
CONFLICT OF INTEREST POLICY

This policy is intended to clarify the situations that would create conflict of interest through the coverage of the 5 categories contained below;

- Conflict of interest between the Bank and its employees,
- Conflict of interest between the employees and/or units,
- Conflict of interest between different customers of the Bank,
- Conflict of interest between the Bank employees and the customers,
- Conflict of interest between the Bank and its customers.

This policy covers our employees of all duties and powers that include all of our Bank's staff, contracted staff, and temporary staff.

The situations that create conflict of interest in the Human Resources Policy of our Bank are covered by disciplinary penalties.

Conflict of interest between the Bank and its employees

Our employees are prohibited from utilizing, directly and/or indirectly for their personal interests, the assets and resources of our Bank that they have access to within the framework of their duties and powers. Our employees are required to spend their time and efforts during working hours solely to perform their duties at our Bank and should refrain from utilization in a manner to create conflict of interest for personal benefits.

It is essential that our employees act in line with the principles of honesty and transparency in accordance with the rules of our Bank and that their appearance and behavior conform to the image of our Bank in both their relationships with official agencies and institutions and their relationships with our customers..

All of our employees must know and abide by the relevant legislation and policies, procedures, and workflows of our Bank relating to the legislation because of the responsibilities that they assumed as required by their duties and powers.

Our employees are absolutely obliged to abide by the professional principles of confidentiality determined by legislation. Pursuant to the article 73, paragraph 3 of the Banking Law Nr. 5411; employees that learn the secrets belonging to the Bank's legal personality or its customers due to their titles and duties cannot disclose such secrets to those other than the authorities clearly authorized on this issue by law. In this context, all staff are under the obligation to not disclose the information of a secret nature relating to the customers, activities, and transactions of the legal entities within the Institution to anyone other than the official authorities clearly listed in the laws and the authorized employees of the Institution.

"Confidential Information" covers non-public information belonging to the current customers or those that could be obtained in the future that our employees learned in writing or orally because of their duties that is required to be used solely for the purpose it was disclosed for, and any information that is able to describe that person or entity and could contain sensitive personal information as well as the information belonging to our Bank. For the purpose of protecting confidential information;

- Desks are put in order every evening and confidential documents, if any, are locked, keys are kept in a safe place.



- Credit files and other confidential files cannot be taken outside the company without the approval of the senior management.
- Passwords and usernames are kept confidential and are not disclosed to anyone.
- Apart from legally obligatory notifications, no information could be copied to devices such as memory sticks and so on.
- Confidential information cannot be talked about in public places.
- Those who are not employed by our customers or our Bank cannot be allowed to have access to the desks of those employed. Use of, trading in, confidential information for the benefit of third persons and/or for the personal and special interests of our employees are prohibited. Such an obligation continues even after our employees left their duties at our Bank.

Our employees possessing, especially due to duty, confidential information that has not been disclosed to the public cannot make any transaction by using such non-public information for their own interests, in other words; in a manner to lead to insider trading and/or price manipulation.

Our employees are required to avoid using their powers to provide unfair advantage for themselves and their relatives. All of our employees and their relatives are required to avoid the types of transactions contained below, whatever the purpose, nature, and cause;

- To engage in any commercial activity in which one of the parties is our customer,
- Where one party is our Bank and the other party is our employee or his relatives, engagement of our employee or his relatives in any commercial activity (getting products or services) acting like a customer or supplier,

Our employees cannot take part in the decision process when faced with the following situations;

- Persons in the decision-making posts in the company positioned as the customer to be dealt/worked with in accordance with our Bank's field of activity are relatives of primary and/or secondary degree and/or shareholders/final beneficiary,
- Persons with the decision-making powers in a company with which there is a commercial relationship and/or in a company with the position of a supplier are relatives of primary and/or secondary degree and/or shareholders/final beneficiary

In an effort to prevent conflict of interest situations between our Bank and our employees, our employees and our customers, the Ethical Principles Policy and Human Resources Policy of our Bank exist and are located in the common area that all of our employees have been powered to access. Misuse of duties or powers by our employees in a manner to cause harm to our customers and/or in return for the interest of relatives or third persons are included in cases that require the penalty of dismissal.

