:

- the procedure for investigating cases of unacceptable behavior in the Bank / violations in the Bank's activities;
- requirements of the legislation, including those on prevention and counteraction to corruption in the course of their official duties.

The Internal Audit Unit identifies and checks cases of abuse of authority by the Bank's officials and occurrence of unacceptable behavior, fraud, abuse, corruption and violations.

The Bank's managers and the heads and members of the Bank's Committees

- comply with the requirements of the current legislation of Ukraine, regulations of the National Bank of Ukraine, and internal documents of the Bank;
- refrain from taking actions and making decisions that may lead to unacceptable behavior, fraud, abuse, corruption and violations, conflict situations, including from receiving material and/or other benefits from clients served by the Bank, as well as from taking actions that are contrary to the interests of the clients;
- adhere to the norms of business communication and the principles of professional and corporate ethics;
- initiate an internal investigation, take measures to bring to justice those responsible for committing fraud, abuse, corruption, unacceptable behavior and violations, and provide materials evidencing such facts.

Heads of structural and separate subdivisions of the Bank:

- comply with the requirements of the current legislation of Ukraine, regulations of the National Bank of Ukraine, internal documents of the Bank, and their job descriptions;
- refrain from taking actions and making decisions that may lead to unacceptable behavior, fraud, abuse, corruption and violations, conflict situations, including from receiving material and/or other benefits from clients served by the Bank, as well as from taking actions contrary to the interests of the clients;
- adhere to the norms of business communication and principles of professional and corporate ethics;
- inform the immediate manager/supervisor of the unit or the head of the Compliance Unit personally or through the Trust Line of any violations and errors that may cause adverse consequences for the Bank;
- monitor compliance by subordinate employees with the requirements to exclude unacceptable behavior, fraud, abuse, corruption and violations contained in this Policy, the Conflict of Interest Management Policy of JSC “CRYSTALBANK”, the rules of banking operations and job descriptions;
- initiate an internal investigation, take measures to bring to justice those responsible for committing fraud, abuse, corruption, unacceptable behavior and violations, and provide materials evidencing such facts.

Employees of the Bank:

- comply with the requirements of the current legislation of Ukraine, regulations of the National Bank of Ukraine, internal documents of the Bank, and their job descriptions;
- refrain from taking actions that may lead to unacceptable behavior, fraud, abuse, corruption and violations, conflict situations, including from receiving material and/or other benefits from clients served by the Bank, as well as from taking actions that are contrary to the interests of clients;
- perform transactions within the established powers (limits) in compliance with the procedure established by the Bank;
- collect commissions, fees and other payments from clients in accordance with the Bank’s tariffs or the agreement reached by the parties;
- comply with the norms of business communication and principles of corporate ethics;
- inform the direct supervisor or the Head of the Compliance Unit in person or through the Trust Line of any violations and errors that may cause adverse consequences for the Bank.

In order to ensure compliance with corporate values and to determine the critical importance of timely, frank discussion of unacceptable behavior or other violations in the Bank’s activities, the Bank’s Managers, heads of control units and other employees of the Bank shall familiarize themselves with the procedures of this Policy against their signature:

- annually by April 1;
- prior to appointment to a position in the Bank.

## **TYPES AND EXAMPLES OF UNACCEPTABLE BEHAVIOR, FRAUD, ABUSE, CORRUPTION AND VIOLATIONS**

A list (not exhaustive) of typical examples of unacceptable behavior, fraud, corruption and violations:

- use or disclosure of confidential information that became known in connection with the use of official authority and professional duties;

- concealment and misrepresentation of information (including submission of false financial, statistical and management reports);
- use of any property or funds of the Bank in private interests;
- intentional damage, causing damage, or threatening to cause damage to the Bank's property or property of employees;
- performing transactions and/or making decisions for which employees are not authorized;
- crimes in the field of official activity;
- abuse of office to satisfy personal interests;
- use of the position of the Bank's manager to achieve personal (private) interests or interests of persons related to the Bank through this manager;
- encouragement in achieving planned results at the cost of violating the current legislation of Ukraine, regulations of the National Bank of Ukraine and internal documents of the Bank;
- transferring a work computer for use to third parties (including disclosing information about their passwords to anyone);
- making threatening calls or messages to clients/employees of the Bank;
- accepting into direct subordination and promoting their related persons (relatives and close friends);
- lobbying their own interests, interests of their relatives or affiliated persons in order to conclude agreements or contracts with the Bank on terms other than market terms;
- offering or accepting bribes or other unlawful remuneration;
- demanding, requesting, receiving gifts or other benefits from clients (including those participating in tenders organized by the Bank);
- demanding or obtaining any material or non-material benefit (for oneself or close persons) in connection with the performance of official duties that is not provided for in the employment contract;
- assistance to close relatives in establishing business relations with the Bank without prior disclosure of information about the existence of family ties;
- crimes in the field of economic activity (fraud);
- economic or financial interest in the activities of the Bank's suppliers, clients, stakeholders or competitors, assistance to individuals or legal entities in conducting their business activities, obtaining loans, concluding contracts/agreements, etc.;
- non-competitive practices;
- violation of sanctions, legalization (laundering) of proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction;
- violation of the principles and requirements of this Policy, the Code of Corporate Ethics of JSC "CRYSTALBANK", the current legislation of Ukraine, regulations of the National Bank of Ukraine and internal documents of the Bank.

