

# BRIBERY AND ANTI-CORRUPTION POLICY



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## 1. PURPOSE AND SCOPE

### 1.1 PURPOSE

Bribery and Anti-Corruption Policy aims to define the principles and rules for identifying and preventing potential “ Bribery and Acts of Corruption” in order to preserve the integrity and reputation of Yapı Kredi Portföy Yönetimi A.Ş. (“Yapı Kredi”) and aims to provide general information to all our employees for identifying, mitigating and managing bribery and corruption risks.

Besides, the policy aims to ensure that Yapı Kredi comply with the all legal regulation regarding bribery and anti- corruption, Ethical and Professional Principles and Universal rules.

### 1.2 SCOPE

Bribery and Anti- Corruption Policy applies to all employees and executives of Koç Financial Services (KFS) and Yapı Kredi, including Board of Directors of Yapı Kredi, and their affiliates, subsidiaries, intermediaries, proxies, suppliers, contractors, third parties, affiliated agencies and cooperators.

The Anti Fraud Policy, Ethic Codes and Business Conduct, approved by the Board of Directors, which we accept to obey the commitment by participating United Nations Global Compact, are integral parts of Disciplinary Regulation.

Also policy should be evaluated together with the Anti- Corruption documents which are “Relations with the Intermediaries, Suppliers and Contractors – Job Offers, Donations and Sponsorships – Special, Registered Merger and Acquisitions and Investments” providing the more detailed guidance in the areas mentioned above.

### 1.3 DEFINITIONS

Bribery is the violation of the job requirements by performing or not performing a work to provide illegal benefit, or the direct or indirect proposal of payment or benefit to influence decision-making and practices. This can occur in many ways, such as cash or non-cash payments, valuable gifts, or proposals of personal benefit for the employee.

A corruption offence may lead not only to criminal prosecution of persons involved in them as participants, but also to regulatory or criminal prosecution of their supervisors if they violated their supervisory duties and against the companies they act for, both in the country where the offence took place but also in other countries where KFS operates.

For the purposes of this policy, acts of corruption means, without limitation, giving, offering, promising, receiving, accepting, demanding or soliciting of money, gifts or any such other pecuniary or non pecuniary benefits in order to obtain or retain an undue advantage in the course of business activities, irrespective of:

- whether the recipient of the act of corruption is a domestic or foreign individual, a public official or a private individual,
- where the act is committed, or
- whether the end result of such act entails an actual undue advantage or the improper performance of a function or activity.

For the avoidance of doubt, act of corruption also includes bribes.

Bribery is the violation of the job requirements by performing or not performing a work to provide illegal benefit, or the direct or indirect proposal of payment or benefit to influence decision-making and practices. This can occur in many ways, such as cash or non-cash payments, valuable gifts, or proposals of personal benefit for the employee.

When our employees perform their duties, they cannot offer or take bribe to any person, company or public institution.

## **2 REPORTING BRIBERY AND ANTI- CORRUPTION VIOLATIONS**

In order to protect the reputation of our institution, reporting any situations on the violation of anti-corruption rules is the individual responsibility of all our employees.

All employees can report the suspicious or doubtful activities including bribery and corruption, confidential and anonymous communication channels are available on "Bribery and Anti-Corruption".

Confidentiality is essential regarding all declarations made for the breach of Bribery and Anti—Corruption rules.

Ignoring or not reporting corrupt actions, despite being aware of them, shall also be considered as a violation of bribery and anti-corruption rules.

You may submit your questions concerning this anti corruption policy and report anybody who is in violation of the rules covered herein or any other suspicious situation that may harm our reputation or integrity by using the following communication channels confidential and anonymous created for such purposes.

**Bribery Anti-Corruption Report Line:** 0 212 339 7330

**E- Mail:** YolsuzluklaMucadele@yapikredi.com.tr

## **3 BREACH OF BRIBERY AND ANTI-CORRUPTION RULES AND CONSEQUENCES**

While performing their operations, our managers and all employees are obliged to obey this policy, relevant legal regulations and all bribery and anti-corruption laws in force.

Not being aware of the rules in this policy cannot be accepted as an excuse for their breach.

