

**Türk Traktör ve Ziraat Makineleri A.Ş.**  
**Compliance Policy**

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## 1. PURPOSE AND SCOPE

The purpose of this Compliance Policy (“**Policy**”) is to establish a customized, comprehensive and effective compliance framework for TürkTraktör, and demonstrate TürkTraktör's commitment to compliance with laws and regulations, internal policies, good corporate governance practices and ethical rules.

This Policy has been prepared by considering the ethical principles of TürkTraktör's Main Shareholders. All employees, directors, officers of TürkTraktör shall comply with this Policy, which is an integral part of TürkTraktör Code of Ethics.

## 2. DEFINITIONS

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

“**Compliance**” is defined as adhering to the requirements of laws, regulations, industry and organizational standards, internal policies and procedures and generally accepted ethical standards.

“**Compliance and Competition Manager**” is primarily responsible for managing and overseeing the Compliance Program for TürkTraktör.

“**Compliance Program**” shall have the meaning assigned to this term in Section 4.1.

“**Koç Holding**” means Koç Holding A.Ş.

“**Main Shareholders**” means the main shareholders of TürkTraktör which are CNH Industrial Österreich GmbH and Koç Holding A.Ş.

“**Retaliation**” is any negative action, including but not limited to demotion, discipline, firing, salary reduction, or job or shift reassignment, to punish an employee for a protected activity, such as reporting an injury, safety concern, mismanagement, abuse of authority, or legal violation in the workplace.

“**Risk Management Committee**” is established for the purpose of early diagnosis of the risks that may endanger the existence, development and continuity of TürkTraktör to implement measures, manage and report these risks in line with TürkTraktör's corporate risk-taking profile, and to make suggestions to the board of directors of TürkTraktör, about developing and integrating internal control systems.

“**Systematic Risk Analysis**” is a process to identify, assess and monitor the principal compliance risks that TürkTraktör faces as a business.

“**TürkTraktör**” means Türk Traktör ve Ziraat Makineleri A.Ş.

## 3. COMPLIANCE OBLIGATIONS

### 3.1. Overview of Obligations

Efficient compliance management can only be achieved by adopting a well-designed and customized Compliance structure. It then can be sustainable if embedded in the company culture and in employee behavior, by being integrated in all processes and operations.

Compliance obligations of TürkTraktör go beyond complying with mandatory regulations (laws, permits, licenses, rules and guidance of regulatory authorities, court decisions, conventions etc.), it also comprises its Compliance commitments such as agreements with third parties, organizational standards such as policy and procedures, or other voluntary

commitments.

### **3.2. Compliance Domains and Risk Analysis**

At TürkTraktör, the Compliance and Competition Department, together with relevant business units shall conduct periodical risk assessments for relevant normative domains, and analyze the specific Compliance related risks that operations, employees and/or Business Partners may be specially exposed to (via questionnaires, workshops, one-to-one interviews etc.). Company policies and procedures shall be drafted/revised to the extent required in accordance with such assessment and analysis.

Tailor-made Compliance reviews and analysis consider TürkTraktör's fingerprint, including but not limited to its own characteristic, complexity, risks, willingness to take risks, governance, business lines, products and services, the industry sector, competitiveness of the market, regulatory landscape, potential clients and Business Partners, transactions with foreign governments, payments to foreign governments, use of third parties, gifts, travel and entertainment expenses, charitable contributions. Besides, while the purpose of such compliance risk analysis is to address and take action in all relevant Compliance domains, based on their likelihood and impacts, the following shall be prioritized:

- Anti-Bribery and Corruption
- International Sanctions
- Anti-Money Laundering
- Protection of the Data Privacy
- Competition
- Human Rights

Main Shareholders monitors the Compliance risk analysis carried out by TürkTraktör and while evaluating such results, it also considers relevant indicators, internal audit reports and case related investigations, Compliance cases and control results to determine potential compliance related risks which may affect the Main Shareholders and take necessary precautions.