Conflict of interest between employees and/or units

The measures of our Bank regulating the information flow and covered by the separation of duties that are aimed at preventing conflicts of interest between employees and/or units are provided below.

Our employees are banned from sharing the information that they accessed in line with their duties and responsibilities with our other employees that do not have the power to access such information and the confidentiality and security of such information are the responsibility of our employees that have access to the information. This subject is dealt with within the scope of Information Walls and the limitation and/or prevention of the flow of confidential and inside information within the Bank.



The approach in question has been constructed for the prevention of potential cases of conflict of interest.

The examples below are provided within the scope of Information Walls regarding the differences in access to information among our employees;

- Our Bank's portfolio is known only to our employees authorized for trading and such employees of ours are prohibited from disclosing such information to our other employees,
- Only our employees that have been authorized within the scope of Information Walls have access to the information of our customers that are provided with the custody service and confidentiality and security of the information are under the responsibility of our employees that have been authorized and assigned,
- Although the issuer information acquired by the employees that were involved in brokering projects of public offering has the status of confidential information, only our employees that are involved in the project have the power to access the information in question.

As the access to our Bank system in this context is achieved through personal passwords and our employees have information access and transaction powers in the system in accordance with their duties, authorization levels, and cases, they are banned from sharing their passwords with other employees and our employees are themselves responsible for the safety of their personal passwords.

The access by our employees to information and documents is designed, in accordance with their powers in line with the separation of duties, in our Bank's procedures, job descriptions, and workflows through separation of duties and/or physical differentiation, powers and responsibilities that pose a risk and could create conflict of interest are differentiated and ensured that they are not assigned to the same persons.

Performance, approval, recording, and control of the transactions within the scope of the principle of separation of duties are assigned to our employees with different duties.

It is also ensured in the sitting order of our employees that the sections with duties and information that could be associated with conflict of interest are separated. Therefore, units have been positioned in our Bank in accordance with the closed office system.

Conflict of interest between different customers of the Bank

It covers the cases of conflict of interest that could occur between a customer and another customer of our Bank.

In situations where conflict of interest between our different customers could not be prevented, our employees need to treat our customers in question equally and fairly.

Our employees should strive to perform their duties impartially in conflicts of interest between our customers.

Conflict of interest between the Bank employees and the customers

Personal interest could be financial or it is possible to be in the form of any interest within the industry.

The areas where generally most personal interests are obtained are indicated below and such areas are the ones that are generally encountered. Cases of conflict of interest are not limited to the areas contained below;



- Acceptance, from customers, suppliers, intermediaries, brokers, of gifts that are outside the gift types and limits contained in our Bank's policies, procedures and given to influence their own choice, decision, and consent,
- Acting like the counterparty in customer transactions (for instance; purchase by the employee or his relative of any asset or vehicle sold by the customer),
- Engaging in personal financial relationship with customers and/or suppliers,
- Copying customer transactions,
- Performing a transaction on behalf (by proxy) of the customer, engaging in representation relationship with the customer,
- Establishing a financial relationship with customers (for instance; borrowing, becoming a surety in transactions, performing customer's payments, etc.),
- Performance of any transaction by our employees that possess, especially due to duty, confidential information that has not been disclosed to the public by using such non-public information for their own interests, in other words; in a manner to lead to insider trading and/or price manipulation,
- Securing financial gains from the customer other than the standard fee and commission because of the service provided to the customer,
- Obtaining financial gains from third persons because of the service provided to the customer,
- Gaining benefits from service and activity provided to the customer,
- Discriminating among customers because of personal interests and favoring a customer over another customer,
- Transfer, trading in, confidential information of our customers that our employees acquired within their duties and powers to third persons in line with their personal benefits/interests,
- Utilization of confidential information acquired by the employees involved in projects of public offering for their own interests and/or using it for the interests of other customers in return for interest,
- Sharing of the information belonging to our customers that have been provided with custody service with our unauthorized employees by our employees assigned and authorized in this context,
- Discriminating against size of orders and customers in the transmission of orders,
- Recommendation to our other customers of the funds with high amounts of investment by some of our customers,

