



TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

CONFLICT OF INTEREST POLICY

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1. PURPOSE AND SCOPE

This policy aims to clarify issues which may lead to conflicts of interest regarding the following matters:

- Conflicts of interest between the Bank and the customer,
- Conflicts of interest between Bank personnel and the customer,
- Conflicts of interest between the Bank and its personnel,
- Conflicts of interest between different personnel and/or departments,
- Conflicts of interest between our customers.

This Policy applies to all Bank employees, including temporary staff.

2. LEGAL BASIS

This policy is drawn up on the basis of the “Regulation on Corporate Governance Principles of Banks” published in the Turkish Official Gazette no. 26333 of 01.11.2006, and the “Communiqué on the Establishment and Operating Principles of Investment Institutions” (III-39.1) published in the Turkish Official Gazette no. 28854 of 17.12.2013.

3. DEFINITIONS

In this Policy,

Bank refers to Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi,

Chinese Wall refers to the restrictions on data sharing between various departments of the Bank,

Interest refers to any pecuniary and non-pecuniary resources providing personal benefits, whether financial, commercial, professional etc.,

Conflict of interest refers to the conflict between the interests of a person with those of the person(s) with whom they are engaged in a legal relationship; or the interaction or obstruction of the interest of the parties,

Audit Committee refers to the Audit Committee of Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi,

General Manager refers to the General Manager of Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi,

Insider information refers to any information which has yet to be made public, and which can affect the value of capital market instruments and the investment decisions of the investors,

C-Level Executives refer to the General Manager and Assistant General Managers of Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi, directors of internal systems departments, and any executives of departments other than consultancy departments, with duties and powers equal or senior to assistant general manager level, even if they are employed under other titles,

Senior Management refers to the Board of Directors and C-Level Executives of Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi,

Board of Directors refers to the Board of Directors of Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi.

4. GENERAL PRINCIPLES AND IMPLEMENTATION REQUIREMENTS

4.1. Conflicts of interest between the Bank and its personnel

The Bank personnel are prohibited from direct and/or indirect use of the Bank's assets and resources to which they are granted access within the framework of their duties and authorities, for their personal benefit. The personnel are required to devote their time and effort during work hours, exclusively to performing their duties at the Bank, and they are prohibited from spending their time and effort for their personal interests, in a way that would create a conflict of interest.

As a rule, the personnel should abide by the principles of honesty and transparency in line with the Bank's rules, in their dealings with government agencies and private entities and organizations, as well as with the customers, and should exhibit appearances and behaviors in tune with the Bank's image.

All personnel should be aware of and comply with the relevant internal and external legislation, in connection with the responsibilities they assume with respect to their duties and authorities.

The personnel are under obligation to strictly comply with the principles of professional confidentiality as established in the legal regulations. As per article 73, paragraph 3 of the Turkish Banking Law no. 5411; the personnel who, due to their duties and titles, become aware of confidential information belonging to the Bank's legal entity status or to its Customers, shall not disclose such information to anyone other than the authorities which are explicitly authorized by law.

As per Personal Data Protection Law no. 6698, all personal data processing operations should, as a rule, be compliant with the data protection principles noted below. The principles aiming to ensure compliance with the Bank's relevant internal regulations are as follows:

- Compliance with law and the principles of honesty,
- Accuracy, and up-to-dateness where required,
- Being processed for specific, explicit, and legitimate purposes,
- Being linked to, and limited and restricted to the purpose of processing,
- Being stored for the time frames stipulated in the applicable regulations or those required for the purpose of processing.

In this context, all personnel are under obligation to avoid disclosing confidential information regarding the customers, operations, and transactions of the legal persons within the framework of the Bank, save for disclosures to government authorities explicitly stipulated by law, and authorized Bank personnel.

“Confidential Information” includes any non-public information regarding customers that is already available or may be available for use only with respect to the specific purpose specified, learned by the personnel in written or verbal form as a result of their duties, and which can be used to identify the person or entity involved, and characterized as sensitive personal information and information belonging to the Bank.

For the purposes of protecting confidential information;

- The desks will be cleaned every evening, with any confidential documents being put under lock and key, and the keys being stored in a secure place.
- Loan files and other confidential documents will not be taken out of the company, without the explicit consent of the senior management.
- Passwords and user IDs will be kept secret and will not be disclosed to anyone. They will be changed regularly.

