

Otokoç Otomotiv

SANCTIONS AND EXPORT CONTROLS POLICY



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1. PURPOSE AND SCOPE

The purpose of this Sanctions and Export Controls Policy (the “**Policy**”), is to set out the rules to be followed by the Otokoç Otomotiv in order to assist them in complying with the economic sanctions and export control obligations.

When applicable to their operations, it is one of the key principles of Otokoç Otomotiv to fully comply with the economic sanctions imposed by: the Republic of Türkiye, the United Nations (the “**UN**”), the United States Government (the “**US**”) and the European Union (the “**EU**”), (“**Türkiye Sanctions**”, “**UN Sanctions**”, “**US Sanctions**” and the “**EU Sanctions**”, respectively) as well as the economic sanctions and export controls imposed by other jurisdictions, (collectively, the “**Sanctions**”).

All employees, directors, and officers of Otokoç Otomotiv shall comply with this Policy, which is an integral part of the Koç Group and Otokoç Otomotiv Code of Ethics¹. Otokoç Otomotiv also expects and takes the necessary steps to ensure that all of its major shareholders and Business Partners - to the extent applicable - comply with and/or act in accordance with this Policy.

2. DEFINITIONS

“**EU Sanctions**” means the Sanctions adopted by the EU Council and implemented by the member countries.

“**US Sanctions**” means the Sanctions implemented by the U.S. State Department or the States.

“**Embargo**” means a general term that is used as a government prohibition against the export or import of all or certain products to a particular country for economic or political reasons.

“**UN Sanctions**” refers to economic sanctions imposed by the United Nations Security Council and implemented by U.N. member countries. All U.N. members are obliged to obey U.N. sanctions.²

“**Export Control Regulations**” means the laws and regulations in the related country that regulate and restrict the import, export and re-export of technologies, information, goods and services for reasons of commerce, foreign policy and national security.

“**Business Partner**” includes suppliers, distributors, dealers, licensed dealers, authorized services and other third parties with whom the company has a business relationship and all kinds of representatives, subcontractors, consultants, etc. acting on behalf of the company, as well as their employees, representatives, execution assistants or deputies.

¹ For other relevant policies, please also refer to Otokoç Otomotiv Gift and Entertainment Policy and Otokoç Otomotiv Donations and Sponsorship Policy.

² <https://www.un.org/securitycouncil/sanctions/information>

“**Koç Group**” means Koç Holding A.Ş., companies which are controlled directly or indirectly, jointly or individually by Koç Holding A.Ş. and the joint venture companies listed in its latest consolidated financial report.

“**Otokoç Otomotiv**” means all of the companies directly or indirectly, individually or jointly controlled by Otokoç Otomotiv and its business partnerships (*Joint Ventures*) included in its latest consolidated financial report.

“**OFAC**” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“**Laundering of the Proceeds of Crime**” means the activities that involve taking criminal proceeds and disguising their illegal source in anticipation of ultimately using such criminal proceeds to perform legal and illegal activities.

“**Türkiye Sanctions**” refer to the sanctions and embargoes that are imposed by the Republic of Türkiye and administered by the Ministry of Foreign Affairs.

“**International Organization**” means an organization with an international membership, scope, or presence.

“**Sanctions Target**” means;

- Any individual, entity vessel or government which is a designated target of Sanctions (“**Listed Persons**”) (*e.g.*, OFAC and SDNs);
- Companies owned 50% or more, directly or indirectly, by a Listed Person;
- Individuals or companies that are resident, incorporated, registered or located in countries or territories such as Israel³, Crimea, Donetsk, Lubansk and Sevastopol Regions of Ukraine, Cuba, Iran, North Korea and Syria that are subject to a comprehensive country or territory-wide Embargo as of the approval/revision date of this Policy (*i.e.*, the “**Embargoed Countries**”), and,
- Persons or companies owned or controlled by, or operating as agents of, the governments of Embargoed Countries or the Government of Venezuela⁴.

