

Aygaz Group

Anti-Bribery and Corruption Policy

1. PURPOSE AND SCOPE

The purpose of this Anti-Bribery and Corruption Policy (“the Policy”), which is an integral part of the Aygaz Group Code of Ethics and Business Conduct and the Koç Group Code of Ethics is to set principles and rules in relation to prevention of bribery and corruption. This Policy is a reflection of Aygaz Group’s strong commitment to fight against corruption and prohibition of bribery.

All employees, directors, officers of Aygaz Group shall comply with this Policy. Each Aygaz Group company also expects and takes necessary steps to ensure that all its major shareholders and its Business Partners - to the extent applicable - complies with and/or acts in line with this Policy.

2. DEFINITIONS

“**ABC Rules**” all anti-bribery and corruption related legislation, including foreign laws (e.g. Foreign Corrupt Practices Act, UK Bribery Act etc.) and international treaties to the extent applicable to the relevant transaction.

“**Aygaz Group**” means Aygaz A.Ş. and Aygaz A.Ş.’s subsidiaries and joint ventures.

“**Bribery**” refers to giving, offering, promising or proposing anything of value with the aim of obtaining Improper Advantage over, or Corruptly Influencing a business transaction or relationship. Forms of value covers any form of benefit including but not limited to money, gifts, entertainment that:

- affect or may affect impartiality, performance and ability to make decisions,
- may be reputation wise detrimental if it became public,
- would be a breach of the applicable legislation,
- can be perceived as bribery, or
- may correspond to a privileged treatment for carrying out a certain task.

“**Business Partner**” means dealers, suppliers, distributors, authorized service providers, representatives, independent contractors and consultants.

“**Corruptly Influence**” means intent or desire to wrongfully influence and induce the recipient misuse his/her position.

“**Corruption**” means “the abuse of entrusted power for private gain.

“**Donation**” means voluntary contributions in money or in kind (including goods or services etc.) to individuals or charitable entities (such as foundations, associations and other nonprofit organizations); universities and other schools; and other private or public legal entities or organizations etc. to advocate a philanthropic cause, serve the public interest and help achieve a social goal, without a consideration received in return.

“**Facilitation Payments (or “facilitating”, “expediting” or “grease”)**” are unofficial, improper payments made to secure or accelerate routine operation of the paying party.

“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 national, 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.

“Improper Advantage” is an advantage to which a party would not otherwise be entitled if the individual influenced by such party, did not act in violation of his or her duty to enable such advantage.

“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)” 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, senior management of the international organizations, and family members and close associates of such persons.¹

“Sponsorship” means contribution in money or in kind (including goods, or services, etc.) given to an entity or group, for staging an artistic, social, sports or cultural activity etc. in return for an, institutional benefit reflected in the form of visibility to target audiences under a sponsorship agreement or whatsoever name, to the extent the nature of the relationship is as defined herein.

“The UN Global Compact”² is a global pact initiated by the United Nations (UN) to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption.

3. GENERAL PRINCIPLES

Aygaz Group is committed to conducting business in conformity with the highest ethical standards. Aygaz Group complies with and ensures that all Aygaz Group companies acts in compliance with UN Global Compact’s Principles, including the principle that businesses should work against corruption in all its forms.

¹ <https://www.fatf-gafi.org/documents/documents/peps-r12-r22.html>

² <https://www.unglobalcompact.org/what-is-gc/mission/principles>

Regardless of the local practices and regulations, Aygaz Group does not tolerate any kind of Bribery, Corruption, Facilitation Payments, giving or receiving inappropriate gifts to anyone involved in Aygaz Group's business cycle.

No employee may directly, or indirectly through a Business Partner or any third party, give, receive or authorize a Bribe in any form.

Violation of ABC Rules may have severe consequences for Aygaz Group companies and their respective directors, officers and employees including imposition of civil and criminal penalties; invalidation of the licenses granted by public authorities; seizure of monetary and other assets; and most importantly, exposes Aygaz Group to significant reputational harm.

Violation of this Policy may also lead to disciplinary actions for employees, including dismissal. Furthermore, if the relevant action is or may be deemed as a violation of applicable legislation, public authorities shall be notified by the Aygaz Group Legal and Compliance Directorate.

4. APPLICATION OF THE POLICY

4.1. Third Parties and Due Diligence

In order to mitigate the risk of Bribery and Corruption, it is not tolerated to conceal the transactions under the guise of legitimate payments, such as commissions or consulting fees.

Accordingly, Aygaz Group companies engage with Business Partners, only if:

- the Business Partner is confirmed upon the completion of the Third Party Due Diligence process;
- if a written contract including appropriate terms to ensure compliance with applicable ABC Rules is in place; and
- terms of such contract including the payments terms are not unusual or significantly above the market value, resulting in an impression that there is an intent to conceal the underlying transaction.

4.2. Gifts, Hospitality and Entertainment

Any gift, hospitality provided or offered must meet the following criteria:

- Permitted by ABC Rules,
- Not cash or cash equivalent,
- Reasonable, proportionate appropriate to the recipient's position and relevant circumstances,
- Recorded, and accounted fairly and accurately and in a sufficiently transparent manner,
- No appearance of impropriety based on frequency of prior gifts etc. to show an intention to improperly influence the recipient of the gift etc.

All employees are required to seek guidance in case of doubt from the officer or department in charge of compliance.

For details, please also see Aygaz Group Gifts and Entertainment Policy.

4.3. Contributions to Political Parties

It is prohibited to make any political contributions on behalf of a Aygaz Group company.

4.4. Sponsorships and Donations

Providing a grant, a Donation, or Sponsorship in exchange for any improper favor or benefit, and/or to improperly and corruptly influence a Public Official/PEP (and other parties as may be specified in relevant legislation applicable to Aygaz Group companies in jurisdictions where they operate) is prohibited.

Donations and Sponsorships should only be made/provided, in line with rules and principles set forth in Aygaz Group Donations and Sponsorship Policy.

4.5. Facilitation Payments

Aygaz Group has a zero-tolerance approach towards Facilitation Payments. Employees and Business Partners are prohibited from making facilitation payments on behalf of a Aygaz Group company.

4.6. Hiring or Engaging with Government Officials or PEP's

Employment decisions must be based on virtue and should never be used to Corruptly Influence a Public Official or gain Improper Advantage.

It is also not permitted to hire or engage government officials or PEP's to gain Improper Advantage. Public Officials, PEP's can only be hired or engaged with to perform a service if and when the following criteria are met:

- There is a legitimate business purpose,
- The employment of the person does not lead to any improper appearance, indicating any opinion that the person is hired in exchange for a business advantage or improper action,
- The person to be employed or engaged with objectively has sufficient qualifications required for the relevant position, and
- The compensation and benefit package is reasonable and in conformity with the work and person's qualifications.

4.7. Training and Monitoring

Each Aygaz Group company shall appoint a department responsible for:

- providing necessary ABC Rules trainings to all of its employees on an annual basis, in coordination with Aygaz Group Legal and Compliance Directorate,
- if necessary, adapting this Policy for its company's needs and writing necessary procedures.

The officer or department in charge of compliance of each Aygaz Group company:

- in coordination with Aygaz Group Legal and Compliance Directorate, reviews the content of such procedures and trainings and monitor their completion status,
- provide Aygaz Group Legal and Compliance Directorate with an annual report in relation to training activities, in order to be reported to the Legal and Compliance Directorate in Koç Holding.

4.8. Transparency and Accuracy of Books and Records

Books and records must be kept in an accurate, transparent, complete, reliable, and timely manner and reflect all transactions in accordance with the applicable laws, regulations, and accounting standards.

Accounts and invoices must have full and clear explanations and be maintained with supporting documentation where required. The clarity of the explanations and supporting documentation should enable a third-party reviewer to easily understand the transaction and the rationale behind it.

Unrecorded funds or assets are prohibited, and records cannot be falsified for any purpose.

Records must be periodically subject to risk-based audits.

5. AUTHORITY AND RESPONSIBILITIES

All employees and directors of Aygaz Group are responsible for complying with this Policy, implementing and supporting the relevant Aygaz Group company's procedures and controls in accordance with the requirements in this Policy. Each Aygaz Group company 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 Aygaz Group 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, Aygaz Group Code of Ethics and Business Conduct or Koç Group Code of Ethics, you may seek guidance or report this incident to your line managers. You can send your complaints, questions and recommendations to the following e-mail address: uyum@aygaz.com.tr. You may alternatively report the incident to Koç Holding's Ethics Hotline via the following link: "koc.com.tr/hotline".

Aygaz Group employees may consult the Aygaz Group Legal and Compliance Directorate 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 04.08.2021 as of the date approved by the Board of Directors and is maintained by Aygaz Group Legal and Compliance Directorate.

Revision	Date	Comment