- No data will be copied to devices such as portable memories etc., save for the case of declarations required under the regulations.
- Confidential information will not be discussed in public areas.
- Customers or persons other than Bank personnel will not be permitted to sit at personnel desks.

The trading and use of confidential information for the benefit of third parties and/or for the personal and private interests of personnel is forbidden. Such obligations shall remain in effect even after the personnel member leaves the employment of the Bank.

In particular, personnel who are privy to non-public confidential information as a result of their duties are prohibited from using such non-public information for their personal interests, and in other words, from insider trading and/or transactions to cause price manipulation.

The personnel are required to avoid using their authorities for obtaining unfair advantages for themselves and their relatives and friends. All personnel, as well as relatives and friends thereof, are required to avoid the following transactions, regardless of their nature and cause:

- Engaging in any commercial activity in which the customer is one of the parties,
- Engaging in any commercial activity (procurement of goods or services) with the Bank, wherein the other party is the personnel or the relatives or friends thereof, or in which the personnel or their relatives or friends act as the customer or supplier.

In the following cases, the personnel shall not be involved in the decision-making process:

- The relevant personnel being immediate and/or second-degree relatives with decision-making power and/or a shareholder / the ultimate beneficiary at the company considered to be the customer, with which the transaction will be performed / a relationship will be established, as per the area of activity of the Bank,
- The immediate and/or second-degree relatives of the personnel being persons with the decision-making power and/or a shareholder / ultimate beneficiary at the company engaged in a commercial relationship and/or operating as supplier.

With a view to preventing conflicts of interests between the personnel and the customers, the Bank abides by its “Ethical Principles Covenant” and the Code of Banking Ethics and Human Resources Regulation of the Banking Association of Turkey, which are kept in a shared space accessible to all personnel. The abuse of one’s duties and authorities for the benefit of third parties or their relatives or friends and/or for causing loss on the customers, requires dismissal.

4.2. Conflicts of interest between different personnel and/or departments

The measures introduced by the Bank for regulating the flow of information and ensuring the separation of duties, in order to prevent conflicts of interest between different personnel and/or departments, are provided below.

The personnel are prohibited from sharing the information they access in line with their duties and responsibilities, with other personnel who are not authorized to access such information. The personnel who are granted access to such information are responsible for maintaining the confidentiality and security of such information. The issue is handled within the framework of restricting and/or preventing the flow of confidential and internal information inside the Bank, through the use of Chinese Walls. This attitude is designed to prevent potential conflict of interest incidents. Within the framework of the Chinese Walls, different levels of authorization are granted to personnel, with respect to access to information.

The personnel's access to the Bank's systems are regulated through the use of personal passwords. As the personnel are granted information access and procedure authorization levels consistent with their duties, authorities, levels and status in the system, the sharing of passwords with other personnel is prohibited. The personnel are personally liable for ensuring the security of their personal passwords.

The personnel's access to information and documents is designed in accordance with their authorization levels, through the Bank's internal regulations, in line with the principles of separation of duties and/or physical separation. The authorities and responsibilities which pose risks, and which can lead to conflicts of interest will be segregated, so as to prevent the assignment thereof to the same individual.

The principle of separation of duties assigns the tasks of performing, approving, and registering as well as checking the operations, to different individuals.

The seating arrangements of the personnel also ensure the separation of departments which may have duties and information which may be involved in conflicts of interest.

4.3. Conflicts of interest between different customers

This point refers to the conflicts of interest which may arise between two distinct customers of the Bank.

In cases where the conflicts of interest between different customers cannot be avoided, the personnel are required to treat such customers fairly and equally.

In cases of conflict of interest between customers, the personnel should try to perform their duties in an impartial manner.

4.4. Conflicts of interest between Bank personnel and customers

Personal interest can be financial, as well as an advantage in the sector.

