

**AKBANK T.A.Ş.**

**INTERNAL CONTROL AND SUPPLY CHAIN  
COMPLIANCE PROGRAM POLICY**

**January, 2023**

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|---------------|---|----------------|--------------------|
| Document Name | Akbank T.A.Ş. Internal Control and Supply Chain Compliance Program Policy |                |                    |
| Document No.  | 26  | Approved By    | Board of Directors |
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## 1. PURPOSE AND SCOPE

The purpose of this policy is to determine the procedures and principles of our Bank's Internal Control and Supply Chain Compliance Program established in line with Borsa Istanbul regulations.

Regarding the internal control and supply chain compliance officers to be appointed within the scope of Borsa Istanbul's Directive on Internal Control System and Compliance Principles of Precious Metals Intermediary Institutions and Refineries; the provisions of (i) Law No. 5549 on Prevention of Laundering Proceeds of Crime, (ii) Regulation on Measures to Prevent Laundering Proceeds of Crime and Terrorist Financing, and (iii) Regulation on Compliance Program on Obligations Regarding Prevention of Laundering Proceeds of Crime and Terrorist Financing are reserved.

Details regarding the roles and responsibilities within the scope of the Policy are determined by the Internal Control and Supply Chain Compliance Program Procedure.

## 2. RESPONSIBILITIES

Prepared by: Compliance Department  
Approved by: Board of Directors  
Published by: Compliance Department  
Users: Head Office, Branches

## 3. DEFINITIONS

**Communiqué:** Communiqué on Precious Metal Standards and Refineries published in the Official Gazette dated 18/11/2006 and numbered 26350 (Communiqué No: 2006/1),

**Regulation:** Regulation on the Operational Principles of Precious Metals Exchange Intermediary Institutions and Establishment of Precious Metals Intermediary Institutions published in the Official Gazette dated 21/05/2007 and numbered 26528,

**Obligor:** Refineries established in Turkey that have been granted an operating license pursuant to the Regulation and announced in the Exchange Refinery List in accordance with the provisions of the Communiqué,

**Ministry:** Ministry of Treasury and Finance,

**Borsa Istanbul:** Borsa Istanbul Anonim Şirketi (Istanbul Stock Exchange),

**Compliance:** The proactive and reactive process that enables obligors to identify, prevent, mitigate and account for actual and potential negative impacts arising from their activities and supply systems as an integral part of their commercial decision-making and risk management systems, and ensures that all their activities are carried out in accordance with the Regulation, Communiqué, Borsa Istanbul Precious Metals Responsible Supply Chain Compliance Guide and other relevant legislation,

**Internal Control and Supply Chain Compliance Officer:** The officer employed by the precious metals intermediary institution and refineries who has the necessary authority and the minimum qualifications specified in the regulations made by Borsa with the approval of the Ministry pursuant to the provisions of the Regulation and Communiqué,

**Independent Assurance Report:** The report issued by the Authorized Independent Audit Institutions as an outcome of the audit conducted in accordance with the "Assurance Auditing Standard 3000: Other Assurance Audits Other Than Independent Audit or Limited Independent Audit of Historical

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Financial Information" published by the Public Oversight, Accounting and Auditing Standards Authority,

**Supply Chain Compliance Report:** The report prepared within the framework of the procedures and principles regarding the responsible supply chain of precious metals determined by Borsa Istanbul upon the approval of the Ministry according to international criteria and showing the compliance of the transactions covering the relevant reporting period with these procedures and principles.

**Responsible Precious Metal Supply Chain:** Ongoing, proactive and reactive processes and all systems established to ensure that obligors are able to identify, prevent, mitigate and account for actual and potential adverse impacts arising from all activities, entities, actors, technologies, information, resources and services involved in the transportation of precious metals from the source to the final consumers within the scope of precious metals activities and supply systems,

**Precious Metals:** Precious metals of all types and forms defined in the Decree No. 32, and precious metals of all types and forms defined in the Decree No. 32 on the Protection of the Value of Turkish Currency published in the Official Gazette dated 11/8/1989 and numbered 20249,

**Refinery:** Refineries established in Turkey included in the Refineries List determined by Borsa within the framework of the Communiqué and other relevant regulations of the Ministry,

**Jeweler Gold Valuation System (KAD-SIS):** The system that enables savers to transfer their gold and jewelry to their accounts at KAD-SIS member banks every day of the week through contracted jewelry stores without any costs,