- Acting, while the transmission of order is realized, within the scope of personal interest in a manner that could not be appropriate with the principles of time and price priority,
- Utilization by our employees with access to non-public information of such information to secure material benefits,
- Securing benefits from the service and product provided to the customer although it is not of any interest to the customer,
- Providing our customers with groundless and deceptive information that does not reflect reality,
- Asking for gifts from customers, suppliers, and advisors, making implied remarks in this regard,
- Accepting from customers non-customary gifts of a nature and value that could create obligations for themselves in a manner that would exceed our Bank's gift types and limits,
- Providing existing or prospective customers with overly expensive gifts and securing advantages from the customer's field of business (for instance, shopping opportunity with a special discount), through the use of position, that are beyond their purpose and go out of normal practices

Pasha Yatırım Bankası A.Ş. employees cannot perform transactions within the scope of the cases mentioned above.

Conflict of interest between the Bank and its customers

Even if an organizational structure is created and the necessary administrative measures are taken in our Bank preventing conflicts of interest, our customers are provided with information before the related service or product is offered regarding the contents and causes of conflicts of interest between our Bank and our customers that could not be prevented due to reasonable causes arising from the operation of the market. Such provision of information can be made in writing and it should be fair and clear.

Therefore, because of the possibility that the customer incurring a loss may culminate in our Bank making a profit due to the nature of the service or product offered within the scope of our Portfolio brokerage activities, it should be made sure, before entering into a relationship of commitment with the customer, that all information on the product offered to the customer that is up-to-date, clear, fair, and not misleading, and complying with the legislation in force has been shares in writing through the Risk Notification Form.

In order to prioritize our customers' interests in all activities of our Bank;

- All of our customers are to be treated impartially and equally and discrimination should be avoided, unfair advantages or preferential treatment should not be offered,
- Within a right framework of "Know Your Customer" approach, adequate and accurate information must be collected about our customers in order for the identification of the service or product suitable to the needs and expectations of our customers,
- Customers must be evaluated in two separate categories as general and professional in accordance with the "Know Your Customer" approach and n the risk level of the product to

be offered and accordingly its suitability must be determined in accordance with the category and the results of the suitability and soundness tests to be made,

- The product offered should be suitable to the customer's information and experiences, needs and expectations, any product that is not of interest to the customer should not be offered to the customer,
- It should be made sure that the content of the product that is offered, all of its financial risks, cost of the product, and its purpose to be offered to the customer are understood by the customer in a clear language and in a way not creating confusion of meaning,
- All risks of the product offered should be told in detail in a clear language,
- In cases where our customers wanted to take risks in a way not appropriate with their profiles and above their capacities, all risks must be notified to the customer before the transaction was done and it should be ensured that the customer understood the aforesaid risks,
- Written or verbal statements characterized as a guarantee should not be made that any particular investment instrument would provide a certain yield,
- The customer should be provided with the information that there would be fees for the transactions to be realized and differentiated commissions in the transaction transmission channels (for instance, order transmission over telephone) and that the reason for that was the prevention of making inconsiderate transactions,
- The customer should not be directed towards multiple transactions despite a lack of customer need and interest and the commission income in question should not be increased in this way.

The most general examples that are characterized as conflict of interest that could arise in connection with our Bank's activities are mentioned below -without limited to them-. The realization of the activities contained in such examples has been prohibited.

