

Otokoç Otomotiv

COMPLIANCE POLICY



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1. PURPOSE AND SCOPE

The purpose of this Compliance Policy (“**Policy**”) is to establish a customized, comprehensive and effective compliance framework for Otokoç Otomotiv, and demonstrate Otokoç Otomotiv’s commitment to compliance with laws and regulations, internal policies, good corporate governance practices and ethical rules.

All employees, directors, officers of Otokoç Otomotiv shall comply with this Policy, which is an integral part of Otokoç Otomotiv Code of Ethics.

2. DEFINITIONS

“**Chief Legal and Compliance Officer (CLCO)**” is primarily responsible for managing and overseeing the Compliance Program for Otokoç Otomotiv.

“**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.

“**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.

“**Retaliation**” is any negative action, including but not limited to demotion, discipline, firing, salary reduction, or job or shift reassignment, to punish an employee for a protected activity, such as reporting an injury, safety concern, mismanagement, abuse of authority, or legal violation in the workplace.

“**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.

“**Systematic Risk Analysis**” is a process to identify, assess and monitor the principal compliance risks that Otokoç Otomotiv faces as a business.

“**Compliance**” is defined as adhering to the requirements of laws, regulations, industry and organizational standards, internal policies and procedures and generally accepted ethical standards.

3. COMPLIANCE OBLIGATIONS

3.1. Overview of Obligations

Effective compliance management can only be achieved through adopting a well-designed and tailored Compliance structure. It can then be sustainable if it is embedded in the corporate culture and in employee behavior, by being integrated in all processes and operations.

Otokoç Otomotiv’s Compliance obligations go beyond adherence to mandatory regulations (laws, permits, licenses, rules and guidelines of regulatory authorities, court decisions,

conventions etc.) and include its Compliance commitments such as agreements with third parties, organizational standards such as policies and procedures, or other voluntary Compliance commitments.

3.2. Compliance Domains and Risk Analysis

At Otokoç Otomotiv, Legal and Compliance Department is in charge of compliance, together with the relevant business units shall periodically conduct risk assessments for relevant normative domains, and analyze the specific Compliance related risks to which operations, employees and/or Business Partners may be particularly exposed to (through questionnaires, workshops, one-on-one interviews etc.). Company policies and procedures shall be drafted/revised as necessary in accordance with such assessment and analysis.

Tailor-made Compliance reviews and analysis take into account Otokoç Otomotiv's fingerprint, including but not limited to its own characteristic, complexity, risks, risk appetite, governance, business lines, products and services, the industry sector, market competitiveness, regulatory landscape, potential customers and Business Partners, transactions with foreign governments, payments to foreign governments, use of third parties, gifts, travel and entertainment expenses, charitable contributions. Besides, while the purpose of such a compliance risk analysis is to address and take action in all relevant Compliance domains, based on their likelihood and impacts, the following shall be prioritized:

- 1) Anti-Bribery and Corruption
- 2) International Sanctions
- 3) Anti-Money Laundering
- 4) Data Privacy
- 5) Competition
- 6) Human Rights

Otokoç Otomotiv's Legal and Compliance Department monitors the Compliance risk analysis carried out by Otokoç Otomotiv and while evaluating the results, also takes into account Otokoç Otomotiv's relevant indicators, internal audit reports and case related investigations, Compliance cases and control results in order to identify potential compliance related risks and take the necessary precautions.

4. COMPLIANCE PROGRAM

4.1. Main Components of the Compliance Program

Otokoç Otomotiv’s Compliance Program (“**Compliance Program**”) is a set of rules, policies and procedures aimed at addressing Otokoç Otomotiv’s compliance issues with a risk-based approach. It incorporates the corporate governance and compliance culture and written standards promoted by the top management, and monitored by the Legal and Compliance Department, with the participation of all employees.

The main operational pillars of Otokoç Otomotiv Compliance Program are as follows:

- Prevention
- Detection
- Response

The following illustration shows the components of the Compliance Program and its composition. This framework reflects the general approach and strategy towards Compliance, i.e. the Compliance Program of Otokoç Otomotiv.

Illustration I: The Compliance Program of Otokoç Otomotiv



Prevention is managed through Compliance risk assessments, due diligence practices, written policies and procedures, communication and trainings. Detection, is supported by technology and data analytics as well as monitoring, testing and audit practices. Response involves investigations and reporting activities.

4.2. Compliance Organization

Otokoç Otomotiv’s approach to Compliance is shaped by the tone at the top, which demonstrates the importance that top management attaches to Compliance related issues. By applying the core values, generally accepted corporate governance and ethical standards, the

top management sets an example for the entire organization and helps to embed Compliance in the culture, behavior and attitude of every member of Otokoç Otomotiv.

A solid Compliance organization is the key to ensuring an effective Compliance structure. The Compliance organization refers to the leadership and organizational structure that is responsible and accountable for the decision-making, development, implementation, monitoring and supervision of the Compliance Program.

The Compliance organization is fulfilled by:

- Otokoç Otomotiv Tic. ve San. A.Ş. Chief Legal and Compliance Officer (“CLCO”),
- Legal and Compliance Department of Otokoç Otomotiv Tic. ve San. A.Ş. Legal and Compliance Department,
- Compliance Committee;

Considering the importance of the top management’s leadership on Compliance related issues, CEO of Otokoç Otomotiv and the Board of Directors have the overall responsibility to provide leadership on Compliance related issues by monitoring the applications of core values, generally accepted corporate governance and ethical standards.