**Gold Transfer System (ATS):** Takasbank's system that allows bank customers to transfer their gold balances in their gold deposit accounts at banks electronically from person to person between banks,

**WLF System:** Software that queries whether individuals and organizations are on banned lists

## 4. RISK MANAGEMENT ACTIVITIES

Akbank T.A.Ş. works with Istanbul Gold Refinery (IAR), which is subject to supervision during the scrap gold collection process, for physical gold transactions. After the gold is valued, it is received by the refinery without entering Akbank T.A.Ş. vault and the relevant amount is deposited to the customer's account in dematerialized form:

Physical gold transactions at Akbank T.A.Ş.:

- 1) **Scrap gold collection:** These are the transactions in which Akbank T.A.Ş. customers' quarter, half, whole gold coin and other gold items such as bracelets are deposited into their accounts after valuation by the appraisers coming to our branches from our business partner IAR.
- 2) **Gold bar transactions:** Gold bar deposits made at Akbank Nuruosmaniye Branch by Akbank T.A.Ş. customers who wish to deposit 1 kg and multiples of gold bars into their accounts.
- 3) **Physical gold delivery:** Delivery of gold bars in 1 kg and multiples from Akbank Nuruosmaniye Branch to our customers who wish to withdraw the gold in their accounts.
- 4) **KAD-SIS Scrap Gold Delivery:** It is the system in which our customers deliver their scrap gold, which they want to deposit to the gold account at our bank, to the contracted jewelers called "ADN" (Gold Valuation Point) of KAD-SIS and the delivered gram gold equivalent is sent as a transfer from KADSİS KIYMETLİ MADENLER VE MADEN ANONİM ŞTİ account to the customer's gold account at our bank.
- 5) **Gold Transfer System (ATS):** It is Takasbank's system that allows bank customers to transfer their gold balances in their gold deposit accounts at banks electronically from person to person between banks.

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## **4.1. Assignment of Internal Control and Supply Chain Compliance Officer and Compliance Process**

The Internal Control and Supply Chain Compliance Program has been established to ensure that all business and transactions specified in the Directive on Responsible Supply Chain Compliance, the Directive on the Internal Control System and Compliance Principles of Precious Metals Intermediary Institutions and Refineries and the Directive on Responsible Supply Chain Assurance Audit are carried out regularly, efficiently and effectively in accordance with the management strategy and policies and within the framework of current legislation and rules. The Internal Control and Supply Chain Compliance Officer is assigned to manage and report to the senior management the workflows determined in our Bank's Internal Control and Supply Chain Compliance Program Policy and related procedures prepared accordingly.

Through the Compliance Status Reporting, the public is informed about the activities carried out by our Bank within the scope of the compliance program within the framework set out in the legal legislation. The said information are reported annually or integrated into annual sustainability or corporate responsibility reports.

## **4.2. Monitoring and Control Activities**

### **4.2.1. Customer Risk Monitoring and Control Activities**

Our Bank operates customer acceptance processes by monitoring customer risks through (i) the list of banned/prohibited persons and (ii) controls made through Customer Risk Monitoring Systems. In this regard, precious metals are evaluated as high-risk in the Customer Risk Monitoring Systems due to the sector in which they operate and are subject to risky customer control approval.

### **4.2.2. International Sanctions Monitoring and Control Activities**

Foreign currency transfers related to precious metals within the framework of international embargoes and economic sanctions are also monitored through our Bank's monitoring and control system, smart controls and artificial intelligence-based auxiliary programs. In the event of international sanctions or embargoed entities, countries, or parties, stricter measures are applied under the enhanced know-your-customer principles.

### **4.2.3. Financial Crimes Monitoring and Control Activities**

In terms of suppliers, customers and transactions, in addition to the provisions of the Regulation on Measures for Prevention of Laundering Proceeds of Crime and Terrorist Financing, the following risk mitigation measures are taken by the obliged parties individually or through professional associations, joint working groups or other appropriate means, in order to carry out the activities. Accordingly, the obligors shall:

- Develop a monitoring and control system for suppliers, customers and transactions to detect suspicious behavior and activities.
- Identify and confirm the identity of all suppliers, business partners and customers.
- Report to MASAK the activities and behaviors that are suspected of crime within the scope of Law No. 5549.

