



KUVEYTÜRK

GROUP DISCLOSURE POLICY



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1- OBJECTIVES

Disclosure and transparency are critical elements of a robust corporate governance framework as they provide the basis for informed decision-making by stakeholders as well as clarity on the extent to which companies meet legal and ethical requirements.

Kuveyt Türk as a subsidiary of KFH Kuwait also adopts the guidelines prescribed under Pillar 9 of the Corporate Governance Guidelines for KFH Subsidiary Companies (“CGG KFH”) in line with the objective of integrating practices across entities within KFH Group of companies.

This Policy Disclosure of Financial and Non-Financial Information (“The Policy”) outlines key principles for disclosure of financial and non-financial information for Kuveyt Türk and its subsidiaries with the objectives of:-

- Ensuring consistent approach of disclosure practices throughout the Bank and its subsidiaries;
- Ensure that all persons to whom this Policy applies understand their obligations to preserve the confidentiality of material information;
- Reinforce the Bank’s and its subsidiaries’ commitment to compliance with disclosure obligations imposed by relevant laws and regulations governing its operations.

This policy is intended to complement the Bank’s and its subsidiaries’ other disclosure policies or procedures on specific areas or matters of its operations.

2- APPROACH

- Should there be any doubt or conflict between the laws and regulations of Turkey and the guidelines prescribed by the Pillar 9 of the CGG KFH. Compliance with the rules set out in the Exception Management section should be applied. These conflicts should be reported to KFH through the exception management process;

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- (b) The Bank and its subsidiaries will not disclose any information which is confidential, proprietary in the nature and would undermine the Bank's competitive position;
- (c) The Bank shall support its parent company, KFH Kuwait a listed entity in complying with its own disclosure requirements as prescribed by the relevant regulatory bodies in Kuwait K.S.C.
- (d) The Bank's subsidiaries shall give their support to ensure it is in compliance with the disclosure requirements imposed by the applicable laws and regulations of Turkey.

3- ABBREVIATIONS AND ACRONYMS DEFINITION

- 1) Banking Regulation and Supervision Agency ("BRSA")
- 2) Kuveyt Türk Katılım Bankası A.Ş. ("Kuveyt Türk"/"Bank")
- 3) Kuwait Finance House (Kuwait) ("KFH Kuwait")
- 4) Turkish Financial Reporting Standards ("TFRS")
- 5) Saving Deposit Insurance Fund ("SDIF")
- 6) The Central Bank of Turkey ("CBT")
- 7) Capital Market Board ("CMB")
- 8) Public Oversight Accounting and Auditing Standards Authority ("POAASA")
- 9) Public Disclosure Platform ("PDP")
- 10) Central Registry Agency ("CRA")

4- DISCLOSURE OF THE MATERIAL INFORMATION

Kuveyt Türk shall disclose, of the material information that belongs to it, which include, but not limited to:

- 1) Initiation to enter into a joint venture, merger or acquisitions deals.
- 2) Execution or termination of a significant contract.
- 3) Sale of purchase of a significant asset.
- 4) Listing the issuer's securities in another stock exchange or foreign market.
- 5) Launch of a new product (commodity, service) or another innovation that lead to a noticeably improved turnover.

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- 6) Any significant change in the issuer's production environment or activity (e.g. plenty of resources and possibility to acquire the same) that leads to noticeable improved/declined turnover.
- 7) Any significant laws or orders issued/amended by local or foreign government body, international organization, etc.
- 8) Any change in the applicable accounting policies along with a clarification of the reasons for changes and impact thereof on the financial statements.
- 9) Any change in the composition of issuer's Board of Directors, top and executive management, Shari'a Supervisory Board or external auditors along with the reasons for such change.
- 10) The significant changes to the issuer's short or long term obligations including any significant finance or any mode of credit facilities or issuance by the issuer of debt instruments a long with the issuance details and the intended purpose.
- 11) Any significant change in the capital investment plan that leads to noticeably improved or declined turnover such as plant construction, equipment increase, production lines increase and target markets.
- 12) Any significant change in equity including capital structure.
- 13) Delay in fulfillment of debts, obligations or interest.
- 14) Any lawsuit that may affect the general course of the issuer's business and activity, financial position, legal form or any developments thereto, or any lawsuit or court verdict relating to a board member or top and executive management member that has a significant effect on the issuer.
- 15) A dispute or a disagreement with other parties such as clients, suppliers, sub-contractors, laborers and employees that may affect the general course of the issuer's business.
- 16) Any evaluation results of an asset held by the issuer that affect the business results.
- 17) Any deal between the issuer and the parent, associate or subsidiary company, or any arrangement under which each party enter into any project or asset or provides finance therefor.
- 18) Any credit rating of the issuer and any change thereof.
- 19) Any change or amendment to the issuer's objectives and activities.
- 20) Announcement of issue liquidations or any of its subsidiaries or affiliates.
- 21) Operations of no-recurring nature that the issuer may be involved including, but not limited to, property valuation, compensation receipt, payment of compensations to others, giving donations to others, in a way that may affect the issuer's profits and its financial position.
- 22) Any significant loss that affects the issuer's financial position.
- 23) Change in the ownership of the issuer's shares giving a result to changes in control over it by entry of major shareholders holding 5% or more of the capital.
- 24) Availability of material information relating to the issuer's subsidiaries and associates that has significant effect on its financial position.

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- 25) Suspension of operations of the issuer or any of its branches, plants, subsidiaries or associate, along with the reasons therefor whether due to disaster and fire or voluntary outage for other reasons.

