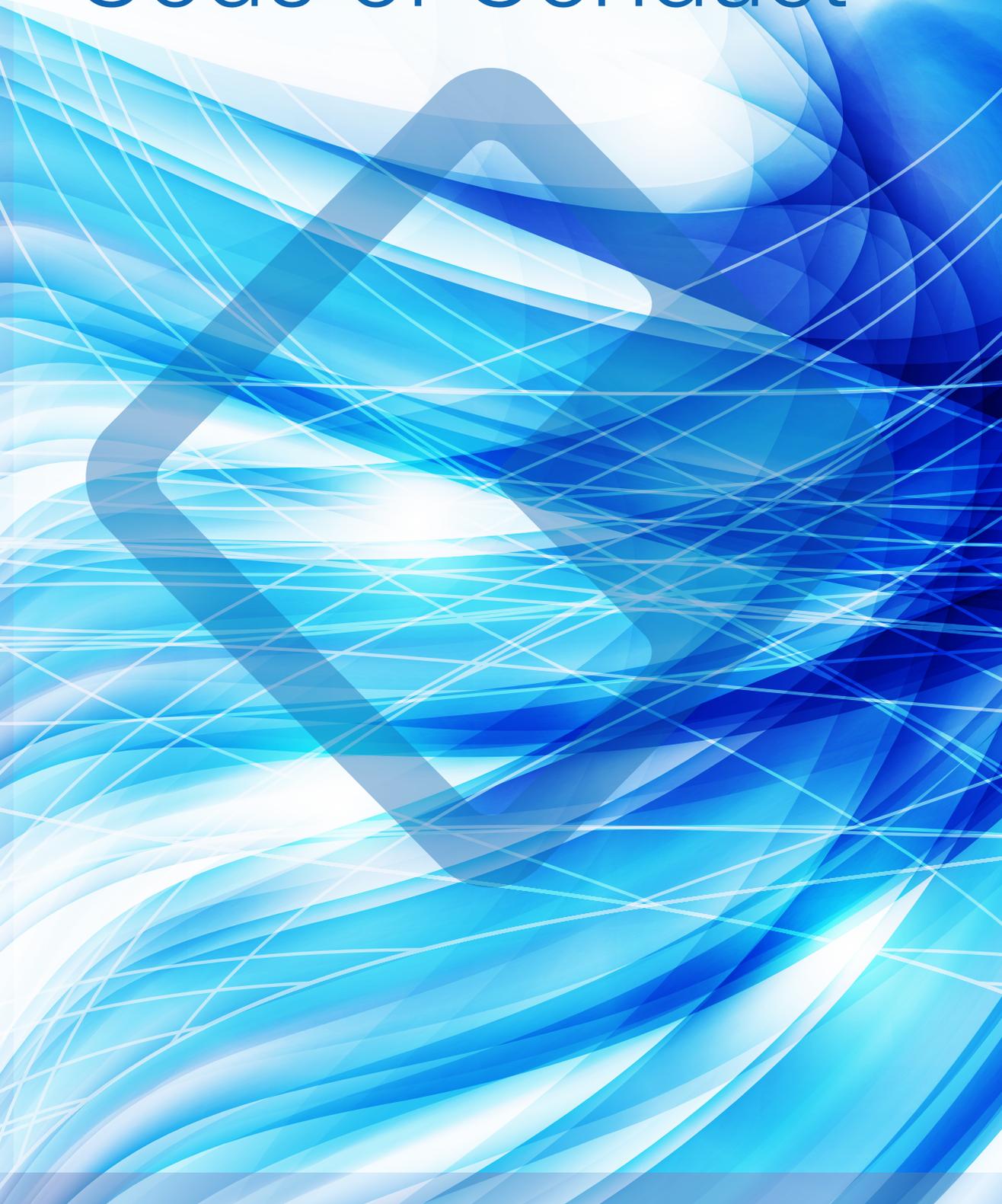


Kibar Group Code of Conduct





Code of Conduct

Code of Conduct

INTRODUCTION

Kibar Group, while continuing its entrepreneurial, contemporary and innovative investments in several fields; determines its rules of conduct with this “Code of Conduct”. All persons with whom Kibar Group interacts in all industries and all locations where it operates are invited to follow these rules in a consistent and responsible manner. Every party who interacts with the companies that constitute Kibar Group are expected to create and maintain common values. Employees of Kibar Group are expected to be aware of effects of their behaviours and attitudes, to act in a proper manner that is worthy of the name “Kibar” which they represent and to act in accordance with an ethical business and management understanding.

PURPOSE

The purpose of this document is to clearly describe the codes and rules of ethical conduct that the employees within the Kibar Group need to comply with while performing their tasks, to assist, guide and help them to act in accordance with the codes of conduct.

SCOPE

The Code of Conduct is addressed to the employees at all levels, including the Executive Board and Senior Management of all the companies within the structure of Kibar Group and the local and foreign companies of which Kibar Holding Co. Inc. shareholders have shares directly or indirectly.

KIBAR GROUP BUSINESS ETHICS UNDERSTANDING

Business ethics understanding of the Kibar

Group requires the employees to act in accordance with ethical standards at the highest level.

Our business ethics understanding, based on integrity and truthfulness, constitutes a foundation of conducting business beyond moral values in all of our business conducted with institutions and persons within and outside of the Kibar Group, including our financial and operational activities, technological assets, and brand values.

Since personal ethics understanding may vary according to the society, environment or living conditions that the person is in, Kibar Group identified the “Kibar Group Code of Conduct” in order for its activities and works not to be affected by the differences in personal ethics understanding. Kibar Group’s point of view of “ethics” term and its implementations have been clearly indicated. Kibar Group’s expectation within scope of Code of Conduct is respect and value to be shown to the beliefs and personal values of all of its employees, stakeholders and business partners and conduct within the framework of Kibar Group’s values and principles.

