



# COMPLIANCE POLICY

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# 1. Purpose and Scope

This Compliance Policy (“**Policy**”) is prepared for Entek in accordance with Koç Group Compliance Policy<sup>1</sup>. The purpose of this Policy is to establish a customized, comprehensive and effective compliance framework for Entek, and demonstrate Entek’s commitment to compliance with laws and regulations, internal policies, good corporate governance practices and ethical rules.

This Policy also describes Entek’s Compliance structure.

All employees, directors, officers of Entek shall comply with this Policy, which is an integral part of Entek Code of Ethical Conduct and Practice Principles<sup>2</sup> (“**Ethical Rules**”).

# 2. Definitions

“**Business Partner**” means authorized service and/or solution provider third parties, all kinds of suppliers, representatives, subcontractors and consultants acting on behalf and account of the company with whom Entek acts in cooperation, including but not limited to certain business models or project development.

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

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

“**Compliance Program**” shall have the meaning assigned to this term in Section 4.1.

“**Entek**” means companies which are controlled directly or indirectly, jointly or individually by Entek Elektrik.

“**Entek Elektrik**” means Entek Elektrik Üretimi A.Ş.

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(1) <https://www.koc.com.tr/about-us/code-of-ethics-and-compliance-policies>

(2) <https://www.entekelektrik.com.tr/en/icerik/etik-ilkeler-ve-uyum-politikalari>

**“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.

**“Koç Holding”** means Koç Holding A.Ş.

**“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.

**“Risk Management Committee”** is established for the purpose of early diagnosis of the risks that may endanger the existence, development and continuity of Entek to implement measures, manage and report these risks in line with Entek’s corporate risk-taking profile, and to make suggestions to the board of directors of Entek, about developing and integrating internal control systems.

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

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

## 3. Compliance Obligations

### 3.1. Overview of Obligations

Efficient compliance management can only be achieved by adopting a well-designed and customized Compliance structure. It then can be sustainable if embedded in the company culture and in employee behavior, by being integrated in all processes and operations.

Compliance obligations of Entek go beyond complying with mandatory regulations (laws, permits, licenses, rules and guidance of regulatory authorities, court decisions, conventions etc.), it also comprises its Compliance commitments such as agreements with third parties, organizational standards such as policy and procedures, or other voluntary commitments.

## 3.2. Compliance Domains and Risk Analysis

Entek Elektrik's Legal and Compliance Department, together with Entek's relevant business units shall conduct periodical risk assessments for relevant normative domains, and analyze the specific Compliance related risks that operations, employees and/or Business Partners may be specially exposed to (via questionnaires, workshops, one-to-one interviews etc.). Company policies and procedures shall be drafted/ revised to the extent required in accordance with such assessment and analysis.

Tailor-made Compliance reviews and analysis consider Entek's fingerprint, including but not limited to its own characteristic, complexity, risks, willingness to take risks, governance, business lines, products and services, the industry sector, competitiveness of the market, regulatory landscape, potential clients 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 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) Protection of the Data Privacy
- 5) Competition
- 6) Human Rights

Koç Holding Legal and Compliance Department and Tüpraş's Legal and Compliance Department monitor the Compliance risk analysis carried out by Entek and while evaluating such results, it also considers Koç Group's and/or Tüpraş's relevant indicators, internal audit reports and case related investigations, Compliance cases and control results to determine potential compliance related risks and take necessary precautions.

## 4. Compliance Program

### 4.1. Main Components of the Compliance Program

The Compliance Program of Entek (“**Compliance Program**”) is a set of rules, policies and procedures based upon Koç Group Compliance Program and aiming to address the Compliance issues of Entek with a risk-based approach. It incorporates the corporate governance and compliance culture and written standards promoted by the senior management and monitored by Entek Elektrik’s Legal and Compliance Department, with the participation of all employees.

