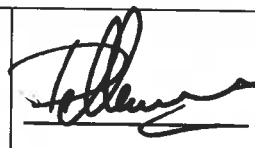


Version	4.0	Document category	Framework
Drafted by	Corporate Secretary	Date of drafting	04/05/2016
Reviewed By	Corporate Secretary, HR & Administration Department	Date of revision	April 2021 November 2022
Approved by	Supervisory Board	Resolution, Minutes Number and Date	Resolution # 5.2., Minutes # 43, Dated: 26.12.2022
Person responsible for the fulfillment		Everyone	
Addresses		Everyone	
Reference # and name the document	CG_FM_01_Code of Ethics	Chairman of the Supervisory Board Farid Mammadov	

CODE OF ETHICS

JSC PASHA Bank Georgia

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MESSAGE FROM PASHA Holding LLC CEO

Embedded in PASHA Holding LLC's mission to be a representation of best corporate practice, trust, continuity and respect for our country of presence, shareholders, employees, clients and partners is our commitment to conduct ourselves ethically. Along with reinforcing ourselves externally, it is critical for us to strengthen internally each and every day. For this purpose, the Code of Ethics serves as the main tool for shaping the mind-set that each of our team member should possess.

Our Code comprises all expectations for our principles and provides us the guide we need to translate our values into actions. It is our responsibility to comprehend, adhere and bring to life each principle and conduct by making them the part of our daily routine workplace.

Based on our core values, the Code clarifies the desirable attitude for the maintenance the healthy work environment, in which we feel able to thrive professionally.

We must together enroot the ethical awareness in our thoughts and behaviours to foster a quality culture.

Thank you for being the part of our family, and for upholding our values and principles continuously.

Purpose

The purpose of the Code of Ethics (hereinafter referred to as the Code) of JSC PASHA Bank Georgia (hereinafter referred to as the Bank) is to implement the culture and environment in the Bank through value based ethical principles that will make each employee of the Bank committed to the highest standards of responsible business practice, honest and ethical conduct, act and think in a way that is consistent with the values in the Code and by doing so, make his or her own contribution to creating a value-based organization.

The Code governs the relationships of the Bank's directors and all other employees with all the Bank's stakeholders, such as employees, customers, competitors, vendors, governmental and self-regulatory agencies, the media, and anyone else with whom the Bank has any relationship.

We believe that an ethical company alike a well governed company is more likely to be successful in business in the long term. We believe that ethical conduct underpins good corporate governance. Therefore, we believe relationships with our stakeholders based on ethical principles are essential to the continued success and effective business conduct of the Bank.

The Code is developed in line with the best practice of corporate governance and Georgian legislation.

We trust that the effectiveness of the Code depends on the leadership of the Bank - its directors and senior officers, thus, we encourage these individuals to comply with the Code and be a desirable role model for business conduct for fellow employees.

The Code is adopted by the Supervisory Board of the Bank, it is disclosed to employees and to the public, its application is monitored, and breaches of ethical conduct are dealt with according to established rules and procedures.

OUR VISION, MISSION AND VALUES

OUR VISION is to strive to contribute to the growth and development of the Georgian and regional economy through funding value accretive projects while providing top-quality service both locally and regionally. We are committed to our long-standing philosophy of doing business in ethical, reliable and sustainable manner.

OUR MISSION is to treat our clients and partners with integrity, hospitality and double attention focusing on the mutual prosperity, we put their interests at the cornerstone of our corporate strategy, looking to achieve new heights together and contribute to the sustainable growth of each and every client.

OUR VALUES are:

- **INTEGRITY**
- **QUALITY**
- **PROFITABILITY**
- **COLLABORATION**
- **ENTREPRENEURSHIP**

Our five values are a reflection of PASHA group's overall philosophy, its mission and vision.

Our Ethical Principles (hereafter referred to as "the Principle") are linked to our values giving us guideline on how our values should be applied in the workplace.