DEFINITIONS

The relation of ethics with morals and law is given below in order for the Code of Conduct to be understood clearly and ethics understanding to be implemented correctly in business life.

“Morals”: Unwritten customs and rules adopted by persons within a society that are required to be obeyed.



“Law”: Entirety of laws that regulate the society and identify the state’s power of sanction.

“Ethics”: Entirety of rules unique to a science, discipline or profession are defined as “ethics” and are generally composed of universally accepted rules. With this meaning, it refers to the entirety of the criteria that are consulted to assess other persons’ behaviours, as positive or negative.

Despite the terms “ethics” and “morals” are generally used interchangeably, these two concepts are different from each other. The most essential difference between ethics and morals is that, morals are based on social values while ethics are accepted universally.

There may be some situations where law and ethics concepts correspond to and conflict with each other. Since laws change in the course of time, its conformity with ethics and connections in perceptive sense change as well. An unlawful act may be excluded from this scope later on. Laws may prohibit some acts while the same act may conform to ethical principles. Examples of different acts describing the relation of ethics and law are given below:

Act which is ethical, but not lawful:

Damaging public property with the aim of saving a person whose life is in danger.

Ethical and lawful act: Following the working hours.

Both unethical and unlawful act: Fraud of an employee.

Act which is unethical, but lawful: An employee working in the procurement department making procurement from a company at which his/her sibling is a shareholder, instead of the cheapest and best quality supplier.

“Code of Conduct”: It is the entirety of the rules which has been outlined in this document and summarises the liabilities of employees working in organisations that are included within the structure of Kibar Group to persons and other enterprises they work together and to the public, reflects its basic values and principles, guides the employees on the matter of acceptable conduct, warns about unacceptable conduct.

“Ethical Committee”: The committee which is responsible for investigating and resolving the complaints and notifications about the violation of Code of Conduct.

“Code of Conduct Consultant”: The person who will act as a consultant for the employees of all Kibar Group companies on the implementation of the code of conduct and in their daily decisions. Code of Conduct Consultants support the employees on their all kinds of requirements and questions on matters of implementation of the Code of Conduct.

Code of Conduct Consultants are determined by the general managers of Group companies and are submitted to the approval of the Ethical Committee. Code of Conduct Consultants, who will take office with approval of the Ethical Committee, work directly under the Ethical

Code of Conduct

Committee for this responsibility.

“Ethical Line”: When an unethical situation is encountered or something that constitutes a serious suspicion is made, an “Ethical Line” has been set up that comprises an email box, phone line and a mailbox for information to be sent by mail, which can be accessed only by the Ethical Committee, for the matter to be notified to the Ethical Committee. All questions and notices received by the Ethical Committee via phone, email and mail will be treated in confidentiality and the necessary inspections and investigations will be carried out.

“Kibar Group”: The name of all companies that are affiliates of Kibar Holding Co. Inc. and local and foreign companies, of which Kibar Holding Co. Inc. shareholders are directly or indirectly shareholders.

“Executive Board”: Refers to the Executive Boards of Kibar Holding Co. Inc. and other companies under Kibar Group.

“Senior Management”: Refers to Kibar Holding Co. Inc. CEO, CFO, Executive Vice President, Vice President, Director and equivalent positions.

“All Managers”: Refers to employees at the manager level and above.



CONTENTS

I. BUSINESS ETHICS RULES	2
1. Integrity	2
2. Confidentiality	2
3. Justice	4
4. Quality and Continuous Development	4
5. Conflict of Interest	5
5.1. Activities Likely to Cause Conflict of Interest	5
5.2. Misconduct	7
5.3. Relations with Other Person and/or Persons with whom Kibar Group has Commercial Relations	7
5.4. Relations with Press	8
6. Our Liabilities	8
6.1. Our Legal Liabilities	8
6.2. Our Liabilities to our Clients	8
6.3. Our Liabilities to our Employees	9
6.4. Our Liabilities to our Suppliers and Business Partners	9
6.5. Our Liabilities to Our Competitors	10
6.6. Our Liabilities to Community and Humanity	10
7. Accepting and Giving Gifts	10
II. IMPLEMENTATION OF ETHICAL CONDUCT PRINCIPLES	12
1. Liabilities of Employees	12
2. Liabilities of Managers	13
3. Other Liabilities	14
III. IMPLEMENTATION OF CODE OF CONDUCT	14
1. Ethical Committee	14
2. Code of Conduct Consultancy	15
3. Method of Referral	15
4. Investigating Violations of Codes of Conduct	16
IV. EFFECTIVENESS	16
FREQUENTLY ASKED QUESTIONS	17

Code of Conduct

I. BUSINESS ETHICS RULES

1. Integrity

All relations and processes of Kibar Group are based on the principle of integrity and truthfulness. Sincerity and high business ethics are kept above everything.

Question: *The department manager asked me to finish a long and detailed report, which was requested by one of our clients, by the end of the day. He claimed that wrong values likely to be within the report were insignificant. I don't find it correct to prepare a report with wrong data only for the sake of finishing it by the deadline. What procedure should I follow?*

Answer: *Integrity is one of our most important ethical principles. Delivering a report which includes incorrect data to the client is against the principle of integrity. First of all, talk about this situation to your manager and inform the top manager of your department. If you have any hesitation on the matter of conformity with the Code of Conduct, you may consult your Code of Conduct Consultant. If you consider that there is a situation against the Code of Conduct, you are required to notify the Ethical Committee.*

2. Confidentiality

Kibar Group is committed to maintaining the confidentiality of private information of its employees, clients, suppliers and other stakeholders and it is not permitted to share this information with third parties without

authorisation. Kibar Group employees are expected to maintain the information that requires privacy such as trade secret, confidential information, project details and to use them only for their assignment and in accordance with objectives of the company they work for. Our employees should share this information only with their authorisation and with relevant persons within the company they work for. In case employees leave the company where they work for any reason, they should never use any information or documents, which they have as a requirement of their tasks and positions, against the company or Kibar Group, in line with their own interests or with the aim of providing advantage to third persons.

