

DONATIONS AND AIDS POLICY

09-02-POL-005

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Version 00



Donations and Aids Policy Summary Profile and Approval

Strategic Business Unit (SBU) : Financial Affairs and Planning Group – Accounting Department

Policies Name : Donations and Aids Policy

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Revision History					
Revision Number	Issue Date	Amendment Description	Date Effective	Next Date	Revision
0		New Publication			

Approvals		
Authorised Approver	Date	Signature(s)
Financial Affairs and Planning EVP		
EXCO		
CEO		
EXCOB		
BOD		

Approvals - Executive Committee (EXCO)		
Authorized Approver	Date	Signature(s)
CEO		
Corporate & Business Banking EVP		
Retail & Digital Banking EVP		
Information Technologies & Operations EVP		
Financial Affairs & Planning EVP		
Treasury & Financial Institutions EVP		
Human Resources EVP		
Credit Underwriting EVP		
Restructuring & Legal Follow-up EVP		

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I. INTRODUCTION**1 PURPOSE**

The purpose of this policy is to fulfill our social responsibilities, to establish awareness of corporate responsibility among our partners and employees, and create a framework regarding donations and aids that can be made within the scope of satisfying social needs, contributing to social development, and serving the public.

2 SCOPE

This Policy Document is applicable to all employees and subsidiaries of the Bank.

3 CONFIDENTIALITY AND CIRCULATION OF POLICY DOCUMENT

The contents of this Policy Document are to be treated as confidential. Therefore, they are not to be disclosed or distributed to any unauthorized persons. The signed hard copy of this Policy must be kept in safe custody and must not be copied or revealed to unauthorized third parties without the express written permission of the Financial Affairs and Planning EVP. Distribution to third parties may be performed only in specific/exceptional cases where there is a proper justification for document content disclosure (e.g. Audit requests, special projects with contracted consultants).

Bank employees related to the subject should read and understand this Policy and its relevant appendices so that they can comply, and help others to comply with the policies established. Bank personnel across Alternatif Bank have the responsibility of complying fully with the Policy Document.

4 MAINTENANCE OF POLICIES DOCUMENT

This Policy should be reviewed at least annually for updates by the Financial Affairs and Planning EVP. Any employee may recommend changes to the Policy by adhering to their appropriate direct reporting line authority.

All subsequent amendments should also be approved in the same manner through the below

- Financial Affairs and Planning EVP
- EXCO
- Chief Executive Officer (CEO)
- EXCOB

- Board of Directors

Revision Procedures

The Policy shall be updated within the scope of the following activities:

1. The date should be updated through the use of the Month and Year on the "Approval" page of this document.
2. The version number should be updated on the approval page and the footer of the document. The version number increases by one with every update.
3. The revision details are highlighted in the "Revision Description" table found on the Version Tracking and Approvals page.
4. The file name should be updated pursuant to the latest version number.
5. The Policy is distributed to the relevant parties and distribution is acknowledged by them.
6. A soft copy of the policy is kept on the bank intranet for distribution.

Audit

Implementation method of policies are reviewed several times a year by the Financial Affairs and Planning EVP, and regular compliance audit is assumed by the Internal Audit function of Alternatif Bank. In case non-compliance incidents are determined, Internal Audit function shall review the reasons for such non-compliance incidents and report as necessary. It might be required to update the Policy Document depending on the results of such review. Financial Affairs and Planning EVP (or, if necessary, the CEO) may be requested to issue general or private information notices for the employees regarding determined policies.

5 NON-COMPLIANCE POLICY

It is the responsibility of the owning department to report an incident of non-compliance with respect to this policy document. Incidents of non-compliance can alternatively be reported by the employees of any other department who become aware of the non-compliance. Such non-compliance incidents shall be reported by the relevant employee to his/her immediate manager. The manager, having been made aware of the situation, shall report the matter to the Financial Affairs and Planning EVP. In addition, the owning department and Internal Audit shall be informed, and they shall evaluate non-compliance incidents throughout the bank and monitor the implementation of the effective policy. Bank employees who fail to comply with this policy shall be subject to disciplinary action in line with the Discipline Policy.

6 REGULATORY COMPLIANCE

This Policy Manual was prepared in consideration of the laws and regulations of the Republic of Turkey, including instructions received from Banking Regulation and Supervision Agency (BRSA) and the Central Bank of the Republic of Turkey (CBRT). In the event that a conflict exists between this Policy Document and the mentioned laws and regulations, the latter shall take precedence. In case of such a conflict, necessary amendments shall be made on this Policy Document to resolve the conflict. Moreover, the Bank shall ensure compliance with applicable laws and regulations of the countries that it operates in; and, if any conflict arises, Legal Affairs and Compliance Department shall be consulted.

