

ANTI-BRIBERY AND ANTI-CORRUPTION PROGRAM

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1. Purpose and Scope of Application

1.1 Purpose

The aim of this program is to define Polisan Holding A.Ş. (Polisan Holding) and its subsidiaries' anti-bribery and anti-corruption principles that are in line with legal regulations, and taking into account the ethical values, to identify risk areas, reduce or eliminate risk, draw the framework of principles and practices and ensure the continuity and conduct of communication.

1.2 Scope

The anti-bribery and anti-corruption program covers all of Polisan Holding and its subsidiaries' employees and managers, including the Board of Directors, subsidiaries and affiliates, intermediaries, customers, dealers, suppliers, contractors and all other parties involved in the business.

1.3 Definitions

Corruption: Requesting, proposing, giving or accepting bribery, or any other kind of illegal benefit that leads to deviations in the fulfillment of the duties, or necessary conduct in accordance with the law, of the person who receives the bribe and illegal benefit directly, or indirectly.

Acts of corruption mean "giving, offering, promising, receiving, accepting, requesting or soliciting money, gifts, or any kind of benefit whether measurable by money or not, in order to obtain or maintain benefits during business activities".

Bribery: Benefit provided by an employee for delivering his duty contrary to the requirements of his task, or for not doing his duty within the framework of an agreement that is reached with a person.

Gift: Any good or benefit, either directly or indirectly accepted, with or without economic value, that affects, or is likely to influence the employee's impartiality, performance, decision or duty.

2. Notice of Bribery and Corruption Violations

The notifications of all events and situations related to bribery and corruption are transmitted to the Executive Board by e-mail or petition.

Additionally, "Information Security Event Violation", "Smuggling", "Irregularity", "Organized Crimes", "Other Security Violations Related to Customs" and "Other Non-Customs Security Violations" are reported through the Polisan eBA Workflow Management System, the web and our 7575 crime line in line with our PH.098 Irregularity and Security Violations Management Procedure.

The identity information of staff who make notification will always be kept confidential, and this confidentiality is assured by the Executive Board.

It is not possible for our employees to be subject to any change in their seniority/title, or be exposed to a negative position of similar nature (such as disciplinary punishment, dismissal from work, etc.) and be in a disadvantageous position as a result of refusing to participate in a bribery or corruption incident, or by denouncing, or conveying their concerns about actual or attempted acts of bribery and corruption. The subject is assured by of the Executive Board.

3. Prominent Principles

3.1 Our Commitment to Fighting Corruption and Bribery

As per our Anti-Corruption and Anti-Bribery Policy, we commit to acting in accordance with the applicable law, to maintaining our activities in a manner that is ethical and consistent with the Company Values, Ethical Conduct Principles and Codes of Practice, to implement the required Anti-Bribery and Anti-Corruption Procedure in order to ensure integrity, and ensure that all of our employees know the rules.

As Polisan Holding and its subsidiaries, we adopt a zero-tolerance commitment against acts of bribery and corruption, and directly and indirectly prohibit all forms of such acts. We do not tolerate any acts of bribery or corruption of any of our employees and/or third parties in their commercial relations with Polisan Holding.

No business partners of Polisan Holding and its subsidiaries establish relationships with persons or corporations that are rumored to have bribed third parties, or are suspected of doing so. If there is an established relationship as of the date of receipt of hearsay information to that effect, said relationship is immediately terminated. The persons who are in relationship with and are acting as a proxy on behalf of Polisan Holding and its subsidiaries, suppliers or contractors, and dealers shall agree to comply with legal regulations and all applicable anti-bribery and anti-corruption laws.

3.2 Facilitation Payments Ban

Polisan Holding and our subsidiaries cannot make any facilitation payments to a third party in any way, or in their relations with third parties, they do not tolerate the other party proposing, promising, soliciting, demanding, giving or accepting facilitation payment.

4. Duties and Responsibilities

4.1 Employees

The proposals, payments and provision of various possibilities directly made to the employee of the corporation by customers, within the scope of commercial bribery, is a criminal offense as per the law, and it is strictly forbidden for employees of the corporation to directly or indirectly accept personal payments or bribes.

All of our employees and business partners are expected to act in accordance with the principles of this program, while our managers are expected to ensure that the employees under their administration, and the business partners they are responsible for understand and implement these principles.