## **PROCEDURE FOR REPORTING UNACCEPTABLE BEHAVIOR, FRAUD, ABUSE, CORRUPTION AND VIOLATIONS**

An important aspect of the Bank's transparency and responsibility is the availability of an effective mechanism that allows employees of the Bank, clients of the Bank or other stakeholders to express their concern about violations of the current legislation of Ukraine, regulations of the National Bank of Ukraine and internal documents of the Bank, non-compliance with the norms and standards of the Code of Corporate Ethics of JSC "CRYSTALBANK" and this Policy.

The Bank supports the right of any employee, client or other stakeholder to express their concern about the results of the common business and report any inappropriate behavior. To this end, the Bank has established the Trust Line (for employees of the Bank) and the Compliance Service (for the Bank's clients or other stakeholders) as direct communication channels that provide additional guarantees of the Bank's compliance with the highest ethical standards.

Each of the Bank's employees may report violations by other employees. In such a situation, it is important to act correctly; the position of non-interference is always a policy of criminal inaction.

In addition to information on violations, in order to prevent corruption and bribery, each employee of the Bank is obliged to report cases (attempts) of corruption or corruption-related offenses, in particular

- offering, demanding, giving (or suspicion of giving) an unlawful benefit;
- incitement to commit corruption;
- obtaining information about intentions or facts that may indicate the use of the Bank or its employees in activities with signs of corruption.

Any employee of the Bank may personally contact the employees of the Compliance Unit or send a report of suspicions of fraud, abuse, corruption, unacceptable behavior or other violations to the Trust Line channel via e-mail: [Dovira@crystalbank.com.ua](mailto:Dovira@crystalbank.com.ua).

The main principles of the Trust Line channel are as follows:

- *the principle of non-disclosure* - the data of the employee who provided the information remains confidential;
- *the principle of mandatory follow-up of all signals* - all signals are mandatorily followed up and recorded;
- *the principle of confidentiality of the information received* - the content of the signal is not disclosed.

The Trust Line provides for sending both anonymous and personalized messages.

At the request of the Bank's employee, he/she may leave a message on the basis of anonymity. Anonymous messages registered by the Compliance Unit are processed in the same way as other messages, provided that there is sufficient information to respond to the signal.

To ensure anonymity when contacting the Trust Line, the Bank's employees adhere to the following simple rules:

- Do NOT send messages from a work computer;
- Do NOT sign messages;
- Do NOT provide details that can help identify their identity.

A personalized notification must include

- the nature of the violation and its possible consequences;
- the date of the violation;
- full name and position of the Bank's employee who is guilty of the violation;
- full name and position of the Bank employee who reported the violation.

Anonymous reports shall contain the information of a personalized report, except for data that may help identify the identity of the Bank employee who reported the violation, namely his/her full name and position.

Each of the Bank's clients or other stakeholders has the opportunity to confidentially (anonymously) report their concerns about illegal, unethical or questionable practices, or about the facts of abuse, fraud, bribery or corruption, unacceptable behavior, violation of consumer rights and other violations by the Bank's employees, as well as attempts to commit such actions. To this end, the Bank has created the Compliance Service on its official website.

Any client of the Bank or other interested person may send a report on unacceptable behavior, violations in the Bank's activities and other actions of the Bank's employees that may harm the interests of the Bank and its reputation in one of the following ways

- by e-mail: [Compliance@crystalbank.com.ua](mailto:Compliance@crystalbank.com.ua);
- by using the **form of Reporting Improper Actions** on the Bank's website;
- by mail with a note "To the Compliance Unit" to the following address: **2 Kudriavskyi Uzviz St., Kyiv, 04053.**

All reports from the Bank's clients or other stakeholders are reviewed by the Compliance Unit if the information contained therein

- relates to a specific person and contains the full name and position of the employee whose actions, in the opinion of the Bank's client, are improper and the date of the incident;
- contains the subject of the notification and justification of improper actions of the Bank's employee based on facts that can be reliably verified.

