

Cengiz Holding A.Ş.

Compliance Policy

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1. Objective and Scope

The objective of the Compliance Policy ("**Policy**") is to determine the compliance framework within Cengiz Holding A.Ş. and its Group Companies ("**Cengiz Holding**", "**Holding**" or "**Group**"), to carry out its activities in accordance with local and international legal regulations, internal policies and procedures, unwritten ethical principles and to ensure that a compliance culture be established within the Holding.

This Policy shall apply to all employees of Cengiz Holding in global terms and all Third Parties acting on behalf of Cengiz Holding will be expected to comply with this Policy.

2. Definitions

If the terms, words and expressions used in the policy have not been defined under this title, their meanings shall be taken from the applicable laws, regulations and sectoral meanings.

Due Diligence: Shall be expressed as a careful examination of the parties before a contract has been signed. Issues such as the owners, partners, in which sector and in which countries the activities of the parties take place are examined.

Compliance: Shall refer to compliance with the requirements of laws, regulations, industrial and organizational standards, voluntary commitment, and contracts to which we are a party as well as ethical standards adopted by the society.

Compliance Risk: Shall refer to the risks such as legal sanctions, fines, and reputation losses that the Company and employees may face in the case the employees do not comply with the laws, regulations, ethical standards and Company policies and procedures.

Third Party: Shall refer to the supplier, contractor, subcontractor, dealer, distributor, broker or all representatives and consultants acting on behalf and on account of the Holding.

3. General Principles

Cengiz Holding aims to integrate the concept of compliance into all its processes in line with its activities and to provide a control environment that will minimize the compliance risks. In this respect, the Holding aims to identify and analyze the risks, to remove the control points for the determined risks, to provide controls to mitigate the risks, to regularly monitor the effectiveness and efficiency of the controls, to write policies and procedures and to take corrective actions in case of any violations. In case of violations, corrective actions will be taken by the Legal Department.

Cengiz Holding's specific qualifications including but not limited to the risks that one will be exposed to, fields of activity, products, sectors and countries of activity, customers and business partners, third parties, relations with public officials, gifts and donation processes, shall be taken into account in the evaluation of compliance risks. In this context, Cengiz Holding has established an applicable compliance program in all its locations and aims to mitigate the compliance risks it may encounter while carrying out its activities.

It will be the responsibility of all employees, but not just the units responsible for compliance, to identify and monitor the risky areas within the scope of compliance. All process owners should identify the points that may cause compliance risk in the transactions they perform, and they carry out their activities accordingly.

4. Compliance Structure and Compliance Officer

Operation of the Compliance Program shall be carried out by the Compliance Officer appointed by the Board of Directors. The compliance officer shall be responsible for decision-making, development, implementation, monitoring and surveillance activities within the framework of the compliance program. The Compliance Officer shall have no responsibility for the execution activities of the Holding.

The compliance officer shall carry out his/her activities directly under the Board of Directors and by this means it is ensured that the senior management is aware of all processes to be carried out regarding compliance issues and thus the independence of the compliance officer is assured.

The main responsibilities of the compliance officer will be as follows:

- Following up the legislation within the scope of the activities of the Holding in order to determine in advance the compliance risks that Cengiz Holding may be exposed to,
- Preparing and publishing the policies, procedures, and other control mechanisms to be followed within the scope of compliance activities and ensuring compliance with these policies,
- Organizing periodic trainings for the employees regarding the compliance risks of the Holding and raising awareness on compliance issues,
- Determination, evaluation, and monitoring of compliance risks,
- Receiving and evaluating the notifications received from the employees, customers, suppliers and other third parties,
- Conducting investigations in case of suspicion that the reports evaluated constitute an offense.

5. Stages of the Compliance Program

The compliance program is handled in three main stages.

- ✓ Prevention
- ✓ Determination
- ✓ Response

5.1. Prevention

Cengiz Holding takes preventive measures by carrying out risk assessment studies for the identified compliance risks, performing the due diligence process, providing continuous training and development opportunities to raise awareness among employees and issuing the necessary policies and procedures.

