

## YAPI VE KREDİ BANKASI A.S. CODE OF ETHICS

Ethics are moral principles governing behaviour, in which values, norms and rules constitute the basis for individual and social relationships. Professional ethics regulate the relations between individuals within a professional group and the community, whereas organisational ethics define the code of conduct in an organisation. In this context, the Bank's ethic codes are a part of YKB "Personnel Policies, Principles and Regulations".

### 1. CONFIDENTIALITY

#### i.) Ensuring Confidentiality within the Bank

YKB forbids; the unauthorised use of confidential personal and financial information regarding customers, suppliers, or employees; sharing customer information and documents (including information about projects, technical infrastructure, regulations, employee personnel rights, etc.) with anyone inside or outside the Bank who does not have a business need for the information.

#### ii.) Preserving Personal Information of Customers

Employees are responsible for protecting customer secrets and banking secrets in line with the Banking Law and relevant legislative provisions. Even after an employee leaves YKB for any reason, s/he shall still be responsible for maintaining the confidentiality of this information.

#### iii.) Information with YKB Ownership (proprietary information)

Information, ideas, inventions, techniques, processes, computer software, "know how", materials, programs, reports, studies, records, data, customer lists, customer information, trade secrets and other information produced, developed and accessed by employees and regarding the Bank and all related entities, their customers and other third parties shall remain as YKB's property and can not be used for non-business purposes. Employees should not disclose proprietary information to third parties. Equipment and belongings allocated to employees by YKB cannot be considered as private property.

#### iv.) Preservation of Information

Every employee is responsible for acting in accordance to the "Information Security Systems Policy" that is/will be published with the points mentioned below.

Restricted access to confidential information: All computer access should be on a need to-know basis and is limited to the information required to perform the job. When sharing information with authorised individuals, only the required level of information should be provided. Confidential information should be preserved and stored where only authorised individuals can view or access. Envelopes marked "Confidential" should be used to distribute such information within the Bank.

Protection of Information on Computer Hardware: Laptop computers and other portable devices are

extremely vulnerable to theft and should therefore not be left unsecured. Employees should lock their computers or log off before leaving their desks. User ID and passwords are personal and should not be shared with anyone. The configuration of antivirus programs on company-provided computers should not be disabled or changed. It is the personal responsibility of employees to protect company-provided computers from external viruses which may expose company information.

## **2. RELATIONS WITHIN AND OUTSIDE THE COMPANY**

### **i.) Relations with Government Offices and Public Institutions**

Relations with government offices or public institutions are under the supervision of the Compliance Officer. Public institutions, political establishments, relations with unions and other organizations should be based on the highest levels of integrity, honesty, equality and independence principles. Requests for favours or behaviour which might be regarded as guiding the decisions of the opposing party must be avoided. Granting donations/giving gifts to any government body on behalf of YKB is strictly forbidden.

### **ii.) Relations with Customers, Suppliers and other External Institutions**

Employees act within the principle of integrity in their relations with customers, shareholders, subsidiaries and other companies while representing YKB.

Meeting the requirements of customers is our main goal as YKB. Therefore, customer relations at YKB are based on professionalism, courtesy and especially on the principle of confidentiality. The highest level of honesty, equality and compliance with the laws should be met during customer relations.

Employees should provide full and clear explanations to customers regarding the products and services offered by the company. Providing false information to the customers in order to obtain a higher profit is not allowed. Customers should be clearly informed about their rights and obligations regarding transactions with YKB as well as the benefits and risks of the products offered.

Employees should not adopt sales or communication techniques which; provide faulty or insufficient information to customers, force customers in their decision-making or are incompatible with professional ethic codes.

During the activities carried out in a free market economy, in addition to taking into consideration corporate interests; within the scope of principles including respecting mutual interests, sustaining confidence in the financial sector and striving for the development of the sector, employees should refrain from behaving in a way that creates unfair competition and from commenting and expressing during their duties positive or negative opinions on competitors and their products and services.

Relations with suppliers should also be based on the rules outlined above.

No YKB employee can undertake a real or visible liability on behalf of YKB either officially or unofficially unless s/he has proper authorization.