In case of a breach of this policy; discipline penalties, which might include termination of employment contract, may be given according to nature of the event.

Also, penal obligations may occur for those who do not adhere to those who do not abide by relevant legal regulations and all bribery and anti-corruption laws in force.

Yapı Kredi employees are protected from unfair treatments such as wrongful demotion, disciplinary action or termination arising from their refusal to participate in bribery or corruption, reporting of an actual or alleged case of bribery or corruption, or expressing concerns over a bribery or corruption related issue.

In case of being subject to cruel treatment, the employee is needed to communicate with the connection channels included in this policy.

#### **4 PROMINENT PRINCIPLES**

##### **4.1 COMMITMENT TO ZERO TOLERANCE**

Yapı Kredi adopting a commitment to zero tolerance against bribery and corruption actions, also prohibits whether directly or indirectly all kinds of bribery and corruption. Yapı Kredi will not tolerate its employees and/or third parties, in their dealings with Yapı Kredi, being involved in Acts of Corruption.

Yapı Kredi is committed to implementing an anti corruption program to counter the risk of Acts of Corruption and to establish a culture in which Acts of Corruption are never acceptable.

##### **4.2 PAYMENT FACILITATION PROHIBITION**

Yapı Kredi does not facilitate any payment to the third party, or in relations with the third parties, Yapı Kredi does not tolerate to the third parties to offer, to promise, to request, to give or to accept this facilitation.

##### **4.3 NO TRANSFERS OF VALUE TO PUBLIC OFFICIALS WITHOUT APPROVAL**

It is not permitted to offer, promise or give, directly or indirectly, gifts, entertainment or hospitality or any other benefit with the value of more than USD 100 , to Public Officials, whether foreign or domestic, unless approval (either specific or general for a particular level of gift/entertainment) has been given by the Compliance Office.

#### **5 ROLES AND RESPONSIBILITIES**

##### **5.1 EMPLOYEES**

All Employees are responsible for reporting, through the communication channels provided herein, any instances of actual or attempted Acts of Corruption they become aware of, whether the Act of Corruption is offered, given or received.

All employees are required to pay attention to the potential warning signs regarding corruption as specified in the ANNEX I. They should be aware of such warnings and act with caution against potential increased risks and be advised to seek guidance from the Ethics, Anti- Corruption and Conflict of Interest Department if and when necessary.

## 5.2 HEAD OF ANTI CORRUPTION

In his/her capacity as the Head of Anti-Corruption, the Deputy General Director of Compliance Office, as appointed by the Board of Directors of the Yapı ve Kredi Bankası, is responsible for:

- development, description and supervision of an efficient anti corruption program,
- development of the compliance rules that determine the anti corruption standards,
- advising on anti corruption issues,
- investigation of major acts of corruption, and coordination and oversight of the anti corruption program.

## 5.3 OFFICER IN CHARGE OF ANTI CORRUPTION

In his/her capacity as the Officer in charge of Anti Corruption, Anti- Corruption Officer, as appointed by the Board of Directors of the Yapı ve Kredi Bankası, is responsible for:

- development, description, implementation and supervision of an efficient anti corruption program,
- adoption of the Group Rules and, in accordance with all relevant local legal and regulatory requirements, proposal of any supplements as required, as well as coordinating the activities directed to the correct application of such Group Rules,
- advising on anti corruption program,
- assisting employees with the performance of situation assessment regarding anti corruption issues,
- Investigation of any reported acts of corruption.

For this purpose he/she will have the power to investigate any suspected or actual cases of Acts of Corruption, to ask for and review all documents and to take any such cases to the General Manager and/or other relevant Board member, if necessary.

Additionally, The Officer in charge of Anti-Corruption will liaise with and report to the Financial Crime Prevention Department any suspicion of money laundering, and to the Head of Anti-Corruption in case of actual or attempted Acts of Corruption, subject to and in compliance with any applicable data protection and confidentiality rules or laws.

Money laundering processes are covered in detail in “Prevention of Money-Laundering and Financing of Terrorism” policy.