3. GENERAL PRINCIPLES

Governments and International Organizations may restrict the transfer or procurement of certain goods and services, technical data, information, materials and technology in accordance with the

³ The Ministry of Trade of the Republic of Türkiye, with its decision on April 9, 2024, regarding the restriction of exports, has imposed a restriction on the export of 54 product groups from Türkiye to Israel, effective from the date of the decision. Subsequently, on May 2, 2024, the Presidency announced that all export and import transactions with Israel were suspended to cover all products.

⁴ Applicable as of the approval date of this Policy.

Sanctions and Export Control Regulations. For political, military or social reasons certain countries, organizations or individuals may be subject to total or partial economic embargoes.

As a global company, Otokoç Otomotiv aims to take effective and necessary precautions to manage the risks related to the Sanctions and Export Control Regulations effectively.

Products and services of Otokoç Otomotiv may not be traded, directly or indirectly, with Sanctions Targets or the Embargoed Countries. In case of doubt or in exceptional situations (e.g., transaction with a party included in the *Sectorial Sanctions Identifications List* (“SSI”) under certain conditions; transaction with an Embargoed Country, in a sector which is not subject to Sanctions, etc.), the relevant business unit shall obtain the approval of the Legal and Compliance Department before proceeding with the relevant transaction, to ensure where necessary that that the proposed transaction does not violate applicable Sanctions or otherwise expose the Otokoç Otomotiv to any Sanctions risk.

It is of the utmost importance to Otokoç Otomotiv to comply with all laws and regulations applicable to it, including Export Control Regulations and Sanctions, in the countries in which it operates and to fulfil its contractual obligations. Therefore:

- Unless the necessary arrangements are made and the required licenses are obtained⁵ any activity that is subject to Sanctions or any activity that constitutes a violation of applicable Export Control Regulations must be discontinued;
- If, during the course of Due Diligence, an activity that is prohibited, in violation of Sanctions or applicable Export Control Regulations is detected, the relevant process must be stopped immediately.

Payments and collection of revenues shall be made and recorded in accordance with the laws and regulations of the countries in which Otokoç Otomotiv conducts its business activities. Otokoç Otomotiv shall not be involved in Laundering of the Proceeds of Crime, terrorist financing and the financing of weapons of mass destruction activities. To this end, Otokoç Otomotiv shall:

- Know who its customers and Business Partners are;
- Comply with applicable laws, regulations, the Koç Group and Otokoç Otomotiv Code of Ethics and the related policies;
- Always ensure the accuracy of financial and business records;
- Keep records of all its activities in a secure and proper manner;
- Conduct Due Diligence in accordance with applicable regulations.

Failure to comply with this Policy may result in, but is not limited to, the following:

⁵ The licenses must be obtained for at least 10 years unless otherwise stated in the relevant regulations.

- Imprisonment of employees (as a result of violation of certain Sanctions);
- Significant financial penalties for both Otokoç Otomotiv and employees;
- Adverse public reputation;
- Loss of business
- Termination of contracts;
- Impaired access to international financing;
- Recall of loans;
- Seizure of Otokoç Otomotiv's assets.

4. APPLICATION OF THE POLICY

Prior to any engagement with a new Business Partner or customer, business units should conduct Due Diligence⁶ using a screening tool by taking all necessary commitments in accordance with all the legislation on the protection of personal data in force in the countries where Otokoç Otomotiv operates. The purpose of this is to determine potential risks related to Sanctions and Export Control Regulations, to ensure that the counterparty of Otokoç Otomotiv is not a Sanctions Target, and to identify risks such as corruption, bribery, laundering of the proceeds of crime and financing of weapons of mass destruction, human rights violations, etc.

