

Cengiz Holding A.Ş.

**Policy on the Prevention of
Laundering Proceeds of
Crime**

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1. Objective and Scope

The Policy on the Prevention of Laundering of Proceeds of Crime (the "**Policy**") determines the rules and principles to be applied in issues such as the laundering of proceeds of crime and the financing of terrorism that Cengiz Holding A.Ş. and its Group Companies ("**Cengiz Holding**", "**Holding**" or "**Group**") may encounter while performing their activities. This Policy has been prepared to comply with other laws and regulations published within the scope of prevention of laundering proceeds of crime and financing of terrorism in Türkiye and to guide the employees, particularly the 40 recommendations published⁶ by the Financial Action Task Force (FATF).

This Policy covers all operational processes carried out with all Cengiz Holding employees as well as customers and third parties.

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 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.

Financial Action Task Force (FATF): An organization established in 1989 to prevent the laundering proceeds of crime and the financing of terrorism.

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.

Politically Exposed Person: Shall refer to the persons holding an important public office. Politically exposed persons include, but shall not be limited to the following persons:

- Government heads, ministers, and deputy ministers,
- Members of the Parliament,
- Judges of supreme courts, constitutional courts, or other high-level judicial bodies,

⁶ <https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>

- Ambassadors,
- Board of Directors members of central banks,
- High-ranking officers in the army,
- Members of administrative, management or supervisory bodies of state-owned enterprises,
- Or persons working in positions equivalent to the positions listed above and the family members and close business partners of all the same.

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 or all representatives and consultants acting on behalf and on account of the Holding.

Office of Foreign Assets Control (OFAC)⁷: 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

Laundering proceeds of crime is defined as a crime with the sanctions determined within the scope of national and international legal regulations. In this respect, Cengiz Holding performs the necessary works meticulously by means of following the existing laws and regulations to prevent the laundering proceeds of crime in its activities both in its domestic and overseas locations. Cengiz Holding takes preventive actions within the scope of laundering proceeds of crime by conducting due diligence studies to the extent specified by legal regulations and standards in the business relations entered with its customers and third parties. To prevent the laundering proceeds of crime by carrying out periodic checks for all parties with ongoing business relationship, it conducts follow-up studies to detect the non-compliances. It acts in accordance with the laws by taking the necessary actions after the preventive and detector works it carries out within the scope of compliance and eliminates the compliance risks that it may be exposed to in terms of its activities.

4. Application Principles

Cengiz Holding performs due diligence studies by carrying out the necessary checks before entering a business relationship and during the continuation of the business relationship regarding whether they are related to the laundering of proceeds crime of the third parties with whom it has established a business relationship and the financing of terrorism.

In this context, the following processes should be applied for third parties:

- Studies should be carried out regarding the identification of the ultimate beneficiaries and authorized signatories of individual and legal entity customers, suppliers, business

⁷<https://home.treasury.gov/policy-issues/office-of-foreign-assets-control-sanctions-programs-and-information>

partners and other third parties and whether they are included in the negative news search and sanctions lists received from public sources. In the identification of the legal entity, the title, trade registry number, tax identification number, field of activity, full address, telephone number and electronic mail address of the legal entity and the name, surname, place and date of birth, nationality, type and number of the identity document, the signature specimen of the person authorized to represent the legal entity and in addition to this information, Turkish Republic Identity Number will be required for Turkish citizens. The confirmation of the title, trade registry number, field of activity and address of the legal entity shall be made through the documents related to the trade registry and the confirmation of the tax identification number shall be made through the documents issued by the relevant unit of the Revenue Administration. If the identity information of the persons authorized to represent the legal entity is correct, identification study will be carried out by confirming over the Turkish Republic identity card, Turkish Republic driver's license or passport for Turkish nationals and passport, residence certificate for non-Turkish residents. All information and documents provided should be retained to be submitted to legal and supervisory authorities in case of any negativity.

- Detailed information should be available about the purpose of purchasing tradeable goods by third parties.
- Periodic follow-up and controls should be carried out for customers, suppliers and other third parties according to the results of the pre-contractual risk assessment to be made. The risk assessment study will be carried out with the outputs of the due diligence study. Accordingly, in line with the information obtained about the third party, the relevant party should be considered high risk if the relevant party operates in high-risk countries or regions, if there is a presence of a politically exposed person or persons among its ultimate beneficiaries, if it is a party that conducts business with intensive cash transactions or desires to establish the business relationship in this direction, is a party about which there is negative news, and is a person or entity present on international sanctions lists.
- It is obligatory that sanctions lists be scanned, and negative news searches be made by the Human Resources Department for the employee candidates and those employed with the office of a manager and higher-level manager positions. If a negative situation is encountered as the result of the controls performed, the issue will be forwarded to the Legal Department. The Legal Department will share the process with the Board of Directors for their final decision after the evaluation. The employment decision shall be taken by the Board of Directors. The control results will be documented and retained.
- The necessary controls must be carried out by the process owner unit supervisor for the customer and third parties. If a negative situation is encountered as the result of the controls performed, the issue should be notified to the Legal Department. The Legal Department will submit its opinion to the Board of Directors on whether to enter into a business relationship or not or whether the business relationship should continue or not after the evaluation has been made. Pursuant to the final decision of the Board of Directors, the process shall be terminated with the coordination of the Legal Department.

The negative situations that may be encountered during the controls could be listed as follows:

- The information obtained from the relevant parties before the contract has been concluded is inconsistent,
- Relevant parties refrain from providing information such as partnership structure and ultimate beneficiary,
- The work planned to be performed is realized over a higher amount contrary to the normal course of the market,
- Wire transfers are made by different persons or organizations whose origin is unknown in the payments through bank transfer,
- Unregistered payment and payment in person are requested to be made.

The Legal Department shall be responsible for complying with the legal regulations regarding the prevention of laundering proceeds of crime and financing of terrorism and establishing the necessary controls by following the legislation.

The Legal Department will inform the process owner senior manager and the Board of Directors of its opinions on whether the business relationship will continue or not after the evaluation has been made. If it is decided to continue the business relationship in line with the final decision of the Board of Directors, the compliance risk level calculated after the customer or supplier's due diligence study will be updated and followed up by the process owner unit of the relevant party with more strict intervals. Follow-up shall be under the responsibility of the process owner unit and the controls of the process owner should be followed by the Legal Department.

5. Training

In order to ensure compliance with local and international regulations regarding the prevention of laundering proceeds of crime and to raise awareness of the risks associated with the relevant policies and rules of the institution, all Cengiz Holding employees should receive regular trainings. In particular, the personnel who work or will work in process owner units that initiate business relationships with third parties must receive this training on a yearly basis. Completion of the training of the employees shall be under the responsibility of the managers and the Human Resources Unit and the trainings will be carried out by the Human Resources Department and the participation status of the employees will be monitored.

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,
- Accounting or
- Finance

departments.

The Business Development, Finance, Accounting and Legal Departments 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 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 Business Development, Finance, Accounting and Legal Departments to periodically update the Policy in line with the changing legislation and Group processes.

Revision	Date	Description
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