## 5.4 REPORTS AND SHARING INFORMATION

In this policy, issues covered under the topic of anti-corruption and notifications on corrupt actions are periodically reported.

## 6 ANTI CORRUPTION PROGRAM

An Anti-Corruption Program should contain at least the following basic components in addition to legal requirements.

- A periodically updated risk assessment of the business conducted, giving a comprehensive picture of which parts of the business might be most vulnerable to corrupt practices. The result of the risk assessment will be reviewed either by the General Manager or Deputy General Manager,
- Training and awareness-raising programs for Employees on the Anti-Corruption Program and legal requirements,
- Implementation of First and Second Level Control Mechanisms
- Provision of secure and accessible channels through which Employees and others are able to report violations in confidence,
- Reporting to the General Manager or Deputy General Manager on the effectiveness of the Anti-Corruption Program,
- Accurate and fair recording of all transactions in official books and records and no undisclosed or unrecorded accounts, funds, assets or transactions for any purpose and measures to avoid such transactions.

## 7 MAIN RISK AREAS FOR BRIBERY AND ACTS OF CORRUPTION

### 7.1 INTERMEDIARIES

Using intermediaries may present one of the highest risks that may cause the occurrence of the acts of corruption. Such a risk may come to pass should the intermediary operate in a high risk country in terms of corruption.

No business should be performed with any agents, suppliers and contractors known or suspected to bribe.

Since an act of corruption committed by a third party could be deemed to have been committed by Yapı Kredi, the use of an Intermediary must be in line with the present Policy as well as with any other procedures on this matter.

Necessary information and documents regarding designation of “Agents, suppliers and contractors doing business and/or acting on behalf of Yapı Kredi” is published by Ethics, Anti- Corruption and Conflict of Interest Department.

The document regarding “Guidelines Applicable to Purchase Process of Agents, Suppliers and Contractors in Anti- Corruption” is accessible with the following steps [Bilgi Portalı/Politikalar/Yolsuzlukla Mücadele](#) on intranet.

## 7.2 GIFTS AND ENTERTAINMENT

Our employees are not allowed to offer, procure or accept any goods/services with the value of more than 100 USD or cash, checks or any other form of benefit of whatever value for any transaction or business. No gifts, entertainment offers or other presents should be accepted that may be intended for or aimed at influencing the preferences or decisions of our company, nor should such offers be made by our employees.

If it is not practical to return gift worth more than 100 USD or if it decided that it may result in an undesired situation in terms of business relationship, then, acceptance or use of the said gift may be allowed only by the written approval of the General Manager. In addition to this, the value of the gift and entertainment is high, value of the gift and entertainment should also consider as donation to charity.

“The Gift Acceptance Form” must be filled out which is available on Annex 2.

In case of a violation to the rules of gifts and hospitality to offer gifts and undermine their business relationship or rejection of Hospitality, Ethics, Anti-Corruption and Conflict of Interest must notify the Department.

In case of a violation to the rules offering the gifts and entertainment or the rejection of the gift and entertainment damage the business relationship, Ethics, Anti-Corruption and Conflict of Interest Department should be notified.

In addition to this, all of our employees are obliged to comply to the rules on gift and entertainments as well as with relevant provisions on Yapı Kredi Code of Ethics and Business Conduct.

## 7.3 OFFERS OF EMPLOYMENT

In order to avoid the impression that an offer of employment (temporary or permanent) could be an Act of Corruption, such offers may not be made to customers, business partners (or third parties known to be closely associated with them) or Public Officials (or persons known as closely connected to Public Officials) other than through the “normal competitive hiring process”.

Information and documents containing the details of the steps to be followed on paid or unpaid work or temporary position or assignment are published by Ethics, Anti-Corruption and Conflict of Interest Department.

The document regarding “General Guidelines Applicable to Job Offers, Donations and Sponsorship in Anti- Corruption” is accesible with the following steps [Bilgi Portalı/Politikalar/Yolsuzlukla Mücadele](#) on intranet.