7 POLICY SUMMARIES

Contains principles and limitations for Donation and Aids.

8 RELATED DOCUMENTS

This Policy Document must be compatible with the following documents of Alternatif Bank:

- Operational Risk Policy
- Information Security Policy
- Corporate Communication Policy

II. POLICY

1. Responsibility

The Board of Directors is responsible for having the Donations and Aids Policy issued, supervised, and updated as necessary.

2. Principles for Donations and Aids

Donations and aids, which lead to steering away from the principle of protecting the rights of bank shareholders, are avoided.

All donations and aids, made upon decision of the Bank management, should be made in line with the vision, mission, and policies of the Bank, and in consideration of ethical principles and values of the bank and annual budget appropriations of the bank. Donations and aids can be made in two manners; namely, in cash and in kind.

Compliance with the relevant policies of the Bank is observed with respect to manner and amount of grant, and selection of recipient institution, organization, or Non-Governmental Organization.

Detailed information is provided about amount and beneficiaries of all donations and aids, made within the period, as well as policy changes, in the Annual General Meeting.

3. Limitations for Donations and Aids

Principles and procedures on donations and aids, which can be made by banks and organizations subject to consolidated audit, are specified in Article 59 of the Banking Law and the “Regulation on Donations and Aids That Can Be Made by Banks and Organizations Subject to Consolidated Audit” (Regulation).

In this context;

- The end of the accounting period, when donations and aids are made, shall be considered in calculation of the limitation for the total amount of donations and aids made in an accounting period.
- Donations cannot be made to funds and foundations that exclusively belong to employees, established for medical and social aid, retirement, reserve, and savings purposes, political parties, unions, as well as any real and legal entity included in the risk group containing the Bank, with the exception of foundations that are not qualified as funds and foundations that exclusively belong to employees, established for medical and social aid, retirement, reserve, and savings purposes.
- Donations and aids cannot be made in the following accounting period if losses are declared in consolidated or non-consolidated financial statements at the end of an accounting period.
- Total amount of donations and aids made in an accounting period cannot exceed 4/1000 of non-consolidated equity amount of the bank, to be calculated pursuant to the “Regulation on Equities of Banks”. At least half of the amount in question must comprise donations and aids that can be considered as expenses or discounts deductible from corporate earnings in determination of corporate tax in accordance with the Corporate Tax Law no. 5520 of 13/6/2006.
- The level of compliance with Article 59 of the Banking Law and the Regulation on Donations and Aids That Can Be Made by Banks and Organizations Subject to Consolidated Audit shall be observed with regard to donations and aids.
- If 4/1000 of non-consolidated equity amount of the bank, to be calculated pursuant to the Regulation on Equities of Banks, is exceeded due to declines in non-consolidated equity, such excess should be eliminated within 6 months following the end of the accounting period, when donations and aids are made, by increasing non-consolidated equity at an amount equivalent to the excess.

4. Executive Responsibility


Individuals with executive responsibility are those with direct or indirect regular access to internal information pertaining to the Bank and authorized to make executive decisions impacting future development and business objectives of the Bank. Such individuals comprise Members of the Board of Directors, General Manager, Executive Vice Presidents, as well as other executives that serve in positions equivalent to Executive Vice President or higher.

III. ABBREVIATIONS


Abbreviation	Meaning
Board	Board of Directors
CEO	General Manager
EVP	Executive Vice President
BRSA	Banking Regulation and Supervision Agency
CBRT	Central Bank of the Republic of Turkey
ORC	Operational Risk Committee
MRC	Management Risk Committee
BRC	Board Risk Committee

IV. ANNEXES

Annex A: Policy Revision Proposal Form

Alternatif Bank 		
Policy Revision Proposal Form		
Reference	Date	
Issued by	Position	
Subjects proposed for revision (if necessary, add photocopies)		
Section No.	Department Name	
Policy No.		
Proposed revisions		
Reasons for proposal of revisions		
Other explanations		
Approved by	Signed by	Effective Date

Annex B: Policy Distribution and Notification Form

	
Policy Distribution and Notification Form	
Policy	
Version Number	
Name of Employee	
Date of Notification	
Signature of Employee	

