

# TURKISH HALK BANK INC

## ETHICAL PRINCIPLES

### INTRODUCTION

Ethical principles stand for the arrangements on the principles and working order with which the employees of Turkish Halk Bank Inc. should comply while executing their jobs. The purpose of these principles is to prevent any dispute and conflicts that may arise among the employees, customers and the organization.

All attitudes and behaviours contradicting to these rules will be evaluated under discipline regulations, and our employees are expected to act with common sense and in good faith under the situations and conditions not covered by these rules.

In line with the principles of business ethics, our employees should

- be self-respecting, dignified and honest in all their business relations,
- refrain from any personal behaviour and attitude that may be detrimental to the reputation of Turkish Halk Bank Inc. while fulfilling their responsibilities,
- know, in detail, and abide by the laws, statutes, regulations and any other legal arrangements pertaining to their duties,
- never disclose the non-public information to any other third persons apart from the authorized ones,
- follow, on a daily basis, be aware of and abide by the orders, regulations, procedures and instructions to be enforced with regard to arrangement of working conditions and safeguarding working discipline,
- inform their senior managers or Human Resources Department about the known and suspected violations of rules before taking any personal measure,
- never express their political, social and religious opinions in the working environment,
- always wear plain and smart clothes going with the working environment and by all means abstain from dressing in full and wearing sports clothes and other clothes that represent a political, religious or social opinion, which will contradict with the seriousness of the organization,
- not act in violation of gender equality, respect and general moral behaviours and other moral behaviours that have been accepted by the society in the organization.

**Heads of branches or departments are primarily responsible for the compliance of the employees with these principles and rules in place.**

**PART ONE**  
**CONFLICTS OF INTEREST**

**FUNDAMENTAL PRINCIPLE**

Our employees are never entitled to use their duties and authorizations to the advantage of themselves, their families or third persons so as to derive personal or private interest.

**1) PROHIBITION ON ACCEPTING ANY PAYMENT / GIFT**

Our employees shall never demand for or accept any personal payment or a gift from third persons doing business with the organization or execute any behaviour that imply so.

**2) GIFTS TO BE GIVEN TO CUSTOMERS**

The gifts given to the customers shall not lead to any conflict of interest between parties. The following rules have been identified to be given in line with this mentality:

- The customers may be provided with gifts at the end of the years or on special days in accordance with the rules determined by the Bank.
- A monetary payment shall never be affected in any way and in any amount.
- The gifts shall never aim to influence the other party regarding any business or agreement that involves the organization.

**3) CORPORATE PAYMENTS AND POLITICAL DONATIONS**

No corporate payment shall be affected or no gift shall be given to any government official or any political party candidate with the aim of sustaining the existence of the organization or influencing a decision to the advantage of the organization.

**4) PERSONAL POLITICAL DONATIONS**

No personal payment shall be affected or no donation or endowment shall be extended to any government official or any political party candidate with the aim of sustaining the existence of the organization or influencing a decision to the advantage of the organization. No political meetings or demonstrations shall be attended in a way to represent the organization.

**5) ARRANGEMENTS ON BORROWING**

The employees of the organization may only become indebted to legally authorized agencies and organizations that are established for the purposes of granting loan and lending money.

**6) OUTSIDE ACTIVITIES**

The employees of the organization shall not engage in outside employment or activities not only on their working days, weekends, national feasts and national holidays but also on their paid holidays. Besides, in case they are offered a position of consultancy or a similar position in return for a payment, they shall receive the written approval of the Human Resources Department.

However, our employees may engage in voluntary activities (legal charities, societies or non-governmental organizations) in a way not to neglect their duties and responsibilities in the organization.

7) **PROXY AGREEMENTS WITH CUSTOMERS**

The employees shall never directly or indirectly accept inheritance or legacy from customers (excluding close relatives or family members). They shall not undertake the curatorship for legal representation of the customers or stand proxy for the customers apart from the portfolio management transactions.

8) **PERSONAL INVESTMENTS**

While directing their personal investments, our employees shall not make personal investments by means of the shares or other investment tools of the companies which may lead to a possible conflict of interest with their duties and responsibilities in the organization.

**PART TWO**  
**RULES REGULATING THE FLOW OF INFORMATION**

**FUNDAMENTAL PRINCIPLE:**

Any information regarding the organization shall be deemed as confidential and it is prohibited to share or trade such information with third persons.

1) **ORGANIZATION RELATED INFORMATION**

Organization-related private and commercial secrets, financial information, customer-employee information, all the information, materials, programmes and documents compiled within the work period, computer and telecommunication systems, hardware-software and all other arrangements and practices as well as all the works, agreements executed and products developed by the employees within their working period are confidential and owned by the organization. Other than the permissible situations or situations when it is required by a duty within the organization, it is strictly forbidden to use such documents, information and tools for personal and private interests or to the advantage of third persons, agencies and organizations during or after the period of working within the organization. Patent rights of the inventions are owned by the organization.