- In situations where the Bank is the portfolio manager for multiple customers, sale by the Bank of the amount taken into the pool account during the day to some customers at a better price at the end of the day,
- In the realization of customer transactions, performing the Bank's portfolio transactions before customer transactions, allowing the Bank to have the order of priority in realizing transactions,
- Working with an external auditor that the Bank has a conflict of interest with because of the advisory services provided to itself,
- Sharing private, confidential or sensitive information with the Bank's different entities/group companies and research, consulting, banking, investment, credit allocation units,
- Sharing any information covered by conflict of interest with the employees of the group company that are shareholders,

- Recommendation to our customers of capital markets instruments in our Bank's portfolio that are planned to be sold,
- Providing our customers with an evaluation about the capital markets instruments in our Bank's portfolio that are planned to be sold,
- Preparing, by considering our Bank's interests, the contents of the research reports prepared by our Bank's authorized employees to be shared with our customers,
- Copying customer transactions for the purpose of ensuring our Bank's interest,
- Offering services and products to our customers for the benefit of our Bank when it is not of any interest to the Customer,
- Opening a position on behalf of our Bank on the basis of non-public information before the customer's order.

Measures Taken to Prevent Conflicts of Interest

The measures given below are taken in our Bank for the purpose of preventing conflicts of interest;

- In order for a situation to not occur that would give rise to conflict of interest with the Bank's customers, the Compliance and Legislation Unit gets all complaints, suggestions, and requests coming from the customers relating to the Bank's products and services and conveys them to the relevant units and follows up the stages of resolution.
- The Compliance and Legislation Unit reports the subjects that the customer complaints concentrates on and engages in activities that prevent the repetition of complaints.
- Customer complaints are responded within the times specified and in accordance with the quality that is targeted.
- Legal Unit prepares the legal texts and contracts relating to the transactions that the Bank is a party to so as to not allow conflict of interest in contracts made with third persons and/or give its opinion in legal terms by examining those that were prepared.
- In order to not allow any irregularities or conflict of interest in trading transactions concluded with third persons, transactions are made in accordance with the authorization levels and limits that were specified in our Bank's "Purchasing Policy". Approval and authorization limits of the decisions related to all tender business and purchases of goods/services are as specified in this Policy. As the Policy was issued to lay out the internal business of the Bank relating to purchases and tenders, they do not bring the Bank against third persons. In disputes with third persons, provisions of the legislation and special contracts are applied.
- Rules are specified for managing personal accounts and investments of the employees/relevant persons,
- Rules are set for the activities of the employees outside the Bank,

- A written remuneration policy has been created that is in compliance with the scope and structure of the Bank's activities and strategies, long-term goals and risk management structures, preventing assumption of excessive risk and contributing to efficient risk management. In an effort to ensure the efficacy of the remuneration policy, the Board of Directors reviews the remuneration policy at least once a year and makes sure that the salaries to be given are in compliance with the bank's ethical values, internal balances and strategic goals,
- In order for the remuneration practices to be monitored and audited on behalf of the Board of Directors, a "Remuneration Committee" was set up within the Board of Directors and the "Remuneration Committee" evaluates the remuneration policy and practices and submits its recommendation on this matter to the Board of Directors each year in a report halinde,
- Our employees are provided with adequate salaries and personal rights in accordance with the current conditions by considering market and budget possibilities of our Bank, their professional adequacy, responsibilities and powers,
- The job descriptions and distribution of our employees other than those at the Internal Systems and their criteria for performance-related bonus payments are determined and made by the Senior Management within the principles specified by the Board of Directors. Such criteria are reviewed regularly according to the standards and special duty responsibilities that were specified.
- The career planning of our Bank's employees is determined by the Senior Management on the basis of the principles specified by the Board of Directors and our Bank's strategy and needs. The general principles relating to the career mapping, existing positions are announced through the Human Resources Policy in a manner allowing access by all our employees.
- Remuneration, promotion, and personal rights of the managers and staff of the Internal Systems units are determined by the Remuneration Committee with the recommendation of the Audit Committee. The payments to be made to the managers and staff of the Internal Systems are determined by considering the general principles specified by the Board of Directors through an assessment by the Audit Committee of the performance of the relevant staff relating to their own functions in a manner that would be independent of the performance of the activity unit that they audited or supervised or controlled,
- Premium and bonus payments based on the Bank's performance to the Executive Members of the Board of Directors and the Senior Management are determined within the framework of the powers granted by the Board of Directors in line with the recommendation of the Chairman and Deputy Chairman of the Board of Directors. Premium and bonus payments are subject to the objective conditions relating to the Bank's profitability and financial structure. Payment decisions are not made that have not been defined with objective criteria and that could contradict the Bank's corporate values,
- Dividend payments can be made within the Bank's articles of association and the rules and procedures determined by the regulatory authority,