Question: *My best friend said that the e-commerce platform which he owned was going to organise a campaign special to our company and asked if I could help him by providing the e-mail addresses of the company employees with the aim of advertising this campaign. What procedure should I follow on this matter?*

Answer: *Since the list and contact details of employees are confidential information, you should not share the e-mail addresses of the employees. If you think there is an exception or a situation that is for the benefit of our Group, you may request support from your Code of Conduct Consultant about the subject.*

Below are the codes of practice which all



employees and business partners are required to take into consideration on the matter of preventing any unauthorised use or disclosure of confidential or private information of persons and/or institutions with whom they have trade relations:

- It should be kept in mind that Kibar Group's financial and trade secrets, information likely to weaken its competitive power, personnel rights and information, agreements with business partners are included within the framework of "confidentiality" and care should be taken on the matter of maintaining these and ensuring their confidentiality.
- Information acquired and documents in hand as a requirement of the job should not be shared with unauthorised persons and entities within and outside of the organisation for any purpose.
- Attention should be paid to maintain confidentiality of private information that belongs to Kibar Group's clients, suppliers, contractors, business partners and to other persons and enterprises with whom business is carried out.
- Personal wage information should not be shared with other employees, no effort should be made to learn the wage information of other employees and no act should be done against the principle of confidentiality of wages.
- For confidential information that is required to be taken out of the enterprise in exceptional

situations, approval of the person responsible for the information or Senior Management, if necessary, should be obtained.

- Employees should take personal responsibility in maintaining the safety of the e-mail address assigned to them and the employee should not allow anyone else to use his/her e-mail.
- Employees should be personally responsible for safety of the information in the PCs and equipment, including shared computers and equipment.
- Personal user names and passwords should not be shared and requested.

Question: *A close friend of mine asked me various questions about the details of a project which is of his interest and the details of which are confidential. This person is my childhood friend and I know that I can definitely trust him. Can I answer the questions with a general content, without giving any details?*

Answer: *All studies carried out under the structure of Kibar Group and all information used or generated in these studies may only be used for the benefit of Kibar Group. Therefore, even superficial and general information should not be shared with third persons.*

Question: *My colleagues ask questions about whether I receive bonus payment and how*

Code of Conduct

much bonus payment I receive. What should I do on this matter?

Answer: Matters such as personnel salaries, personal benefits, bonus payments and processes regarding these should always be kept confidential. You should not share your personal information such as salary, bonus payment, salary increase rate, performance rate with anybody.

3. Justice

Kibar Group is an employer that gives equal opportunity to everybody. It avoids prejudiced attitudes regardless of differences such as race, nationality, language, religion, gender, social status among its employees, clients, subcontractors and suppliers. Kibar Group employees should be unbiased and avoid relations or activities that are probable to prevent fair decisions to be made. Kibar Group cares about building the feeling of justice and trust with its employees as well. All decisions on promotion, change of position and employment are made taking into consideration the capability, experience, attitude, job performance and potential of the person, in accordance with the requirements of the job.

Question: *I am a male employee working at manager position in the company I work for. The manager to whom I report to and my peer colleagues are females. I believe I am exposed to discrimination by the female manager to whom I am affiliated. What procedure should I follow on this matter?*

Answer: *Please report your concerns together with your justifications to the Ethical Committee as the relevant person is your top manager in the department.*

4. Quality and Continuous Development

Kibar Group attaches great importance to customer satisfaction and aims at being perfect throughout its processes with the aim of making production and offering service at world standards. Quality is one of the most important subjects on which Kibar Group focuses in the business fields it operates. Kibar Group is aware that one of the most effective ways of building long-term and healthy relations with its customers, existing for the long term in the industries and areas where it operates and strengthening its current position is to offer high quality products and services. It is the prioritised goal of Kibar Group companies to continuously improve quality of the products and services in accordance with customer requirements, being capable of responding to demands on time and in the best manner. Offering service beyond expectations of customers is one of the performance indicators we are most sensitive with. Performing the most efficient and cost-effective production by continuously improving the production and service processes as well as offering high quality products are also among the valued goals.

Question: *Despite the work flows that have been clearly and strictly defined within the production process, the work process is being carried out incorrectly by my chief and/*

or manager. I doubt that the relevant person doesn't take our warnings into consideration since he is a manager and thus the faulty production process causes a decrease in the product quality. What procedure should I follow?

Answer: *Proper use of resources, follow up of production processes and producing high quality products are very important as regards efficiency of production. You should share the matter with your top manager and the quality management unit. If no action is taken, you should refer the matter to the Ethical Committee.*

5. Conflict of Interest

Conflict of interest is the condition of obtaining all kinds of material or non-material benefits, which affect or are likely to affect Kibar Group employees' performing their tasks in an unbiased manner and which are provided to themselves, their relatives, friends, customers, individuals or enterprises with whom they interact. Kibar Group employees should avoid acts that would result in conflict of interest and should pay attention to protect the interests of the company they work for and of Kibar Group during their duty. Employees should absolutely not go into business relations that provide mutual or complimentary interests with family members, friends or other individuals with whom they interact.