The most frequently observed areas of personal interest are listed below, representing general matters of interest. The cases of conflict of interest include, but are not limited to the following:

- Accepting gifts extended to influence the personnel's preferences, decisions and consent, by customers, suppliers, agents, or brokers,
- Acting as the counterparty in customer transactions (for instance, the purchase by the personnel member or any relative or friend of the personnel member, of any asset or instrument sold by the customer),
- Engaging in a personal financial relationship with the customers and/or suppliers,
- Copying customer transactions,
- Engaging in transactions on behalf of (as a proxy for) the customer; acting as the customer's agent,
- Establishing financial connections with the customer (e.g., borrowing, guarantee, payments for the customer),
- In particular, the personnel who are privy to non-public confidential information as a result of their duties, using such yet non-public information for their personal interests, and in other words, engaging in insider trading and/or transactions to cause price manipulation,

- Drawing financial benefits other than standard fees and commissions from the customer, for the services provided to the customer,
- Drawing financial benefits from third parties, for the services provided to the customer,
- Drawing benefits for the services provided and operations carried out for the customer,
- Discrimination between customers and preferring one customer over another, based on personal interests,
- Transferring to third parties and/or trading confidential customer information to which they become privy within the framework of their duties and authorities, in line with their personal interests/benefits,
- In the context of personnel assigned to investment banking projects in particular, using confidential information they have received for their personal interests and/or the interests of third parties or other customers,
- Engaging in discrimination among customers based on the scale of order,
- Recommending funds which receive significant investments from certain customers to other customers,
- Acting in line with personal interests, in disregard of the principles of priority in terms of time and price, when transmitting orders,
- The use of non-public information, by personnel who have access to such information, to draw financial benefits,
- Drawing benefits from the services and products offered to the customer, even though they are not beneficial for the customer,
- Providing incorrect and inaccurate or misleading information to customers,
- Demanding gifts from customers, suppliers, and consultants; making hints on this matter,
- Providing extremely expensive gifts to existing or potential customers or providing benefits well above the requirements and beyond the normal practices (such as the option to purchase on special discount), using one's position.

The Bank personnel are prohibited from engaging in any of the actions specified above.

4.5. Conflicts of interest between the Bank and the customers

The customers are notified in advance of the provision of the relevant service or product regarding the contents and causes of the conflicts of interests which may arise between the Bank and the customers due to the operation of the market, and which cannot be reasonably prevented, despite the fact that the Bank has developed an organizational structure and the processes to prevent conflicts of interest, coupled with the required administrative measures. Such notification shall be performed in writing. As a rule, the notification should be clear and fair.

In cases where the loss incurred by the customer may lead to profit for the Bank, due to the characteristics of the service or product provided within the framework of the investment services and activities, the customer shall be provided all information required under the applicable regulations, in a current, clear, fair, and non-misleading as well as written format, with respect to the product offered to the customer, before the commitment engagement with the customer.

With a view to prioritizing the interests of the customers in all activities of the Bank;

- All customers should be treated impartially and equally, without any discrimination; unfair advantages or preferential treatment should be avoided,
- Within the framework of a correct “Know Your Customer” attitude, adequate and accurate information should be collected with respect to the customers, in order to identify the services and products to meet their requirements and expectations,

- In line with the “Know Your Customer” perspective, the customers should be handled in two distinct categories –general and professional–, and the risk level of the product to be presented, and its suitability in the light of the category and the results of the appropriateness and suitability tests, should be established,
- The product offered should be compliant with the expectations and requirements, as well as the expertise and experience of the customer; and any product which is not consistent with the customer’s interest should not be offered to the customer,
- One should make sure that the customer has clearly understood all financial risks involved, the cost of the product, and the purpose of its provision to the customer, as well as the contents of the product, with clear and unambiguous language,
- All risks of the product offered should be clearly explained in detail,
- In cases where risks which are not consistent with the customer’s profile, and which are above the customer’s capacity are involved, the customer should be notified about all risks before performing the transaction, and the personnel should be sure about the customer’s clear perception of the risks involved,
- No written or verbal statements guaranteeing a certain amount of return for a given investment instrument should be extended,
- The customer should be notified about the fees for the transactions to be performed, as well as the possibility of different commissions being applied on different communication channels (such as when placing orders via telephone), and should be informed that the purpose of doing so is to prevent ill-informed transactions,
- The customer should not be led towards multiple transactions even though they do not need them, and the transactions are not to their benefit, only to increase commission charges through such a practice.

The most common cases which can be considered examples of conflicts of interest regarding the Bank’s operations are presented below. The actions involved in the examples provided are prohibited.