1. Our Value: Integrity

At the core of our business stands the unshakeable commitment to integrity. For us, it means doing what is right. Every time. All the time. Even when no one sees you. At the very basic level, it is about respecting the laws and regulations of the country we operate in. It is about upholding our company's code of conduct even in the face of challenges. It means never sacrificing company interests for personal gains. It means being honest with ourselves, our colleagues, clients and partners and earning their trust.

1.1. Principle: **Complying with laws, internal regulations of the Bank and standards on corporate governance**

- We agree to learn, understand and undertake to honor and comply with all applicable laws and regulations.
- We agree to comply with all the Bank's internal policies.
- We agree not to assist any other person, whether physical or legal, who acts in violation of the law.
- We agree to maintain safe procedures and facilities, observe all safety rules and follow common safety practices.
- We agree to observe our duty not to engage in misconduct. This includes but is not limited to dishonesty, immorality, illegal drug, gambling, being under influence of alcohol, persistent laziness and insolence.
- We agree to recognize that employment relationship is one of trust and confidence, we agree to obey all lawful and justifiable orders given by employer in the ordinary course of business and undertake to perform those tasks to which we have agreed in our contract of employment.
- We as the Bank only exercise rights and authorities that are delegated to us and do not act in ultra vires (beyond the purposes and powers of the Bank).
- We agree only to act in rights and authorities delegated to us and not take any action that exceeds our expressed authorities.
- We agree to strive to raise the bar in terms of compliance with best standards of corporate governance, as we believe that corporate governance standards facilitate effective, entrepreneurial and prudent management of the Bank that eventually results in long term success.
- We agree to act as corporate citizen in ways that benefits society.
- We agree to comply with all applicable social and environmental laws/regulations and the Bank's policies.

1.2. Principle: **Being Fair**

- We agree to deal fairly with all our stakeholders. In dealing with stakeholders we make decisions without regard to race, color, religion, national origin, citizenship, marital status, gender, gender identity, sexual orientation, age or disability and the like.
- We agree not to take unfair advantage of another through manipulation, concealment, abuse of insider information, misrepresentation of material facts or any other unfair dealing practices.
- We agree to provide accurate, truthful, understandable and useful information to our shareholders and other stakeholders about the Bank's performance and prospects within the boundaries of substantive legislation.

- We agree to perform honest information exchange with stakeholders without giving away sensitive information to the extent permitted by the legislation, acting highly responsibly in regard to the clients' interest of confidentiality.
- We agree to adhere to free and fair competition principle, thus avoiding any anti-competitive behavior, such as price fixing, division of markets, industrial or computer espionage, etc.

1.3. Principle: **Preventing and reporting unethical and criminal activities**

- We agree not to engage in illegal activities such as fraud, money laundering, insider dealing, conspiracy, corruption and bribery, coercion, theft, smuggling.
- We agree not to misuse our position of trust and confidence, take or offer bribes to any person or company in favor of our or the interests of the Bank.
- We agree not to corruptly solicit, demand or accept anything of value from any individual, business entity, organization, governmental unit, public official, political party or any other person in return for any business, service or confidential information of the Bank.
- We agree not to corruptly give, offer, or promise anything of value to any individual, business entity, organization, governmental unit, public official, political party or any other person for the purpose of influencing the actions of the recipient.
- We agree to be responsible for reporting, in accordance with the procedures set in this Code, any activity by a colleague or any internal or external stakeholders that appears to be illegal activity.

1.4. Principle: **Avoiding conflicts of interest**

- We agree not to hold our personal interests above the interests of the Bank.
- We agree to avoid conflicts of interest with the Bank.
- We agree not to use our position within the Bank and use information on the Bank's products and services for our personal gain.
- If we have a direct or indirect personal interest in any transaction or arrangement, that involves conflict of interests, we agree to disclose our interest before it is entered into by the Bank.
- We agree to observe our duty of fidelity and faithfully serve the Bank. We agree not to work for banking and non-banking financial institutions whilst the employment continues.
- We agree not to offer or accept a gift, loan or favor from any supplier, customer, or others with whom the Bank does business if it is intended to influence a business decision.
- We agree not to pursue personal benefits in situations of conflict of interests and not to use corporate property, information, or position for improper personal gain.