2) **PROHIBITION ON INFORMATION TRADING**

Our employees that have any kind of confidential information with regard to the organization, its customers or its transactions are strictly prohibited from deriving personal interest through using such information in the trading of shares or similar financial instruments, or from sharing such information with third persons via inappropriate means. This rule shall apply for all the information acquired by our employees during their term of office.

3) **INFORMATION SYSTEMS**

It is prohibited to use or copy any software developed within the organization or purchased outside the organization without any authorization and permission regardless of any purpose.

4) **CONFIDENTIALITY OF ELECTRONIC OR OTHER KINDS OF INFORMATION**

It is of essence for our employees not to use the equipment, system or e-mail system of the organization for the purposes of forming, storing or sending personal and private information. However, in case of doing so, they will be regarded as having relinquished the confidentiality of their personal information, and the employees

responsible for the audit and security of the organization will be entitled to examine such information.

5) **FINANCIAL INFORMATION**

All records of the organization shall be kept in compliance with the generally accepted accounting rules and in a way to fully and accurately reflect the realities. All transactions, controls, debts and claims, earnings and expenses shall be duly recorded and reported. No collusion or shadow agreement or contract shall be concluded and no earning or property of the same nature shall be derived. No false, fictitious or misleading record regarding a transaction or an account shall be kept.

6) **REPORTING**

All the reports to be prepared on the financial status of the organization, compliance of the operations to the law etc. on a regular basis in accordance with the legislation shall be accurately and fully prepared. It is strictly forbidden to tamper with and change and hold back such information from competent authorities or auditors.

7) **MEDIA RESEARCHES AND REQUESTS OF INTERVIEW**

Any request for interview or announcement to be used in the media (newspapers, journals, television etc.) shall be coordinated and responded by the Department of Advertisement and Promotion. The employees are not entitled to make any declaration or announcement to the printed, audio and visual media on any issue regarding the organization without the permission of the General Directorate. The written permission of the Human Resources Department shall be obtained in order to deliver a speech or a presentation or to be a panelist in such meetings as congresses, conferences and seminars organized by other parties.

**PART THREE**  
**CUSTOMER RELATIONS**

**FUNDAMENTAL PRINCIPLE:**

The employees are not entitled to act on behalf of the customers for the issues under the scope of the organization. They shall not represent them or carry out any activity to be detrimental to the organization on behalf of them.

1) **COMMUNICATION**

While communicating with the customers or any other agencies, the employees shall by all means avoid providing false, misleading and exaggerated information.

2) **PRICING**

Our employees are obliged to abide by the internal and legal regulations with regard to the pricing of all the products and services provided by the organization.

3) **CUSTOMER COMPLAINTS**

Any complaint of our customers regarding the products and services of the organization shall be directed to the relevant authorities in a fast and accurate manner. Any complaint that is as extraordinary and serious as to negatively affect the reputation of the organization shall be notified to the managers of the relevant departments without any delay.

4) **ILLEGAL CUSTOMER RELATIONS**

It is strictly forbidden to assist the customers in carrying out any illegal transaction.

5) **LEGAL INVESTIGATIONS ABOUT THE CUSTOMERS**

The information about our customers requested by the competent authorities shall only be provided with the approval of the relevant department.

6) **ACTS AGAINST COMPETITION LAWS**

Our employees shall by no means be a party in agreements with our rivals that can affect the pricing and marketing policies.

7) **LEGAL ISSUES**

In case that our employees are involved in a legal or official investigation, arrested, interrogated or convicted –for whatsoever reason (as a witness or accused), they shall notify their managers and Human Resources Department in writing.

Our employees shall by no means, unless they are legally obliged to, be a witness or sign defense statements prepared upon the demand of the third parties in cases which are detrimental to the reputation, existence and activities of the organization.

## **PART FOUR**

### **HUMAN RESOURCES**

#### **FUNDAMENTAL PRINCIPLE:**

The fundamental principle is to implement the legal provisions regulating business life and to increase the productivity and loyalty of the employees within the framework of good will. In this context, all policies and practices regarding the employees of the Organization (equal opportunity, performance evaluation, wages and bonuses, and other issues related to employment) shall be developed by the Human Resources Department in accordance with the legislation and unless otherwise stated, the legal provisions regulating business life shall be the basis of mutual relations.

The provisions of the discipline regulations shall be applied in case that the employees are in breach of the ethical principles, instructions of the supervisors, general sectoral behaviors and customs and laws.

## **PART FIVE**

### **FINAL PROVISIONS**

#### **FUNDAMENTAL PRINCIPLE:**

Detailed information regarding human resources practices are given in the relevant regulations. It is the responsibility of our employees to read those regulations.

1) **TRANSFER OF DUTY**

Our employees with management responsibilities shall share their responsibility with or transfer their duties to the other personnel upon ensuring that the skills and experience of those personnel are satisfactory to execute such duties.

The failure to notify acts which are contradicting with these rules and standards shall be deemed as a violation of the rules and such failure shall be subject to disciplinary action once it is determined.

The Executive Board has the authority to make amendments in the rules under *Ethical Principles*.