



SANCTIONS and EXPORT  
CONTROLS POLICY

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# 1. Purpose and Scope

This Sanctions and Export Controls Policy (the “**Policy**”), is prepared for Entek in accordance with Koç Group Sanctions and Export Controls Policy<sup>1</sup>. The purpose of this Policy is to set out the rules to be considered by Entek in order to assist them in complying with the economic sanctions and export control obligations.

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

Entek implements Sanctions compliance framework to ensure it complies with all applicable Sanctions and can identify and mitigate the Sanctions risks confronting its business.

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**”). Entek also expects and takes necessary steps to ensure that all its major shareholders and Business Partners - to the extent applicable - complies with and/or acts in line with this Policy.

# 2. Definitions and Summary Information

“**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.

“**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.

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

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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>

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

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

**“Export Control Regulations”** means the laws and regulations 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.

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

**“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.

**“Money Laundering”** 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.

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

**“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 Crimea, Cuba, Iran, North Korea and Syria that are subject to a comprehensive country or territory-wide Embargo as of the approval 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 Venezuela<sup>3</sup>.

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

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(3) Applicable as of the approval date of this Policy.

“**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.<sup>4</sup>

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

### 3. General Principles

Governments and International Organizations may limit the transfer or procurement of certain goods and services, technical data, information, materials and technology in accordance with the Sanctions and Export Control Regulations. Economic, full or partial Embargoes may be imposed on certain countries, organizations or individuals for political, military or social reasons.

As a globally acting enterprise, Entek aims to take effective and necessary precautions to manage the risks pertaining to the Sanctions and Export Control Regulations.

Products and services of Entek must not be traded, directly or indirectly, with Sanctions Targets or the Embargoed Countries. In case the relevant business units have any doubt; or in exceptional situations (e.g., transacting with a party which is included in the *Sectorial Sanctions Identifications List* (“**SSI**”) subject to certain conditions; transacting with an Embargoed Country, in a sector which is not subject to Sanctions, etc.), the relevant business unit shall seek the approval of Entek Elektrik’s Legal and Compliance Department prior to proceeding with the relevant transaction, to ensure that the prospective transaction does not violate applicable Sanctions or otherwise expose Entek to any Sanctions risk.

It is of utmost importance to Entek to comply with any 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. For this reason:

- Unless the necessary arrangements are made and the required licenses are obtained<sup>5</sup> any activity subject to Sanctions or any activity that constitutes a breach of applicable Export Control Regulations must be ceased;

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(4) <https://www.un.org/securitycouncil/sanctions/information>

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

- Third Party Due diligence procedures must be performed in order to determine whether a third party is subject to the Sanctions;
- Ongoing monitoring must be performed at a frequency determined according to the result of the Third Party Due Diligence procedures. If transaction or activity is determined to be a prohibited transaction or any activity subject to Sanctions or constitute a breach of applicable Export Control Regulations, during the ongoing monitoring, the related transaction or activity should be ceased immediately and Entek Elektrik's Legal and Compliance Department should be informed.

Payments and collection of revenues must be made and recorded to the books in accordance with laws and regulations of the countries in which Entek conducts its business activities. Entek shall not be involved in Money Laundering, terrorist financing and the financing of mass destruction weapons activities. For such purpose, Entek must:

- Know who its customers and Business Partners are;
- Comply with applicable laws, regulations, Ethical Rules and the related policies;
- Always ensure the accuracy in financial and commercial records;
- Keep records of all its activities in a safe and proper manner;
- Perform Third Party Due Diligence procedures in compliance with applicable regulations.

Failure to comply with this Policy could lead to, but is not limited with, the following:

- Imprisonment of employees (as a result of violation of certain Sanctions);
- Significant financial penalties for both Entek and employees;
- Adverse public reputation;
- Loss of business
- Termination of agreements;
- Poor access to international financing;
- Credit recall;
- Seizure of Entek's assets.

## 4. Application of the Policy

Within the scope of the due diligence procedures, Denied Party Screening (“**DPS**”) must be conducted via the screening tool used for the Third Party Due Diligence, before any engagement with a new Business Partner or other third party, in compliance with the applicable regulations. This is to determine whether Entek’s counterparty is a Sanctions Target. While performing the due diligence activities, global sanctions lists should be screened together with the domestic lists.

Due diligence procedures must be conducted not only prior to any engagement but also during the course of the business relationship on a periodical basis. If red flags (such as the risk of transactions with the Sanctions Targets, Money Laundering activities, etc.) are detected by the relevant departments at any time, Entek Elektrik’s Legal and Compliance Department must be informed immediately. Entek Elektrik’s Legal and Compliance Department performs enhanced due diligence activities and informs the related business unit about the precautions to be taken including but not limited to the termination of the business relationship or cancellation of agreements. In case of doubt, the business units or the compliance officers shall consult with the Entek Elektrik’s Legal and Compliance Department.

Entek must ensure that the contracts with Business Partners and other third parties include necessary clauses to ensure that the relevant counterparty understands and will comply with this Policy.

## 5. US Person Insulation

Employees who are US Persons, must not in principle participate in any transaction involving an Embargoed Country even if the relevant transaction is pre-approved by officer or department in charge of compliance.

**"US Persons"** include anyone while in the United States; any US citizen or green card holder, wherever located (including dual nationals of the US and another country); any US-incorporated entity, or anyone employed by a US entity, as well as US-owned or controlled non-US entities. For more information regarding insulation of US Persons, Entek Elektrik’s Legal and Compliance Department shall be contacted.

## 6. Requests for Information

Entek may receive Requests For Information ("RFI") regarding certain transactions, counterparties, etc. from corresponding or counterparty banks via email, fax or other means. Any employee that receives a Sanctions-related RFI should immediately forward the RFI to Entek Elektrik's Legal and Compliance Department for review. Responses to the RFIs, must address the entire request, be accurate and not misleading.

All documents related to RFIs, including all relevant internal correspondence, documentation evidencing the approval of the RFI response by Entek Elektrik's Legal and Compliance Department and any other documentation related to the handling of the RFI must be saved and archived in an electronic format.

In case of doubt, Entek Elektrik's Legal and Compliance Department shall be contacted.

## 7. 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, Ethical Rules or Koç Group Code of Ethics<sup>6</sup>, 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](https://www.koc.com.tr/hotline)".

Entek employees may consult the 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.

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



## 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