- In cases where the Bank acts as the portfolio manager for multiple customers, selling the amounts transferred to the pool during the day, to certain customers at better rates at the end of the day,
- In terms of customer transactions, performing the Bank’s portfolio transactions before those of the customers, and giving the priority of transactions to the Bank,
- The Bank being engaged with an external auditor, with which a conflict of interest exists due to the consulting service the latter provides to the Bank,
- Sharing private, confidential, or sensitive information with various establishments, subsidiaries/partnerships, and research, consulting, banking, investment, and loan extension departments of the Bank,
- Recommending to the customers the capital market instruments included in the Bank’s portfolio, and planned to be divested, even though such instruments are not consistent with the Customer’s risk portfolio and appetite,
- Providing assessments to customers about capital market instruments included in the Bank’s portfolio, and planned to be divested, even though such instruments are not consistent with the Customer’s risk portfolio and appetite,
- Preparing the assessment reports drawn up by the relevant officials of the Bank, for sharing with the customers, in tune with the Bank’s interests,
- Copying customer transactions, with a view to deriving benefits for the Bank,
- Offering services and products to customers, for the benefit of the Bank, even though such a product or service is not beneficial for the customer,
- Opening a position for the Bank before the customer’s order, based on a yet non-public piece of information.

5. DUTIES AND RESPONSIBILITIES

As a rule, the personnel are required to be aware of and pay attention to all potential conflicts of interest they may come across in the context of their duties and responsibilities. Therefore,

all personnel are required to be careful with respect to cases that cause existing conflicts of interest or that may cause potential conflicts of interest and avoid cases that cause conflicts of interest as stipulated in the present Policy, and to refuse involvement in a transaction that may cause a conflict of interest. Being unaware of the rules provided in the present Policy, or ignoring existing conflicts of interest, or failure to report them in writing shall also be deemed a breach regarding the rules on conflicts of interest, and the persons involved shall be subjected to the relevant provisions of the Human Resources Regulation of the Bank. Various disciplinary sanctions, including the termination of the employment contract, shall apply, in accordance with the nature of the breach.

Personnel of all levels are under obligation to avoid cases which would lead to conflicts of interest, and to analyze the issues which lead to existing conflicts of interest or which may lead to potential conflicts of interest that they may come across during the performance of their duties, as well as to report them to their supervisors in writing, while staying away from the issue by refusing the benefits involved. If the personnel do not know or are unsure about how to handle the conflict of interest, or if they believe that the issue involves the supervisor to whom they report, they shall report the matter to their supervisor and the Internal Control and Compliance Department as soon as possible.

Each department supervisor is required to monitor the risks which may arise with respect to their area of responsibilities, and to immediately investigate any issue causing a conflict of interest and/or any conflicts of interest reported to them and report them to the Internal Control and Compliance Department. Whenever a potential conflict of interest is identified, the relevant department supervisor should investigate the matter and disclose it to the Internal Control and Compliance Department, in order to prevent the conflict. If they do not know how to handle the conflict of interest, or how to manage an issue which may create a conflict of interest, they should report the issue to the Internal Control and Compliance Department, without delay.

The Internal Control and Compliance Department is required

- To provide information on this issue, to all personnel through the internal arrangements it shall prepare, and to organize relevant training sessions where required, and thereby raise the personnel's awareness regarding the matter,
- To carry out investigations once a year, to see whether or not the personnel are involved in any activities outside the Bank,
- To annually review, once again, any issues which may potentially cause conflicts of interest, and to investigate the issues which may potentially cause conflicts of interest, in the context of determining whether or not the personnel report the matters as required,
- To disclose the cases of conflict of interest reported to it, or identified by it, to the Audit Committee through the Compliance Report, and to report them to the Chair of the Inspection Board.

The Chair of the Inspection Board is required

- To review the consistency of the Bank's internal regulations and the Bank's practices within the framework of the audits carried out in the context of the annual audit plan,
- To assess, during the audits, the adequacy of the procedures in place, in terms of preventing conflicts of interest,
- To review the cases of conflict of interest reported to it, either directly or through the Internal Control and Compliance Department, and to report the results of the analysis to the Audit Committee.

