

İş Faktoring A.Ş. adopts the Professional Ethical Principles for Financial Leasing, Factoring and Financing Companies determined by the Association of Financial Institutions and carries out its activities accordingly.

PROFESSIONAL ETHICAL PRINCIPLES FOR FINANCIAL LEASING, FACTORING AND FINANCING COMPANIES

I. General Provisions.

Purpose and Scope

Article 1- The primary purpose of the Professional Ethical Principles of the Association, to be implemented in any and all procedures and transactions of the members companies both with each other and with their customers and shareholders as well as with their employees and other institutions, is to ensure the continuation of the professional reputation and to maintain the stability and confidence in the sectors related to the fields of activity of the financial leasing, factoring and financing companies.

For the purpose of this regulation, the term "member companies" covers the Financial Leasing, Factoring and Financing Companies being a member of the Association.

Legal basis

Article 2- These ethical principles have been issued based on Articles 41 and 42.3 of the Financial Leasing, Factoring and Financing Companies Law numbered 6361 and on Article 4 of the Regulation on Financial Leasing, Factoring and Financing Companies which is effective as of 25.07.2013.

General principles

Article 3- The member companies carry out their business in accordance with the following general principles with the purpose of ensuring confidence and stability in the financial markets, ensuring the effective operation of the credit systems by considering also the requirements of economic development, preventing transactions and applications that may cause significant damages in economy as well as observing the social benefit and protecting the environment.

The member companies:

a) Integrity

Abide by the principle of integrity in respect of their relations with their customers, employees, shareholders, group companies and other sector companies (financial leasing, factoring and financing companies), organizations and institutions in fulfillment of their activities.

b) Impartiality

Do not make discrimination both between their employees and customers, and refrain from acting with prejudice.

Do not discriminate their customers in terms of nationality, religion, financial and social status, gender, etc. while providing them with service.

c) Reliability

Provide their customers with clear, understandable and accurate information within the framework of mutual trust and perform customer services in a timely and complete fashion in all services and transactions.

d) Transparency

Provide their customers with clear, understandable and precise information about rights and obligations, benefits and risks pertaining to the offered products and services.

e) Observing Social Benefit and Respect for Environment

Pay attention to support social and cultural events in the light of the principles of observing social benefit and respect for environment besides profitability in all of their activities.

f) Fighting Against Laundering of Assets Acquired from an Offence

Adopt as an important principle the fight against laundering of assets acquired from an offence, corruption and similar offences within the framework of the international norms and the provisions of the national legislation, and pay attention to cooperate both with each other and with the other related institutions and organizations and competent authorities in this respect. They take the necessary precautions also in their organizations for this purpose and organize training programs for their personnel.

g) Insider Trading

Take all kinds of necessary measures to prevent utilizing inside information learned.

III. Relations of the Member Companies with Public Institutions and

Organizations. Relations with public institutions and organizations

Article 4- (1) The member companies act in accordance with the principles of integrity, accountability and transparency in their relations with public institutions and organizations and endeavor to convey any information and documents, which are requested for audit and control purposes pursuant to the legislation, in an accurate, complete and timely manner.

(2) The member companies inform the Association, before receiving the opinion of public institutions and organizations, about the issues which may bind the sector in terms of their consequences, except for those issues which are exclusively related to them.

IV. Relations between the Member

Companies

Companies:

Exchange of Information

Article 5- Perform any exchange of information with each other in an accurate and systematic manner to the extent permitted by the legislation.

Personnel Movements

Article 6- Refrain from any practice which may give rise to unfair competition in respect of recruitment of personnel.

While they have freedom of contract and movement in terms of recruitment of personnel in accordance with the provisions of the Labor Law and the relevant legislation, they pay attention that their recruitment of personnel does not interrupt the services of the other companies. They act objectively and honestly when answering queries about their former employees raised by other companies.

Competition

Article 7- Consider competition as a race that is in conformity with the legislation, which ensures making of economic decisions freely among all the companies in the financial leasing, factoring and financing companies sector. For this reason, besides their own interest, they refrain from such statements and acts that constitute unfair competition in the activities they have been carrying out within the free market economy in accordance with the principles of

- a) ensuring the continuous confidence in the financial leasing, factoring and financing companies in general;
- b) making effort for the development of the sectors;
- c) and observing the common interests.

This principle is both applicable in terms of their legal entities and includes also the declarations and behaviors of the directors and employees of the companies.

Announcement and advertisements

Article 8- In the announcements, publications and advertisements related to both their own financial structures and promotion and marketing of the products and services of the member companies, they act honestly and realistic, in compliance with the legal regulations and public morality, and refrain from any acts that may damage prestige and impair reputation of the sectors and may cause them to be thought wrong.

They do not include in their announcements, publications and advertisements such statements or expressions defaming other member companies or products and services of other member companies.

V. Relations of the Member Companies with Their

Customers. Informing customers

Article 9- With regards to all products and services they present to their customers, the member companies make correct, complete and timely information disclosure at every stage of service relationship and in every matter by paying attention to limitations specified in the legislation.

Customer secrets

Article 10- The member companies must keep confidential and carefully store any information and documents related to their customers, except for the persons and authorities authorized by laws to demand information and documents.

Service quality

Article 11- The member companies consider service quality as the prerequisite to satisfy the requirements and expectations of the customers with the quality service to be provided. They pay attention that the technological infrastructure and qualified human resources, which are the two key elements of this concept, are used in compliance with continuous development in service quality.