1.5. Principle: **Protecting PASHA Bank's reputation**

- Seeing the Bank's reputation as one of our most valuable assets, we agree to protect the Bank's reputation as a safe and trusted financial institution and prevent it from harm. We understand that the reputation of the Bank is formed by each member of the team and it carries utmost importance for our stakeholders when it comes to selecting a long-term partner. Therefore, we agree to preserve high standards of business ethics in decision-making as well as in daily service provision or at any other points of touch with stakeholders. Once we start a relation, we strive to create and maintain loyalty by acting fairly, politely and professionally.
- We agree that a symbol or other designs adopted by the Bank cannot be used as a tool to give personal messages on social media.
- We as the Bank act in an honest and realistic manner and in accordance with the laws and general morality in announcements and advertising related to the promotion and marketing of both our own financial performance and banking products and services. We avoid all forms of expressions and images that could damage the reputation of the Bank, that may create doubts about our management, and that will create the impression that our Bank is safer than other banks.
- We as the Bank do not allow any expressions or phrases in announcements and advertising that degrade other banks or the products and services of other banks.
- We as the Bank make sure that the ads are not discriminatory, deceptive and misleading to the customers, humiliating the other banks or alleging their shortages of experience and knowledge.

1.6. Principle: **Avoid engagement in political activities**

- We agree not to use any property, equipment, funds or other assets of the Bank, make contribution to a political candidate or a political party, including direct contributions to a campaign or non-financial support to a political candidate, such as use of corporate facilities, equipment or resources.
- We are free to engage in political activities only in our personal capacity and should indicate, while expressing political views in the community, that such views are statements of personal opinions.

1.7. Principle: **Protection of intellectual property and other assets**

- We agree to protect intellectual property and treat it as a valuable business asset and disclose information on the Bank's intellectual property to relevant parties only. The intellectual property

includes “products of the mind” such as business plans, acquisition plans, product information, software, technology, research, marketing plans, human resources strategies and materials, trademarks and copyrighted materials.

- We agree that all products that we develop within the scope of our employment with the Bank is the sole and exclusive property of the Bank.
- We agree to protect all information assets in the Bank from cyber threats and strictly follow all the requirements for information security protection.
- We agree not to use or disclose any proprietary and sensitive knowledge or information of the Bank, directly or indirectly, except as authorized in the ordinary course of employment or as required by the law.
- We agree not seek to acquire proprietary and confidential information of competitors by unlawful or unethical means, including information resulting in the breach of non-disclosure obligations by competitors’ employees or other third parties.
- We agree to protect the assets of the Bank and ensure their efficient use, safe and careful operation and maintenance.
- We agree not to use funds or other assets or provide any services for any purpose, which is unlawful under applicable laws.

2. Value: Quality

The outside world will always judge us by the quality of the product or service we deliver, and the quality of our work is directly proportional to the dedication and professionalism of our staff. There is no way around it. That is why we always follow the standards we set. That is why we deliver what we promise - day in, day out – carefully balancing quality with efficiency for optimal results. That is why we try new things and strive to learn and improve - as individuals and as an organization.

2.1. Principle: Seeking and achieving quality in everything we do

- We agree to deal with our customer with loyalty, prudence and care.
- We agree to be customer focused and develop our knowledge, capacity and technological infrastructure to succeed in providing excellent services and meeting changing needs of our clients.
- We agree to offer customers products, services and solutions which are appropriate and suitable according to the needs, circumstances and objectives of the customer. We agree to consult and finance our customers responsibly.
- We agree to offer customers products, services and solutions that are of an acceptable standard and in line with what they have been led to expect.