4.2 Anti-Bribery and Anti-Corruption Program Committee

The Anti-Bribery and Anti-Corruption Committee, which is comprised of the managers of our Human Resources, Accounting, Finance, Supply Chain, Foreign Trade, Management Systems and Sustainability departments, developed an effective anti-corruption program and identified risk areas at the meeting held in May 2018. The committee, consisting of a team of 7 people, reviews our anti-bribery and anti-corruption program, and carries out monitoring and reporting as defined in Article 6.5 and Article 6.6.

5. Main Risk Areas for Acts of Bribery and Corruption

5.1 Conflict of Interest

As per the Polisan Holding Ethical Principles, the employee of the corporation shall refrain from a situation or benefit that could put him in conflict of interest between himself and the Corporation, or

lead to a potential conflict of interest. Some areas where conflicts of interest can arise are defined as “Engaging in a business relationship with a spouse, relative, or friend”, “Doing business and taking jobs outside of the corporation” and “Abusing the job", and the points to consider are stated in the Ethical Principles booklet.

5.2 Intermediaries

Use of intermediaries can constitute one of the high risks that may lead to bribery and corruption. Polisan Holding and its subsidiaries must not enter into any commercial relationship with any intermediary that has not been adequately investigated in order to ensure that the intermediary provides the relevant qualifications for the task he will mediate, and does not damage the corporation’s reputation.

5.3 Gifts, Representation and Entertainment

Any kind of gift that Polisan may wish to give to third parties shall be given publicly, in good faith and unconditionally. Even where a third party complies with the provisions of the PH.104 Anti-Bribery and Anti-Corruption Procedure, they shall not lead to situations that may cause conflict of interest, or that may be perceived as such when heard in public. In such a case, no gift shall be offered or accepted.

As per our PH.104 Anti-Bribery and Anti-Corruption Procedure;

- Employees of the corporation cannot accept gifts, diverse benefits, or samples from customers, or persons or corporations that renders us services. No requests, that place the receiver and the corporation under obligation, can be made. However, gifts equivalent to $100, symbolic in value can be accepted within the framework of tradition and/or formality.

- Representation and entertainment; social activities; accommodation and dinner invitations may be proposed by the corporation to third parties to enhance commercial relations, and in the establishment of a regular commercial communication network. The invitation is offered publicly, in good faith and unconditionally. Entertainment activities with broad participation are realized by informing the Executive Board.

- The same principle applies for the acceptance of invitation offers personally, or on behalf of related persons (family members, friends, persons in close relationship, etc.). When a high-value invitation is received, the reported unit manager is informed, and where need arises, the unit manager informs the Executive Board. One shall not cause situations that may lead to conflict of interest, or that may be perceived as such while offering or accepting an invitation. In such a case, no invitation shall be offered or accepted.

5.4 Suppliers and Contractors

The selection of suppliers, remaining on the approved list, tenders, and suppliers who are paid in advance are considered to be the highest risk areas in purchasing operations.

Our suppliers, subcontractors, consultants, customers, employees and all our business partners with whom we are likely to work together, shall not be on the national or international Prohibited Contacts list. The Corporation does not work with companies, about which it has received negative intelligence concerning bribery or corruption. It is the responsibility of the relevant person managing the process to undertake the necessary market research prior to commencement of work.

The persons who are in relationship with and are acting as proxy on behalf of Polisan Holding and its subsidiaries, suppliers, dealers and contractors shall agree to comply with legal regulations and our anti-bribery and anti-corruption policy and program.

5.5 Political Donations

As per our PH.104 Anti-Bribery and Anti-Corruption Procedures, donations and grants are given upon Board of Directors approval, and the restrictions imposed on them as per the Capital Markets Law and related regulations are obeyed. No financial or moral aid shall be granted to the institution or political activities on its behalf.

5.6 Charitable Contributions and Sponsorships

The charitable contributions and sponsorships to be requested are expected to be legal and in compliance with the policies, procedures, instructions and other regulations issued by Polisan Holding. Each charitable contribution and sponsorship must be made in an open and transparent manner.

At the General Assembly Meeting of Polisan Holding, the amount of cash and in-kind donations made by the Holding to the associations, foundations and educational institutions, which are deemed to be of public interest, is presented for the information of shareholders. The upper limit of donations to be made in the following year is decided upon unanimously. This information is disclosed in a transparent manner through the holding's annual reports, which are public.