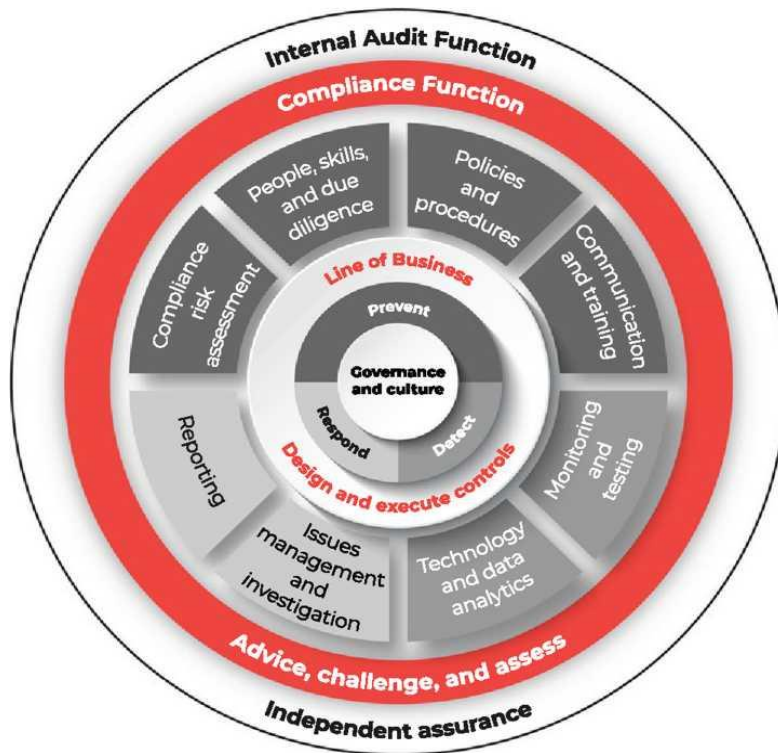
## **4. COMPLIANCE PROGRAM**

### **4.1. Main Components of the Compliance Program**

The Compliance Program of TürkTraktör ("**Compliance Program**") is a set of rules, policies and procedures aiming to address the Compliance issues of TürkTraktör with a risk-based approach. It incorporates the corporate governance and compliance culture and written standards promoted by the senior management, and monitored by the Compliance Department, with the participation of all employees.

The illustration below represents the components of the Compliance Program and their composition. This framework reflects the general approach and strategy towards Compliance, i.e. the Compliance Program of TürkTraktör.

*Illustration I: The Compliance Program of Türk Traktör*



The main operational pillars of TürkTraktör Compliance Program are the following:

- Prevention
- Detection
- Response

Prevention is managed by Compliance risk assessments, due diligence practices, written policies and procedures as well as communication and trainings. Detection, is supported by technology and data analysis as well as monitoring, testing and audit practices. Response refers to investigations and reporting activities.