- We agree to give customers clear and accurate information at all times about products and services offered to them.
- We agree to listen with attention, have clear intentions and care equally both for the Bank's own interests and interests of our clients.
- We agree to be responsive to complaints and concerns received from our clients.
- We agree to treat our customers impartially and offer all customers irrespective of religion, financial and social status, gender and the like, the same quality of products and services.
- We agree to treat client related confidential information responsibly and preserve the confidentiality of the information communicated to us by current, prospective and former clients to protect their privacy.
- We agree not to engage in any private business relationship with our clients (exceptions are described in conflict of interest policies).
- We as the Bank agree to take every precaution against risks that may affect our financial condition arising from abuse or neglect by the staff, IT crimes, and any responsibility for compensation.
- We agree to always act in a way to ensure positive customer experience.

2.2. Principle: **Balancing quality with efficiency**

- We agree to actively promote efficiency and cost-effectiveness and stimulate others for similar activities.
- We agree to envision major opportunities and act proactively by anticipating obstacles to turn these into significant long-term business benefits.
- We agree to commit significant resources or time to improve large-scale, systemic performance.
- We agree to seek and provide competent counsel in our daily activities and at the time of project management to avoid loss of time and effort where it is not necessary.
- We agree to use reason to determine the best course of action while performing our job duties and ensure that expected quality and deadlines are observed.
- We agree to keep immediate records of projects performed to be able to track progress and highlight problems and errors for future reference.

2.3. Principle: **Providing opportunities for professional development and growth**

- We agree to maintain and enhance our knowledge and skills needed to deliver a professional service to our customers and stakeholders through continuing self-development and professional growth.
- We agree to ensure that our knowledge stay relevant and up to date.

- We as the Bank facilitate development of employees through training, coaching, mentoring, and other relevant learning opportunities.

3. Value: Profitability

We generate profits for the benefit of our shareholders and the society at large. In fact, its today's profit that lays the foundation of the sustainable business and serves for maintaining the competitive edge. Our staff understands that value comes not only in every dollar earned but also every dollar saved. However, in the pursuit of short-term business goals we never lose sight of our long-term aspiration – to create and maintain a sustainable global business. And this aspiration drives every strategic decision we make.

3.1. Principle: **Clearly defining ideals and goals**

- Shareholders define the ideals and purpose of the Bank that leads the Bank development in the right direction. The ideals are formulated in the form of the values and strategic goals. We agree to follow these ideals and use them as benchmark in our daily activities.

3.2. Principle: **Serving to shareholders and society as whole with earned profit**

- We as the Bank ensure that efficiency in performance is materialized in rewards to shareholders in the form of improved key performance indicators, including but not limited to capital utilization and profitability.
- We agree to maximize return to shareholders while being mindful of our overall responsibilities.
- We agree to act in the best interests of the environment and society over maximization of shareholder value and achieving strategic goals.
- We agree to observe the principles of corporate social responsibility defined by the Bank.
- We as the Bank understand our responsibility to put certain funds toward organizations or people who are in need of aid.
- We as the Bank continue to support and engage education in order to be essential and trusted partner for government and civil society.

3.3. Principle: **Stimulating sustainable economic and business growth**

- We agree to stimulate sustainable economic and business growth not only by earning but also by saving.
- We agree to use resources responsibly with the highest level of diligence.

- We agree to understand the market and maintain up-to-date knowledge of industry-wide business issues and trends.

4. Value: Collaboration

When we work as one team across departments, business units, and countries we produce phenomenal results. When we collaborate with clients, partners and suppliers we far exceed market expectations. The impact of these synergies far surpasses that of any individual contribution. Collaboration creates a sound working environment and leads to higher efficiency. It accelerates problem-solving and enables innovation. It nurtures trust and respect.

4.1. Principle: **Achieving close collaboration within the group companies and different stakeholders**

- We understand that all aspects of our work are interdependent; we agree to collaborate with each other, act as a team and share common values and ethical principles.
- We purposefully work with colleagues and promote cross-boundary collaboration to achieve shared goals.
- We listen and evolve together, help and support each other for the sake of a collective goal.
- We agree to capture possible synergies among strategic assets and benefit from different perspectives.