### **iii.) Relations with the Media**

Employees should avoid situations and behaviour that might result in speculation of any kind or

negative comments about YKB that might damage the reliability, reputation and stability of YKB or the sector, during the relations of YKB with the media.

Only the Corporate Identity and Communication Department is authorised to initiate contact with media. All external relations should be maintained in accordance with the procedures established by YKB.

#### **iv.) Conflicts of Interest**

YKB recognizes and respects the right of employees to engage in outside activities which do not impair or interfere with the performance of their duties at YKB or in their ability to act in YKB's best interest and deemed acceptable and in accordance with the code of ethics as stated in this document. and In most, if not all cases, this will mean that employees should avoid situations that present a potential or actual conflict between their personal interests and YKB's interests.

In order to prevent possible conflict of interests, employees should follow the guidelines below;

- Avoid being involved in cases which might be regarded as a conflict of interest in favour of themselves or relatives; participating in decision-making processes about themselves or relatives.
- Do not establish financial relations with customers or suppliers and do not use their business relations for personal gain.
- Do not accept presents or proposals which might cause conflicts of interest or affect their own decisions.
- Use company assets and resources in an effective manner only for the benefit and interest of the Bank.
- Spend their time and effort for the Bank; do not undertake any other responsibility which might cause a conflict of interest and do not work for any other person or legal entity.
- Act in accordance with honesty and integrity principles in relations with public institutions and protect impartiality in these relations.
- Protect the secrets of the Bank and customers, and do not get involved in insider trading using confidential information of the Bank to provide a competitive advantage.
- Do not use information obtained during their duties in a manner which could result in unjust gain. Act in accordance with the legislation and regulations of public authorities during the sale and purchase of securities belonging to YKB and to other institutions.

#### **v.) Corporate Opportunities**

Regardless of his/her position, each employee has to display the appropriate common sense and effort on the job, as well as considering profitability and efficiency principles, and s/he should avoid all acts and transactions which might cause company loss. Employees are liable to use all legal business

opportunities which may arise for the advantage of the Bank.

#### **vi.) Borrowing Ban**

Employees should abstain from borrowing money, providing benefits for or getting into a guarantor relationship with customers or third parties. Considering the characteristics of the financial sector, employees should not get into debt above their financial means and should handle their financial matters prudently at all times.

#### **vii.) Political Activities and Donations**

Employees may not assume a role in any political party and political association, nor assume a managerial position. Employees can not participate in a political party as a representative of YKB. No employee may ask their colleagues to support or oppose any political group or candidate. Employees cannot make political declarations; nor display any other form of political partisanship or assume a role in the distribution of political declarations.

Making direct or indirect donations (in cash or non-cash basis) to political parties, organizations and to candidates or representatives of such groups on behalf of YKB is forbidden. Employees should under no circumstances demand donations or the like from customers or from other employees on behalf of associations or political organizations.

#### **viii.) Club, Association and Cooperative Memberships**

Employees may not conduct any social activities which conflict with the Bank's interests and benefits. In addition, employees cannot assume a position in the board of directors of any cooperative or become the chairman.

Employees may undertake roles in charitable foundations, professional and social associations and in social security and mutual-aid societies, which are established or will be established by the Bank or by employees, or both, provided that it does not hinder their responsibilities or working hours.

#### **ix.) Acceptance of Gifts**

Employees should not solicit or allow themselves to be solicited or accept gifts, gratuities or other hospitalities intended to or appearing to influence decisions or favours in YKB business.

Employees shall not solicit nor allow themselves to be solicited or accept entertainment, meals, free training opportunities, seminars, travel, accommodation etc. intended to or appearing to influence decisions or business objectivity.

### **3. TRANSACTIONS AND BANKING PROCEDURES**

#### **i.) Accuracy of Records**

Employees are responsible for making sure that all bookings, records and documents are accurate and prepared in accordance with the law.. In addition to accounting and audit records, documentation regarding time, telephone, transaction, loan and any other such records related to daily activities are also covered under this scope. All records should reflect the transactions performed accurately and

timely; in the event of the existence of any errors, such cases should be immediately corrected.

#### **ii.) Account Transactions**

Employees are not allowed to perform or approve transactions relating to their own personal accounts, the accounts of immediate family members, accounts in which they may have a personal interest or accounts on which they are an authorised signatory. This situation includes, but is not limited to, use of internet passwords, refunds, cancellation or waiving of fees, approval or increase of credit lines, cashing of cheques, opening of accounts, transferring, deposits or withdrawing funds etc.