5.1.1. Evaluation of Compliance Risks

Determining the compliance risks includes classifying the existing compliance risks, assessment and monitoring of residual risks and conducting risk inventory study.

It is primarily the responsibility of the employees who own the work to determine the compliance risks of Cengiz Holding. For this reason, employees identify the compliance risks they may encounter in their daily work routines and take the necessary measures to mitigate these risks.

Compliance risk assessment studies shall be performed by the compliance officer at least once a year and updates can be made during the year considering the risks that the Holding is or may be exposed to.

5.1.2. Due Diligence Process

Due diligence refers to the process of collecting sufficient information about customers and third parties operated within the scope of measuring the risks that the Holding may be exposed to due to the customer and third parties with whom it has a business relationship. The controls related to the process should be carried out as mentioned in *Cengiz Holding Anti-Corruption Policy*.

The relevant assessment should be carried out not only for the customers and third parties, but also for the employees.

5.1.3. Training and Communication

In parallel with the duties and responsibilities of the Cengiz Holding employees, the Holding will provide trainings to raise awareness of compliance risks and to inform the employees about their responsibilities in terms of compliance. Besides the trainings, information e-mails, announcements and reminders to be made periodically will be a part of this process.

It will be among the responsibilities of the compliance officer to monitor the content, resources, organization of and attendance to the trainings. Employees may encounter disciplinary sanctions specified in the Disciplinary Regulation in cases where they do not participate in the trainings without setting forth a reasonable justification.

5.1.4. Policy and Procedures

Policies and procedures have been prepared by taking into account the activities of Cengiz Holding by examining national and international legal regulations and sectoral standards. The holding aims to make compliance with existing laws and regulations a priority while the employees are fulfilling their duties and responsibilities by setting clear standards and rules in its policies and procedures.

In case of changes in legal regulations, policies will be updated without any delay. Furthermore, according to the results of the systematic risk analysis study conducted on an annual basis, policies and procedures may be updated if necessary. For this reason, the compliance officer continuously follows the national and international legal regulations which the Holding is subject to in terms of its activities and performs the necessary updates in case of any new obligation.

5.2.Determination

Cengiz Holding carries out an active and effective monitoring process to determine the risks it will face within the scope of compliance. To this end, it will follow the updated legislation and change its existing policies accordingly. In addition, it will carry out periodic checks following the determination works for the situation before entering business relationship and identify possible incompatible situations and take the necessary actions.

5.3.Response

After the prevention and detection processes, examination will be performed by the compliance officer with a fair, independent, reliable, and record-based approach in case of non-compliance with the determined rules. The investigation will be initiated immediately subsequent to the notification of claims requiring disciplinary sanctions. The decision text regarding the collection of evidence and the alleged non-compliance shall be forwarded to the Disciplinary Board. The decision of sanction will be taken by the Disciplinary Board. In the case sufficient evidence and documents that require sanctions cannot be collected and if there is still doubt about the non-compliance, the matter shall be forwarded to the judicial authorities.

Employees should report any unethical practices they encounter, or they are exposed to as well as behaviors and discourses contrary to legal regulations and any actions that will damage the reputation of Cengiz Holding to the e-mail address of Cengiz Holding or that of the Group Company to which they are affiliated. In the case retaliatory actions against the persons who report are caused, the persons who carry out the action may be sanctioned by the Disciplinary Board.

6. Authorities and Responsibilities

All Cengiz Holding employees shall be obliged to comply with this Policy and if they witness a situation contradicting the rules mentioned in the Policy, the situation must be forthwith reported to the Legal Department.

The Legal Department shall be responsible for communicating the requirements of this Policy to the employees and creating an internal control environment where the employees act in accordance with the Policy.

If the legal regulations under this Policy in the countries where Cengiz Holding operates are stricter than those of the Policy, the relevant legal regulations should be taken into account.

If the policy is not abided by, employees may face various disciplinary penalties, which may include termination of employment.

7. Revision History

This Policy has been approved and entered into force with the relevant Board of Directors Decision of the Company and it will the responsibility of the Legal Department to periodically update the Policy in line with the changing legislation and Group processes.

Revision	Date	Description
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