In order to have a successful Compliance Program, the CLCO position shall have:

- Empowerment: Full and clear authority, top management designation and authority to carry out their duties.
- Independence: In order to maintain its independence, the CLCO reports to the Board of Directors through the Risk Committee, while directly reporting directly to the CEO
- Seat at the Table: The CLCO attends the key meetings where all major business decisions are taken.
- Line of Sight: The CLCO sets the standards in risk areas even if they are related and implemented by other business units.
- Resources and Budget: The CLCO has sufficient resources and the budget to manage the Compliance Program.

The CLCO performs his/her duties with the support of the **Legal and Compliance Department** and has the ultimate responsibility for the activities of the Legal and Compliance Department.

The Legal and Compliance Department has 3 main functions: Functional Responsibilities, Monitoring and Line of Sight.

Functional Responsibilities cover addressing the major risks identified with the Systematic Risk Analysis process, which include but are not limited to the following:

- Identifying and managing Compliance risk areas (including Business Partner risks),
- Ensuring that the Compliance risks are classified and analyzed and prioritized based on the results,
- Establishing and identifying the policies, procedures and controls that the organization must have in place to prevent, detect and manage the Compliance breaches,
- Providing or organizing on-going training support for employees and conducting Compliance awareness campaigns to ensure that all employees are aware of what is expected of them to be complaint with Otokoç Otomotiv policies,
- Establish a Compliance reporting and documentation system for Otokoç Otomotiv,

- Establishing Compliance performance indicators, monitoring and measuring the Compliance performance of Otokoç Otomotiv,
- Analyzing the performance of Otokoç Otomotiv to determine the need for corrective action plans,
- Ensure that the Compliance Program is reviewed at planned intervals,
- Ensure access to appropriate professional advice in the establishment and implementation and maintenance of the Compliance Program,
- Ensure that the Compliance policies, procedures and the other documents are appropriate and accessible to employees and Business Partners,
- Ensure that Compliance structure is applied uniformly and consistently throughout the Otokoç Otomotiv,

Monitoring Responsibilities include monitoring and scrutinizing certain Compliance risks, which are deemed primary responsibility of other departments or units. These activities include but are not limited to the following:

- Promoting the inclusion of Compliance responsibilities into job descriptions and employee performance management processes,
- Developing and implementing processes to manage information such as complaints and/or feedback through the whistleblowing system and other mechanisms,
- Ensure that whistleblowing mechanisms are easily accessible, known and confidential,
- Ensure only authorized persons have access to confidential documents related to the Compliance Program.

Finally, **Line of Sight** means that the Legal and Compliance Department acts in an advisory capacity for all the Compliance related risks identified by the Systematic Risk Analysis.

Given its role and responsibilities, the Legal and Compliance Department shall have sufficient and qualified resources, and personnel, including Compliance Managers supported by the Compliance Officer/s, who are fully dedicated to the compliance matters.

The Compliance Committee (“Committee”) aims to increase the efficiency of the Compliance structure by advising to the CLCO (and the Legal and Compliance Department). The Committee, which consists of the CLCO, the Human Resources (HR) Director, the CFO and other Presidents as appropriate, acts as an advisory to assist the CLCO in the decision-making process as, required.

4.3. Raising Concerns and Disciplinary Actions

4.3.1. Reporting and Whistleblowing

Any stakeholder or employee who witnesses or is aware of any act or misconduct inconsistent with Otokoç Otomotiv Code of Ethics, or who suspects such asituation, is expected to report his/her concerns with the relevant Otokoç Otomotiv companies or Koç Holding through the Hotline at “koc.com.tr/hotline”.

The Hotline is designed to protect the whistleblowers’ confidentiality and their anonymity of the whistleblowers. It is essential that anyone reporting an incident feels comfortable and safe in raising their concerns and does not hesitate to do so. All complaints will be treated

confidentially and whistleblowers who report in good faith will be protected from any Retaliation.

No action will be taken against anyone who reports in good faith, an action or behaviour that he/she believes/suspects to be a misconduct, even if the outcome of the investigation does not substantiate the relevant report. Those who deliberately make false reports may be subject to various disciplinary actions.

4.3.2 Investigations and Disciplinary Actions

All incidents reported through the Hotline or other channels will be reviewed to determine the need for an investigation. If an investigation is initiated, and a recommendation for disciplinary action is made as a result, the matter will be brought to the attention of the Disciplinary Committee of Otokoç Otomotiv or Ethics/Discipline Committee of the relevant company depending on the nature of the incident and the person under investigation. The disciplinary measures shall be taken based on the basis of objective criteria.

5. AUTHORITY AND RESPONSIBILITIES

If you become aware of any action you believe is inconsistent with this Policy, the applicable law or Otokoç Otomotiv Code of Ethics, you may seek guidance or report the incident to your line manager. You may alternatively report the incident to Koç Holding's 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.

6. 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 Otokoç Otomotiv Legal and Compliance Department.

Revision	Date	Comment
No:1	10.01.2024	Definition of "Business Partners" is updated.