## 7.4 SUPPLIERS AND CONTRACTORS

In its relationship with the persons and/or corporations such as agents, suppliers and contractors who render services in the capacity of agents, management consultants, and engages in accounting, payroll, information technology or facility management activities, Yapı Kredi should not establish relations with persons or corporations that are known or suspected to have provided bribes to 3<sup>rd</sup>



persons, and if there exists such a relationship as of the date of becoming aware of such information, such a relationship should be immediately severed.

Persons, suppliers or contractors that perform tasks on behalf of Yapı Kredi based on a business relationship should agree to comply with all the existing legal legislation and anti corruption laws.

To achieve this, the relevant provisions included in the agreements made with related parties.

Necessary information and documents regarding designation of “Agents, suppliers and contractors doing business and/or acting on behalf of Yapı Kredi” is published by Ethics, Anti- Corruption and Conflict of Interest Department.

The document regarding “Guidelines Applicable to Purchase Process of Agents, Suppliers and Contractors in Anti- Corruption” is accesible with the following steps [Bilgi Portalı/Politikalar/Yolsuzlukla Mücadele](#) on intranet.

## **7.5 POLITICAL DONATIONS**

Political donations must not do on behalf of Yapı Kredi.

## **7.6 CHARITABLE CONTRIBUTIONS AND SPONSORSHIPS**

Charitable contributions and sponsorships to be offered should be legal and in line with the Yapı Kredi’s internal rules, regulations, policies and directives, and also in compliance with the existing local laws and legislations.

Every charitable contribution and sponsorship offer should be made openly and transparently. This means establishing transparent criteria for selection of recipients and reporting on the major donations made by listing them in a publicly accessible manner.

Necessary information and documents regarding before making any donation or sponsorship activities, persons or organizations to reduce the risk of the fact that such activity is considered as corruption activity or that it is thoughts to be a corruption activity, is published by Ethics, Anti-Corruption and Conflict of Interest Department.

The documents regarding “General Guidelines Applicable to Job Offers, Donations and Sponsorship in Anti- Corruption” is accesible with the following steps [Bilgi Portalı/Politikalar/Yolsuzlukla Mücadele](#) on intranet.

## **7.7 MERGER AND ACQUISITIONS AND INVESTMENTS**

The target company’s activities, operation place of target company or risk may caused by the industry and the products of the company should be considered when the Mergers and Acquisitions and committed to actions by third parties (private mergers, acquisitions, takeovers, joint ventures, partnerships, restructuring arising from transactions etc.) is performed.

Additionally, bribery and corruption risks related with the target company need to be considered and researches about pervious bribery and corruption actions need to be done.

On the behalf of Yapı Kredi, necessary information and documents regarding commitment of “Third Parties” while the details of the acquisition are included in the activities to be followed is published by Ethics, Anti- Corruption and Conflict of Interest Department.

The documents regarding “Registered and Special Mergers And Acquisitions Commitment Of Third Parties In Anti-Corruption” is accesible with the following steps [Bilgi Portalı/Politikalar/Yolsuzlukla Mücadele](#) on intranet.

## **8 TRAINING**

Mandatory Training programmes are provided regarding Bribery and Anti-Corruption issues and the legal requirements in order to raise awareness of all employees and managers.

Yapı Kredi provides regular training programmes on Bribery and Anti- Corruption both on site and E-Learning Modules.

Likewise, the suppliers, outsources also business associates and their employees working in Yapı Kredi’s are supposed to oblige the provisions in the policy, also these employees are provided e-learning programs in determined periods.

## **9 REVIEWS**

This policy is reviewed periodically as per the changing conditions and all changes are announced by way of announcements. Updated version of such rules can be accessed through the intranet.

## **10 ENFORCEMENT**

This document containing the actions against bribery and anti corruption enters into force upon the Board of Director’s approval.