They provide the same quality and the same level service to all of their customers. However, the diversification of the organizational structure and product range according to the target audience by determining the target market or the different approaches to the customers in different risk groups shall not be interpreted that discrimination is made between customers or that customers are categorized.

Customer complaints

Article 12- The member companies establish a system to respond any questions of their customers related to the services provided and provide their customers with the information on such services.

They investigate the reasons for customer complaints and take necessary precautions to avoid the repetition of complaints. They inform their employees with the purpose of correcting and preventing the repetition of the improper practices causing complaints.

Security

Article 13-

The member companies take all necessary technical and legal precautions to ensure the process security in any service environment due to the technological developments and changing service channels. They inform their customers about the precautions they take and the precautions that should be taken by the customers.

VI. Relations of the Companies with

Their Employees. General

characteristics of employees

Article 14- They pay attention that their employees are comprised of the people who possess the knowledge, experience and the feeling of responsibility required by their duties.

Recruitment and career development

Article 15- They endeavor to provide equal opportunities to employees without discrimination both in terms of recruitment and career development. Based on the principle of managing the human resources in the best way, they provide training, courses, seminars and other opportunities with the purpose of enabling employees to reach the level of knowledge required by the day and profession. Regarding the professional promotion of their employees, they take into consideration not only their knowledge, skills and personal success but also their commitment to the Ethical Principles of the Association of Financial Institutions and the attention they demonstrate in implementing such principles.

Principles of representation and working environment

Article 16- They establish internal regulations setting forth that their employees must look clean and well-groomed in accordance with the reputation of the profession and with the awareness that they represent their companies.

They take measures to improve the motivation of their employees and to provide services under better conditions in all service units, and enable to create a healthy and safe working environment.

Working hours

Article 17- They pay attention that the appropriate number of employees is employed in accordance with the workload, organize their employees to get maximum efficiency during the working hours, and make maximum effort to ensure that the employees do not work out of working hours and regularly take their annual leaves.

Employee rights

Article 18- They endeavor to ensure that their employees are provided with the rights arising from the relevant legislation in a timely and complete manner.

Relations of employees with customers

Article 19- They establish the internal

regulations to prevent the company

employees

-from entering into the relations of debit-credit, surety, etc., which are incompatible with the ethical principles, with customers;

-from receiving gifts from existing or potential customers;

-and from deriving personal benefits from their own business environments or the business capabilities of their customers by making use of their positions.

VII-Code of Practice and Ethical Principles to Be Respected by Employees of the Member

Companies. Code of practice and ethical principles to be respected by employees

Article 20- Company employees are liable to

- a) comply with the legislation in force while fulfilling their duties;
- b) inform their customers about the benefits to be provided by the products and services provided and the risks to arise there from;
- c) to provide impartial and fair service to the customers who get the same service;
- d) not to disclose the secrets they come to know about their companies and customers due to their positions and duties to others except those bodies which have been clearly authorized in law;
- e) not to cause any loss of reputation of their companies in their works and behaviors;
- f) not to be engaged in such activities requiring them to be deemed "commercial enterprise" or "mercantile business";
- g) not to act in breach of the principles of justice, integrity, honesty, reliability and social responsibility;
- h) to provide cooperation for the common objectives by communicating with other employees in a respectful and attentive manner in fulfilling their duties;
- i) not to use the assets and resources of the company inefficiently and out of the intended purposes;

- j) not to derive personal benefits from their own business environments or the capabilities of their customers by making use of their duties and positions;
- k) to immediately reject the proposals for advantage made to them, and to inform the competent authorities and their supervisors;
- l) not to enter into the relations of debit-credit, surety, etc., which are incompatible with the ethical principles, with customers;
- m) not to receive gifts from existing or potential customers, except for such customary gifts;
- n) and to have the responsibility of accountability for the duties they undertake in the performance of services.

Improvement of the ethical principles of the companies related to the sectors

Article 21- The companies may bring forward proposals at any time to the Board of Directors of the Association in order to improve the ethical principles and to amend the same where necessary.

Article 22- The Board of Directors of the Association may take Professional Arrangement Decisions for the implementation of these Professional Principles.

VIII. Relations of the Companies with the Association

Article 23- The companies act in accordance with the principles of integrity and transparency in their relations with the Association of Financial Institutions and endeavor to convey any information, documents and records requested in an accurate, complete and timely manner.

Article 24- The companies do not disclose to the public

- a) the information of the other member companies shared by the Association of Financial Institutions;
- b) the correspondences of the Association of Financial Institutions with public institutions and organizations;
- c) the contracts of the Association of Financial Institutions with its service providers and advisors;
- d) and any confidential information and documents sent by the Association of Financial Institutions.

IX. Miscellaneous

Identification of non-conformities and sanction

Article 25- The transactions or actions of the companies which are claimed to breach the ethical principles and Professional Arrangement Decisions are first assessed by the relevant sector representative boards and submitted to the Board of Directors of the Association for decision. The Board of Directors of the Association may decide on an administrative fine against the companies, which are determined to have breached these ethical principles, within the scope of Article 42.3 of the Law numbered 6361 and such companies are also reported to the Banking Regulation and Supervision Agency.

Enforcement

Article 26- The Board of Directors of the Association enforces these professional ethical principles through the agency of the General Secretary.

Effective Date

Article 27- These Professional Ethical Principles of the Association shall become effective on the date of their publication.