

WORKING PROCEDURES AND PRINCIPLES OF İŞBANK BOARD OF DIRECTORS

I. WORKING PRINCIPLES OF THE BOARD OF DIRECTORS

This directive has been prepared within the framework of the Bank's Articles of Incorporation, Corporate Governance Principles and the provisions of the relevant legislation in order to determine the principles and procedures to ensure that the work of the İşbank Board of Directors is carried out effectively and efficiently.

In case of a conflict between the provisions of this Directive and the provisions of the Articles of Incorporation, the provisions of the Articles of Incorporation shall prevail. If there is a conflict between the provisions of this Directive and/or the provisions of the Articles of Incorporation with the provisions of the relevant legislation, the provisions of the relevant legislation shall prevail.

1. Duties and Authorities of the Board of Directors

a) The Board of Directors is authorized to take decisions on all kinds of business and transactions necessary for the realization of the Bank's field of activity, except those left under the authority of the General Assembly in accordance with the Turkish Commercial Code(TCC) and the Articles of Incorporation. Legislation, Articles of Incorporation, provisions of the By-Laws, internal regulations of the Bank and the decisions made by the Board of Directors and the powers shared with the CEO/Head Office are reserved.

b) In accordance with the provisions of the TCC, the non-transferable and indispensable duties and powers of the Board of Directors are listed below.

- i. Senior management of the Bank and giving instructions about them,
- ii. Determination of the bank management organization,
- iii. Establishing the necessary order for accounting, financial auditing and financial planning to the extent required by the Bank's management,
- iv. Appointment and dismissal of directors and persons with the same function and signatory authority,
- v. Supervising whether the persons in charge of the management act in accordance with the laws, Articles of Incorporation, internal directives and written instructions of the Board of Directors,
- vi. Keeping the share, Board of Directors resolution, General Assembly Meeting and negotiation books, preparing the annual report and corporate governance statement and presenting it to the General Assembly, preparing the General Assembly Meetings and executing the General Assembly Resolutions,
- vii. Notifying the court in the presence of insolvency.

2. Obligations of Members

a) Management: All Members, whether they have executive power or not, are obliged to participate in all activities related to the exercise of their right to management.

b) Surveillance and Audit: Members are responsible for supervising and auditing the administration of the Bank as well as all kinds of business and transactions, and their compliance with the legislation, the provisions of the Articles of Incorporation and the interests of the Bank.

3. Responsibility to the Bank and Shareholders

a) Members are responsible to the Bank and shareholders while performing their duties. By accepting membership in the Board of Directors, the members also agree and declare to be responsible to the Bank and the shareholders.

b) Members are obliged to fulfill their duties within the framework of the authorities and responsibilities determined in the legislation and the Articles of Incorporation and to comply with the Bank's principles and procedures determined by this directive.

4. General Operating Principles

a) Members perform their duties in accordance with the

- Legislation,
- The Articles of Incorporation,
- Bank's internal legislation,
- Banking Ethical Principles
- The Working Principles Directive of the Board of Directors

and with the care of a prudent manager.

b) While performing their duties, it is essential that the members make the necessary contribution to the work of the Board of Directors in line with the Bank's activities and interests.

5. Laws and Legislation

a) Members comply with the provisions of the relevant legislation and Bank policies while performing their duties.

b) Members make timely and complete notifications to the Bank and/or related institutions within the framework of the Legislation.

II. PROCEDURES AND RULES TO FOLLOW IN THE WORKS OF THE BOARD OF DIRECTORS

1. Formation of the Board of Directors

a) The Board of Directors consists of 7-11 Members, one of which is the CEO, as determined in the Articles of Incorporation. Members other than the CEO are elected by the Bank's General Assembly for a maximum of three years. Members whose term of office has expired may be re-elected.

b) The number and qualifications of the independent members appointed in the Board of Directors are determined in accordance with the regulations of the Capital Markets Law on corporate governance.

c) The Board of Directors elects a Chairperson from among the Members and a Vice Chairperson to represent him/her in his/her absence, after the General Assembly Meeting every year.

d) A member who is not present for 3 consecutive months without a permit given by the Board of Directors is deemed to have resigned.

e) Seats to be vacated due to death, resignation or other reasons are replaced by the Board of Directors with members who have qualifications determined in the legislation and these Members are submitted for approval at the first General Assembly Meeting to be held. Members elected in this way will serve until the first meeting of the General Assembly and if their election is approved by the General Assembly, they will continue to serve for the remaining term of the Member they have been elected instead.

2. Committees, Commissions

a) The Board of Directors establishes the committees as per the Legislation and determines the working principles of these committees.

b) The Board of Directors may also establish committees and commissions, where Board members can be members, for the purpose of monitoring the course of business, preparing reports on the issues to be submitted to the Board, having Board decisions implemented or for internal audit purposes.

c) Unless the Board of Directors takes a decision to the contrary, the rules and principles in this Directive are adapted according to the conditions required by the situation and applied for committee meetings as well.

3. Board Meetings

a) The Chairperson directs the meetings of the Board of Directors. In the absence of the Chairperson, the Vice Chairperson directs the meeting. In the absence of both the Chairperson and the Vice Chairperson, the most senior Member directs the meeting.

If there is a conflict of interest regarding any of the items on the agenda, the Chairperson, the Vice Chairperson and the Members cannot preside over this meeting and cannot participate in the discussion of agenda items that have a conflict of interest.

b) After the General Assembly, the annual calendar of the Board of Directors meetings is prepared and presented to the members of the Board of Directors.

c) The Board of Directors is called for a meeting by the Chairperson when the Bank's business requires it or for reasons deemed appropriate by the Chairperson.