5.1. Activities Likely to Cause Conflict of Interest

It is within the scope of activities that might

cause conflict of interest for an employee to be manager and/or supervisor of his/her family members, significant others or any other person with whom they are in close relationship. In similar manner, employees' being in direct or indirect suppliers or customers, as well as having relations with Kibar Group beyond their official and main business relation may also cause conflict of interest. Those situations and activities are against the Code of Conduct. Furthermore, Kibar Group employees should not be involved in any decision process for the business partnerships, suppliers or similar companies, where their relatives aforementioned above, work for. In case one is involved in such a situation, it should be explained to the relevant department manager in advance. Employees should not provide unfair interest in favour of themselves, their relatives or third persons by taking advantage of their titles and authorisations.

Employees should pay attention to ensure that the personal investments they make or any hobbies other than any work activity will not impede them from fulfilling their already ongoing tasks on time and in a careful manner. They should also avoid occurrence of such situations that prevent them from focusing their main tasks.

- Employees should not attend organisations and support activities (scholarship, sponsorship etc.) which are carried out by persons or enterprises with whom they are in business relation or who carry this potential and which are influential in decision making or may be recognized as being influential. Such

Code of Conduct

matters are managed institutionally at Kibar Group and any employee who is not assigned with any tasks should not carry out activities on behalf of Kibar Group.

- Resources and opportunities of Kibar Group should not be used for the purpose of supporting political activities, should not be donated to political parties and no support should be given to political campaigns.
- Employees should not carry out any political activities during business hours.
- Employees should not use the company name, their positions at the company and their titles during their political activities during non-business hours.

Question: *I am indicated as a shareholder in our family corporation which operates in automotive industry. I am not directly involved in company management and activities. Am I required to inform of such a situation?*

Answer: *You are required to share your situation with your manager and the Human Resources Department. Kibar Group employees should not participate in another company in the capacity of shareholder or in any other capacity. Becoming partners with another company or working at another company in exceptional situations depend on written approval of Senior Management. Contrary situations are required to be notified to the Ethical Committee.*

Question: *As a requirement of my duty, I have an important role in supplier selection for the company I work. One of the companies we take into consideration as a supplier is managed by my sibling. What procedure should I follow in this matter?*

Answer: *Your sibling's being a manager in one of the companies that are taken into consideration as a supplier may cause a conflict of interest in the selection of the most appropriate supplier. In this case, it would be the best approach for you to inform your manager and refer to the Code of Conduct Consultant.*

Question: *I have an emotional relationship with one of my colleagues. Recently, he/she obtained a promotion and became the manager of our department. Am I required to inform my company on this matter?*

Answer: *This situation may cause a conflict of interest in your department. All employees of Kibar Group have equal rights at the company. You are required to inform your manager, who is responsible for the department you work in, and your Human Resources Manager about the matter.*

Question: *I work actively in activities of a political party. Am I required to inform my political activities that I carry out during non-business hours to the company?*

Answer: You are required to inform your manager and the Human Resources Department about the works and activities you carry out.

Answer: Please refer to the Ethical Committee in the shortest time for such ongoing situations that are against the Code of Conduct.

5.2. Misconduct

Employees should not use Kibar Group's name, corporate identity, reputation and power to obtain personal interest. Employees should not obtain personal gain from procurement, sales and other activities and contracts. Accordingly, if an employee establishes his/her own company during his/her task at the company or after quitting job or if he/she transacts business by means of acting as a dealer, supplier, representative, agent or in other forms to Kibar Group after his/her relation with a company, this may create a negative perception which is a very important issue that requires care. Employees who quit the company as required by the job may offer consultancy services with the approval of the Ethical Committee and CEO and for a duration that is to be determined by the CEO. Interests of Kibar Group should be taken into consideration before or after such process, morals and codes of conduct should be respected, conflicts of interest before and after the process should not be allowed.

Question: My manager asks me to run his/her personal errands during business hours although it is not my task. For example; I end up having to get his/her father's car repaired, do banking transactions and do his/her son's homework. These disrupt me and impede me from fulfilling my own duty. What should I do?

Question: My colleague designs the visual materials to be used by the new organisation company established by his/her spouse using the company PC during business hours. What procedure should I follow on this matter?

Answer: It is unacceptable if employees hinder work during business hours or do another job by using company resources. You are required to share this situation with your department manager and if there is no progress, you should refer the situation to the Ethical Committee.

5.3. Relations with Other Person and/ or Persons with whom Kibar Group has Commercial Relations

Kibar Group's commercial relations are based on principles of professionalism, integrity, seriousness, kindness and reliability. Matters of integrity, equality and abiding by laws are kept at top priority. Insulting, discriminating and offensive statements should be avoided in all kinds of written and verbal interaction. Gifts, money, property, complimentary vacation, special discounts etc. that are against professional code of conduct, doubted to be of minimal value should not be accepted. Loan and/or goods/services should not be lent to other persons and/or institutions with whom commercial relations are ongoing. It is

Code of Conduct

essential for Kibar Group employees and the Senior Management to take Codes of Conduct into consideration when making any kind of informing, payment and fulfilling business relations and to act in accordance with these.

5.4. Relations with Press

Any kind of statement to the press is given by Corporate Communications Department. Authority of official declaration about our companies belongs to President of Board of Directors of Kibar Holding or CEO of Kibar Group or people who have written consent of those. In case of authorisation, necessary statements should be done by taking Kibar Group working principles into account. No personal gain should be made by the activities like declarations, interviews, seminars, conferences etc. without written appraisal of Top Management. While engaging in cultural activities in public places or sharing personal ideas in social media (Facebook, Twitter, blog etc.) any behavior that could negatively affect Kibar Groups dignity, should be avoided. Employees should take into consideration that they will be referred with Kibar Group due to their duties and responsibilities. Social posts should not be illegal and insulting.