C-Level Executives are required

- To clearly delineate the powers and responsibilities of the personnel, covering compliance to policies and implementation procedures, ethical rules, and professional practices,
- To design and regularly review the processes under their responsibility, so as to adequately prevent conflicts of interest,
- To review the policies to ensure complete, accurate and timely implementation,
- To refuse any direct or indirect gifts and to refrain from drawing any undue benefits, with respect to the Bank's businesses,
- To take the required measures to ensure the establishment of good relations without the involvement of undue interests between the Bank and its customers, and to ensure operation in accordance with the terms of the agreement reached among the parties,
- To notify the General Manager and the Audit Committee in writing, and to notify the Board of Directors through the General Manager and/or the Audit Committee Chair, in accordance with the significance of the issue, if they and/or their spouse or relatives through blood or marriage up to (and including) second-degree relatives engage in any actions regarding the area of operations of the Bank, given their privileged access to all information regarding the Bank,
- To provide information to the general assembly on relevant activities, and obtain the general assembly's approval in advance, for the C-Level Executives and/or their spouses and blood relatives and relatives by marriage up to the second-degree to compete with the Bank and to engage in activities which may lead to conflicts of interest with the Bank,
- To refrain from any activity which can lead to insider trading.

The Board of Directors is required

- To monitor any actions that C-Level Executives may engage in, to cause statutory or nominal risk to the Bank's balance sheet,
- To ensure the implementation, by the C-Level Management, of the policies required for the identification, prevention, or management of potential conflicts of interest which may arise as a result of the Bank's activities,
- To avoid conflicts of interests and undue obligations in relationships with other entities,
- To reach decisions consistent with the results of the review of the conflicts of interest reported to it by the Audit Committee; to ensure the notification of the parties of the conflict of interest, about the decisions taken, through the Board of Directors meeting minutes,
- To provide information to the General Assembly about the activities approved in advance by the General Assembly, to allow the shareholders with managerial powers, Board of Directors members, C-Level Executives, and their spouses and relatives through marriage or blood, up to the second-degree, to compete with the Bank or subsidiaries and to engage in activities which can cause conflicts of interest with the Bank or subsidiaries.

The Independent Board Members:

- Are prohibited from holding qualified shares in the Bank or consolidated subsidiaries,
- Cannot be the spouse or relatives through blood or marriage up to (and including) second-degree relatives, of the controlling shareholder or the General Manager,

- Cannot be shareholders or personnel of the entities engaged in the independent audit of the Bank or consolidated subsidiaries and cannot take part in the independent audit process.
- Regarding matters which are directly of concern to them, the Bank's Board of Directors member shareholders cannot attend the Board of Directors meeting and take part in the decision process, during the discussion of the matters to which they are a party to,
- The Board member in question cannot take part in the decision process, during the discussion of loan extension to companies in which the Board member is a direct and/or indirect shareholder,
- Members of the Board of Directors cannot engage in any activity that entails insider trading,
- Without the permission of the General Assembly, members of the Board of Directors can neither engage in a commercial business overlapping with the company's area of operations on their own behalf or on behalf of a third party, nor be involved in a company engaged in the same kind of commercial operations, as a partner with unlimited liability,
- A member of the Board of Directors cannot take part in the discussions on matters where the interests of the company conflict with their personal interests outside the company, or the personal interests outside the company of one of their ascendants or descendants, their spouse, or relatives through blood or marriage up to (and including) third-degree relatives. This restriction shall also apply in cases where the disqualification of the member of the Board of Directors from the discussions is a requirement of the principle of honesty. In cases of doubt, the Board of Directors shall decide on the matter. The relevant member shall not take part in the vote on this decision,
- Given their privileged access to any and all information belonging to the Bank, they are required to disclose the operations in question with the Board of Directors in case they engage in any operations in the area of operations of the Bank, on their own behalf or on behalf of their spouse or relatives through blood or marriage up to (and including) second-degree relatives.

6. SETTLEMENT OF CONFLICTS OF INTEREST

For the settlement of conflicts of interest;

- Personnel at all levels shall assess the incidents which may lead to an existing or potential conflict of interest, and report them in writing to their supervisors and/or directly to the Internal Control and Compliance Department, and shall refuse to be involved in an operation that causes a conflict of interest,
- Every department supervisor shall investigate any issue causing a conflict of interest and/or the accuracy of conflicts of interests reported to them, and report them to the Internal Control and Compliance Department without delay,
- With a view to coming up with a solution, the potential or existing conflict of interest shall be reported by the Internal Control and Compliance Department to the Chair of the Inspection Board and the Human Resources Committee,
- The Internal Control and Compliance Department shall report the cases causing a conflict of interest, as per the reports submitted to it or its own findings, to the Audit Committee, through the Compliance Operations Report,
- In the case of conflict of interest issues submitted to the Chair of the Inspection Board, and requiring review and investigation, the Chair of the Inspection Board shall carry out the required activities, and report the results to the Audit Committee,
- The Board of Directors shall reach a decision in accordance with the results of the review regarding the conflicts of interest reported to it and shall communicate its decision to the parties of the conflict, through meeting minutes.