The main operational pillars of Compliance Program are the following:

- Prevention
- Detection
- Response

The illustration below represents the components of the Compliance Program and their composition. This framework reflects the general approach and strategy towards Compliance, i.e. the Compliance Program of Entek

**Illustration I: The Compliance Program of Entek**



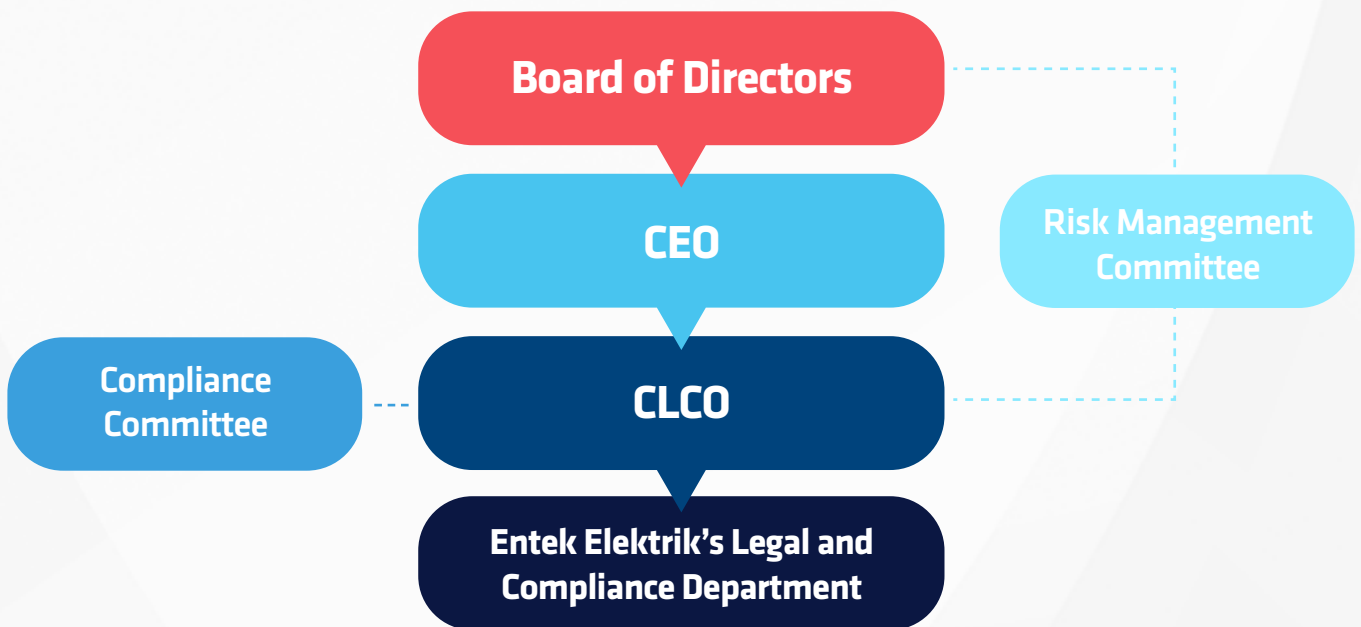
**Prevention** is managed by Compliance risk assessments, due diligence practices, written policies and procedures as well as communication and trainings. **Detection**, is supported by technology and data analysis as well as monitoring, testing and audit practices. **Response** refers to investigations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

## 4.2. Compliance Organization

Entek's approach to Compliance is shaped by the tone at the top, showing the importance senior management attributes to Compliance related issues. By applying the core values, generally accepted corporate governance and ethical standards, the leadership acts as an organization-wide example and helps embed Compliance into the culture, behavior and attitude of every member of Entek.

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, execution, monitoring and oversight of the Compliance Program. Compliance organization is structured in Entek Elektrik . Illustration II below presents the current Compliance organization at Entek which runs through Entek Elektrik.

**Illustration II: The Compliance Organization Entek**



As shown above, the Compliance organization is fulfilled by:

- Chief Legal and Compliance Officer (“CLCO”),
- Entek Elektrik’s Legal and Compliance Department,
- Compliance Committee,
- Risk Management Committee.

Considering the importance of the senior management’s leadership towards Compliance related issues, Entek Elektrik’s CEO and the Board of Directors of the related Entek company have the overall responsibility to show leadership towards 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:** Empowerment: Full and clear authority, C-level designation and empowerment to carry out his/her duties.
- **Independence:** In order to preserve its independence, the CLCO reports to the Board of Directors, while directly reporting to the CEO.
- **Seat at the Table:** The CLCO attends the important meetings where all major business decisions are taken.
- **Line of Sight:** The CLCO determines the standards in risk areas even if it is related and implemented by other business units.
- **Resources:** The CLCO has sufficient resources to manage the Compliance Program.