4.2. Principle: **providing a work environment free of discrimination, favouritism, harassment and intimidation**

- We agree to value each and every employee, treat each other with respect and dignity and adopt fair policies on working conditions, recruitment, development and training, rewards, health, safety and security, equal opportunities, redundancy, discrimination and harassment.
- We as the Bank take responsibility to provide clear description of roles and responsibilities to every employee upon hire and ensure that the distribution of the responsibilities is in line with business processes and organisational structure.
- We agree to protect the human rights and freedom, respect each other, any and all discrimination in a labor and/or pre-contractual relations due to race, skin color, language, ethnic or social belonging, nationality, origin, material status or title, place of residence, age, sex, sexual orientation, marital status, disability, religious, social, pregnancy and maternity, political or other affiliation, including affiliation to trade unions, political or other opinions (all together referred to as the “protected characteristics”) is prohibited.
- We agree not to make any employment decisions on the grounds of the protected characteristics. The Bank takes a responsibility to provide the equal pay. The equal pay

eliminates gender discrimination in regard to pay and other conditions of employment such as overtime, bonuses, holidays and sick leave entitlement.

- We agree not to disclose information on salaries, benefits, bonuses and any other form of compensation, and avoid providing or otherwise broadcast this information with other employees, or with any third-party, except when such disclosure is required by law.
- We agree not to tolerate and stay alert to harassment. We agree not to violate anyone's dignity or create an intimidating, hostile, degrading or offensive environment.

"Harassment covers a wide range of conduct from criminal assaults and sexual abuse to use of verbal banter, or nicknames, teasing and playing practical jokes. Harassment does not have to be intentional, it is sufficient that the conduct has an effect on the complainant".

"Any direct or indirect harassment of a person that aims at and/or results in creating an intimidating, hostile, humiliating, degrading or abusive environment for that person or creating such conditions for any person that directly or indirectly causes their status to deteriorate as compared to other persons in similar conditions constitutes discrimination".

- We as the Bank take responsibility to fairly employ, conduct performance assessment and reward employees based on their qualification and performance.
- We agree to guard against favouritism by not allowing friendships or personal attitude to influence decision-making.

4.3. Principle: **Being respectful and mindful towards each other**

- We agree to observe our mutual duty of respect and protect the reputation of each other.
- We agree to be distinguished by our particularly respectful approach, good manners and politeness.
- We agree to be committed to diversity and equal opportunities.
- We as the Bank take responsibility to provide a safe working environment and ensure as far as is reasonably practical, the health, safety and welfare at work of all of us. We support Work-Life Balance.
- We agree to observe our duty of personal service and not to delegate our tasks to others.
- We agree not to require others to perform our personal tasks unrelated to the job.
- We agree to adhere to our open-door principle in communication with each other.

5. Value: Entrepreneurship

The world around is constantly changing so we often have to operate in ambiguity. We seek new opportunities and are ready to take bold steps – do things and go places others don't dare to. We don't fear challenges but view them as opportunities to grow. We are unafraid to take on a personal responsibility for going an extra mile or doing something new. Our staff treats the company with care, passion, prudence – just like they would treat their own business.

5.1. Principle: **Encouraging and promoting initiative taking**

- We as the Bank agree to create the atmosphere that encourages initiative taking, determination and confidence in order to be more productive in achieving goals.
- We as the Bank agree to systematically share information among the employees, collect feedback and encourage participation of the team members in decision-making process via various channels of communication.
- We as the Bank agree to continuously challenge the present circumstances in terms of novelty and improvement.
- We as the Bank develop focus on innovation, which embraces new uses of technologies, meeting changing customer demands or needs, better systems and processes. Therefore, the innovative environment encourages innovative thinking and actions, inspires the employees to explore initiatives without fear of retribution and share their knowledge, experience, skills, suggestions and recommendations.
- We believe in deep collaboration between employees allowing us to innovate and bring more value to the Bank.
- We agree to apply innovative ways of work deployed by the Bank and adapt our work practices to rapidly changing business environment as may be required by the Bank.