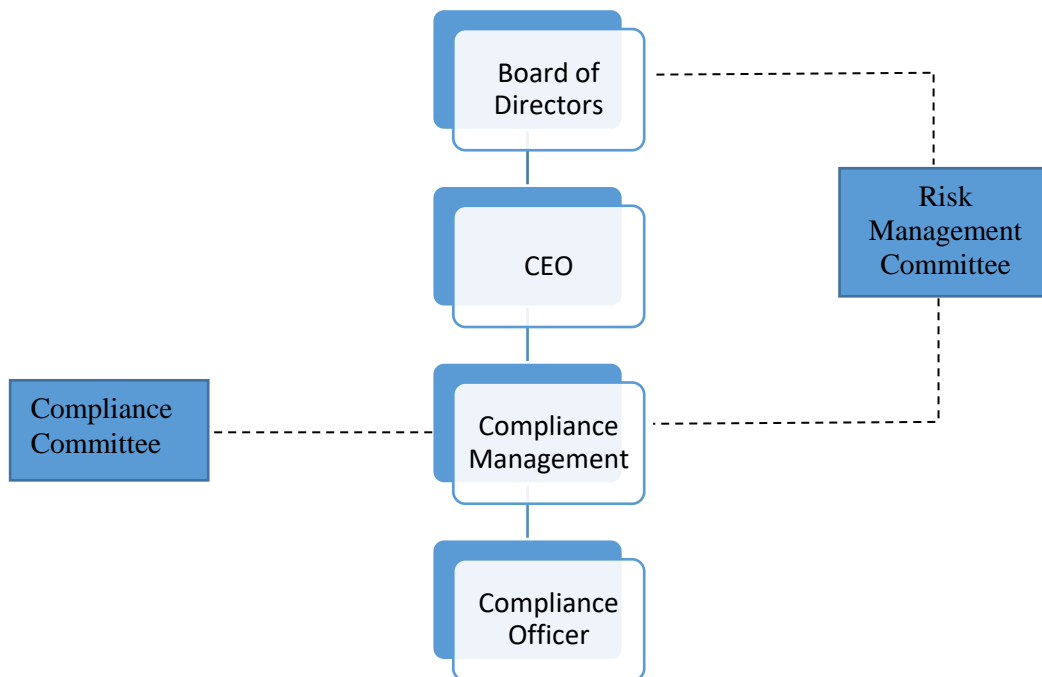
#### **4.2. Compliance Organization**

TürkTraktör's approach to Compliance is shaped by the tone at the top, showing the importance senior management attributes to Compliance related issues. By applying the core values, generally accepted corporate governance and ethical standards, the leadership acts as an organization-wide example and helps embed Compliance into the culture, behavior and attitude of every member of TürkTraktör.

A solid Compliance organization is the key to ensuring an effective Compliance structure. The Compliance organization refers to the leadership and organizational structure that is responsible and accountable for the decision-making, development, execution, monitoring and oversight of the Compliance Program.

Illustration I below presents the current Compliance organization at TürkTraktör.

**Illustration II: The Compliance Organization at TürkTraktör**



As shown above, the Compliance organization is fulfilled by:

- TürkTraktör Compliance and Competition Department,
- Compliance Committee,
- Risk Management Committee.

Considering the importance of the senior management's leadership towards Compliance related issues, TürkTraktör CEO and the Board of Directors have the overall responsibility to show leadership towards Compliance related issues by monitoring the applications of core values, generally accepted corporate governance and ethical standards.

In order to have a successful Compliance Program, the Compliance and Competition Manager position shall have:

- Empowerment: Full and clear authority, C-level designation and empowerment to carry out his/her duties.
- Independence: In order to preserve its independence, the Compliance and Competition Manager reports to the Board of Directors through the Risk Committee, while directly reporting to the CEO.
- Seat at the Table: The Compliance and Competition Officer attends the important meetings where all major business decisions are taken.
- Line of Sight: The Compliance and Competition Manager determines the standards in risk areas even if it is related and implemented by other business units.
- Resources: The Compliance and Competition Manager has sufficient resources to manage the Compliance Program.

The Compliance and Competition Manager performs his/her duties with the support of

**Compliance Officers.** The Compliance and Competition Manager has the ultimate responsibility for the activities of the Compliance Officer.

The Compliance Department has 3 main functions: Functional Responsibilities, Monitoring and Line of Sight.

**Functional Responsibilities** cover addressing the major risks identified with the Systematic Risk Analysis process, which include but are not limited to the following:

- Identifying and managing Compliance risk areas (including the risks related to Business Partners),
- Ensuring the Compliance risks are classified and analyzed and based on the outcome, prioritized,
- Creating and identifying the policies, procedures and controls which the organization must have to prevent, detect and manage the Compliance breaches,
- Providing or organizing on-going training support for employees and running Compliance awareness campaigns to ensure that all employees are aware of what is expected of them to be complaint with TürkTraktör policies,
- Setting up a Compliance reporting and documentation system for TürkTraktör,
- Establishing Compliance performance indicators, monitoring and measuring the Compliance performance of TürkTraktör,
- Analyzing performance of TürkTraktör to identify the need for corrective action plans,
- Ensuring the Compliance Program is reviewed at planned intervals,
- Ensuring that there is access to appropriate professional advice in the establishment and implementation and maintaining of the Compliance Program,
- Ensuring that the Compliance policies, procedures and the other documents are appropriate and accessible to employees and Business Partners,
- Ensuring that Compliance structure is applied uniformly and consistently throughout the company.