Due Diligence procedures should be conducted not only before entering into a business relationship, but also on a regular basis during the course of the business relationship. If, at any time, a violation of Sanctions and Export Control Regulations or a warning sign of other compliance risks, such as Laundering of the Proceeds of Crime, terrorist financing and weapons of mass destruction, is detected by the relevant departments, the Legal and Compliance Department must be informed immediately. Otokoç Otomotiv Legal and Compliance Department may decide to stop the transaction or conduct Enhanced Due Diligence (“**EDD**”). In this case, the General Manager is informed about the compliance risks identified and the possible impact of these risks on Otokoç Otomotiv and the measures suggested to be taken in case of establishing, terminating or continuing a business relationship. The General Manager shall make the decision to establish, continue or terminate the business relationship taking into account the assessments and recommendations of the relevant EDD report. Decisions taken with the approval of the General Manager shall be regularly reported to Koç Holding Legal and Compliance Department by Otokoç Otomotiv Legal and Compliance Department, and the entire process shall be subject to internal audit, if deemed necessary. In case of doubt, the business units or the compliance officers shall consult the Legal and Compliance Department of Koç Holding.

⁶ During this work, it is necessary to fulfil disclosure obligations in accordance with all relevant local personal data protection regulations in the countries where Otokoç Otomotiv operates, obtain explicit consent and any other necessary commitments from persons acting on behalf of and for the account of the Business Partners.

At the stage of signing a contract with a Business Partner, Otokoç Otomotiv shall ensure that the relevant persons are informed about this Policy. Furthermore, Otokoç Otomotiv reserve the right to terminate the contract or apply other penalties in the event of a violation of the Policy.

5. INSULATION OF CERTAIN PERSONS FROM PROCEEDINGS

Even in business activities with Embargoed Countries that are approved by the Legal and Compliance Department, in some cases, employees who are U.S. Persons, citizens of European Union member states or the United Kingdom should not be involved.

The term “US Person” includes anyone who is in the United States; any U.S. citizen or green card holder (including dual citizens of the U.S. and another country), wherever located; companies incorporated in the U.S.; or companies controlled by U.S. companies, even if incorporated outside the U.S.

For more information regarding insulation of certain persons from proceedings, Legal and Compliance Department in Otokoç Otomotiv shall be contacted.

6. REQUESTS FOR INFORMATION

Otokoç Otomotiv may receive information requests from the banks or correspondent banks they work with via e-mail, fax or other means regarding certain transactions, counterparties, etc. within the scope of Sanctions and Export Controls. Any employee who receives such a Request for Information (“RFI”) should immediately forward the RFI to the Legal and Compliance Department. Responses to the RFIs, must be prepared by the Legal and Compliance Department , in consultation with Koç Holding Legal and Compliance Department, if necessary, and must be accurate, complete, and free of misleading information.

All relevant internal correspondence must be saved and archived in electronic format, including the necessary evidences and other supporting documents by the Legal and Compliance Department.

7. AUTHORITY AND RESPONSIBILITIES

All employees and directors of Otokoç Otomotiv are responsible for complying with this Policy, implementing and supporting the relevant Otokoç Otomotiv’s procedures and controls in accordance with the requirements of this Policy. Otokoç Otomotiv also expects and takes necessary steps to ensure that all its Business Partners to the extent applicable comply with and/or act in accordance with this Policy.

If there is a discrepancy between the local regulations, applicable in the countries where Otokoç Otomotiv operates, and this Policy, the stricter of the two shall prevail, unless such practice is in violation of the relevant local laws and regulations.

If you become aware of any action that you believe is inconsistent with this Policy, the applicable law or the Koç Group and Otokoç Otomotiv Code of Ethics, you may seek guidance or report this incident to your line managers. Alternatively, you may report the incident to Ethics Hotline via the following link: “koc.com.tr/hotline”

Otokoç Otomotiv employees may contact the Legal and Compliance Department of Otokoç Otomotiv for their questions regarding this Policy and its application. Violation of this Policy may result in significant disciplinary actions including dismissal. If this Policy is violated by third parties, their contracts may be terminated.

8. REVISION HISTORY

This Policy takes effect on 29.11.2021 as of the date approved by the Board of Directors and will be maintained by the Legal and Compliance Department.

Revision	Date	Comment
No:1	10.01.2024	Application of the Policy has been revised by clarifying the Due Diligence process, the expressions that cause ambiguities are improved.