

Cengiz Holding A.Ş.

**Sanctions and
Export Controls
Policy**

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1. Objective and Scope

The objective of the Sanctions and Export Controls Policy ("**Policy**") is to establish a set of principles and rules that the employees of Cengiz Holding A.Ş. and Group Companies ("**Cengiz Holding**", "**Holding**" or "**Group**") must comply with in the context of international economic sanctions and export controls and to ensure that employees abide by these rules.

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.

EU Sanctions: Shall refer to the sanctions adopted by the Council of the European Union and applied by the member states.

US Sanctions: Shall refer to the sanctions imposed by the United States and its regulatory agencies.

Embargo: Shall refer to the decisions restricting trade operations or trade of certain goods to a specific country.

Due Diligence Study: Shall refer to the identification of third parties carried out by the Holding and the confirmation of such identity determinations from reliable sources, the verification of the identity of the persons who are the ultimate beneficiaries in financial transactions, the acquisition of partnership information in legal entities and the identification of the persons holding the ownership title, acquiring information about the type of transaction to be established and the nature of the transaction to take place and the regular implementation of all these processes after the establishment of the business relationship.

Ultimate Beneficiary: Shall refer to the real person who controls a business and/or the person on whose account a transaction is performed.

Laundering Proceeds of Crime: Shall refer to the inclusion of illicitly obtained proceeds in the financial system by showing them as if they were obtained legally.

Financing of Terrorism: The transfer of financial resources to persons or institutions that support terrorist activities.

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

Office of Foreign Assets Control (OFAC): It is the institution responsible for the implementation and management of US economic sanctions and the determination of the

administrative penalties to be applied in accordance with these sanctions as a unit of the US Treasury Department.

3. General Principles

Economic sanctions and arrangements for export controls may restrict or directly prohibit business contracts with certain persons, entities or countries or international trade of certain goods or services.

Cengiz Holding may not directly or indirectly engage in any commercial relationship with the persons, entities or countries included in the sanctions lists announced by the European Union, the United States or by the local and international organizations.

Cengiz Holding takes the necessary measures to ensure that its commercial activities and contractual obligations do not violate any sanctions and export control regulations. In this context, it carries out the necessary sanctions list screening and due diligence studies for the third parties with whom it will enter a business relationship and currently continues its business relationship in order to ensure compliance with local and international regulations.

In the case this Policy is violated, the following results may be encountered:

- Imposing a penalty on the Holding
- Imposing penalties on employees and sentence of imprisonment
- Loss of reputation
- Termination of the Contract
- Failure to access international financing due to sanctions to be applied
- Confiscation of Cengiz Holding assets or freezing of its accounts.

4. Due Diligence Study

Expanding its international activities, Cengiz Holding takes the necessary measures to effectively manage the risks associated with sanctions and export controls regulations. In this context, due diligence is performed to determine the compliance of the customers and Third Parties that are currently cooperated with or with whom a business relationship will be established for the first time provided that the sanctions regulations are abided by. With the due diligence to be performed, it will be determined whether the relevant customer or the third party is included in the sanction lists or whether they carry out activities in the embargoed countries. It is essential to obtain sufficient information about the relevant persons and entities, to reveal the nature of the commercial transaction carried out, and to determine the source of the assets owned by the customer and the third party. To this end, it should be checked whether the parties are subject to any sanctions by checking the details of the information and documents to be obtained from the parties, particularly before the commercial transactions that have or will take place with third parties. Records of all controls should be retained for at least 10 years, unless otherwise specified in the local legislation and international conventions.

In the case the following situations are encountered during the due diligence studies, the business relationship with the relevant party should not be entered:

- The company or the ultimate beneficiaries are included in the sanction lists,
- More than 10% of the income from their activities are obtained through embargoed countries,
- Having a company established or real persons residing in embargoed countries.

In case of any doubt, the Legal Department should be consulted so that the possible transaction does not violate the applicable sanction or embargo regulations or expose Cengiz Holding to any risk of sanction.

It is required that due diligence studies are repeated at regular intervals for the parties with whom a business relationship has been established. In case of findings that would be considered risky according to the results of the due diligence studies, the matter will be submitted to the Board of Directors with the opinion of the Legal Department. In the case a decision is resolved by the Board of Directors to continue business cooperation, due diligence studies should be repeated in the frequency and scope to be determined in accordance with the directions to be given by the Legal Department.

In contracts concluded with customers and third parties, the provisions of the right of audit and termination regarding sanction and export controls should be included. The approval of the Legal Department must be obtained for legal issues before the contracts have been concluded³.

5. Training

Holding employees who assume responsibility in the line of their duties within the scope of sanctions and export controls must receive training at least once a year. The Human Resources Unit and the Legal Department will be responsible for the organization and follow-up of the trainings.

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,
- Business Development or
- Finance

departments.

The Legal, Business Development and Finance 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.

³*Cengiz Holding Contract Management Policy* should be examined for detailed information.

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 considered.

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 be the joint responsibility of the Legal, Business Development and Finance Departments to periodically update the Policy in line with the changing legislation and Group processes.

Revision	Date	Description
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