**Monitoring Responsibilities** include monitoring and scrutinizing certain Compliance risks, which are deemed primary responsibility of other departments or units. These activities include but are not limited to the following:

- Promoting the inclusion of Compliance responsibilities into job descriptions and employee performance management processes,
- Developing and implementing processes for managing information such as complaints and/or feedback by means of whistle-blowing system and other mechanisms,
- Ensuring that whistleblowing mechanisms are easily accessible, known and confidential,
- Ensuring only authorized persons have access to the confidential documentation related to the Compliance Program.

Lastly, **Line of Sight** means that the Compliance and Competition Department acts as an advisory function for all the Compliance related risks identified with the Systematic Risk Analysis.

Considering its roles and responsibilities, Compliance and Competition Department shall have sufficient and qualified resources and staff, including Compliance and Competition Manager assisted by the Compliance Officer/s, who are fully dedicated to the compliance matters.

**The Compliance Committee (“Committee”)** aims to increase the efficiency of the Compliance structure by consulting to the Compliance and Competition Manager (and the Compliance and Competition Department). The Committee, which consists of the Compliance and Competition Manager, Human Resources (HR) Director, the CFO and other Assistants General Manager in case of necessity, acts as an advisory board that provides support to the Compliance and Competition Manager in the decision-making process, where necessary.

**Risk Management Committee** is comprised of at least two non-executive members of the Board of Directors. In this respect, the Committee acts as the link between the Compliance Department and the Board of Directors.

### **4.3. Raising Concerns and Disciplinary Actions**

#### **4.3.1. Reporting and Whistleblowing**

Any stakeholder or employee who witnesses or is aware of any action inconsistent with TürkTraktör Code of Ethics, or any misconduct or who is suspicious of such situation, is expected to raise his/her concerns through the Turk Traktor Ethics Line at “<https://www.turktraktor.com.tr/contact/ethical-issues-form>”, or Koç Holding’s Ethics Hotline at “[koc.com.tr/hotline](https://koc.com.tr/hotline)”.

The Hotline is designed to protect the whistleblowers' confidentiality and their anonymity, if requested. It is crucial that anyone who reports an incident should feel comfortable and safe in raising their concerns and should not refrain from reporting. All complaints will be kept confidential and the owners of notification made in good faith will be protected from any possible Retaliation.

In good faith reports, no action will be taken against the person who raised the concern, even if the accuracy of the incident could not be proved by investigation. Those who deliberately make false notifications may be subject to various disciplinary action.

#### **4.3.2 Investigations and Disciplinary Actions**

All incidents reported through the Hotline or other channels will be reviewed to determine the need for an investigation. If an investigation is initiated, and as a result there is a recommendation for a disciplinary action, the relevant matter shall be brought to the attention of the Ethics Committee of TürkTraktör depending on the nature of the incident and the person subject to investigation. The disciplinary precautions are taken based on objective criteria.

## **5. AUTHORITY AND RESPONSIBILITIES**

If you become aware of any action you believe to be inconsistent with this Policy, the applicable law, Main Shareholders or TürkTraktör Code of Ethics, you may seek guidance or report this incident to your line managers. You may alternatively report the incident to Turk Traktor Ethics Line via the following link: “<https://www.turktraktor.com.tr/contact/ethical-issues-form>”, or to Koç Holding’s Ethics Hotline via the following link: “[koc.com.tr/hotline](https://koc.com.tr/hotline)”.

TürkTraktör employees may consult the Compliance and Competition Department in TürkTraktör for their questions related to this Policy and its application.



## 6. REVISION HISTORY

Policy takes effect on 18.11.2021 as of the date approved by the Board of Directors and is maintained by the Compliance and Competition Department.

Revision	Date	Comment