

CORPORATE GOVERNANCE

Tekstilbank believes that effective governance is key to long-term success.

Tekstilbank's corporate governance principles have been developed on the basis of the corporate governance principles as laid down by the Capital Markets Board, as well as, by taking into consideration international and sector-specific practices. These principles aim to deliver a strong message as to how Tekstilbank accomplishes its objectives and that honesty, transparency and concerns for various activities, particularly in risk management are not to be compromised.

The Corporate Governance Committee was established in February 2005. It is responsible for the implementation of corporate governance and reports directly to the Board of Directors. Accordingly, Tekstilbank communicates with its employees, the society and the financial markets at every opportunity on how operations are conducted, and more broadly, about the standards by which the business is performed.

Tekstilbank has pursued the following principles since its establishment:

Trust: Being fully aware of the importance that banking is based on confidence, Tekstilbank strives to maintain unwavering trust in its conduct of relationships with its clients, shareholders, stakeholders, employees, as well as the society at large, through sound management based on accountability.

Honesty: In its conduct of business with clients and of relationships with shareholders, stakeholders, employees and the society, Tekstilbank adheres strictly to the principle of honesty, its core values, ethic codes and high standards in corporate behavior.

Accountability: Tekstilbank's Board of Directors and senior management recognize the importance of and give high priority to the profitability of the Bank and the benefits of the stakeholders based on the principles of accountability.

Customer Satisfaction: By recognizing the importance of customer satisfaction, Tekstilbank always provides customers with the highest quality products and services best suited to their needs, acting in a customer-driven approach with a long-term view.

Conformity: Tekstilbank always adheres strictly to relevant laws, regulations, internal rules, as well as internationally accepted standards.

Objectivity: Tekstilbank does not act with any prejudice based upon race, ethnic origin, sex, marital or parental status, disability or political belief against its clients, shareholders, stakeholders or employees.

Confidentiality: Tekstilbank protects the privacy of its clients by withholding all confidential information from third parties, unless legally and specifically requested by the authorities concerned.

Transparency: Tekstilbank tries to manage its affairs in a sound and transparent manner by maintaining appropriate and balanced relationships with all stakeholders, including clients, shareholders and others, while assuring fair, adequate and timely disclosure of corporate information.

Social Responsibility: Tekstilbank respects human rights and the environment and seeks to coexist in harmony with the society. In addition, Tekstilbank extends further support to the community through sponsorships of numerous social, cultural and sporting activities.

Current practices and endeavors of Tekstilbank, as defined under the four main sections of the "Corporate Governance Principles" established by the Capital Markets Board are as follows:

Shareholders:

- ❖ Investor relations
- ❖ Shareholders' right to information
- ❖ Annual General Assembly
- ❖ Voting rights and minority rights
- ❖ Dividend distribution policies
- ❖ Transfer of shares

Public Disclosure and transparency:

- ❖ Company disclosure policy
- ❖ Announcements to investors
- ❖ Internet site and contents
- ❖ Disclosure of real person, ultimate sovereign shareholders
- ❖ Disclosure of those who are in a position to have inside information

Stakeholders:

- ❖ Keeping stakeholders informed
- ❖ Stakeholders taking part in the management
- ❖ Human resources policy
- ❖ Information on relationships with customers and suppliers
- ❖ Social Responsibility

Board of Directors:

Tekstilbank's Board of Directors has clearly and rationally set the Bank's vision, mission and the short, medium and long-term strategic targets. It is stated in the Bank's Articles of Incorporation that the tasks and responsibilities of the Board of Directors are subject to the principal elements established in accordance with the Turkish Commercial Code, Banking Law and the provisions of the Articles of Incorporation.

The Board is responsible for supervising the management of the Bank. The Board provides direction to senior management in the best interests of Tekstilbank.