Our Bank takes the necessary measures and actions in compliance with these issues in all precious metal transactions. In case of any suspicion of laundering proceeds of crime, the Compliance Department shall be informed immediately.

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Periodic monitoring activities are carried out by the Compliance Department for gold deposit transactions realized through KAD-SIS. In this regard, control and monitoring activities are carried out within the framework of the criteria determined according to the demographic information, transaction frequency and transaction amount of the customers, within the framework of the issues specified in the Suspicious Transaction Analysis Guide.

Physical gold deposit transactions are controlled in a similar manner to cash transactions, with stricter measures and transaction-based queries applied within the scope of the monitoring and control activities applied for physical gold deposit transactions.

### **4.3. Training**

The main purpose of the training activities is to increase the knowledge level of the employees in order to comply with legal obligations and to adopt the awareness of responsibility in risk-based approach as a corporate culture.

Apart from classroom training, all personnel can be given as remote training. These trainings are renewed on an annual basis, taking into account the needs.

The training activities are carried out under the supervision and coordination of the Internal Control and Supply Chain Compliance Officer. Training activities are reviewed with the participation of the relevant units according to the results of measurement and assessment and are repeated at least once, as needed. Information and statistics on the training are reported to the Ministry and Borsa Istanbul by the end of March of the following year by the Internal Control and Supply Chain Compliance Officer.

### **4.4. Independent Audit and Independent Assurance Report**

Our Bank's Internal Control and Supply Chain Compliance Program is audited by an independent third party in line with the regulations. The functioning of the Internal Control and Supply Chain Compliance Program within the scope of obligations is assessed under this audit. An Independent Assurance Report is prepared following the audit.

The Supply Chain Compliance Report and Independent Assurance Report must be submitted to the Ministry and Borsa Istanbul and published on the refinery's website by the end of June every year. The refinery with which our Bank works is informed accordingly.

### **4.5. Reporting Activities**

Supply Chain Compliance Report is a report prepared within the framework of the procedures and principles regarding the responsible supply chain of precious metals determined by Borsa Istanbul upon the approval of the Ministry according to international criteria and showing the compliance of the transactions covering the relevant reporting period with these procedures and principles.

A Supply Chain Compliance Report is prepared every year in accordance with the procedures and principles set out in Borsa Istanbul Responsible Supply Chain Compliance Directive.

Regarding the activities carried out within the scope of internal control activity; Statistics including information on our Bank's business volume, total number of personnel, total number of branches, agencies and similar units, number of audited branches, agencies and similar units, date of audits conducted in these units, total audit period, personnel employed during the audit and number of audited transactions are prepared by the Internal Control and Supply Chain Compliance Officer on a quarterly basis based on the calendar year within the first ten business days of the following month and submitted to the Board of Directors and notified to Borsa Istanbul upon the approval of the Board of Directors.

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If violations of international humanitarian law, crimes against humanity or direct or indirect support for non-state armed groups are detected, the business relationship with the supplier is immediately suspended or terminated. The Internal Control and Supply Chain Compliance Officer may conduct an investigation on the aforementioned cases or transactions that may be contrary to the relevant legislation and submit the information and findings to Borsa Istanbul via the "Responsible Supply Chain Violation Notification Form".

## 5. EFFECTIVE DATE AND REVISION

All personnel performing transactions within the scope of our Bank's responsibilities under this Policy are responsible for the implementation of the principles set out in the document under the supervision and coordination of the Internal Control and Supply Chain Compliance Officer.

This document is reviewed annually and submitted to the Board of Directors for approval in case of updates. It enters into force on the date of approval by the Board of Directors and is published on the Corporate Portal.

| REVISION TABLE                            |   |   |   |
|---|---|---|---|
| <b>DOCUMENT TITLE</b>                     |   | Akbank T.A.Ş. Internal Control and Supply Chain Compliance Program Policy |   |
| <b>DOCUMENT NUMBER</b>                    |   | 001   |   |
| <b>INITIAL EFFECTIVE DATE OF DOCUMENT</b> |   | 01.03.2022  |   |
| <b>REVISION</b>                           |   |   |   |
| <b>NO.</b>                                | <b>EFFECTIVE DATE/VERSION OF CHANGE</b> | <b>REASON FOR REVISION</b>  | <b>SUBJECT OF CHANGE</b>  |
| 1   | 11.01.2023                              | KADSIS and ATS applications have been added to the policy.                | The principles regarding KADSIS and ATS applications have been added to the policy. |