Each Member may request in writing from the Chairperson or, in the absence of the Chairperson, from the Vice Chairperson to invite the Board of Directors to a meeting. Pursuant to Article 28 of the Articles of Incorporation, the Board of Directors meets at least once a month at the address where the Bank's head office is located. With the approval of more than half of the members, the meeting can be held in another appropriate place

d) Meetings of the Board of Directors may be held in the form of Electronic Meetings, provided that the conditions stipulated in the legislation are fulfilled.

e) The meeting dates of the Board of Directors must be notified to the Members by the the Secretariat at least 5 days before each meeting, except for exceptional special circumstances that require the meeting notification to be made as soon as possible.

f) In order for the Board of Directors to convene in a valid manner, more than half of the Members must be present.

g) Except for the Chairperson, Vice Chairperson, Members and the Secretariat, Bank employees and other persons deemed appropriate by the Board of Directors may attend the meetings of the Board of Directors.

4. Meeting Agenda

a) For each Board of Directors meeting, the meeting agenda is prepared by the Chairperson or in line with his/her instructions. The Chairperson may take the opinions and suggestions of the CEO on matters he/she deems appropriate while setting the agenda.

b) A copy of the agenda and proposals is sent to the members before the meeting date at a reasonable time which allows them to make the necessary evaluations.

c) The agenda proposals of the Members of the Board of Directors regarding the Bank's activities are added to the agenda before the Board of Directors meeting, upon the request of any Member.

d) If one of the Members requests an item to be added to the agenda during the meeting, the Board of Directors votes on whether or not to include the proposed issue on the agenda and acts according to the result.

e) The Board of Directors may postpone the discussion of any agenda item or taking a decision regarding it for a reasonable period of time it deems appropriate.

f) Matters that could not be discussed or completed during the meeting are automatically added to the agenda of the next Board of Directors meeting and are discussed first; unless the Board of Directors takes a contrary decision

5. Request for Information at Board Meetings

- a) Each Member can request information, ask questions, and make examinations about all the works and transactions of the Bank. The information to be given to the member should be detailed, appropriate for the purpose and meet the desired quality.
- b) Each of the members may request that; any book, book record, contract, correspondence or document be brought to the Board of Directors, examined and discussed by the Board of Directors or the Members, or obtaining information from a senior manager or employee regarding any issue.

6. Decisions of the Board of Directors

- a) The Chairperson announces to the Board Members the general opinion and decision formed after the negotiations for each agenda item at the Board of Directors meeting. If any of the members does not request a voting, the decision is deemed to have been accepted.
- b) Any of the members may request that their different opinions, evaluations and statements shall be annotated in the meeting minutes.
- c) Unless there is a contrary provision in the Articles of Incorporation and the legislation, the decisions of the Board of Directors are taken by the majority of the Members attending the meeting. In case of equality of votes, the discussed issue is postponed to the next meeting, and if there is even a tie in votes, the proposal in question is deemed to be rejected. This rule also applies if the Board of Directors meeting is held electronically.
- d) Members of the Board of Directors cannot participate in the negotiations of the Board of Directors in cases prohibited by the legislation.
- e) Members cannot vote to represent each other, and they cannot attend meetings by proxy. The Chairperson does not have a casting vote.
- f) If none of the members requests a meeting, the resolutions of the Board of Directors may be taken without a physical meeting, upon the written approval of a sufficient number of members, on the proposal of one of the members in the form of a decision made on a certain subject.
- g) The Chairperson ensures that a written proposal is sent to all other Members in the form of a resolution, in case of emergency, where a written decision is required before the next Board of Directors meeting. This proposal is evaluated within the scope of the process explained above. Unless otherwise stipulated in the Articles of Incorporation, the approval of the majority of the total number of members is required for the proposal to be accepted.
- h) The validity of the resolutions of the Board of Directors depends on whether they are written and signed.

7. Records

- a) Decisions taken by the Board of Directors are recorded in the minute book of the Board of Directors in accordance with the legislation and signed by the members attending the meeting. Those who oppose the resolutions are obliged to sign by stating the reasons for opposition.
- b) The Secretariat, under the supervision of the Chairperson, is responsible for noting the discussions in the Board of Directors meetings and preparing the meeting minutes.
- c) The meeting minutes prepared by the Secretariat after the meetings of the Board of Directors are submitted to the Members for approval after obtaining the permission of the Chairperson. It is essential that the minutes of a Board meeting be approved and signed at the next Board meeting.
- d) Secretariat is responsible for keeping the resolution book of the Board of Directors, the meeting minutes and the documents submitted regarding the issues discussed in the Board of Directors.
- e) Should making copies of the decisions in whole or in part becomes necessary, they must be signed by the Chairperson in order to be valid against third parties.

8. Confidentiality, Obligation of Confidentiality, Liability Guarantee

- a) All meetings and discussions of the Board of Directors are confidential.
- b) The information contained in the meeting minutes and resolutions of the Board of Directors may be shared with authorized persons and institutions within the framework of the Bank's "Disclosure Policy", to the extent required by the legislation and in accordance with the legislation.
- c) The Board of Directors ensures that necessary actions are taken to ensure the confidentiality of commercial transactions.
- d) "Manager Liability Coverage" is provided for the individual responsibilities of the members of the Board of Directors regarding their faults during their duties.

9. Enforcement

This Directive is approved by the Board of Directors and goes into effect as of 30 July 2021 and is announced on the Bank's website.

The provisions in this Directive can be changed at any time by the Board of Directors.