All account transactions should be performed in compliance with YKB's rules and procedures.

#### **iii.) Stock Transactions of YKB employees (Insider Trading)**

- According to Additional Article 1 titled "Transaction Restriction in Public Offering" of the "Principles of the Sale Methods in Public Offering of the Capital Market Instruments" Serial.VIII, No:22, issued by Capital Market Board, "In sales of the capital market instruments through public offering; Chairman of the Board of Directors and board members, legal auditors, executive directors, general manager and assistant general managers and other staff that might have information due to their duties and their spouse and first degree blood relatives and relatives by marriage, of the issuers, issuing the capital market instruments and conducting public offering, and of the brokerage firms acting in the public offering, can not purchase the said capital market instruments directly or indirectly.
- YKB employees should give stock sale-purchase orders outside working hours, unless deemed necessary; however, if they need to give orders within working hours, transactions should not exceed one purchase and one sale daily for every stock.
- YKB employees are not allowed to perform sale-purchase transactions in their name and account on the same stock successively within a day (Daylight Trading).
- YKB employees are not allowed to perform "Short selling", "Margin trading" and "Borrowing" transactions.
- YKB employees cannot use the accounts of their first degree relatives (mother, father, sister, brother, spouse and children) in order to avoid the limitations stated above.

#### **iv.) Rules of Dealing with Derivative products for Employees**

According to BRSA decision, dated 6.9.2007, no 2295; considering that, among the transactions deemed as loan as per first paragraph of Article 48 of the Banking Law, exclusively the risk assumed under forward transactions and option contracts and similar other agreements are accepted as loans, according to Banking Law Article 50, paragraph 5 "The Bank can only give loans up to 5 months' net salaries to the Board members, employees a their families (wife, husband and children)". According to Banking Law Article 55, paragraph (a), as an exception, above stated provisions of paragraph 5 of the Article 50 shall not apply to "loan transactions utilized against cash, cash like asset and accounts as well as precious metal". Taking BRSA's decision into consideration, in case of taking risk through investing in derivative transactions, employees may

perform transactions within legal credit limits upon approval of Human Resources Department.

#### **v.) Money Laundering**

Money laundering (converting illegal proceeds into legitimate funds) is a global problem with serious and extensive results. As a financial services supplier, YKB attaches significant importance to its responsibility in blocking money laundering channels.

Employees should pay particular attention to honesty, equality and the observance of laws in customer relations and make this a priority at all times. In this context, employees should abide by the established policies and procedures that have been designed to prevent the Bank from being used in money laundering activities and also behave in accordance with the legal regulations regarding money laundering.

### **4. COMPANY RESOURCES**

#### **i.) Use of Company Assets and Resources**

Employees may not use any assets, equipment, vehicles, computers, computer programs or similar items belonging to YKB and provided to them to conduct their daily work, for their personal interests or for the interests of others.

#### **ii.) Use of Technology**

YKB Internet and Intranet systems are for processes, communication and research regarding business.

#### **iii.) Working Outside Company**

YKB employees cannot engage directly or indirectly in activities which are deemed as merchant or tradesman activities ("Commercial Enterprise" or "Single Proprietorship"). They cannot serve as member of a board of directors or as an auditor in companies except for KFS companies and cannot perform paid or unpaid activities in a commercial business of real or legal persons without getting written permission.

#### **iv.) Communication and Records regarding Business**

Written or oral communication should be established in line with professional and ethical rules.

#### **v.) E-mail**

E-mails are records which must be kept confidential unless disclosure is deemed necessary by legal procedures.

### **5. INTEGRITY AND RESPECT IN WORK PLACE AND BUSINESS LIFE**

YKB and its employees must give best effort and consideration to the compliance of the following with YKB's personnel regulations, its HR policy, code of ethics and business conduct, discipline regulations as well as regulation and policies in YKB's general regulation: acting respectfully and considerately in

all relations, attitude and physical appearance; ensuring internal hierarchy; employment of relatives; attendance requirement: sharing information with colleagues; requirement for delivering and handing over work and equal opportunity principles.