Question: *The economy magazine named X contacted me and requested me to write an article on approach and activities of Kibar Group about the subject I specialise on. What procedure should I follow on this matter?*

Answer: *Please contact the Holding Corporate Communication Department and*

wait for their approval and instructions.

Question: *I saw that a news channel that publishes news on the Internet announced incorrect news about our company. I want to reply by commenting. Would this be an act against the Code of Conduct?*

Answer: *Please report the news website and the news which are subject of the case to the Holding Corporate Communication Department. It wouldn't be a proper act to comment directly yourself.*

6. Our Liabilities

Kibar Group acts with the understanding of abiding by the legislations in all areas it operates as well as responsibility to all customers it interacts and employees and the entire society.

6.1. Our Legal Liabilities

Kibar Group acts in accordance with the current legislations in all kinds of local and foreign activities; presents the required information to official institutions and enterprises in a correct, understandable and timely manner. All kinds of reports, presentations and financial statements to be declared to the public and/or presented to authorised bodies by Kibar Group are prepared in accordance with legislations and in-company regulations in a correct and transparent manner.

6.2. Our Liabilities to our Clients

Kibar Group acts with integrity in its relations with customers, protects customers' rights

and takes their objections and requests into consideration. It acts responsibly towards problems of its customers and makes effort to create a relation based on trust with its customers. Kibar Group always aims creating value for its customers and meeting their demands and requirements to the greatest extent. Kibar Group makes realisable commitments in all of its relations and communication activities with its customers, and avoids misinformation.

Question: *I work on the sales force and I witness that one of my co-workers gives unrealistic deadlines to our customers. What should I do in this case?*

Answer: *You should immediately inform the matter to your department manager. In case you can't get any result, you should refer the matter to the Ethical Committee.*

6.3. Our Liabilities to our Employees

Kibar Group adopts as one of the most important priorities to create and maintain a fair work environment for employees. It ensures its employees work in a safe, healthy environment with proper working conditions. It treats everyone fairly on matters such as training, career, employment and promotion, offers equal opportunities and makes every effort to fulfil employees' rights on time and in a complete manner.

Question: *Since the plate dissection machine,*

which is one of the important machines of the production process, broke down in a tight production period, we are carrying out our works with an old machine with the instruction of our manager. This is likely to create security risks, with the instruction of our manager in order to prevent a slowdown in production speed. I don't think working under these conditions is safe. What should I do?

Answer: *It is one of our most important priorities to ensure safe working conditions to our employees. Immediately refer your concerns on this matter to your top manager in your department. If the person who gave the instruction is the top manager in your department or if your warnings got no result, you are required to report to the Ethical Committee.*

Question: *I believe that service vehicles are risky due to reasons such as over speed, violation of special purpose lane and recklessness. There has been no improvement although I made necessary notices. What should I do in this case?*

Answer: *Please share the matter with the Administrative Affairs and/or Human Resources Department, if you believe there is no improvement, you should refer to the Ethical Committee.*

6.4. Our Liabilities to our Suppliers and Business Partners

Kibar Group attaches importance to continuity

Code of Conduct

and makes effort to create resources in fields that have growth potential in line with its goal of creating value. By treating suppliers and business partners equally, it fulfils its liabilities in the shortest time and does its utmost with the aim of preventing, remedying and resolving the conflicts. All decisions and processes made by Kibar Group are in conformity with the legislations and they are notified to partners accordingly. Business relations comprising common interests between Kibar Group companies and business partners are carried out with an understanding of social responsibility.

Question: *A colleague of mine who quitted the company, requested the contact and financial information of the firms he had done business as an employee, with the aim of starting his initiatives in the company he started recently. What should I do in this matter?*

Answer: *All information of individuals, enterprises and business partners with whom business has been done should be kept confidential. Your sharing this information is against the Code of Conduct.*

6.5. Our Liabilities to Our Competitors

Kibar Group competes within framework of fair competition terms in all industries it operates. Kibar Group adopts the opinion that a fair competition is one of the most important factors for development of the company and the relevant industry and manages its

activities by promoting a competition based on product performance, improvement and service quality.

Question: *Project manager of ABC company, which is one of our competitors and operates in X industry, is a very close friend of mine. I believe, the information I'll obtain about our competitor will be useful for our company. What procedure should I follow in this matter?*

Answer: *Kibar Group always follows fair competition terms. In this direction, acts that violate fair competition terms cannot be accepted, even if it is for the sake of company's benefit.*

6.6. Our Liabilities to Community and Humanity

Kibar Group acts with the awareness of social utility and environment while carrying out its activities and aims at implementing high standards on the matter of environmental awareness. It gives support to education and social aid activities, studies aimed at increasing environmental awareness and social awareness, and cultural and social liability projects, within framework of responsibilities to the community. The objective is to aim at creating awareness on social liability in the community and thus, reduce the burden of the state by reaching much more people who are in need. Kibar Education and Social Aid Foundation, which was founded with this aim, has been continuing its activities since 1999.

Kibar Group makes contribution to common interests of the society, universal humanitarian gains, conservation of cultural heritage and improvement of human welfare. In investment decisions and production processes in all geographies we operate, we are sensitive about compliance with environmental obligations and protection of biodiversity, consequences of environmental pollution and consumption of natural resources are taken into consideration.

