

ETHICAL PRINCIPLES POLICY

1. GENERAL INFORMATION

1.1 Objective

Objective of this policy is identifying ethical principles to be followed in the activities of Albaraka Türk Katılım Bankası A.Ş. and determining responsibilities and guidelines to be considered in conformity with the principles.

1.2 Scope

Provisions of this policy are applied on Albaraka Türk Katılım Bankası A.Ş. and the personnel and companies rendering service to the Bank through special agreements or supporting externally and their personnel.

1.3 Individuals Responsible and Responsibilities

The Corporate Management Committee has to establish an infrastructure enabling transfer of actions and transactions contrary to the ethical principles securely to the relevant authorities within the Bank, creating policies and providing accurate information flow to the stakeholders in time. General Manager is responsible from establishing on behalf of the Corporate Management Committee a working environment within the scope of this document and implementation of the general provisions.

The Ethical Principles Leader follows the subjects of understanding, adopting and applying of the Ethical Principles by the Bank employees. Main job of the Ethical Principles Leader selected by the General Manager is following and inspecting the compatibility with Ethical Principles and reporting to the General Manager. In case the Ethical Principles Leader finds it necessary, opinions of all parties may be received relevant to subjects involved in the field of job on compliance with the ethical principles.

Employees know that any behavior contrary to the Ethical Principles may affect reliability and activities of our Bank and Participation Banking and inform their seniors and/or the Ethical Principles Leader when they come across with such a situation.

1.4 Definitions

The following terms refer to as the following

- Bank** : Albaraka Türk Katılım Bankası A.Ş.,
- Employee** : The personnel carrying out all the activities on the basis of the employment agreement with the Bank and by exclusively allocating to the Bank,
- Working Environment** : The Bank's General Management headquarters, specific branches, Regional Management structuring which management authority and responsibility are granted on specific subjects and the Bank Branches performing activity in the country and abroad.
- Conflict of Interest** : Any situation which affect or may affect fulfilling the objective and tasks a person impartially and any benefit for himself/herself, his/her relatives, customers, individuals or institutions he/she is in relation with, which is either pecuniary or non-pecuniary and having a personal benefit relevant to these,
- Confidential Information:** Any information learned during daily tasks, not open to public, relevant to the Bank customers, service providers or third parties, written or not and may be obtained from various sources as written materials, electronic communication, meetings, phone calls, etc.,
- PBAT** : The Participation Banks Association of Turkey,
- Executives** : The Bank the Board of Directors and the top management,
- Top Management** : General Manager and deputy General Managers,

2. PREAMBLE

Participation banking is a banking model collecting and providing funds on interest-free basis and performing all transactions in compliance with ethical, social and economic principles and on the basis of participation. In participation banking in fact, there is establishing strong bonds with long term relationships in accordance with common beliefs between shareholders, the Bank employees, customers and investors, supporting culture of mutual trust and respect and working in harmony in accordance with common goals. By this collaboration, it is intended to contribute in the people's achievement to greater and long-term goals.

All activities of Albaraka Türk should be in compliance with both legal legislation and Banking regulations, and the standards of participation banking.

Ethical Principles of Albaraka Türk are prepared by taking Ethical Principles of the Participation Banks Association of Turkey Banking to gather and summarize principles the Board of Directors and all employees have to follow and the rules on working order.

Albaraka Türk Katılım Bankası and employees should perform the activities on the basis of;

- Ensuring sustainability of the feeling of current respect and reliability for the Banking profession in the public,
- Developing and continuing this feeling of respect and reliability named as professional dignity,
- Protecting stability and trust in Banking sector, protecting rights and benefits of account owners,
- Ensuring effective working of participation funds, financing and payment systems,
- Avoiding transactions and applications which may cause damages in economy,

as well as conducting relations between them and other institution and customers, shareholders and employees in compliance with this Ethical Principles Policy, Banking Ethical Principles and our Bank's Personnel Regulations and the principles of Participation Banking for protecting social utility and protection of the environment.

2.1 Our General Ethical Principles

Our Bank performs its activities in accordance with the General Principles stated below.

a. Honesty-Halal Earning

While fulfilling its activities, our Bank adheres to honesty principle in its relations. All our activities are carried out in compliance with the basic economic principles of interest free business.

b. Impartiality

Our Bank does not discriminate against any of its stakeholder or employee.

c. Reliability

Our Bank gives all its stakeholders clear, understandable information within the scope of the "Information Policy".

d. Transparency

Our Bank informs its costumers clearly and comprehensively on subjects as right and obligations, benefits and risks relevant to product and services offered to them. Before offering a product and service, it evaluates its customers and the customers' financial capacities, status and needs effectively. Offer of a product and service is resulted within this framework.

e. Protecting Social Utility and Environmental Impact

Our Bank supports social and cultural events under the light of the protecting social utility and environmental impact principles. Moreover, while providing fund, supporting education, health or projects creating new employment areas as well as participation banking principles are considered.

f. Fighting Against Laundering Proceeds from Crime and Combating the Financing of Terrorism

Our Bank adopts fighting against laundering proceeds from crime, corruption and such crimes as an important principle within the scope of “the Policy on Compliance to Obligations Relevant to Anti-Money Laundering and Combating the Financing of Terrorism” within the framework of international norms and provisions of national legislation, and is attentive to collaboration between both the other banks, other institutions and organizations relevant to the subject and competent authorities.

g. Abuse of Information

Our Bank takes all kinds of measures necessary to avoid abuse of information learned from inside about itself and customers within the scope of “Confidentiality Agreement” and “Information Transfer Policy”.