7. MEASURES INTRODUCED TO PREVENT CONFLICTS OF INTEREST

The following measures are applied to prevent conflicts of interest at the Bank:

- The Senior Management clearly establishes the powers and responsibilities of the personnel, covering compliance with the methods and principles of implementation, rules of ethics, as well as professional practices; designs and regularly reviews the organization and processes so as to adequately prevent conflicts of interest; and monitors the thorough, correct and timely implementation of the policies.
- The Internal Control and Compliance Department shall hear all complaints, recommendations and requests received from customers with respect to the Bank's products and services, so as to preclude the occurrence of a case to lead to a conflict of interest with the customers, and shall communicate them to the relevant departments, keeping track of the solutions.
- The Internal Control and Compliance Department shall report the points on which the customer complaints are focused to the Audit Committee, through monthly Compliance Activities Report.
- The Internal Control and Compliance Department shall also monitor the customer complaints, to ensure that they are responded to within the established timeframes, and in compliance with the quality requirements.
- The Chair of the Inspection Board shall submit to the Internal Control and Compliance Department the details about the conflicts of interest reported directly to it.
- The Legal Counselor shall prepare and/or review and submit legal comments on the prepared legal texts and contracts involved in the transactions the Bank is a party to, so as to avoid conflicts of interest in agreements executed with third parties.
- In order to prevent any irregularities or conflicts of interest in procurement and sales activities with third parties, the authority levels and limits established through the "Procurements, Sales and Tender Directive" of the Bank shall be observed in the relevant activities. The approval and authorization limits regarding all kinds of transactions covered in tenders, as well as the decisions regarding goods/services procurements shall be compliant with the said Directive. As the Directive is issued to regulate the Bank's internal operations regarding procurement and sales activities and tenders, it is not binding for the Bank in the face of third parties. The provisions of legal regulations and private contracts shall apply in the case of disputes with third parties.
- The Human Resources Regulation stipulates the rules for the management of the personnel's/related persons' personal accounts and investments.
- The Bank's Ethical Principles Agreement and the Human Resources Regulation establish the rules governing the personnel's activities outside the Bank.
- A written Remuneration Policy in compliance with the scope and structure of and the strategies for the Bank's operations, the long-term objectives and the risk management structures, and to prevent the assumption of excessive risk, and to contribute to effective risk management, has been established. The Board of Directors shall review the Remuneration Policy at least once a year to ensure that the wages paid are consistent with the Bank's ethical principles, internal stability, and strategic targets.
- For the monitoring and oversight of the remuneration practices on behalf of the Board of Directors, a "Remuneration Committee" is established within the structure of the Board of Directors. This Committee shall review the Remuneration Policy and practices, and submit its recommendations regarding these, to the Board of Directors on an annual basis, as a report.
- Adequate pay and benefits in tune with the prevailing conditions are provided to the personnel in accordance with the market and the Bank's budget capabilities, the personnel's professional qualifications, responsibilities, and authorities.
- The job descriptions and assignments of the personnel other than those of the Internal System Departments, as well as the criteria for performance-based bonus payments are established by the Board of Directors based on the C-Level Executives' proposals and extended by the General Manager. The criteria are regularly reviewed in light of the established standards and special assignment responsibilities.