Question: *I want to organise an aid campaign within the company for families who suffered from the earthquake. What procedure should I follow?*

Answer: *Organisation of social aid campaigns are under the authority of Human Resources and Corporate Communication Departments and you should refer your request on this matter to these departments.*

Question: *I voluntarily take active part in social aid projects out of the company. I want some of these projects to be announced and maintained within the structure of our company. What procedure may I follow?*

Answer: *You should talk to the Human Resources and Corporate Communication Department about the project details and its applicability within the corporation.*

7. Accepting and Giving Gifts

In maintaining the relations with real or legal persons and entities that want to build or maintain the already existing business relations with Kibar Group;

- Employees should not demand and accept any items, services beyond nominal value or cash, check, etc. whatever its value is, for any transaction or business. Gifts, entertainments or other presents that might be deemed as an exceptional and special practice that is of a value likely to influence or aimed at influencing the individuals and decision making bodies of companies should not be offered by employees or Senior Managers and such requests should not be made. Sample pens, calendars, diaries and chocolate can be considered as acceptable gifts.
- No discount or advantage should be requested from suppliers, dealers, authorised services, clients, community companies or third persons that are likely to be perceived as inappropriate according to the above description, that might be to the interest of one's own or his/her relatives, these should not be offered to third persons, and should not be accepted when offered.
- Kibar Group employees should give and take treats and food at standards that are acceptable in business world.
- Gifts with nominal value such as plaques or sculptures as an indicator of a business relation can be given and accepted.

Code of Conduct

- Gifts and materials like samples that can be given to third persons with whom Kibar Group has business relations are determined by the Corporate Communication Department with approval of Kibar Group CEO.
- All Managers, including the Senior Management, and Employees are obliged to act in accordance with the policy of accepting and giving gifts.

Question: *Executive of the company named ABC, which is one of our biggest suppliers, gave a necklace with a very high value as a gift. What procedure should I follow?*

Answer: *Please report this situation to your manager as soon as possible and return the necklace.*

Question: *I work at the sales unit. I want to take the managers and the procurement team of XYZ company out to dinner, which is one of our major clients. What procedure should I follow?*

Answer: *You should obtain the approval of your manager in this matter and be sure that the planned dinner will occur in a manner that would not damage our company's reputation or in a situation that is likely to create a condition that is against the Codes of Conduct. Situations that will be against the Codes of Conduct, rules of conduct and legislation shall not be accepted by Kibar Group.*

Question: *I received a gift basket for the New Year from one of our suppliers. What should I do in this case?*

Answer: *If you believe that returning the gift basket will be perceived negatively by the supplier or that would be costly, please refer the situation to your Human Resources Department. Gift will be distributed to employees by drawing lots.*

II. IMPLEMENTATION OF ETHICAL CONDUCT PRINCIPLES

1. Liabilities of Employees

Main responsibilities expected from Kibar Group employees are listed below:

- Employees should fulfil their tasks within the framework of core moral values and humanitarian values.
- Employees should take quality in consideration and make effort to do their utmost while fulfilling their tasks and carry out the work flow with nature and environment awareness.
- Employees should fulfil their tasks within the framework of the current legislation, Kibar Group's regulations and procedures and instructions given by their chiefs and in accordance with the job descriptions assigned to them, within in a complete and timely manner.

- Employees should proceed in a fair, good mannered and understanding manner with the aim of providing mutual benefit in all relations and strengthening the relations, should absolutely not obtain unjustified benefit from individuals and corporations for whatever purpose, should not accept any payment aimed at incentive and redirecting, should not pay or offer to pay bribe.
- Employees are personally responsible for keeping and storing all records that are under their responsibilities and authorities in a timely manner and in accordance with the legislation. It makes no difference whether the records in question are printed or in electronic environment in terms of effectiveness of this article.
- Employees should not make any act, statement or correspondence beyond their authorities, that would bind Kibar Group or the company they work for with a commitment.
- Employees should act with due diligence in utilisation of all material and non-material assets, including the systems that provide information and access to information of the company they work for and Kibar Group, and they should protect them against cases such as probable loss, damage, incorrect use, misuse, theft, etc.
- Employees should act in accordance with the Codes of Conduct and all principles

of implementation that support these codes while fulfilling their tasks, and they should avoid conducts in their business and private lives that would damage the reputation of Kibar Group.

- Employees should cooperate with Ethical Committee on matters related with ethics and whenever it is necessary.
- Ethical Committee or units/teams appointed by Ethical Committee can execute ethical investigations. In such cases, employees should keep the information related to investigation as confidential.

2. Liabilities of Managers

The Code of Conduct is effective for all employees, but employees at the manager level have more liabilities regarding the implementation of the rules. These are:

- All Managers should abide by the Code of Conduct and make effort to be a role model with their conduct to other employees.
- All Managers should assess in an ethical manner the conflicts of interest that arise or might arise between personal relations, financial and/or commercial interests and their liabilities to Kibar Group and should act with integrity in a reliable manner.
- All Managers should ensure the Code of Conduct to be firstly adopted and maintained in the units they are responsible for.

Code of Conduct

- All Managers should raise awareness of the personnel in their teams about the Code of Conduct in order for the Code of Conduct to be implemented in the best manner.
- All Managers should listen to the questions, complaints, suggestions and requests of their employees about the Code of Conduct and should encourage the employees to send their feedbacks.
- Managers should not force or encourage their employees to act against the Code of Conduct due to any situation or reason.
- Managers should not force the employees to quit job and should not intimidate them with psychological pressure (mobbing).

3. Other Liabilities

The Code of Conduct and all kinds of policies related to this should be effectively implemented and supported by the Senior Management. The Human Resources Department should give training at certain periods with the aim of giving information about the Code of Conduct and should take responsibility on the matter of ensuring the Code of Conduct to be read and signed by the new hired employees. The Ethical Committee should guarantee the confidentiality of complaints and notifications and the complaints and notifications to be investigated in a timely, fair, consistent and sensitive manner and should take necessary actions in a determined and consistent manner against violations.