The Trust Line channel and the Compliance Service are organized by the Bank and are independent of possible direct control by the Bank's management and Security Unit.

Responsibility for the confidentiality of messages (written from the Bank's clients and oral from the Bank's employees) lies with the employees of the Compliance Unit.

The employees of the Compliance Unit and the employee of the Information Technology Unit, who is the responsible administrator of the mail service, are responsible for the confidentiality of reports through the Trust Line channel and the Compliance Service.

## **PROCEDURE FOR HANDLING REPORTS OF UNACCEPTABLE BEHAVIOR, FRAUD, ABUSE, CORRUPTION AND VIOLATIONS**

All reports received in person by the Compliance Unit and/or via the Trust Line channel, Compliance Service are registered by the Compliance Unit in the Reports of Employee Misconduct Database.

Reports written to resolve personal conflicts with the Bank's officials and client complaints regarding the quality of service, which do not fall under the definition of unacceptable behavior and should be considered in the context of the Law of Ukraine "On Citizens' Appeals", are not considered.

The Compliance Unit analyzes the reports in detail and pays special attention to those reports that can and should be considered by the Bank without delay and informs the Chairman of the Management Board of the Bank.

In case of violation by the Bank's employees of the relevant requirements of the legislation of Ukraine, regulations of the National Bank of Ukraine or internal documents of the Bank, the Compliance Unit may apply to the Internal Audit Unit, the Bank Security Unit, the Human Resources Management Unit, the Legal Unit and other structural units of the Bank for consultations and to the Chairman of the Management Board of the Bank with a proposal to conduct an internal investigation of such situation and study its possible consequences for the Bank.

In cases where the Bank's employees commit acts (attempts) of unacceptable behavior, fraud, corruption or other crimes that may lead to criminal liability, the Head of the Compliance Unit shall immediately report to the Chairman of the Management Board of the Bank and initiate an internal investigation. The decision to conduct an internal investigation shall be made by the Chairman of the Management Board of the Bank or a person acting in his/her capacity. An internal investigation shall be appointed by an order appointing the chairman and members of the commission. The results of the internal investigation shall be submitted to the Chairman of the Management Board of the Bank and the Compliance Unit.

In case of confirmation of the fact of unacceptable behavior, fraud, abuse, corruption or violation (based on the results of the internal investigation), the Report on the internal investigation approved by the Chairman of the Management Board of the Bank shall be submitted to the meetings of the Management Board of the Bank and the Supervisory Board of the Bank for consideration and, if necessary, with the hearing of the heads of the relevant structural/ separate subdivisions of the Bank, the activities of employees to whom the report related.

Reports that do not require an internal investigation are summarized and analyzed by the Compliance Unit.

The Bank's Supervisory Board controls the functioning of the confidential reporting mechanism through the Compliance Unit.

The control includes:

- paying attention to the timing and completeness of consideration of the issues raised;
- objectivity of the review of reports;
- legality and validity of decisions made.

## **RESPONSIBILITY AND CONTROL**

All employees of the Bank are aware of their responsibility for making the right decisions and report their concerns if they witness actions that may harm the Bank or even suspect the possibility of such actions. Employees of the Bank must timely report any actions that they believe may lead to a violation.

The Bank's managers, heads of control units, heads and employees of the Bank's structural and separate subdivisions are responsible for strict compliance with the requirements of the current legislation of Ukraine, regulations of the National Bank of Ukraine, internal documents of the Bank regulating the Bank's activities and defining the Bank's policy and job descriptions in the course of their activities.

Control over the Bank's implementation of the principles of prevention of unacceptable behavior, fraud, abuse, corruption and violations in the Bank is exercised by the Management Board.

The Supervisory Board of the Bank shall control the effectiveness of the principles of prevention of unacceptable behavior, fraud, abuse, corruption and violations in the Bank.

*Переклад цього документу з української мови англійською мовою здійснено мною, перекладачем  
Назарко Марією Ігорівною*

*місто*

Київ, Україна, чотирнадцятого серпня дві тисячі двадцять третього року.

Я, **Валізура Г.В.**, приватний нотаріус Київського міського нотаріального округу, засвідчую справжність підпису перекладача **Назарко Марії Ігорівни**, який зроблено у моїй присутності.

Особу перекладача встановлено, її дієздатність та кваліфікацію перевірено.

Зареєстровано в реєстрі за № 628.



Приватний нотаріус

Всього прошито(або  
прошнуровано), пронумеровано  
і скріплено печаткою  
аркушів.



Приватний нотаріус