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

Entek Elektrik’s 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 the risks related to Business Partners),



- Ensuring the Compliance risks are classified and analyzed and based on the outcome, prioritized,
- Creating and identifying the policies, procedures and controls which the organization must have to prevent, detect and manage the Compliance breaches,
- Providing or organizing on-going training support for employees and running Compliance awareness campaigns to ensure that all employees are aware of what is expected of them to be compliant with Entek policies,
- Setting up a Compliance reporting and documentation system for Entek,
- Establishing Compliance performance indicators, monitoring and measuring the Compliance performance of Entek,
- Analyzing performance of Entek to identify the need for corrective action plans,
- Ensuring the Compliance Program is reviewed at planned intervals,
- Ensuring that there is access to appropriate professional advice in the establishment and implementation and maintaining of the Compliance Program,
- Ensuring that the Compliance policies, procedures and the other documents are appropriate and accessible to employees and Business Partners,
- Ensuring that Compliance structure is applied uniformly and consistently throughout the Entek,
- Developing and implementing processes for managing information such as complaints and/or feedback by means of whistle-blowing system and other mechanisms,
- Ensuring that whistleblowing mechanisms are easily accessible, known and confidential.

**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,

- Ensuring only authorized persons have access to the confidential documentation related to the Compliance Program.

Lastly, **Line of Sight** means that the Entek Elektrik's Legal and Compliance Department acts as an advisory function for all the Compliance related risks identified with the Systematic Risk Analysis.

Considering its roles and responsibilities, Entek Elektrik's Legal and Compliance Department shall have sufficient and qualified resources and staff, including Compliance Managers and 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 consulting to the CLCO (and Entek Elektrik's Legal and Compliance Department ). The Committee, which consists of the CLCO, Group Director of Shared Services and Transformation, the CFO and Internal Audit and Risk Management Manager and other directors or managers of other business units in case of necessity, acts as an advisory board that provides support to the CLCO in the decision-making process, where necessary.

**Risk Management Committee** is comprised of CFO, Power Generation Deputy Manager, CLCO, Internal Audit and Risk Management Manager and other directors. In this respect, the Committee acts as the link between Entek Elektrik's Legal and Compliance Department and the Board of Directors.

## 4.3. Raising Concerns and Disciplinary Actions

### 4.3.1. Reporting and Whistleblowing

Any stakeholder or employee who witnesses or is aware of any action inconsistent with Ethical Rules, or any misconduct or who is suspicious of such situation, is expected to raise his/her concerns with Entek through the hotline at “**koc.com.tr/hotline**” (“**Hotline**”).

The Hotline is designed to protect the whistleblowers' confidentiality and their anonymity, if requested. It is crucial that anyone who reports an incident should feel comfortable and safe in raising their concerns and should not refrain from reporting. All complaints will be kept confidential and the owners of notification made in good faith will be protected from any possible Retaliation.

In good faith reports, no action will be taken against the person who raised the concern, even if the accuracy of the incident could not be proved by investigation. Those who deliberately make false notifications may be subject to various disciplinary action.

### 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 as a result there is a recommendation for a disciplinary action, the relevant matter shall be brought to the attention of the Entek Elektrik's Ethics Committee depending on the nature of the incident and the person subject to investigation.

## 5. Authority and Responsibilities

If you become aware of any action you believe to be inconsistent with this Policy, the applicable law or Ethical Rules, you may seek guidance or report this incident to your line managers. You may alternatively report the incident to Hotline.

Entek employees may consult the Entek Elektrik's Legal and Compliance Department for their questions related to this Policy and its application.

## 6. Revision History

This Policy takes effect on 28.09.2022 as of the date approved by Entek Elektrik's Board of Directors and for each Entek company, it will take effect on the date of Board of Directors approval of relevant company. This Policy is maintained by Entek Elektrik's Legal and Compliance Department.

Revision	Date	Comment
V.01	30.09.2021	
V.02	28.09.2022	