III. IMPLEMENTATION OF CODE OF CONDUCT

All employees are obliged to fill in a consent form informing that they have read and accepted to follow the provisions of the Code of Conduct. If an employee has not read or signed the Code of Conduct, this does not constitute a pretext for the employee not to follow the principles and rules of the Code of Conduct.

1. Ethical Committee

The Ethical Committee is responsible for investigating and resolving the complaints and notifications about the violation of the Code of Conduct. Notifications made by Kibar Group employees to the Ethical Committee are kept confidential; furthermore, inspection and investigation studies are carried out in confidentiality by the Ethical Committee members. The Ethical Committee is entitled to assign tasks and give instructions. The Ethical Committee makes decision on behalf of the Chairman of the Executive Board and its decisions are binding.

The Ethical Committee reports to the Chairman of the Executive Board of Kibar Holding Co. Inc. and is constituted from the following persons:

- Chairman of the Ethical Committee:
Chairman of Internal Audit Department
- Member of the Ethical Committee:
Chairman of the Human Resources Department
- Member of the Ethical Committee:
Legal Adviser

Contact Information of Ethical Committee:

Tel No : (90) 212 939 54 80

E-mail: etik@kibar.com or ethics@kibar.com

Mail: Kibar Holding Co. Inc. To the attention of the Ethical Committee:

Zorlu Center Levazım Mah. Kuru Sok. No:2
Ofisler Bölgesi Kat: T4 PK:34340 Beşiktaş /
İstanbul

2. Code of Conduct Consultancy

One representative shall be appointed to the Ethical Committee as a consultant from all Kibar Group companies. These representatives shall be selected by the Company General Manager and shall take office once approved by the Ethical Committee. Main duties of the Code of Conduct Consultant are explained below:

- To answer the questions of employees about the Code of Conduct,
- To make improvement suggestions to the Ethical Committee about the Code of Conduct when necessary,
- To refer to the Ethical Committee when information is obtained about situations against the Code of Conduct,
- To ensure confidentiality of information of persons who notified the situations against the Code of Conduct.

The employees may ask the following

questions about any subject, which they are not sure if they are in conformity with the Code of Conduct or not:

- Is this conduct legitimate?
- Is this conduct in conformity with the policies and procedures at Kibar Group?
- Do I have peace of mind when notifying this conduct to my managers?
- How would this conduct appear if it was broadcast in newspapers, on televisions and the Internet?

If you hesitate when replying any of these questions, you should ask for consultancy from the Code of Conduct Consultant.

3. Method of Referral

All Kibar Group employees are entitled to notify their claims about persons who act against the Code of Conduct and they should send the information and documents related to their claims to the Ethical Committee. Identities of employees who notify the situation will be kept confidential.

In exceptional cases, identities of persons who refer to the Ethical Committee can be guessed by environmental factors such as their statuses, fields of expertise etc. In such cases, all kinds of psychological pressure and intimidation activities that might occur against the confidentiality that cannot be ensured beyond the control of the Ethical Committee shall be prevented by the Ethical Committee and the concerned employee shall be guarded

Code of Conduct

in all conditions. In case serious loss of interest of Kibar Group is determined and/or probable losses are prevented after truthfulness of the claimed matter is confirmed, an assessment will be made to give a job guarantee to the person who did the notification within a term to be considered appropriate by the Ethical Committee and to reward him/her with the suggestion of the Ethical Committee and the decision of the Executive Board. In case persons are defamed and false notification is made for various reasons, the matter will be assessed by the Ethical Committee.

4. Investigating Violations of Codes of Conduct

The Ethical Committee takes all notifications of Code of Conduct violations and is determined to fully research all claims within confidentiality. The Ethical Committee may commission the Human Resources and/or Internal Audit Departments of Companies to research Code of Conduct violations. In these investigations, all employees are liable to act fully transparent related to the matter and to give all information and documents.

IV. EFFECTIVENESS

Code of Conduct, entered into effect on the date 01.04.2016, it is approved by the Chairman of the Executive Board of Kibar Holding Co. Inc.

FREQUENTLY ASKED QUESTIONS

Question: *I attended the spring picnic organised by one of our regular suppliers. They also gave away small gifts during the picnic and I also got some like everyone else did. After reading the Code of Conduct, I'm not sure if this conduct is appropriate or not. What should I do in this case?*

Answer: *You can decide if your conduct is appropriate to the Code of Conduct by asking yourself the following questions.*

- *Is this conduct legitimate?*
- *Is this conduct in conformity with the policies and procedures at Kibar Group?*
- *Do I have peace of mind when informing my managers about this conduct?*
- *How would this conduct appear if it was broadcast in newspapers, on televisions and the Internet?*

If you cannot answer any of these questions with peace of mind, you should refer the matter to your Code of Conduct Consultant.

Question: *After a visit to a client, I had lunch and paid the bill with the credit card given by my company. Meanwhile, I also bought some candy of a TRY3.00 value which was on the stand and is a favourite of my son. Since the payment of the two was taken at once with the credit card, they gave a single receipt and I had to record the entire receipt as an expense.*

What should I do in this case?