## ANNEX I – RED FLAGS

Potential warning signs regarding corruption that all our employees should be aware of are as follows:

### Intermediaries

- Corruption concerns have been raised in the past concerning the Intermediary;
- The Intermediary neither resides nor has branches or affiliates in the same country as the customer or the project;
- The Intermediary has little or no expertise in the industry or the country in connection with which he acts;
- The Intermediary is based in or operates in countries known for corruption especially High- Risk Countries (as per CPI Index);
- The Intermediary has a business that seems understaffed, ill-equipped or inconveniently located to support the proposed undertaking;
- The Intermediary has a family member in a government position, especially if the family member works in a procurement or decision-making position or is a high-ranking Public Official in the department with which the Intermediary is known to have dealings;
- The Intermediary has failed upon request (or has been suspiciously reluctant) to disclose owners, partners or principals;
- The Intermediary requires that his or her identity or, if the Intermediary is an enterprise, the identity of the enterprise’s owners, principals or employees, not be disclosed;
- The Intermediary uses shell or holding companies or equivalent structures that obscure ownership without a credible explanation;
- The customer suggests or requires, without good reason, that a bid or contract negotiations are arranged via a specific Intermediary;
- The Intermediary is suggested by a Public Official, particularly one with discretionary authority over the award of contracts;
- The apparent need for the Intermediary arises just before or after a contract is to be awarded;
- The compensation requested is not proportional to the work;
- The Intermediary asks for payments in advance, or to be made to another person, and/or to another country, such as a tax haven, or in cash or using “off the books” /non-consolidated corporate vehicles;
- The Intermediary requires additional funds to “take care of some people”, “get the business”, or “make the necessary arrangements”;
- The Intermediary is insolvent or has significant financial difficulties;
- A refusal by the Intermediary or joint venture partner to agree that it will not take any action that would cause the violation of this anti corruption policy;
- Refusal by the Intermediary to agree in writing that it will not make any transfers to any Public Official other than those specially authorized;
- The Intermediary is ignorant of or indifferent to the local laws and regulations applicable generally or in particular to the Intermediary’s proposed activities; or
- The only or primary qualification the Intermediary brings to the venture is influence over Public Officials, or the Intermediary claims that he can help secure a contract because he knows the right people.

### 2 Gifts and Entertainment

- A request from a customer for the presence of wives/spouses at an event;
- The customer is interested mainly in the quality of entertainment on offer rather than the business to be discussed;

- The invitation to a meal/gift is solicited by the customer;
- A proposed expensive gift or entertainment is in close proximity to a tender process/award of a contract; or
- Expensive and or frequent gifts or entertainment are being given to relatively junior recipients.

### **3 Suppliers and Contractors**

- The supplier/contractor is unfamiliar to the company;
- Corruption concerns have been raised in the past concerning the supplier/contractor;
- The supplier/contractor is based in or operates in countries known for corruption;
- The contract has a particularly high value not proportional to the project;
- The supplier/contractor is planning extensive use of sub-contractors;
- The supplier/contractor needs to obtain government permits and approvals;
- The supplier/contractor is awarded a contract outside the prescribed contracting process;
- The relationship between the supplier/contractor and Yapı Kredi Employees appears overly close and familiar;
- Frequent offering of gifts and entertainment by the supplier/contractor;
- No job rotation and/or “four eyes principle” in contracting department;
- Personnel responsible for awarding contracts appear to be living beyond their means;
- A refusal by the supplier/ contractor to agree that it will not take any action that would cause the violation of this Acts of Corruption Policy;
- The supplier/contractor has little or no expertise in the industry but suddenly replaces a long-standing supply/contractor; or
- The supplier/contractor has significant financial difficulties and needs the contract to continue his business.

### **4 Political Donations and Charitable Contributions and Sponsorships**

The Political Donations (which is in any case forbidden) and/or Charitable Contributions and Sponsorships are made at the request of a client, supplier and a Public Official or Civil Servant.

**ANNEX 2 – GIFT ACCEPTANCE FORM**

GIFT ACCEPTANCE FORM	
<b>Sender of the Gift</b>	
Name/ Surname	
Reason of the Gift	
Is gift given by Government/ public officials?	
<b>Acceptor of the Gift</b>	
ID	
Name/ Surname	
Department/ Branch	
<b>Gift</b>	
Description of the Gift	
Date of Giving Gift	
The Estimated Value of the Gift	
<b>Frequency</b>	
Estimated value of the gift in the past 12 Month (Received)	
<b>Approver</b>	
ID No	
Name/ Surname	
Department/Branch	
Date	
Signature	