



# **GIFTS AND ENTERTAINMENT POLICY**

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## 1. Purpose

This Gifts and Entertainment Policy (hereinafter referred to as the “**Policy**”) specifies the rules and standards to be followed when receiving and giving gifts, entertaining or hosting the guests or accepting an invitation to be entertained as a guest and performing similar activities within Karadeniz Holding.

## 2. Scope

The Gifts and Entertainment Policy encompasses the principles regarding Gifts and Entertainment issues to be followed by Karadeniz Holding in its relations with its Employees, public institutions and organizations, shareholders, Business Partners, and Third Parties while carrying out its business and activities.

This Policy is an integral part of the Karadeniz Holding Ethical Principles Policy. Karadeniz Holding expects from all its Business Partners to act in accordance with this Policy to the extent applicable. For the subjects not regulated in this Policy, the relevant provisions of the Ethical Principles Policy are applicable.

In case of any contradiction between the provisions of this Policy and the local Legislation in a given country of operation, the local Legislation shall prevail.

## 3. Definitions

In this Policy;

**Entertainment:** Refers to all kinds of organizations and activities that include food, accommodation, entertainment, events, travel or transportation.

**Public Official:** is a person who performs the following and similar duties.

- Employees working in any public institution or state-owned enterprise,
- Employees of any political party, all political candidates,
- Persons serving in any legislative, executive or judicial branch,
- Arbitrators appointed in an arbitral proceeding for the purpose of resolving a legal dispute,
- Officers or representatives working in organizations and institutions established on the basis of an international agreement.

**Gift:** Refers to any item or benefit of any kind that has a material value given or received gratuitously directly or indirectly such as discounts, gift cards, promotions, holiday gifts, subscriptions, cash, credit, membership, privileges and products or services.

**Politically Exposed Person (PEP):** Refers to senior officials who have performed an important public position, whether present or in the past, senior politicians, officials with significant authority in political parties, managers working in international organizations and institutions, persons holding equivalent positions to these positions, and family members of all such persons.

**Karadeniz Holding / Holding:** Shall mean Karadeniz Holding A.Ş. and the companies and joint ventures directly or indirectly controlled by Karadeniz Holding A.Ş., either individually or jointly.

**Employee(s):** Shall mean real persons who are in any kind of employment relationship with Karadeniz Holding.

**Business Partners:** Shall mean all real persons and legal entities that Karadeniz Holding is involved in commercial or social relationships with, including but not limited to suppliers, Customers, representatives, contractors, and subcontractors, audit, consultancy, and legal service providers, and non-governmental organizations.

**Third Party(ies):** Shall mean real persons and legal entities with whom Karadeniz Holding, and its Business Partners do not have commercial or social relationships.

**Legislation:** Shall mean laws, regulations, decrees, and similar rules which are in force in the countries where Karadeniz Holding carries out its activities.

**Customers:** Shall mean real persons and legal entities to which Karadeniz Holding provides goods and/or services.

**Compliance:** Shall mean Employees' compliance with the Legislation, with this Policy, and with all other procedures and rules applied in the Holding.

## 4. General Principles

Gift and Entertainment activities are the methods generally used in the creation and strengthening of business relations and social relations. However, failure to use Gifts/giving and Entertainment activities in business and social relations in a reasonable manner may cause significant damage to the reputation of Karadeniz Holding. Therefore, Karadeniz Holding does not encourage its Employees to receive/give Gifts or to entertain.

Any Gift and Entertainment activities must be presented or accepted in good faith. Gift and Entertainment activities should be of the following nature;

- In accordance with the legislation and generally accepted business practices,
- Explainable, non-continuous, and of reasonable value,
- Accurately and transparently recorded,
- Not intended to provide irregular benefits,
- Does not cause any conflict of interest,
- That may not damage the good reputation of Karadeniz Holding if it is learned by the public,
- It should not affect the decision-making mechanisms of Karadeniz Holding, Employees, or Third Parties or should not cause to have such a perception.

In addition to the principles mentioned above, all Gift and Entertainment activities must be performed within the monetary limits specified in this Policy or in the Ethical Principles Policy; in case of Gifts and Entertainment activities exceeding the monetary limits, the necessary approvals must be obtained and/or the necessary notifications must be made.