2.2 Our Obligations

a. Obligations of the Employees Against the Bank

While fulfilling their jobs, all Albaraka Türk employees act in compliance with Banking Law, Capital Markets Law, Competition Law, other relevant law and legislation and regulations issued by Albaraka Türk, policy, directive and professional behavior standards required by regulations, and by paying attention to banking profession, participation banking and Albaraka.

The Employees should behave in compliance with justice, rightfulness, honesty, reliability and social responsibility principles along with ensuring fulfillment of legal obligations our policy and procedures and avoid situations considered as conflict of interest. The Employees are obliged to prevent damaging values, image and reputation of Albaraka in their behaviors, using assets and sources of the Bank inefficiently and beyond purposes.

Contributing to positive and encouraging working environment is under the responsibility of all Albaraka Türk employees. The employees show the best effort in following all health and safety policies to ensure safety in the working place.

The employees are obliged to represent the Bank in the best way with their physical appearance, social media identities and the roles they take in out of work/voluntary activities as well as their behaviors.

They use a professional language in all kinds of written and verbal communication, and avoid from gossip, exaggeration, and insulting expressions to their colleagues, customers and other banks and products.

Obligations of our employees against our Bank are detailed in the following documents:

- Personnel Regulations
- Recruitment Procedure
- Dress Code
- Internal Directive on Occupational Health and Safety
- PBAT Banking Ethical Principles
- Conflict of Interest Policy

b. Obligations of Our Employees Against Our Customers

Albaraka Türk is a “customer oriented” participation bank. The greatest wealth of Albaraka is the transparent, fair and qualified relations they have developed with their customers of many years. Its business culture is formed by long-time relations meeting the customers’ needs, not short time gains.

Our employees are responsible from establishing a mutual environment of trust at the maximum level in the relations they build with the customers, in compliance with the culture of Albaraka Türk. Informing customers, protecting secrets of the customers, offering qualified, impartial and fair service, providing banking product and services in time and effectively are the subjects which all employees have to pay attention to. Besides, ethically, no guarantee, debit-credit, joint account or any commercial relation should not be established between the employees and customers of our Bank and such an environment should not be created.

Obligations of our employees against our Bank's Customers are detailed in the following documents:

- PBAT Banking Ethical Principles
- Financial Consumer Customer Oriented Principles
- Albaraka Türk Customer Relations Constitution

c. Obligations of Our Employees Against Each Other

Our Bank pays attention to applying provisions of legislation arranging business life and loyalty of the employees to the corporation with the highest efficiency to be developed within the framework of mutual goodwill principles.

Albaraka Türk takes merit (professional skills and competency) as the basis in selection and promoting of the employees, protects the rights of the employees, and encourages a business environment enabling professional and personal development. It takes the necessary measures to protect its employees and to prevent them from being exposed to any indignity (mobbing, etc.). On the other hand, our bank pays attention for the employees to display their best performance in every task. Each employee establishes a meticulous and professional working environment in his/her field of authority.

The employees establish a good-humored and sincere communication to each other at every level (between employees and managers and colleagues). They listen to each other and take into consideration, trust, respect and establish an open communication to build empathy. Employees pay attention on the collaboration, unity of purpose and total benefit between each other.

Managers act as a role model to their teams, support their development, entitle **right of initiative** in responsibility fields, give constructive feedback in time. **They are fair and transparent while putting decisions and applications into life and carrying out performance evaluation. They do not apply mobbing to their employees and do not delegate their private works to their employees.**

Obligations of our employees against each other are detailed in the following documents:

- PBAT Banking Ethical Principles
- Our Cultural Principles

3. SANCTION

In case of determining that the policy and principles stated in this document are violated, disciplinary principles and sanctions determined in the relevant articles of the agreements are applied for the employee or the external party responsible from this violation.

4. AMENDMENT

The Ethical Principles Leader is responsible from reviewing this policy and keeping it updated.

This policy is evaluated with regards to the compliancy with the current conditions due to organizational changes, working conditions, legal and technical regulations, etc. The policy is reviewed once a year and updated when necessary.

The General Management is entitled for updating/changing this Policy. This power is used by the Ethical Principles Leader on behalf of the General Management. The Policy shall be put into effect by the approval of the General Manager. General Manager briefs the Board of Directors on amendments.

This procedure and amendments are announced to the personnel.

5. OPERATION

This policy will come into force following the approval of the Board of Directors.