



GIFTS and
ENTERTAINMENT
POLICY

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1. Purpose and Scope

This Gifts and Entertainment Policy (“the **Policy**”) is prepared for Entek in accordance with Koç Group Gifts and Entertainment Policy¹. The purpose of this Policy is to set standards, principles and rules to be complied with to make the right decisions while providing or accepting gifts and entertainment on behalf of Entek.

All employees, directors, officers of Entek shall comply with this Policy, which is an integral part of Entek Code of Ethical Conduct and Practice Principles² (“**Ethical Rules**”). Entek also expects and takes necessary steps to ensure that all its Business Partners - to the extent applicable - complies with and/or acts in line with this Policy.

2. Definitions

Please refer to Entek Anti Bribery and Corruption Policy for the undefined terms used in this Policy.³

“**Business Partners**” 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.

“**Cash Equivalent**” includes but not limited to money in cash, gift certificates, cards, discounts, securities, gold coins or fuel coupons or similar ticket compliments with specified value.

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

“**Entertainment**” consists of meals, lodging and accommodation, travel and transportation, sporting and cultural or other social events.

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

(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>

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

“Gift” means any item of value, whether given or received directly or indirectly, such as discounts, gift cards, promotions, promise of employment, cash, loans, memberships, services, favors, presents or goods.

“Government/Public Official” broadly refers to a variety of individuals including but not limited to the following:

- Employees working at government bodies domestically or in a foreign country,
- Employees of government business enterprises (domestic or in a foreign country),
- Employees of political parties, political candidates, (domestic or in a foreign country),
- Any person who holds a legislative, administrative or judicial position, (domestic or in a foreign country),
- Judges, jury members, or other officials who work at domestic, foreign, international or supranational courts,
- Officials or representatives working at international parliaments or supranational organizations;
- Citizens or foreign arbitrators resorted to, who have been entrusted with a task within the arbitration procedure, in order to resolve a legal dispute.

“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.

“Politically Exposed Persons (PEP)”⁴ refers to individuals who are or have been entrusted with prominent public functions, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials and family members and close associates of such persons.

(4) <https://www.fatf-gafi.org/documents/documents/peps-r12-r22.html>

3. General Principles

Gifts and Entertainment are commonly used in building and reinforcing business relationships. However, these are legitimate tools only if they are in accordance with the following criteria:

- reasonable, occasional and with a modest value,
- recorded in the books and records in an accurate and transparent manner,
- in accordance with accepted business practices (no intentions of Bribes⁵, payoffs or kickbacks),
- consistent with applicable legislation.

Any Gift or Entertainment should be provided or accepted in goodwill. The intentions, implications and impacts of it should be carefully evaluated. In this respect, employees should make sure that providing or accepting the particular Gift or Entertainment:

- does not influence decision-making of Entek or other parties and does not lead others to perceive such an influence.
- does not detriment Entek or Koç Group if it becomes public knowledge.
- does not lead any conflict of interest.

All Gifts and Entertainment activities must be in accordance with the principles given above as well as the limits and detailed procedures given throughout this Policy.

Gift or Entertainment activities (including descriptions, approval processes) must be documented properly and the related transaction must be accurately and transparently recorded to the books and records.

Employees should request guidance from Entek Elektrik's Legal and Compliance Department in a case of doubt as to the appropriateness of offering or accepting a gift or entertainment.

(5) www.entekelektrik.com.tr/pdf/01_anti_bribery_and_corruption_policy.pdf

4. Application of the Policy

4.1. Gifts

Entek employees must not offer or accept Gifts as cash or cash equivalent or given in the form of services as well as other non-cash benefits such as promotions, memberships, promise of employment or other forms of favors.

Entek sets the value limit for offering/providing Gifts to/from a single source⁶ to USD 200 or equivalent annually. Irrespective of the monetary limit, Gifts which may negatively impact fair and unbiased judgment or contrary to commonly accepted business practices must be avoided.

While offering or accepting a Gift, in case of any doubt, as to whether a Gift is considered customary and in line with business practices and this Policy, arising out of the circumstances, such as the frequency of events, nature of the Gift or any other reason, employees shall consult to the officer or department in charge of compliance .

It is appropriate for employees to give/accept unvalued Gifts/presents in the framework of their business operations. These may consist of Gifts such as calendars, key holders or other promotional material preferably bearing the company logo. Gifts which are personal or could be perceived as personal must be avoided. Example for this would be an engraved watch or a pen with initials of the recipient.

Employees may only accept a Gift within the limits and in line with the general principles set forth in this Policy. When incompliant Gifts are offered to employees, they must politely decline by returning the Gift with a note or e-mail, referring to this Policy.

4.2. Entertainment

Business meals and events are common practices in business life. Entek and Business Partners may cover each other's meal, travel and accommodation expenses when they are actively working on or performing business activities to work on a business project. Following criteria must be met in such cases:

(6) The definition of "Single Source" covers each related parties, including but not limited to the customers, suppliers, authorized representatives, managers or staff of the same companies.

- There must be a legitimate business interest related to an ongoing or potential business relationship with the counterparty.
- The event must remain one-off and not repeated in a regular manner.
- The event cannot be excessive (the value or nature of the event is not proportionate with the business relationship) or take place at inappropriate venues.
- The Entertainment activity cannot lead negative impact on fair and unbiased judgment or cause others to perceive it as such.

Meals and other Entertainment events which are in line with the above-mentioned criteria may be appropriate for attendance.

The documentation for meals and Entertainment activities must include full details describing the attending parties and the associated business relationship (business reason) as well as a description of the event and supporting documentation. The related expenses must be accurately and transparently recorded in the books and records, in the relevant expense account associated with the business relationship.

Employees providing the Entertainment activities are responsible to deliver the supporting documentation to be retained by the accounting department.

4.3. Interactions with Government Officials/PEPs

Interactions with Government Officials and PEPs are subject to strict regulatory rules. Both local and international regulations prohibit granting anything of value to Government Officials or PEP's to build up, win or maintain a business.

Providing Gifts or Entertainment to Government Officials and PEPs may give rise to concerns about a Bribery. These type of Gifts and Entertainment must be in moderate terms, in line with relevant regulations and could not be perceived as Bribe, payoff or kickback.

5. Authority and Responsibilities

All employees and directors of Entek are responsible for complying with this Policy, implementing and supporting Entek's procedures and controls in accordance with the requirements in this Policy. Entek also expects and takes necessary steps to ensure that all its Business Partners to the extent applicable complies with and/or acts in line with this Policy.

If there is a discrepancy between the local regulations, applicable in the countries where Entek operates, and this Policy, subject to such practice not being a violation of the relevant local laws and regulations, the stricter of the two, supersede.

If you become aware of any action you believe to be inconsistent with this Policy, the applicable law or Koç Group Code of Ethics⁷ or Ethical Rules you may seek guidance or report this incident to your line managers. You may alternatively report the incident to the hotline through "**koc.com.tr/hotline**".

Entek employees may consult Entek Elektrik's Legal and Compliance Department for their questions related to 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.

6. Revision History

This Policy takes effect on 30.09.2021 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

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