- Our Bank may specify different standards in accordance with the type of conflict of interest and may also specify different standards according to the type of conflict of interest in the remuneration criteria of the units that could lead to conflict of interest,
- Our employees cannot engage in another business outside the Bank, with or without a pay, even when outside the working hours, apart from their duties specified by a contract within our Bank and cannot accept any duty of this type,
- Organizational procedures are implemented in connection with the Bank's types of activity or new products and services that it would develop,
- In situations where there is a risk that the welfare level of one or more customers may be affected, prevention or control of the information sharing among employee / relevant person / service provider, (for instance; taking into account the provision of information as it is necessary in the transfer of banking information to suppliers and getting the confidentiality agreement signed)
- It is made sure that rules covering the issues of incentives, receipt, provision, and disclosure of gifts are set and a record is kept of the benefits and interests that were proposed and accepted,
- Independent Members of the Board of Directors make a written declaration to the effect that they are independent within the framework of the legislation, articles of association, and corporate governance principles,
- It is confirmed that the units act independently,
- The flow of confidential and inside information is limited and/or prevented within the Bank through Information Walls, for instance, only those of our employees that have been authorized within the scope of Information Walls have access to the information on the customers that were provided with custody service and their confidentiality is under the responsibility of our employees that have been authorized and assigned,
- Through separation of duties and/or physical differentiation, access by our employees to information and documents are designed in our Bank's procedures, job descriptions, and workflows in accordance with their powers in line with separation of duties, powers and responsibilities that pose a risk are separated from each other and made sure that they are not possessed by the same persons.
- Within the scope of the principle of separation of duties; performance, approval, recording, and control of the transactions are assigned to our employees with different duties,
- It is also ensured in the sitting order of our employees that the sections with duties and information that could be associated with conflict of interest are separated. Therefore, units have been positioned in our Bank in accordance with the closed office system.
- The principle of four eyes is established in the supervision of the Bank's activities and, according to this principle, each significant decision is made by at least two or more persons.

- Our employees realize their access to our Bank's Internal Systems and the software purchased by our Bank through the usernames assigned to them and personal passwords that they themselves determined. Sharing personal passwords has been banned and a disciplinary punishment is mentioned in our Bank's Human Resources Policy. Our employees have been authorized with the personal passwords in question to carry out transactions only in subjects that they have been authorized in accordance with their duties and responsibilities. The powers of all of our employees have been differentiated in accordance with the cross-check basis.
- For the purpose of enhancing the awareness of the employees of our Bank, all of our Bank's policies, procedures, and workflows are kept in the common area which all of our staff have access to.
- Our employees are provided with training concerning the confidentiality of the customers' and the Bank's secrets.
- Staff that are qualified for the position and the content of duty are employed in accordance with the goals of our Bank,
- Within the framework of our corporate culture and ensuring corporate loyalty, meeting by our employees within the scope of common purposes is ensured, communication channels are set up for our employees to express their views and recommendations.