- Career planning of Bank personnel is to be established by the C-Level Executives on the basis of the Bank's strategy and requirements, within the framework of the principles approved by the Board of Directors.
- The premium and bonus payments based on the Bank's performance for the Executive members of the Board of Directors and to C-Level Executives are extended by the General Manager, within the framework of powers granted by the Board of Directors. The premium and bonus payments are to be set in accordance with objective criteria regarding the Bank's profitability, financial structure, mission, strategy, and targets.
- The dividend payments can be affected within the framework of the rules and procedures established in the Bank's articles of association, and by the General Assembly.
- The Bank may set different standards in tune with the type of the conflict of interest and set different standards regarding the remuneration criteria for the departments which may cause the conflict of interest, with reference to the type of the conflict of interest.
- The personnel cannot engage in or accept any paid or unpaid work, even outside the work hours.
- The Bank's internal regulations shall apply with respect to the Bank's types of activities or the new products and services it may develop.
- In cases where the prosperity of one or more customers can be potentially affected, the sharing of information between the personnel / relevant person / service provider can be blocked or made in a controlled way. (For instance; making sure that the need-to-know basis is applied in the transfer of banking information to the suppliers, as well as the requirement to sign a confidentiality agreement.)
- The rules to govern the receipt, extension, and disclosure of incentives and gifts shall be established; proposed and accepted benefits and interests shall be registered.
- The Independent Board Members shall submit written statements attesting their independent status, within the framework of the legislation, articles of association, and corporate governance principles.
- The Board of Directors shall confirm the autonomous operation of the departments.
- The Senior Management shall ensure that the information considered to be personal data as per the Personal Data Protection Law is subjected to limited and/or restricted flow within the Bank and shall take measures to prevent its disclosure outside the Bank, except the cases/terms specified in the relevant Law.
- Chinese Walls shall restrict and/or prevent the flow of confidential and internal information inside the Bank. For instance, as, within the framework of the Chinese Wall arrangements, only authorized personnel have access to the information of the customers to whom custody services are provided, the responsibility for the confidentiality of such information is borne by said personnel only.
- The personnel's access to information and documents in the context of the Bank's internal regulations, job descriptions, and workflows shall be designed in accordance with their authority levels, based on separation of duties, separation of functions and/or physical segregation; high-risk duties and responsibilities shall be separated and shall not be assigned to the same individual.
- The principle of separation of duties assigns the tasks of performing, approving, and registering as well as checking the operations, to different individuals.
- Within the framework of the separation of functions, no department shall be allowed to handle a given process from start to finish.
- The seating arrangements of the personnel also ensure the separation of departments which may have duties and information which may be involved in conflicts of interest. That is why the departments at the Bank have been designed with closed offices.
- A four-eyes principle is applied for the oversight of the Bank's activities. Based on this principle, every crucial decision shall be taken by two or more individuals.

- The personnel's access to the Bank's internal system and the software used by the Bank shall be based on the user IDs provided to them, and the personal passwords they set. The sharing of personal passwords is prohibited. In case such passwords are shared, disciplinary actions stipulated in the Bank's Human Resources Regulation shall apply. Through the use of such personal passwords, the personnel are only authorized to perform the procedures they are authorized for, in line with their duties and responsibilities. The authorities of all personnel have been diversified, in compliance with the principle of cross-checks.
- In order to raise the awareness of Bank personnel, the Bank's internal regulations are kept in a shared space accessible to all personnel.
- The Internal Control and Compliance Department ensures the training and raising awareness of the personnel, regarding the confidentiality of customers' and the Bank's confidential information. Personnel consistent with the requirements of the position and the assignments are employed in accordance with the Bank's objectives.
- The personnel are gathered around shared goals in terms of ensuring commitment to the Bank and the Bank's culture. Communication channels to enable the personnel to voice their views and proposals are provided.
- The Senior Management and the directors of the relevant departments engage in preventive activities so as to prevent the repetition of conflict of interest cases.

8. VIOLATIONS INVOLVING CONFLICTS OF INTEREST

The personnel's ignorance of the rules provided in this policy shall not be accepted as an excuse for the violations of such rules. All personnel are required to refer to and comply with these rules during the performance of their duties.

The personnel's violation of the rules provided in this policy, and instead choosing to ignore existing conflicts of interest and failing to report them shall lead to procedures compliant with the Bank's Human Resources Regulation, which is put on display in shared spaces accessible to all personnel. The violation shall be subjected to various disciplinary sanctions including the termination of the employment contract, in accordance with the nature of the violation.

9. LACK OF PROVISIONS IN THE REGULATION

In cases where this Regulation does not contain a provision to address a certain case, the Bank's internal procedures and the provisions of the relevant external legislation shall apply.

10. ENFORCEMENT

This Policy is drawn up on the basis of the Manual on Good Remuneration Practices in Banks, by the Turkish Banking Regulation and Supervision Authority, and the Communiqué on the Principles on Investment Services and Activities and Supplementary Services (III-37.1) by the Capital Markets Board of Turkey and shall enter into force on the of approval of the Board of Directors.

11. IMPLEMENTATION

The provisions of this Policy shall be enforced by the Board of Directors.