

TÜRKİYE İŞ BANKASI A.Ş.
COMPLIANCE RISK MANAGEMENT POLICY

1. PURPOSE AND SCOPE

This Policy;

- intends to define the Bank's basic approach to compliance and the role and responsibilities of compliance function as well as to establish basic principles and terms to manage compliance risk in an effective and purpose-oriented manner across the Bank.
- covers all operations executed at the Bank's head office and both domestic and foreign branches as well as all of the executives and employees at every level.

The Bank oversees the effectiveness of corporate compliance activities in its subsidiaries as well.

The Bank's Policy for the Combatting Financial Crimes and Sanctions shall complement and become integral with the Policy.

2. DEFINITIONS

Legislation, Regulations and Standards cover and extend to relevant banking acts, legislation, communiqués and other regulations, the professional and ethical principles, banking practices, rules and standards as well as the Bank's policies, procedures, regulations, rules and instructions.

Compliance means the ongoing compliance of the Bank's activities or attitude and behavior of the Bank's staff, with the related legislation, regulations and standards.

Compliance risk means those risks related to sanctions, financial losses and/ or loss of reputation that the Bank may suffer in the event that the Bank's operations and the attitudes and acts of the Bank's staff members are not in accordance or compliance with the related legislation, regulations and standards.

Compliance risk management denotes the ongoing compliance of the operations of every unit and every staff member with the applicable legislation, regulations and standards as well as the activities of the internal systems divisions to define, evaluate, monitor and report the Bank's compliance risks in line with the Bank's risk management policies and procedures.

3. BASIC PRINCIPLES, ROLES AND RESPONSIBILITIES

1. The Bank's Board of Directors shall have the ultimate power and responsibility to ensure that the Bank's operations shall be conducted in accordance and in compliance with the applicable legislation, regulations and standards in a proper and honest manner and that the compliance risk shall be effectively managed.

The Bank's Board of Directors monitors the compliance of the Bank's operations with applicable legislation, regulations and standards and ensures that necessary measures are taken to manage compliance risk effectively by means of reports from relevant divisions of the Bank.

2. The Bank's Senior Management shall be accountable for towards the Board of Directors in that subject to this Policy, the Bank's operations and the attitude and acts of the Bank's staff members shall be at all times in line and compliance with the applicable legislation, regulations and standards and that the compliance risk shall be effectively managed and controlled. The Bank's Senior Management shall make necessary arrangements to ensure that the compliance risk shall be effectively managed and controlled.

3. It is of the primary duties and responsibilities of the Bank's staff members to conduct all the Bank's operations in line and compliance with the Bank's objectives and policies as well as the applicable legislation, regulations and standards. All staff, in this context, is ultimately responsible to the Board.

4. The compliance of the Bank's operations and the attitude and acts of the Bank's staff members with applicable legislation, regulations and standards shall be achieved through the execution and management of the Bank's internal policies, procedures, regulations, rules and instructions in a proper, timely and honest manner at all levels, befitting to the Bank's reputation.

5. The basic purpose of the corporate compliance activities conducted by the Corporate Compliance Division is to bring maximum contribution to ensure that the compliance risk shall be effectively managed in line with the materiality and risk-based approach and maintained under the control at the Bank in line with the intended purpose; and that the Bank's operations shall be at all times in compliance with the applicable legislation, regulations and standards in terms of its structure and functioning.

6. The Corporate Compliance Division, in coordination with the internal systems divisions and other related divisions, shall conduct the activities to define, evaluate, monitor and report the Bank's compliance risks in order to make sure that the compliance risk shall be effectively managed and controlled in line with the applicable legislation, regulations and standards as well as the Bank's risk management policies and procedures.

7. The Corporate Compliance Division reports to the Board of Directors through the Audit Committee concerning the corporate compliance activities on a monthly basis and when deemed necessary.

8. Best possible tools and methods are deployed to ensure that the corporate compliance activities are designed, conducted and managed in an independent, impartial, purpose-oriented, efficient and effective manner in line with the applicable legislation, regulations and standards. It is essential to monitor the development of the corporate compliance activities and to report it to the Audit Committee.

9. Corporate Compliance Division Manager acts as the statutory "Compliance Officer" of the Bank under the applicable legislation concerning prevention of laundering of criminal proceeds.

10. The details of the activities that shall be conducted by the Corporate Compliance Division and the duties, powers and responsibilities of the staff members of the Division is determined by the Board of Directors in the charter of the Division. The Board of Directors shall also review the annual business plan of the Division.

11. Compliance, as an essential part of the corporate culture, shall be an important element of the trainings provided for the Bank's staff members.

4. REVIEW

The Corporate Compliance Division shall review the conformity of this Policy with the current terms as well as its adequacy, and shall submit its findings and suggestions, if any, to the Audit Committee at least once a year.

5. INTERNAL AUDIT

The structure, functioning and effectiveness of the Bank's compliance activities and the compliance risk management shall be regularly reviewed and assessed under the internal audit, and the results shall be reported to the relevant parties.

6. EFFECTIVENESS

This Policy shall be effective on the date when it is approved by the Board of Directors. Any subsequent changes and updates depending on the then applicable conditions of the Policy shall be effective upon the approval by the Board of Directors.