5- ADMINISTRATION OF GROUP DISCLOSURE POLICY

External Reporting Department is responsible to maintain this Policy covering developing, updating and reviewing the Policy as and when required.

6- COMPLIANCE & CROSS REFERENCE

Kuveyt Türk is subject to disclosure KFH Group internal policy issued from time to time by the respective issuing parties or regulatory bodies:

7- DISCLOSURE PRINCIPLES

Kuveyt Türk and its subsidiaries treat all information pertaining to its organization, business transactions and operations, products and services as strategic in nature. Therefore, it is the Bank's policy that only the required information are to be disclosed so as to safeguard the Bank's competitive position. The following principles shall be adhered for disclosure of financial and non-financial information:

- (i) General disclosure principles,
- (ii) Principles on governance related disclosures,
- (iii) Principles on financial disclosures.

General Disclosure Principles

- 1) Disclosures of information shall be proportionate to the risk profile, economic significance as well as Kuveyt Türk's and its subsidiaries' business structure, complexity and size. Disclosures of information shall be in compliance with Islamic Principles and decisions/resolutions of Islamic Advisory Board of Kuveyt Türk and its subsidiaries.

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- 2) All disclosures shall be based on credible and verifiable information and should not consist of any exaggerated provisions of misleading information that would lead to false interpretations about Kuveyt Türk's and its subsidiaries' financial status and operational results.
- 3) Disclosure of information should be timely and up-to-date, to avoid undue delays in disclosure which may affect the relevance of the information be in disclosed or within the timeline specified in applicable Acts, regulatory guidelines and internal policies.
- 4) The scope and content of information disclosed and the detail should be sufficient or adequate to provide comprehensive, meaningful and relevant information to stakeholders, or fulfill the requirements set by the applicable Acts, regulatory guidelines applicable to their functional areas of responsibility.
- 5) Responsible divisions within KTPB or its subsidiaries which are custodian of specific policy on disclosures of non-financial information are responsible to ensure Kuveyt Türk's or its subsidiaries' adherence and compliance with the regulatory guidelines applicable to their functional areas of responsibility.
- 6) All disclosures shall be duly reviewed and authorized by relevant internal and/or regulatory authorities for Kuveyt Türk and its subsidiaries prior to dissemination or release to the intended stakeholders.
- 7) Channels to disclose information other than disclosed in the Annual Report must be within prior approval from the Chief Executive Officer, for example-press release, interview with the press, website, local and international seminars and the likes. When in doubt reference and approval should be made and obtains from the Chief Executive Officer.
- 8) Any employee privy to confidential corporate information is prohibited from communication such information to anyone else, unless it is necessary to do so in the course of business or required by law or authorized by the Bank Access to such information shall be on "need to know" basis.
- 9) Outside parties privy to undisclosed information concerning the Bank must not divulge such information to anyone else and must attest their commitment to non-disclosure under a written confidentiality agreement.

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Principles on Governance Related Disclosures

- 1) Disclosures of governance related information shall be in accordance with the relevant legal and regulatory requirements as prescribed in the applicable Acts and Guidelines issued by BRSA, PDP, CMB, CBT, SDIF, POAASA, Ministry of Finance and other relevant regulatory bodies governing the operations of both Kuveyt Türk and its subsidiaries. Refer to section 6. Compliance and Cross Reference for the applicable Acts, guidelines and policies.
- 2) In addition to the above, governance related information to be disclosed shall be in accordance with Pillar 9 : Disclosure and Transparency as stipulated in the Corporate Governance Guidelines for KFH Subsidiary Companies or any other requirements to be issued by parent company, as long as in line with (i) above.

Principles on Financial Related Disclosures

- 1) Disclosures on financial information shall be in accordance with the relevant legal and regulatory requirements as prescribed in the applicable Acts and Guidelines issued by BRSA, PDP, CMB, CBT, SDIF, POAASA, Ministry of Finance and other relevant regulatory bodies governing the operations of both Kuveyt Türk and its subsidiaries. Refer to Section 6 Compliance and Cross Reference for the applicable Acts, guidelines and policies.
- 2) In addition to the above, financial related information to be disclosed shall be in accordance with Pillar 9: Disclosure and transparency as stipulated in the Corporate Governance Guidelines for KFH Subsidiary Companies or any other requirements to be issued by the parent company, in line with (i) above.

8- EXCEPTION MANAGEMENT

The Bank may come across a situation where there is doubt or conflict between the laws and regulations of Turkey and the guidelines prescribed by the Pillar 9 of the CGG KFH which may due to the following reasons:

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- Local (country specific) regulations and/or laws;
- Industry specific regulations and/or laws;
- Applicable accounting standards;
- Specific requirements from the Board of directors of the Bank;
- Exceptions/feedback received by employees or Board members of the Bank.

Step	Description
1	<p>Exception proposal/memo to be submitted to Board of Directors for approval. An approval from higher authority will be required if exceptions are Board related matters.</p> <p>The proposal/memo should have at least the following details:</p> <ul style="list-style-type: none">• Type of doubt/conflict and justification(s) for the exception.,• Reason/How the exception supersedes the requirements of the CGG KFH• How exception if implemented, will safeguard the interest of the organization from corporate governance perspective.
2	<p>Once approved, the exception proposal to be presented to KFH Kuwait for approval.</p>

9- APPLICATION OF GROUP DISCLOSURE POLICY

This policy applies to all employees, Senior Management, members of the Board of Directors and any other person authorized to act on behalf of the Bank and its subsidiaries.

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