Questions about whether any Gift or Entertainment activity complies with this Policy or the Ethical Principles Policy must be asked through the Ethics Hotline, and any Gift or Entertainment activity that clearly violates the Policy must be reported to the Ethics Hotline.

If the Compliance Officer has the opinion that the matter constitutes a special situation in relation to a Gift and/or Entertainment activity reported through the Ethics Hotline and if there is no specific rule

in the Policy on the subject in question; he/she shall communicate the situation to the Ethics Committee and act in accordance with the decision of Ethics Committee on this issue.

## 5. Implementation Of The Policy

### 5.1. Gifts

Employees may only give or accept Gifts within the general principles and monetary limits set out in the Policy.

In this context, a calendar, key chain, and similar promotional products bearing the company logo can be given or received as a Gift. Flowers and consumable Gifts (chocolate, candy, etc.) may also be given or accepted as long as they do not exceed the said monetary limits and provided that they are used or consumed in the working environment.

Employees may also give or accept plaques, plates and similar Gifts within the scope of the activities they will organize or participate in as Karadeniz Holding Employees. However, prizes and Gifts of cash or convertible to cash type items cannot be given or accepted.

Even if they comply with the general principles set out in the Policy; Gifts or discount vouchers that substitute for cash or convertible to cash, items that are antique or have a collectible value, paintings and similar Gifts whose material value cannot be measured or assured should not be given or accepted.

Employees should also take the following monetary limits into consideration when giving and receiving Gifts.

- **Monetary Limit for Gifts:** When giving and receiving Gifts in accordance with the General Principles stipulated in Article 4, Employees must ensure that the value of the Gift does not exceed USD 150.- (one hundred and fifty US Dollars) and does not come from more than one company belonging to various units or group of companies of another company/organization.
- **Acceptance of Over-Limit Gifts:** When Employees are presented with a Gift with a value exceeding 150.-USD (one hundred and fifty US Dollars) and in cases where there is a high risk that their rejection of the Gift in question will damage the reputation of Karadeniz Holding, they ask immediately via Ethics Hotline whether this situation can be accepted within the scope of the Policy. In the event that it is determined that the said Gift is contrary to the Policy, this situation is forwarded to the relevant Employee and Employee's manager and if the rejection or return of the Gift is not possible, it is ensured that it is kept by the relevant units of the Company in accordance with the decision to be taken by the Ethics Committee. In such a case, the transaction shall be notified to the party that gives the Gift by a thanking note issued by the Chairman of the Ethics Committee stating that the Gift will be maintained by the Holding.

## 5.2. Entertainments

Employees may engage in or accept Entertainment activities only within the general principles and monetary limits specified in the Policy.

In the following cases, Employees may cover the costs of meals, local transfers, and accommodation of Third Parties in accordance with the conditions set out in the General Principles and may agree to be covered by Third Parties for meals, local transfers, and accommodation.

In order to prevent the Entertainment activities from creating a situation that can be considered as a violation of the Policy, in addition to the conditions specified in the General Principles article, they must also comply with the conditions specified below.

Entertainment activity;

- Must be done within the framework of a legitimate business relationship or social relationship.
- It should be one-time and not continuous.
- It should not be excessive or disproportionate, and it should not be carried out in inappropriate places.
- It should not affect the decision-making mechanisms of Karadeniz Holding, Employees or Third Parties or should not cause to have such a perception.
- It should not damage the good reputation of Karadeniz Holding if it is learned by the public.

The monetary limit for Entertainment is USD 350.- (three hundred and fifty US Dollars) per person per day for Employees and each of the guests.

## 5.3. Practices Relating to Public Officers and Persons with Political Influence

Giving Gifts to Public Officers and Persons with Political Influence and engaging with them in Entertainment activities may raise suspicions of bribery and corruption.

Therefore, in the giving of Gifts or Hospitality activities to Public Officers and Persons with Political Influence, in addition to the conditions listed in the General Principles article, the following rules should be complied with.

Gift receiving/giving and Entertainment activity:

- Should be done for the purpose of promoting Karadeniz Holding.
- It should be exceptional.
- It should be done according to the protocol or rules of courtesy.

## 6. Entry Into Force

This Policy has been accepted with the resolution of the Board of Directors dated 13.11.2023 and referenced 14 / 2023 and has entered into force.

# 7. Related Documents and References

Ethical Principles Policy