5.7 Mergers, Acquisition Transactions and Important Investments

While realizing the company merger, investments and third-party commitment transactions (private mergers, acquisitions, takeovers, joint ventures, partnerships, transactions arising from the restructuring process, etc.), the risks associated with the countries, in which the target company operates, and its industry and products are to be taken into account. In addition, the bribery and corruption risks related to the target company must be considered, and investigations should be carried out into whether the target company bears any risks related to past acts of bribery and corruption.

6. Anti-Corruption Program

Our anti-corruption program consists of the following basic steps:

6.1 Tolerance Level

The tolerance level is an indication of the company's acceptance level of corruption and its determination on the subject matter. Polisan's level of tolerance for corruption and bribery is zero.

6.2 Risk Assessment

A risk assessment is made, providing a comprehensive picture as to which part of the ongoing work is the most sensitive to bribery and corruption transactions. The risk assessment results are reviewed by the Early Detection of Risk Committee.

Polisan monitors those persons and companies on the blacklist compiled according to information obtained from public authorities and international data provider corporations, to ensure compliance with legal regulations and the company's own rules.

Within the scope of risk management, Polisan Holding monitors all kinds of financial, operational, strategic, legal, business continuity and reputation issues across its various fields of activity. The Early Detection of Risk Committee is responsible for ensuring the integration of the risk management and internal control systems with the Company’s corporate structure; monitoring whether the risk management implementation of the relevant departments is compliant with committee decisions; fulfilling other duties given/to be given to the committee by CMB legislation and the Turkish Commercial Code, and acknowledging the final decision maker, the BoD, in writing or verbally regarding its evaluation and advice.

6.3 Developing the Action Plan

This is the step of defining goals, strategies and policies. An action plan is developed annually following the review of risk assessments. Polisan prepared an action plan that constitutes the framework of the process of the anti-corruption program in line with risk assessment results.

6.4 Implementation

Activities required in line with the action plan are integrated into the business processes of the company, and regarding activities beyond the company, partners in the value chain of the company are made part of this program.

6.5 Monitoring

The implementations of the anti-corruption program, their effects and the status of realization of the goals set within the program are periodically monitored by the Polisan Anti-Bribery and Anti-Corruption Committee.

6.6 Reporting

Periodical reports are disclosed to the public regarding the implemented anti-corruption program. This report in particular contains information on the principles of the program, its implementation and the measurement made during the "Monitoring" step. It is annually reported to the Early Detection of Risk Committee by the Polisan Anti-Bribery and Anti-Corruption Committee.

7. Violations of Anti-Bribery and Anti-Corruption Rules and its Consequences

As per our PH.014 Discipline Procedure;

- We intend for duties to be fulfilled in accordance with the “Personnel Regulations”, “Ethical Principles and Corporate Practices”, and the “rules established by the system and procedures” effective within the company.
- Disciplinary sanctions are applied upon the decision of the Disciplinary Board. In cases that require warning, condemnation and the termination of an employment contract, it may be decided by the Disciplinary Board to carry out a disciplinary inquiry into the event.
- In determining disciplinary action, the Disciplinary Board may apply any of the sanctions related to “warning”, “condemnation” and “termination of the employment contract” in any order. The related person is served notice with a signed copy of the decision.
- It is essential to adapt points related to the appearance and basic behavior set out in the booklet of our "Ethical Principles and Corporate Practices” issued by the Company and previously communicated to all employees.

All our employees, and all of the business partners described within the scope above, must know the rules contained in the program herein, and must act in compliance with these rules and applicable relevant legal regulations in the operations they conduct. Where this program is violated, the legal process is begun according to the nature of the incident.

As per our PH.098 Anti-Corruption and Security Violation Management Procedure;

> All notices received under the headings of “Information Security Event Violation”, “Smuggling”, “Irregularity”, “Organized Crimes”, “Other Security Violations Related to Customs” and “Other Non-Customs Security Violations” are addressed to persons identified on the FPH.098-01.00 Irregularity and Security Violations Assessment Committee Members List, and determined actions are taken in line with the report prepared by the Committee Chairman. In all security violations related to customs, the relevant report is also shared with the Customs Directorate through our Customs Consultancy Office.

8. Education

In order to raise the awareness of all employees and managers, training programs regarding the anti-bribery and anti-corruption issues as well as legal arrangements are held, where participation is obligatory. It is ensured that outsourcing companies and business partners also comply with anti-bribery and anti-corruption policy, and that their employees adopt its fundamentals and act accordingly, while receiving periodical trainings related to the program.

9. Review

This program is regularly reviewed and updated and all changes are announced through notification. The updated version of these rules can be continuously and readily accessed via intra-company communication channels.