Reporting Code of Ethics Violations

We agree to have an open door policy, where we all are given an ample opportunity to ask questions and seek advice if we are not confident whether a conduct violates letter and spirit of the Code of Ethics and to raise concerns if we believe that our Code of Ethics has been violated.

An open-door policy is a communication policy in which senior management encourages openness and transparency with the employees. Employees are encouraged to stop by whenever they feel the need to meet and ask questions, discuss suggestions, and address problems or concerns with management. An open-door policy serves to foster an environment of collaboration, high performance, and mutual respect between senior management and employees.

Seeking guidance

While conducting our job, we may face the situations, when the right way to act is not perfectly clear. In such situations, we shall ask questions before undertaking an action that may violate law, internal regulations of the Bank or provision of this Code. If we have questions, we can seek guidance from:

- Immediate Supervisor
- Head of HR function
- Head of Internal Audit function
- Head of Compliance & AML function
- Members of the Board of Directors

Reporting concerns

It is the responsibility of everybody at PASHA Bank Georgia to report any known or suspected unethical conduct, which includes any violation of the Code, by other employees or anyone in any way associated with the Bank. PASHA Bank Georgia is committed to protecting all employees who report unethical conduct from reprisal as well as offering any necessary support to individuals who make reports.

When an employee makes a report of unethical conduct, they should do so “in good faith”. Reporting in good faith means, you are coming forward honestly with information that you believe to be true, even if, after investigation, it turns out that you were mistaken.

If we become aware of or suspect any conduct that we believe violates law, internal regulations of the Bank or provision of this Code, we shall report such conduct as promptly as possible until the issue is addressed. We may report using the following options:

Option 1 - We shall report the issue by means of a confidential discussion with our immediate supervisor. However, if we believe that we cannot do this for any reason we may always report it to our Head of HR and/or Head of Internal Audit and/or Head of Compliance & AML functions (any reason might be e.g. a conflict of interest of the persons involved and/or we are uncomfortable reporting the matter to our immediate supervisor).

Option 2 - We shall report the issue by means of a confidential discussion with our Head of HR and/or Head of Internal Audit and/or Head of Compliance & AML functions. However, if we believe that we cannot do this for any reason we may always report it to our member of the Board of Directors and/or the full Board of Directors (any reason might be e.g. a conflict of interest of the persons involved, and/or we are uncomfortable reporting the matter to our Head of HR and/or Head of Internal Audit and/or Head of Compliance & AML functions).

Option 3 - We shall report the issue by means of a confidential discussion with a member of the Board of Directors and/or the full Board of Directors. However, if we believe that we cannot do this for any reason we may always report it to the Chairman of the Supervisory Board (any reason might be e.g., a conflict of interest of the persons involved, we are uncomfortable reporting the matter to our Board of Directors).

Employee may choose to report cases anonymously via anonymous channel (details are reflected on the intranet). Anonymous reports will be accepted, reviewed by the Head of our HR function and cascaded further to management. Employees will receive comment on their report with suggested further actions. Employees should consider reports may not be acted upon in certain situations, due to the fact it is difficult to act on allegations without knowing the affected parties or when the evidence is incomplete. Therefore, the report should include as many details as possible.

Reports of ethical violations are expected to be kept confidential. Disclosure of identity of the reporting person may be necessary or appropriate in order to conduct an adequate investigation or to meet legal requirements. In that case, prior permission should be asked from the person raising the issue.

No retaliation

We will not permit retaliation against any employee who, in good faith, seeks advice or who reports or complains of violations of the Code, or other illegal or unethical conduct.

If, however, an employee is not sincere in his/her intentions to be fair, open, and honest, regardless of the outcome of the interaction and makes a false report for the purpose of harming another person, the reporting employee will be subject to disciplinary action.

Final Provisions


Violations of the Code, violations of applicable laws or failure to cooperate with an internal investigation may be a ground for disciplinary action, including dismissal.

This Code is effective upon its approval by the Supervisory Board.

The responsibility to review the document for updates is vested upon Corporate Secretary.

Chairman of the
Supervisory Board
of M&M Bank
Georgia

Faith Hammack



15 pages