

**TECTONIC FINANCIAL, INC.  
WHISTLEBLOWER POLICY**

**Approved by the Board of Directors  
April 24, 2019**

**Objectives**

Any employee or director of Tectonic Financial, Inc. (the “Company”) may anonymously and confidentially report concerns (“Concerns”) regarding accounting or auditing matters or violations or suspected violations of the policies, standards, or Company Code of Business Conduct and Ethics (the “Code”) to the Company’s Audit Committee Chair without fear of retaliation. In order to facilitate the reporting of Concerns, the Board of Directors of the Company adopted the procedures set forth in this Whistleblower Policy. This Whistleblower Policy is designed to establish policies and procedures for submission of Concerns, receipt, retention and treatment of Concerns, and the protection of directors and employees reporting Concerns from retaliatory actions.

**Responsibilities**

***Audit Committee Chair.*** The Audit Committee is responsible for investigating and making appropriate recommendations to the Board of Directors with respect to all reported Concerns. In addition, the Audit Committee will maintain a log of all complaints tracking the receipt, investigation and resolution of all complaints. Copies of complaints and such log will be maintained in accordance with the Company’s document retention policy.

**Policy**

***Introduction.*** The Code sets out the basic standards of ethics and conduct to which all of the directors and employees of the Company are held while acting on behalf of the Company. These standards are designed to deter wrongdoing and to promote honest and ethical conduct, as well as protect the reputation of the Company and promote compliance with applicable laws, rules and regulations.

***Reporting Responsibility.*** Each director and employee of the Company has an obligation to report, in accordance with this Whistleblower Policy, (a) questionable or improper accounting or auditing matters and (b) violations and suspected violations of the Code, including, but not limited to:

- illegal or fraudulent activity, including, without limitation, violations of any rule of the Securities and Exchange Commission (“SEC”) or the Company’s regulators, applicable laws related to fraud or any other laws, rules or regulations to which the Company is subject;
- violations of Company policies or procedures or statutory, regulatory or other requirements for good corporate governance;

- improper or questionable accounting, violations of internal accounting controls or improper auditing matters, including fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
- misrepresentations or false statements to or by an officer of the Company or an accountant, consultant or regulatory authority regarding a matter contained in the financial records, financial reports or audit reports of the Company;
- conflicts of interest, dishonest or unethical conduct, or inaccurate disclosures in the Company's SEC reports, bank regulatory filings and other disclosures;
- any other matter, that in the good faith belief of any employee or director reporting a Concern, constitutes illegal or unethical behavior that could cause harm to the business, reputation or public position of the Company;
- any attempt to conceal a potential violation of any law, regulation or Company policy or procedure, or evidence of a potential violation; or
- any retaliation, in any form, resulting from the submission of a Concern.

***No Retaliation.*** This Whistleblower Policy is intended to encourage and enable directors and employees to raise Concerns within the organization for investigation and appropriate action. With this goal in mind, no director or employee who, in good faith, reports a Concern shall be subject to retaliation or, in the case of an employee, adverse employment consequences, including but not limited to, discharge, demotion, suspension, threat or harassment. Moreover, an employee who retaliates against someone who has reported a Concern in good faith is subject to discipline, up to and including termination of employment.

### ***Reporting Concerns.***

- *Employees.* Employees should typically first discuss their Concern with their immediate supervisor, if possible. If, after speaking with his or her supervisor, the individual continues to have reasonable grounds to believe the Concern is valid, the individual should report the Concern to the Audit Committee Chair. In addition, if the individual is uncomfortable speaking with his or her supervisor, or the supervisor is a subject of the Concern, the individual should report his or her Concern directly to the Audit Committee Chair. The Audit Committee Chair can be contacted anonymously and confidentially through e-mail at [barbbomersbach@yahoo.com](mailto:barbbomersbach@yahoo.com) or at: (214) 532-0227.

If the Concern was reported verbally to the Audit Committee Chair, the reporting individual, with assistance from the Audit Committee Chair, will be requested to reduce the Concern to writing.

- *Directors.* Directors should submit Concerns in writing directly to the Audit Committee Chair.

- *Additional Reporting Options.* An additional reporting option for suspected securities law violations is the SEC at:

SEC Office of the Whistleblower  
100 F Street NE  
Mail Stop 5631  
Washington, DC 20549

Phone: (202) 551-4790  
<https://www.sec.gov/about/offices/owb/owb-tips.shtml>

***Handling of Reported Violations.*** The Audit Committee shall address all reported Concerns. The Audit Committee Chair shall immediately notify the President, Chief Executive Officer, Chairman of the Board of Directors and the Chief Financial Officer of any such Concern, unless doing so would hinder the full and complete investigation of the Concern. Concerns involving executive officers and/or directors will be promptly reported to the Board of Directors of the Company. The Audit Committee Chair will notify the sender (if not an anonymous Concern) and acknowledge receipt of the Concern within five business days, if possible. However, it may not be possible to acknowledge receipt of anonymously submitted Concerns.

All reports will be promptly investigated by, or under the supervision of, the Audit Committee, and appropriate corrective action will be recommended to the Board of Directors, if warranted by the investigation. Any action taken by the Board of Directors will include the reaching of a conclusion and follow-up with the complainant as deemed appropriate by the Company in order to achieve closure of the Concern.

The Audit Committee has the authority to retain outside legal counsel, accountants, private investigators or any other resource deemed necessary to conduct a full and complete investigation of the Concern. The Company shall pay all costs for such resources.

***Acting in good faith.*** Anyone reporting a Concern must act in good faith and have reasonable grounds for believing that the information disclosed indicates an improper accounting or auditing practice, or a violation of the Code. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly or with the foreknowledge that the allegations are false, is a serious transgression and may result in discipline, up to and including termination of employment. Such conduct may also give rise to other actions, including civil lawsuits.

***Confidentiality.*** Reports of Concerns, and investigations pertaining thereto, shall be kept confidential to the fullest extent possible, consistent with the need to conduct an adequate investigation. Disclosure of reports of Concerns to individuals not involved in the investigation is a serious transgression and may result in discipline, up to an including termination of employment. Such conduct may also give rise to other actions, including civil lawsuits.