Answer: *Even though the value of the candy you bought is low, the resulting situation is against the Code of Conduct. It is required to adopt as a principle to get separate receipts in such situations. Even if a single receipt was given in probable situations, special expenses should be deducted and then an expense receipt should be filled in and sent to accounting.*

Question: *My colleague received warning from our manager due to a problem he had with the client during our client visit. My colleague acted uptight and uttered evil words about our client and our manager after the case. What should I do in this matter?*

Answer: *In this case, please warn your colleague and if he repeats, please refer the situation to your manager. Please also personally supervise the follow up of the required process. If no action is taken, please refer the matter to the Ethical Committee.*

Question: *A friend of mine visited me at our company during lunch time. I introduced him to my department work friends and we started talking. A general question of my manager about a private project I was working on gained the interest of my friend and he joined the talk and started to listen to us. Is it appropriate if I answer my manager's questions even with general statements?*

Code of Conduct

Answer: As a requirement of privacy policy of Kibar Group, it is forbidden for our employees to share the projects on which they work with third persons since this may give rise to situations that might be of disadvantage of Kibar Group. You should talk to your manager about this matter at another time.

Question: We are in search of sponsors for a social responsibility project which will be carried out by an association, which works for the public welfare and which I am a member of. The person who deals with these matters in our company is a very close friend of mine. Is it appropriate if I ask for sponsorship support from our company to our project?

Answer: Kibar Group supports social responsibility projects it considers appropriate and these projects are carried out by the Corporate Communication Department. The matter is required to be referred to the relevant department.

Question: Our supplier, who we have been working with for long years, offered to pay my son's school expenses by giving him a scholarship, since he knows that I am in financial difficulty recently. What should I do in this case?

Answer: It wouldn't be a proper conduct for Kibar Group employees to obtain interest from suppliers, clients or related persons for whatever reason. You may get information on

your questions about the matter from your Ethical Committee Consultant.

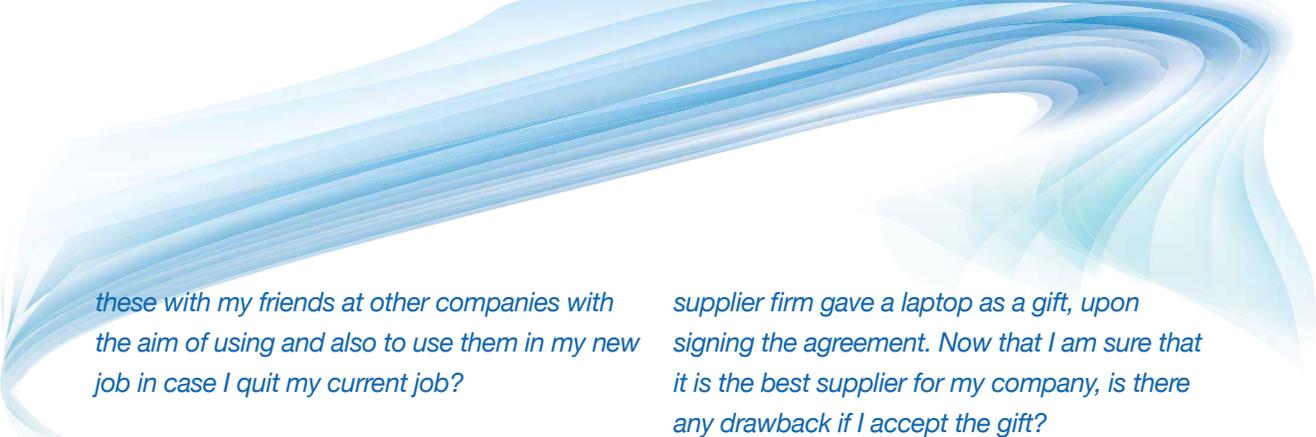
Question: The company that I work for will be offered to public and I learned about its plan of acquiring one of the companies which operates in sub-fields of the same industry. Would it cause any problems if I buy the shares of this company with the expectation of it being acquired?

Answer: All kinds of investment process made within the scope of insider trading is against the Code of Conduct. Furthermore, it might give rise to legal results.

Question: I noticed that my computer was interfered beyond my knowledge and my files were viewed. What should I do about my concerns on this matter?

Answer: Please immediately notify the matter to your manager and the Information Systems Department as a requirement of our policy of information privacy. Furthermore, please notify the situation to the Ethical Committee.

Question: I work at the Strategy and Business Development Department in the company. I spared my business and private time to prepare documents like training schedule, presentation forms and research question forms with the aim of remedying the defects I caused in my own department. Is there any drawback if I share



these with my friends at other companies with the aim of using and also to use them in my new job in case I quit my current job?

Answer: All works you have produced by sparing either your business or private time while working at a business place are the intellectual property of that company. Therefore, this situation has some drawbacks.

Question: Most of the conducts carried out by a very close friend of mine in the same department, are against the Code of Conduct. He doesn't correct his behaviours although I warned him about this matter. I don't know what to do on this matter. Would it be of any problem if I don't notify the situation to my manager?

Answer: All employees are expected to follow the Code of Conduct. Each employee has individual liability on this matter. Behaviours that are against the Code of Conduct will damage the company's reputation. Therefore, you are required to share the matter with your manager and to notify it to the Ethical Committee in case it is not resolved.

Question: I work at manager position at the procurement department in my company. I conducted supplier research for a raw material to be used for the first time in production. Once approved by the production department, we decided to purchase the raw material of the supplier that gave reasonable price, offered good quality and reasonable due date. The

supplier firm gave a laptop as a gift, upon signing the agreement. Now that I am sure that it is the best supplier for my company, is there any drawback if I accept the gift?

Answer: Yes, there is. Even though a supplier was selected in accordance with interests of the company, it is not acceptable if employees take advantage of this situation for themselves or for their relatives. You may refer to your manager and to your Code of Conduct Consultant about the matter.

(This section will be filled in by the employee.)

/ / I read and understand the Code of Conduct on this date. I accept, declare and commit to fully comply with the Code of Conduct.

Name Surname:

Signature:

