

ANTI-CORRUPTION POLICY



I. INTRODUCTION

Limak has proven to be a leading holding corporation within many lines of business. We, for the purpose of sustaining and maintaining our leading position, have been and shall continue to accomplish our corporate integrity on the optimal levels.

Our awareness of inherent challenges and opportunities introduced by making business in international domain and Turkey is of utmost importance. Thus, we have been reintegrating our common commitment and adherence to the highest ethical standards in business manner.

As a fundamental and principal requirement for our global presence and the businesses and processes performed and executed by us with our customers in public and private sector in Turkey and worldwide, our employees are required to familiar with this Policy, request clarifications and further information on this Policy when required and abide by and comply with this Policy as well as the entire applicable anti-bribery and anti-corruption laws at all times.

Limak Code of Practice, enclosed to this document and accessible to the general public, entails the execution and performance of the entire activities and operations of Limak in accordance and strict compliance with the international law and the legislation of the Republic of Turkey. Limak's Anti-Corruption Policy ("Policy") has been established and adopted for the purpose of raising the Limak Code of Practice and the code of conduct anticipated within the organization.

II. APPLICABILITY

This Policy applies to the entire directors, officials and employees of any of the subsidiaries, affiliates and joint ventures (jointly as "Limak"). The entire employees, regardless of their nationalities and domiciles, are responsible and liable to acknowledge and comply with this Policy.

Limak, for the purpose of standing its stance and ground against the bribery and corruptions and in accordance with the applicable and actual international standards at all times, applies and implements this Policy by regulating special terms and conditions only applicable to the relevant department or project. This Policy, unless otherwise specified in the special terms and conditions to be applied to the relevant project, is indiscriminately applied to the entire departments and projects of Limak.

Moreover, with respect to the acquiring, executing, maintaining or expediting the work or processes or work and process-related aspects, expects any third parties offering any services to Limak ("Third Parties") to comply and abide by this Policy. Such Third Parties include but not limited to brokers, consultants, distributors, resellers, representatives, agents, customs brokers, freighters, transportation providers, contractors and suppliers. The said obligations and liabilities are expected to be explicitly elucidated to the Third Parties and rendered to be a contractual obligation where and if applicable.

This Policy has been inured on April 1, 2016. This Policy can be amended at any time. Amendments, unless stated otherwise, shall be inured with immediate effect.

III. ENFORCEMENT

Considering and comprehending the Limak Policy are the responsibility of each Limak employee. A. Kerem Atıç and Yunus Emre Bakiler have been appointed by Limak as the privileged “compliance officers” and the responsibilities thereof are presented hereinbelow: (a) Implementing the Policy, (b) Providing training to the employees on the policy, (c) Following up our business activities to ensure compliance with the Policy, (d) Providing the necessary resources for each employee to report possible and alleged violations of the Policy, (e) Updating and reviewing the Policy in order to ensure its continuous improvement to ensure the vibrant and rising standards of anti-corruption and bribery, (f) Regular assessment of the effectiveness of the Policy, and (g) Performing annual risk integrity assessment for the purpose of identifying and prioritizing the internal and external corruption risks encountered by the Corporation. Instructions have been issued to the entire Limak units to ensure their collaboration with the compliance officers while performing their duties and tasks and therefore, they are expected to comply with this.

Limak Compliance Officers are authorized and entitled to (a) organize and perform individual meetings with Limak employees and business partners, (b) request verbal or written information from Limak employees and business partners, (c) request and review Limak’s ledgers, records and documentation, (d) request and review the entire communications done both within and outside of the workplace through Limak employees’ registered electronic mails and registered mobile phones on behalf of Limak.

All sorts of objections or complaints related to the manner or content of the performance of the duties and tasks by Compliance Officers shall be filed in written directly before the Board of Directors of Limak. The said complaints shall not hinder the performance of the duties and tasks by Compliance Officers or constitute an exemption for the performance of the duties and tasks by Compliance Officers.

The entire information and data acquired by the Compliance Officer or presented to the Compliance Officer shall be strictly deemed to be confidential information and in case the said information and data include “personal” data, the relevant data or document or correspondence shall be returned to its principal holder upon the performance of the review.

Limak Compliance Officer shall directly report to the Board of Directors of Limak. The guidelines and procedures developed and regulated by the Compliance Officer shall be binding for everyone subject to this Policy with the form and manner as approved by the Board of Directors.

Executive directors, officials and authorized officers of each legal entity operating within Limak shall have the final responsibility to ensure that the entire Limak employees are aware of this Policy and the content thereof and provide guidance and assistance for the implementation and interpretation of this Policy. The Compliance Officers shall be entitled to respond to any inquiries and concerns to be arisen. Each employee is entitled to contact the Compliance Officers through the means of face-to-face meetings, interviews, telephone calls and electronic mails or hotline.

IV. COMPLIANCE

Limak employees are, at all times, responsible and liable to comply with the laws, regulations and international conventions applied in countries where Limak operates or where Limak employees establish communication otherwise. Not being familiar with and comprehending the applicable rules and regulations shall not be a valid excuse, and every Limak employee should maintain actual and updated knowledge and information with respect to the following and therefore, act accordingly:

- The requirements in this Policy;
- The entire relevant laws, rules and regulations applicable in the countries of operation;
- Other business practices that may be relevant, such as codes of ethics of trade associations and international conventions.

The scope of application of the anti-bribery and anti-corruption laws applicable in certain countries such as the United States of America Foreign Corrupt Practices Act (US Foreign Anti-Corruption Law) and 2010 United Kingdom Bribery Act (UK Bribery Act) has been extended to enable implementation for the acts committed overseas. The entire Limak employees are required to comply with the applicable laws of the entire countries in which they operate, regardless of their scope of application, and ensure that such laws shall not be violated.

Failure to comply with anti-corruption laws may lead to serious adverse consequences for Limak, such as excessive fines and penalties, banning from public tenders, and undeniable and irremediable damages to the corporate reputation and goodwill. Breach and violations of the anti-bribery and anti-corruption laws may also have an impact and influence on Limak employees and may expose them to penal sanctions such as imprisonment and pecuniary penalties.

Breaching and violating this Policy or any applicable laws, under no circumstances, shall NEVER be in the favor of Limak. Compliance with this Policy is COMPULSORY and each individual failing to do so shall be subject to an appropriate disciplinary action including the employment termination.

V. NONCOMPLIANCE PERSPECTIVE

Limak Policy not only prohibits any sorts of unethical or illegal behavior, but also requires the entire Limak employees and Third Parties to refrain from any acts and behaviors that may seem inappropriate.

VI. DEFINITION OF CORRUPTION AND BRIBERY

We do not directly or indirectly promise or pledge our word, offer, propose, grant, provide or approve granting any bribes or literally anything valuable to any Public Official, employee or representative of an organization owned or controlled by the state or any real or employee of legal entity for the purpose of influencing the decision-making process or acts, behaviors and actions of such entities for acquiring, maintaining, sustaining any process or securing any inappropriate interest of Limak.

Such prohibition of promising, offering, proposing and payment of bribery shall further be applied to the Third Parties such as suppliers, brokers, consultants, distributors and business associates offering services and acting on behalf and in the name of Limak and all sorts of relevant processes and transactions. This Policy further prohibits any bribery by or on behalf and in the favor of any Limak employee.

Bribery includes:

- Cash or other types of payments done for the purpose of securing an agreement or acquiring license;
- Gifts or invitations granted for the purpose of influencing the receiver for doing a certain transaction and acting in a certain way;
- Payment of travel and accommodation, entertainment expenses for a customer or Public Official's trip that is not related to work.

VII. GIFTS, HOSPITALITY AND ENTERTAINMENT

This Policy includes the rules and guidelines regulating the provisions with respect to gifts, hospitality and entertainment and comprehension of each terms is of utmost importance.

Definitions:

The term “gift” refers to the action of giving anything bearing any value to any person acting as a non-employee of Limak or reception of such thing as a part of business relation (actual or potential) without any expectation of affording any advantage or interest in return.

The term “entertainment” refers to a circumstance in where at least one employee of Limak attends an entertainment event with someone who is not an employee of Limak for legitimate business purposes and for the purpose of developing or maintaining a business relation. Participation to a banquet or sports event or concert can be an example for entertainment.

The term “hospitality” refers to offering travel, transportation means, catering and/or accommodation to individuals that are not employees of Limak for legitimate business purposes.

A. Offering Gifts

Exchanging business gifts with real entities for a transparent, proportionate, reasonable and well-intentioned purpose is feasible as long as it is a matter of mutual modesty and courtesy. The Compliance Committee shall draw up a list including the applicable thresholds in terms of Limak organizations, interests and group companies and the requirements related to the written authorization required to be obtained prior to the provision of gifts within the said thresholds. The gifts, for the purpose of ensuring full compliance with the local laws and court practices within the scope of the thresholds, may vary depending on the projects and countries.

Provision of gifts bearing any value to the Public Officials (and relatives thereof) is generally prohibited, however, only in exceptional conditions, gifts can be offered or possible to be provided to such persons upon the written approval of Limak’s Compliance Officer.

As long as the frequency of gifts not to be deemed as inappropriate and in case it is explicit that the purpose of ensuring the security or sustainability of business is not sought, employees are entitled to provide gifts based on their personal relationships. Determinations on the gift frequency is to be specified on the thresholds to be assigned to each department or project.

The entire Limak employees are prohibited to provide or offer gifts that can be construed as effecting the outcome of a business process or transaction. A gift should never lay someone under obligation or necessity. Promotional products are considered as a good example for common and acceptable gifts. A gift should never include cash.

Each gift offered or presented by Limak employee is required to be properly documented and declared to the Compliance Officer. The Compliance Committee shall maintain and retain a ledger for gifts of business relationship containing delivery and receipt records, and such entries must include a record of the provider, recipient, and value of the gift.

B. Receiving Gifts

As a general practice, Limak prohibits its employees from accepting gifts in the event that they are in the position to make decisions to affect the gift provider or that can be affected by this gift. As long as the frequency of gifts not to be deemed as inappropriate, the employees are entitled to receive the following gifts:

- Gifts based on a personal relationship in case it is explicitly understood that the motive is not to secure or maintain a business;
- Discounts, rebates and benefits provided to a wider community;
- Genuine prizes and presents or
- Free of charge attendance for a large-scale meeting or social event, meals, snacks or materials provided at that particular meeting or event.

All sorts of gifts not within the scope presented hereinabove or other gifts provided by courtesy based on the business relationship shall subject to the gift acceptance thresholds to be designated by the Compliance Committee specific for the relevant department or project. Keeping the gifts below the designated thresholds shall subject to the prior written authorization of the relevant department or the officials duly assigned for the projects. Gift exceeding the designated thresholds are required to be politely rejected as a rule. In case it is not practically not feasible to reject or return the gift politely, the gift shall be delivered to the relevant department or the official duly assigned for the projects. Such gifts shall become the property of the corporation and therefore it is recommended for such gifts to be:

- Retained to be displayed in the corporate offices;
- Provided to the employees in a department, without any discrimination, who requires that particular gift to use as equipment;
- Distributed through a lottery in where every employee has the equal chance to win or
- Donated to a charity organization.

Each and every gift provided to Limak employees shall be duly recorded. Such record should include the identification particulars providing the gift and the value of the gift. Every gift received for this purpose is to be reported to the Compliance Committee to be recorded in the ledger of gifts for business relationship.

The entire Limak corporations, in addition to this Policy, are responsible and liable for following the monetary limits and approvals for gifts in accordance with local legislation rules, including the tax law.

C. Hospitality and Entertainment

No hospitality or entertainment that can inappropriately affect a business decision, result in an appropriate business benefit or interest, steer and sustain the course of business or with the nature to be perceived as any of those.

It is generally forbidden to invite and host Public Officials (and relatives thereof), however, only in exceptional conditions and in case of justifiable reasons, such invitation and hosting can be offered or possible to be provided to such persons upon the written approval of the relevant officials designated on the threshold list specified for each department and project by the Compliance Officer.

Just like the gifts, hospitality and entertainment are required to be legal under the relevant laws. Hospitality and entertainment can in no way include sexual services, illegal drugs or any other illegal

acts or the acts with the potential to result in an adverse and undesired reputation and image for Limak.

Banquets, meals, snacks and entertainment provided to real entities are entitled to be performed upon the preliminary authorization of the relevant department or the official designated for the project, provided to fulfill the four requirements hereinbelow in accordance with this Policy:

- Hospitalities taking place in the form of a meeting or other event is intended to perform the business negotiations and is related to a business permitted by local law and the policies of the recipient's organization;
- Banquets or entertainment not to be reasonably qualified by the local standards as immoderate or exaggerated;
- Banquets at or below the threshold designated per person or entertainment such as sports events, theater performances or other cultural events at or below the designated threshold or
- Entertainments in where attendants not accompanied with spouses or guests not related to other business.

The entire Limak corporations, in addition to this Policy, are responsible and liable for following the monetary limits and approvals for entertainment and hospitality in accordance with local legislation rules, including the tax law.

VIII. TRAVELS

Preliminary authorization of the relevant department or the official previously designated in accordance with the special terms and conditions to be applied to the project is required to be sought for covering the non-domestic transportation of the individuals that are not the employee of Limak (including air travel) and accommodation. The airline tickets for the individuals that are not the employee of Limak shall be directly purchased by the Limak employees from airlines or independent travel agencies. In case it is deemed to be necessary to reimburse the amounts to the individuals that are not the employee of Limak for the travel and accommodation expenses done by themselves, documents duly issued evidencing and indicating the reasonable amount spent for travel are required to be obtained prior to the reimbursement. Limak shall never reimburse the activities and processes not related with the business (excursions, family members, etc.).

As a general practice, reimbursing the non-domestic transportation (including air travel) and accommodation of the Public Officials (and relatives thereof) is prohibited, however, only in exceptional conditions and in case of justifiable reasons, such reimbursement can be offered or possible to be provided to such persons upon the written approval of the relevant officials designated on the threshold list specified for each department and project by the Compliance Officer.

The entire records and entries related to the travel, entertainment and hospitality (including the expense reimbursement and refund forms) are required to be complete and accurate and include the names and titles of the relevant persons, as well as the information on the employer and special remarks, descriptions and detailed justification with respect to the entertainment and hospitality event.

IX. MERGERS AND TAKEOVERS

Limak, prior to any merger, takeover or joint venture, shall perform an appropriate due diligence with respect to anti-bribery and anti-corruption. The due diligence to be performed with respect to anti-bribery and anti-corruption shall include but not limited to inspection and due diligence of any previous or actual administrative, private or public process and transactions with respect to actual or alleged

conflict of interest related to relevant parties, reputation and past practices (for instance; whether or not related to unethical process), previous or actual administrative, private or public process filed against the relevant party related to anti-bribery and anti-corruption policy or programs and corruption claims.

X. AGREEMENTS

The entire Third Parties performing business on behalf of Limak and over whom the Corporation has control, are required to have understood and agreed to comply with the relevant legislation and the Policy to the possible maximum extent. Limak shall, in case of failure of the Third Parties to fulfill the requirements stated herein, reserve the right to terminate its relationship with the relevant Third Parties. Limak shall be entitled to conduct a compliance review and request annual compliance documentation with respect to the agreements concluded by Limak with the Third Parties to the extent applicable.

Accordingly, a clause shall be incorporated in the entire agreements concluded by Limak with the Third Parties regulating Limak's right to perform controls and audits and to provide training to the Third Party and right to suspend or terminate its relation with the relevant Third Party with immediate effect in case Limak determines that such Third Party is in breach in this Policy. The wording of the clause for anti-bribery and anti-corruption, manner of incorporation to the agreement shall be determined in the special terms and conditions to be applied to each project or department.

XI. SELECTION AND MONITORING OF THE THIRD PARTIES AND INTERMEDIARIES

Limak employees should acknowledge that acts and behaviors of the Third Parties working on behalf and in the name of Limak may have serious consequences for Limak. Limak employees, in this direction, are required to exercise care and elaboration in the selection of Third Parties and monitor the acts and behaviors of Third Parties for the violation of the Policy or related laws as much as possible prior to or during doing business with these entities.

Moreover, public corruptions usually occur when the corporations make use of the Third Parties as intermediaries for the purpose of getting works related to public or influencing the public decisions in their favor. Anti-corruption and anti-bribery laws often do not include provisions for the differentiation between performing the transaction in person and through someone else on behalf of the transaction owner. Therefore, we are required to make sure to work with the intermediaries adopting the same standards exactly same with Limak's code of conduct both in the course of establishing contact with the Public Officials and customers operating within the private sector.

Limak, for this purpose, shall apply the preliminary inspection stated hereinbelow for its entire major subcontractors and business associates:

Inspection

The Compliance Committee shall establish rules and procedures for each project and department, which also list which of Limak's business associates are considered as the "**Substantial Business Associates**". Determination of the Substantial Business Associates may vary based on the size or content of the project or the department, however, shall include the legal or real entities operating within the critical business lines to be determined, published and updated by the Compliance Committee from time to time. According to this, the entire Substantial Business Associates shall subject to a due diligence process aimed to examine and identify the possibility of risk of exposure of Limak to corruption or bribery ("**Due Diligence Procedure**").

A. DUE DILIGENCE PROCEDURE - INTRODUCTION

Who? The Due Diligence Procedure of Limak shall directly be executed by the Compliance Committee.

Why? The Due Diligence Procedure shall also aim to identify, examine and ensure a detailed due diligence for the potential risks associated with the said Business Associates prior to the business relationship between the Substantial Business Associates (hereinafter shall be referred to as “**Business Associates**”) and Limak.

What? The Due Diligence Procedure includes collection of commercial and administrative information and data on the potential Business Associates of Limak, processing of such data collection and

- (1) Approval of a Business Associate directly by the Compliance Officer and/or
- (2) Augmentation of the Due Diligence Procedure for further research for acquiring data of sensitive nature on the relevant Business Associate and re-approval of the Business Associate by the Compliance Officer or
- (3) The Compliance Officer directly reporting to the Board of Directors along with a brief report to include the risks of establishment of a business relationship with the potential Business Associate for the Board of Directors rendering its final decision whether or not a business relationship is to be established with the relevant Business Associate.

When? The Due Diligence Procedure related to a Business Associate shall be executed **prior to** concluding an official relationship with the said Business Associate. “Official relationship”, in terms of this Due Diligence Procedure, shall refer to (1) regardless of the procedure, conclusion of a service agreements with the Business Associate or (2) initiation of goods procurement from the Business Associate or rendering of services or expertise by a Business Associate without the conclusion of a service agreement following any manner or procedure.

As a general rule in terms of full compliance with the compliance regulation, the Due Diligence Procedure shall **not be executed** after conclusion of an official relationship with the relevant Business Associate. However, in case (1) conclusion of an official relationship with the Business Associate prior to the execution of this Due Diligence Procedure by Limak for the project or (2) the Board of Directors agrees that conclusion of a business relationship with the relevant Business Associate promptly is absolutely required to serve for the commercial interests and benefits of Limak, the Due Diligence Procedure on the Business Associates can be executed after the initiation of the official relationship.

B. DUE DILIGENCE PROCEDURE - HOW?

Execution and completion of Due Diligence Procedure consist of 4 (four) stages:

1. Classification of the Business Associate
2. Requesting and collection of information and data
3. Data and information review
4. Final decision

The Compliance Committee shall be responsible for the execution of the Due Diligence Procedure.

1) **Classification of the Business Associate**

First step of the Due Diligence Procedure is the classification of the Business Associate. The classification of the Business Associate shall be performed by taking to consideration the risks to be borne by the Business Associate in accordance with the compliance regulation and scope of the risk to

be exposed by Limak. Therefore, the entire Substantial Business Associates shall subject to Due Diligence Procedure.

2) Requesting and Collection of Information and Data

The Compliance Officer shall directly be contact person during the performance of the Due Diligence Procedure in terms of the entire relations established.

The Compliance Officer shall initiate the Due Diligence Procedure by delivering a pre-approved Due Diligence Inquiry List.

The Compliance Officer shall maintain a Follow-Up List on electronic means regarding the Business Associates, subject to updates from time to time, ready and available at all times to be presented to the Board of Directors or the regulatory body.

Upon acquiring the required information and data from the Business Associate, the Compliance Officer shall process the information and data acquired by compliance software insofar as possible and/or conduct an investigation on the information and data acquired through the accessible channels including the black list and prohibition of trade. In case of missing information and data, the Compliance Officer shall request such missing information and data by e-mail following an-email confirmation through making a phone call.

In case of any question received during the collection of the documentation including the face-to-face interviews, meetings or phone calls with the Business Associate, the Compliance Officer shall then receive a written confirmation accordingly.

The inquiry lists delivered to the Compliance Officer shall be signed by the authorized representative of the Business Associate and such signature shall preferably be appended on the corporate seal of the relevant Business Associate. The Compliance Officer should not accept and review any inquiry list not duly signed, except the ones for preliminary inspection. The entire documentation and information delivered to the Compliance Officer is required to be legible and genuine. The Compliance Officer, at its sole discretion, is entitled to request for the delivery of the documentation and information in more legible format, ask further questions or perform an appropriate review as specified hereinbelow.

3) Data and Information Review

The entire information and documentation delivered to the Compliance Committee are directly reviewed by the Compliance Officer(s). As for the balance sheet and financial statements, the Compliance Officer is entitled to have support from Limak's Budget and Reporting Department for the performance of analysis.

The Compliance Officer, while reviewing the data provided by the Business Associate, shall identify and determine the matters in the responses of the Business Associate that are or can be ambiguous or doubtful found as a result of the reasonable judgment and missing, deficient and incomplete matters identified at the results achieved during the search performed independently apart from the information and data provided by the Business Associate.

In accordance with the data hereinabove, the Compliance Officer employs a Chart of Indications to make a decision on the Business Associate. Chart of Indications is consisting of two categories as stated below:

a. Indication

Based on the reasonable opinion of the Compliance Officer, in case of indications alone or with other Indications jeopardizing the transparency of the Business Associate subject to the due diligence, any data, information, documentation, annotation or situation indicating; (1) if the Business Associate is in breach of any applicable compliance regulation or (2) in case of any possibility of any recent breach of any applicable compliance regulation by the Business Associate or (3) if may result in breach of any applicable compliance regulation of Limak, are considered to be an "Indication".

An indication is not usually constituting a ground to augment the due diligence on its own (as described in the section below), and it is highly likely that a Business Associates' Indications is due to the collaboration with Business Associates and the availability of information on the Business Associates. Such indications can be independent of each other and also can be ordinary matters within the area of activity of the Business Associate or may even lose its qualification of an Indication when further due diligence is performed on the data. However, the Indication may denote a presence of an information or data particularly concealed that might be an Indication for a Danger when further due diligence is performed on the Indication. The Compliance Officer shall be under the obligation to exercise their best judgment in examining the Indications in order to deliver a final decision, as explained in the section below.

The Indications for informational purposes can be as follows: (1) In case the Business Associate is a private enterprise with 90 (ninety) shareholders and not able to provide contact information of certain shareholders, (2) in case the spouse of the director of the Business Associate is a public officer but employed within an area and/or at a territory not affiliated with Limak or the area of activity of Limak, (3) in case any of the members of the Board of Directors of the Business Associate has been charged with fraud but absolved.

b. Danger Indication

Based on the reasonable opinion of the Compliance Officer, any data, information, documentation, annotation or situation indicating; (1) Business Associate acting in breach of the compliance regulation or (2) Business Associate recently acting in breach of the compliance regulation or (3) Business Associate acting to cause potential breach of compliance regulation of Limak, are considered to be a "Danger Indication".

Danger Indication (as explained below) constitutes a ground for augmenting the due diligence. In the presence of a Danger Indication, further inquiries are always required to be directed to the Business Associate for assurance, and further requests should be filed accordingly. Presence of the Danger Indication, merely, shall not indicate a condition in where conclusion of an establishment of a relationship by Limak with the said Business Associate should be avoided. Instead, it requires certain preventative precautions and measures to be taken such as incorporation of additional liabilities and obligations in the service agreement by Limak or the Business Associate as well as further statements and commitments.

Danger Indications for **informational purposes** can be as follows: (1) in case the Business Associate fails to or refrains from providing a satisfactory list of shareholders, (2) in case the sibling of the director of the Business Associate is a public officer directly affiliated with the area of activity of Limak or geographical territories in where Limak operates, (3) in case of presence of an ongoing money-laundry cause against the Business Associate.

4) Final decision

Upon the completion of the due diligence phase, the Compliance Officer shall follow one of the three ways presented hereinbelow, depending on the presence of the Indication and/or the Danger Indication.

a. Approval

In case, the Compliance Officer shall be convinced at its sole discretion or as a result of its decision that the Business Associate (1) does not bear any indication during the due diligence or (2) even if it bears such indication, it is not of a substantial nature or related with the compliance regulation, the Compliance Officer shall have the Business Associate approved.

The approvals are performed by means of completing a Business Associate Approval Form. The Compliance Officer is entitled, at its own discretion, specifically to include or not to include annotations regarding the Business Associate in question. Upon the completion of the Business Associate Approval Form, the Compliance Officer signs the form and delivers it to the relevant Project department of Limak. Upon the delivery of the form, the Business Associate shall be deemed to be approved accordingly.

b. Augmentation and Approval

In case, as a result of the Compliance Officer's reasonable discretion or decision, the Business Associate subject to the diligence (1) bears an Indication or denotes that the Business Associate has violated or may violate compliance regulation or may cause Limak to violate the compliance regulation or (2) a presence of a Danger Indication, the Compliance Officer shall augment the due diligence process accordingly.

During the augmentation phase, the Compliance Officer shall review the Indication(s) and/or Danger Indication(s), ask further questions, request for further information and documentation and conduct face-to-face or phone interviews and meetings with the Business Associate.

In case the Compliance Officer, as a result of the augmentation phase, is convinced that the Indication(s) and/or Danger Indication(s) is/are not of a substantial nature in terms of compliance regulation and/or area of activity of Limak, shall complete a Business Associate Approval Form. The Compliance Officer, during the completion of the form, shall list the Indication(s) and/or Danger Indication(s) and shall present his/her opinion in an objective manner that he/she is convinced that such provisions are not contradicting with the compliance regulation and/or Limak's interests.

The Compliance Officer signs the form and delivers it to the relevant Project department of Limak. Upon the confirmation of the relevant Limak official indicating the reception of the form in complete, the Business Associate shall be deemed to be approved accordingly.

c. Communicating to Management

In case, The Compliance Officer, as a result of the reasonable discretion or decision, is convinced that the Indication(s) and/or Danger Indication(s) is/are of a substantial nature in terms of compliance regulation and/or interests of Limak, the Compliance Officer shall complete a Business Partner Due Diligence Augmentation Form for the purpose of expanding the scope of the due diligence. The Compliance Officer, during the completion of the form, shall list the Indication(s) and/or Danger Indication(s) and shall present his/her opinion in an objective manner that he/she is convinced that such provisions may constitute a contradiction with the compliance regulation and/or Limak's interests.

Subsequently, the Compliance Officer shall deliver the form along with the evidential information and documentation to the Board of Directors of Limak. The Compliance Officer shall respond to the entire questions to be asked by the Board of Directors of Limak related to the Business Associate and the risks of establishing a business relationship with the Business Associate and attend to the entire meetings accordingly. The Compliance Officer, in case deemed to be required or recommended, is entitled to request further information and documentation from the Business Associate.

Thereupon, the Board of Directors shall deliver a decision whether or not a business relationship is to be established with the relevant Business Associate. The Board of Directors, acting with the awareness of the current risks and the Business Associate Due Diligence Augmentation Form, in entitled with the full and absolute discretion over whether or not a business relationship is to be established with the relevant Business Associate.

C. DUE DILIGENCE PROCEDURE - APPROVALS

The entire Business Associates providing services to Limak in an area other than those deemed sensitive activities by the Compliance Committee and have not been subjected to the Due Diligence Procedure shall be approved by the Compliance Committee by completing a Business Associate Approval Form. The said approval shall be valid and applicable until a substantial and material change is notified with respect to the matters related to the representation or shareholding status of the Business Associate or the compliance with the anti-bribery and anti-corruption regulations and the approval is required to be reassessed based on the opinion of the Compliance Committee. Stricter restrictions may be imposed on the Business Associate's approval conditions specific to the project or department.

The entire Business Associates providing services to Limak in an area other than those deemed sensitive activities by the Compliance Committee and have been subjected to the Due Diligence Procedure shall be approved by the Compliance Committee by completing a Sensitive Matter Business Associate Approval Form. Said approval shall be valid and applicable for a period of 1 (one) year and upon the expiry of the period of 1 (one) year, the Due Diligence Procedure shall be executed again.

In case Limak has the intention and desire to procure services or goods from or refer to the specialization and expertise of the Business Associate approved by means of the procedure stated hereinabove in partially or entirely different matter than the ones stated in the principal service agreement, unless such service or goods procurement or referral to specialization and expertise is related to the areas of activities deemed to be sensitive, the said Business Associate shall not subject to the Due Diligence Procedure throughout the validity date of the approval.

Group companies of a Business Associate (parent company, another company owned by the same shareholder or affiliated companies) can be subjected to the Due Diligence Procedure, regardless of the similarity of shareholding or management structures.

D. DUE DILIGENCE PROCEDURE - FINAL ANNOTATIONS

The Compliance Committee shall archive the entire documentation and records provided by the Business Associate during the Due Diligence Procedure on electronic means.

The entire information provided by the Compliance Committee is of confidential nature. Due to the confidentiality nature in the commercial sensitive information, such confidential information requires that the archives of the Compliance Officer to be kept confidential before the Limak Employees and be shared only with the selected Limak Employees to the extent they are required to know or with the Board of Directors.

In case of replacement of the Compliance Officer, the former Compliance Officer shall deliver the entire archives retained and maintained physically or on electronic means to the newly appointed Compliance Officer. Thereupon, the former Compliance Officer shall delete and destroy the copies retained by himself/herself, except the records and logs that are statutory obliged to be retained and maintained.

XII. DANGER INDICATIONS

"Danger Indications" refer to the situations in a certain process that may require further examination and protection for possible violations of anti-corruption and anti-bribery laws or Limak Policy. Examples of "Danger Indications" can be found in the section "Definitions" hereinbelow. "Danger Indications" may emerge during the third party reviews or the business relationship with the relevant Third Party. The danger indications for a particular project or department and the risk limitation of such danger indications shall always be determined within the specific conditions applicable to the project or department and not limited in number.

The entire "danger indications" is required to be reported to the Compliance Officers or through the "hotline" described in section XVIII. The entire "danger indications" reported shall be evaluated by Limak's Compliance Committee or by duly appointed individuals or committees. An attitude such as "I do not want to know that" shall lead to certain liabilities and consequences for both Limak and that particular individual practicing that attitude.

XIII. RELATIONS WITH PUBLIC OFFICIALS

Employees are encouraged to (i) report meetings planned by an employee or a Public Official to their senior managers, regardless of the agenda or degree of importance of the meeting, and (ii) attend a meeting or telephone conversation with a Public Official in the presence of another Limak employee, insofar as possible.

Public Officials, unfortunately, occasionally and unlawfully may exercise their influence over employees for the purpose of obtaining money, gifts, favors or other benefits. Employees are required to be reminded that such act constitutes an offense and therefore act as follows in such a situation: In case they experience an unjust and unlawful threat or coercion by the Public Official, which is likely to result in immediate physical harm to the employee, another employee, or a relative, in the event of non-performance, they are required to comply with the request and report it immediately to the Compliance Committee accordingly. Lives and liberties of the employees are of utmost importance in the eyes of Limak. In such case, the Compliance Committee shall cause an investigation to be initiated for the determination and penalization of the said felony.

In case the employees experience an unjust and unlawful threat or coercion by the Public Official, which is likely to result in immediate losses and damages to the operations or assets and properties of Limak, in the event of non-performance, they are required to resist against such request and report it immediately to the Compliance Committee accordingly. In such case, the Compliance Committee shall cause an investigation to be initiated for the determination and penalization of the said felony.

XIV. POLITICAL CHARITIES

Charities and aids granted to the political parties, party officials or candidates may violate and breach the laws of the Republic of Turkey, regulations and legislation on the Declaration of Property No. 3628, Law on Anti-Bribery and Anti-Corruption and other applicable laws on the anti-bribery and anti-corruption. Such expenditures shall subject to this Policy as well as other applicable laws.

Therefore, any assets and properties of Limak cannot be used for political charities, unless this charity is granted in accordance with the relevant laws and in accordance with the prior authorization of the Limak Legal Counsel or Compliance Officer.

XV. SOCIAL RESPONSIBILITY PROJECTS AND CHARITIES

Social responsibility projects constitute a substantial part of Limak's corporate identity. However, we are required to act with the awareness that the assistance and donations provided to charities, in which Public Officials are involved, for example, serving as a foundation director, in return for any benefit for the corporation's business, may introduce certain issues under international anti-corruption laws. Certain charity organizations may adopt an attitude that any contribution performed to a charity affiliated with a Public Official shall be deemed to be performed for the benefit of the State Official. Requests for charity or donations are required to be treated and addressed separately from business activities and operations and thus, it is improper to provide charity or donations in return for any benefit with respect to and in the favor of the corporate business interests.

No Limak employee, director or Third Party is entitled to offer, perform or undertake any charity or social responsibility project on behalf of the corporation for the purpose of deriving any business benefits.

The Compliance Committee shall draw up a separate set of documents regarding each planned donation and charity, sponsorship agreement or a planned scholarship, and these documents shall be subject to the prior written approval of the Compliance Committee and the senior manager of the project or the related department.

XVI. LEDGERS AND RECORDS

Establishing and maintaining realistic ledgers and records, in which the details of transactions and asset disposals are duly processed and registered and including reasonable details regarding them, through the establishment of an internal accounting control system is regarded as a Limak Policy. Inaccurate, erroneous or deficient entries to these records and documentation or other documents are strictly prohibited. Funds or accounts not disclosed or registered cannot be established for any reason whatsoever.

Expenditures of Limak are required to be supported and evidenced by sufficiently detailed explanations of activities and operations in addition to the accurate and valid invoices and receipts indicating the amounts of such expenditures. In accordance with this endeavor, Limak's Compliance Officers, may from time to time, publish forms for the approval of certain expenditures or activities.

Intentional submission (by any employee) or acceptance (by the accounting department or another personnel) of inaccurate receipts and/or invoices is strictly prohibited and acting like this shall subject to certain sanctions including and up to disciplinary investigation, administrative action and even termination of the employment.

An accounting control system shall be in place and maintained ensuring and securing to a reasonable extent in where (i) transactions are performed upon the approval of the management, (ii) transactions are recorded in a manner allowing and enabling for the preparation of financial statements reflecting the truth, the calculability of the assets is maintained and ensured, (iii) access to assets is only permitted upon the approval of the management, and (iv) that appropriate auditing functions are performed.

XVII. NON-RETALIATION

Any employee, who is aware that this Policy has been or is to be violated or suspects that such a violation has been or is to be committed, is required to immediately report this to the team leader and/or the Compliance Committee. Limak shall not tolerate any retaliation against a person who has communicated such a report bona fide. In case you become suspicious of existence of a retaliation, you are promptly required to report this.

Reports regarding the violation of this Policy, unforeseen situations or inquiries regarding the interpretation of the Policy are required to be asked to the relevant supervisors or communicated to Limak's Legal Department or Compliance Committee.

In case any employee feels uneasy and uncomfortable talking to the immediate supervisor, such employee is entitled to contact with Limak's Legal Department or Compliance Committee.

As for the notices regarding the fraud, illegal confiscation and bribery related to the commercial transactions or conducts involved by the employees, suppliers, contractors or business associates, such notices are definitely be required to be supported by solid findings, evidences and data.

The entire notices received by the corporation shall be treated in strict confidentiality to the maximum extent permissible by applicable laws.

XVIII. HOTLINE AND INFORMATION DISCLOSURE

The entire Limak employees are expected to comply with our corporate rules and legal obligations at the highest level and act accordingly within this scope.

Moreover, Limak corporate culture was established on the values of transparency and accountability.

Limak employees act with the awareness that whenever they suspect that the corporate rules or legal obligations have been violated and breached, it is of utmost importance to report this situation and that their notifications shall be subjecting to the investigations conducted in an urgent and confidential manner.

Each and every Limak employee is entitled to disclose their suspicions arising due to reasonable causes to the required authorities without hesitating to be misunderstood, even if the aforementioned doubt is unrequited.

A. BEHAVIORS AND INCIDENT SUBJECTING TO INFORMATION DISCLOSURE

The following situations can be some of the examples for the disclosure of information on dangerous and damaging behavior:

- a. Transgressive behaviors,
- b. Behaviors in breach of occupational health and safety rules,
- c. Behaviors detrimental to nature,
- d. Behaviors in breach of any legal or code of practice and/or obligations,
- e. Bribery,
- f. Behaviors in breach of compliance regulation and rules,
- g. Behaviors detrimental to reputation and image of Limak,
- h. Unauthorized disclosure of confidential information,
- i. Disorderly and detrimental behaviors of employees,

In case a Limak employee has reasonable suspicion regarding the behaviors and situations stated hereinabove, the employee is required to report this situation in accordance with the process stated hereinbelow.

Each Limak employee experiencing uncertainty regarding the disclosure of information, they are entitled to consult with the Compliance Officer.

B. HOW ARE YOU EXPECTED TO UTTER YOUR RESERVATIONS?

Limak management and Compliance Officers aim to ensure that Limak employees who intend to disclose information acknowledge the principles stated hereinbelow:

1. Their reservations communicated shall be followed in the highest level of confidentiality,
2. The individuals disclosing the information shall be ensured to remain anonymous and
3. They shall not be subjected to any mistreatment or disciplinary sanctions or termination of the employment agreement due to their disclosure of their reservations bona fide.

Limak employees are entitled to communicate their reservations to their department manager or directly to the Compliance Officer through the following contact information:

- Phone (by means of answering machine of the hotline): (+9)0 850 759 12 12
- E-mail: uyum@limak.com.tr

C. INFORMATION DISCLOSURE IN TERMS OF BUSINESS ASSOCIATES

Even if the reluctant behaviors causing the disclosure of information shall generally be related to Limak employees, there is also a possibility that these are related to the violation of the rules of the Business Associates. Therefore, Limak employees, in case they have reasonable suspicions about the acts of a Business Associate in breach of compliance regulation, including those that may possibly affect Limak operations or employees, are expected to disclose this situation accordingly.

D. INQUIRY AND OUTCOME

Following the Limak employees utter their concerns related to the breaching behavior, the Compliance Officer, if required, shall conduct a preliminary inquiry aiming for the determination of the responsible person and the scope. The Compliance Officer reviews the outcomes of the inquiry conducted. Limak employees may need to attend additional meetings for the purpose of obtaining further information. In case of inquiry of a specific matter, the Compliance Officer is entitled to appoint one or more individuals from outside or within the corporation.

Limak is aware that Limak employees who have reservations may have certain concerns regarding the possible consequences of uttering these reservations. The Board of Directors of Limak, even if the said reservations are to be unrequited, supports the uttering of reservations communicated bona fide.

In this manner, no retaliation shall be performed against the Limak employee disclosing the information by any of the Limak employees, including the superiors. In case of retaliation contrary to the Procedure, a disciplinary investigation shall be initiated on the employee acting in retaliation. However, Limak employees are aware of the fact that in case they make allegations made in bad faith or turned out to be false, or causing serious misunderstandings about others for their own benefit, such employees may be subject to disciplinary action or even termination of employment.

XIX. TRAINING

Each employee shall subject to training on Limak Policy at regular intervals. A copy of the Policy shall be given to each employee on an annual basis and each time the Policy is amended accordingly. The employees, upon receiving a copy of the Policy, shall state that they have received, read and acknowledged the Policy and therefore, abide by this Policy.

Limak aims to provide training to its entire employees on Limak Policy and ensure that this Policy and anti-corruption and anti-bribery regulation would be complied to and abode by. Each training to be provided aims to communicate the risks of bribery and regulatory compliance based on the characteristics of the working group receiving training (for instance; administrative affairs, finance and procurement).

Each newly recruited Limak employee shall receive training on the Policy within three months from the date of commencement of employment within the affiliated Limak Corporation.

Limak updates the training provided to the employees within certain intervals designated by the Compliance Committee in order to ensure that the training is, at all times, actual and updated in terms of recent developments, risks and aspects within the scope of the Policy and provides the training again when updated.

The Compliance Committee decides whether the trainings shall be provided to affiliates and Business Associates, in consideration of the specific terms and conditions of each project and department and the possibility of risk exposure of Limak.

XX. CONFLICTS OF INTEREST

Recognition in an area of activity generally indicates a specific fund of knowledge, proven experience and consistently satisfactory performance. Limak mostly relies upon the recognition of its business associates and subcontractors for the purpose of maintaining its leading position in its fields of activity. Limak, as a principle, when establishing relationships with third parties, considers the merits of the said third person, regardless of the seniority thereof and the relationship thereof with a Limak employee. However, for the mere purpose of preventing and avoiding conditions and circumstances to be deemed as inappropriate and anticipating and minimizing or avoiding the legal consequences that may arise, Limak adopts to review and identify the conflicts of interest with respect to the said third parties.

Limak Compliance Committee, together with the procurement, finance and human resources departments of the Limak Group of Companies, shall develop a method for maintaining a record book where each conflict of interest shall be recorded, and ensure that the services and goods procurement from third parties with a conflict of interest shall be based on a solid commercial justification.

XXI. BREACHES

Breaches of the policy and applicable laws may lead to disciplinary investigations up to an extent of the termination of the employment contract, administrative fines, criminal investigation, imprisonment and/or lawsuit. In addition, a breach of anti-bribery and anti-corruption laws applicable at any location worldwide may result in imposing legal and/or penal sanctions on the corporation.

XXII. DEFINITIONS

The terms herein shall refer to the definitions stated hereinbelow:

Danger Indications

The term “Danger Indications” refers to situations that generally give a reasonable person the opinion that there is or might be illegal or improper behavior in relation to a transaction. Presence of a Danger Indication shall not require the immediate termination of a process or an activity. However, presence of a Danger Indication requires performance of an examination and investigation on an appropriate level prior to the advancement of the indication.

“Danger Indications” shall include but not limited to the following:

- Performing business with a government or private enterprise located in a country known for corruption practices;
- Reluctance of the Third Party for the reasonable legal examination;
- Known claims for the illegal or unethical acts and behaviors of the Third Party;
- Any judgment of conviction issued for the management and substantial employees of the Third Party;
- Suggestions for the Third Party’s non-compliance with applicable laws, regulations or corporate policies;
- Any suggestion related to a certain inappropriate behavior exercised in a certain country perceived as a tradition or a rule;
- Refusal of an employee to comply with the code of practice;
- The owner of the Third Party being a Public Official (or close relationship of the Third Party with a Public Official);
- Refusal of the Third Party to notify its principal and beneficiary shareholders;
- Recommendation of a Public Official to use a certain Third Party;
- Persistence of the Third Party to request cash payment;
- Request for payment to Third Parties not involved with the transaction in any way whatsoever;
- Invoices or payments with extraordinary high sums;
- Absence of documentation regarding the work performed or the service provided by a Third Party, such as the absence of a written contract for "services provided" or invoices containing only "services provided";
- Payments requested apart from the ordinary course of process and accounting structure;
- Payments performed to the accounts outside of the countries where the Third Party is a resident or has regular operations;
- Transactions where dummy companies are used as intermediaries particularly in countries offering tax concession;
- Payments other than reasonable accommodation, catering and entertainment in relation to the meetings attended by Public Officials;
- Sponsorships done from the travel means to holiday location arrangements or “breaks” with excessive terms or payment done for excursions;
- Payments for transportation, accommodation, catering or entertainments for relatives, friends or related persons of an individual;
- Requests filed for donations and grants to a private charity organization (regardless of the fact that the requesting party is within the management of controlling the charity organization);
- Use of brokers, intermediaries, distributors, agents or other Third Parties that have not been examined and approved accordingly;

- Unusual high volume of business offered by the vendor or agent subject to commission fees;
- Failure to disclose payments performed to the recipient's employer(s);
- Unusual high fees and commissions;
- Unusual bonuses, advance payments or special payments requested;
- Agents, brokers or consultants being former public officials.

Valuable Things

“Valuable Things” shall include all sorts of interests and benefits including but not limited to the following:

- Cash or things bearing value in cash, loans, gifts or prizes;
- Job offers or the promises of a prospective job (to any individual or any relative thereof);
- Better conditions in products or services or product discounts and rebates;
- Entertainment/hospitality (payment of travel, hotel or restaurant invoices, living expenses or trips or holiday means);
- Use of vehicle or holiday houses;
- Discounted or gratis tickets for events;
- Services, personal aids or house decorations;
- Political or social responsibility benefits;
- Possibility to buy shares directly from an enterprise affiliated with Limak (“shares of friends or family”).

Public Official

- An officer or employee of national, provincial, regional or local government agency or department, regardless of seniority, including but not limited to educational institutions, healthcare facilities, police stations, military organizations and institutions, customs officials, local tax officials, government permit, authorization or licensors, and immigration (overseas or abroad);
- An officer or employee of an enterprise, company, business or commercial enterprise that is owned or controlled partially or as a whole by any government;
- A political candidate or political party or any official or employee of a political party;
- An official or employee of an international public (semi-public) organization (such as the United Nations, World Bank or International Monetary Fund);
- Any real entity with formal authorization to act for or on behalf of any government or public international organization (for instance; government official adviser or consultant advising the government regarding procurement).

Limak Group Companies

Limak Group Companies include the entire subsidiaries and affiliates sated hereinbelow:

- Limak Holding;
- Limak Investment Group;
- Limak Construction Group;
- Limak Tourism Group;
- Limak Cement Group;
- Limak Food and Beverage Group;
- Limak Aviation Group;
- The entire subsidiaries, joint ventures, enterprises and affiliates for special purposes.