



# ETHICS RULES AND WORKING PRINCIPLES



# CONTENTS

I.	<b>PURPOSE AND SCOPE</b>	<b>4</b>
II.	<b>ETHIC CODES OF CONDUCT</b>	<b>4 - 9</b>
	A. Integrity	4
	B. Avoiding Conflicts of Interest	4
	i. Avoiding Actions in Favor of Self or Close Relatives	4
	ii. Former Employees Doing Business with HEKTAŞ	5
	iii. Trading with Shares of HEKTAŞ	5
	iv. Attending Representation and Organization Invitations	5
	v. Receiving and Giving Gifts	6
	vi. Political Activities	6
	vii. Club and Association Memberships	6
	C. Confidentiality and Protection of Trade Secrets	7
	D. Our Responsibilities	8
	i. Our Legal Responsibilities	8
	ii. Responsibilities to Our Employees	8
	iii. Responsibilities to Our Shareholders	8
	iv. Responsibilities to Our Customers	9
	v. Responsibilities to Our Suppliers/Business Partners	9
	vi. Responsibilities to Our Competitors	9
	vii. Responsibilities to Social Media	9
III.	<b>IMPLEMENTATION</b>	<b>10-11</b>
	A. Ethics Committee	10
	B. Working Principles of Ethics Committee	10-11



# I. PURPOSE AND SCOPE

Ethics Rules and Working Principles cover “Hektaş Türk Ticaret Anonim Şirketi (HEKTAŞ and Group Companies)”, as well as all third parties and employees acting on behalf of these companies. The main purpose of these rules is to release the ethics principles and standards, to which the entire HEKTAŞ and Group Companies’ employees should comply with, in an intelligible manner. The rules stipulated here should be evaluated by handling along with the other corporate documents (*policy, regulation, circulars, directive, etc.*).

## II. ETHIC CODES OF CONDUCT

### A. Integrity

Integrity and honesty are the prioritized values in all business processes and relationships of the employees of HEKTAŞ and Group Companies. The employees of HEKTAŞ and Group Companies act with integrity and honesty in their relations with the other employees and stakeholders.

### B. Avoiding Conflicts of Interest

Conflict of interest means all kinds of benefits that the employees can provide to themselves, their relatives, friends, or relevant third parties or organizations in return for a subject within their job description, status or scope of authority, or for a knowledge and skill that they own.

The employees of the company meticulously avoid actions that will result in a conflict of interest, as well pay due diligence to protect the benefit of the company during the execution of their duties, and avoid any action and behaviour that may mean gaining benefits for themselves or their relatives.

#### i. Avoiding Actions in Favor of Self or Close Relatives

In HEKTAŞ and Group Companies, it is essential that spouses and employees with a relative relation (*including in-laws*), including third degree, do not have a reporting relationship with each other within the same organization or take part in decision-making mechanisms together.

The employees of HEKTAŞ and Group Companies or their family members should not have any financial interest in any company that has a business relationship with HEKTAŞ and Group Companies.

It is essential that the employees of HEKTAŞ and Group Companies do not work directly or indirectly in any work that requires them to be considered as ‘traders’ or ‘craftsman, and not to work for another person and/or entity under any name during or outside working hours in return for a wage or similar benefit.

The personnel who are temporarily assigned within the scope of the duties of arbitration, mediation, and expertise granted by judicial or administrative authorities are excluded from this restriction.

## **ii. Former Employees Doing Business with HEKTAŞ**

In order to allow the employees who resigned from HEKTAŞ and Group Companies to do business with HEKTAŞ and Group Companies as a seller, contractor, consultant, broker, representative, dealers or similar;

- Must not have a disciplinary record in the company where s/he worked before,
- There should be no conflict of interest due to previous duties.

Furthermore, if the employee who resigned has held a position that provides access to sensitive information and commercial decision-making mechanisms at HEKTAŞ and Group Companies and wants to do business in the same or similar field of activity as his/her position within HEKTAŞ and Group Companies, then it is essential not to enter into a business relationship before 3 years from the date of resignation.

The Ethics Committee is authorized to evaluate and approve the exceptional cases. Provided that these conditions are met, a report that will be prepared by the manager of the relevant unit in order to enable the employee resigned to conduct business with HEKTAŞ and Group Companies must be approved by the Ethics Committee.

## **iii. Trading with Shares of HEKTAŞ**

It is possible for employees to perform investment transactions with HEKTAŞ shares in the stock exchange under the conditions that have been specified in the regulations of the Capital Markets Board. However, the employees know that trying to obtain benefit by using all kinds of confidential information belonging to HEKTAŞ and Group Companies or disclosing it to third parties, including directly or indirectly trading shares from stock exchanges, is accepted as insider trading and that these behaviours are considered illegal by law.

The in-house procedures established to implement the regulations of the Capital Markets Board are implemented with precision, and the employees stated in the “insider” list are expected to be in full compliance with the relevant legislation, policies and procedures.

## **iv. Attending Representation and Organization Invitations**

Employees of HEKTAŞ and Group Companies are not allowed to attend invitations, outdoor organizations, artistic and sports activities, local and overseas trips, etc. activities that are carried out by third persons or entities with which they have



direct or indirect business relations, that may affect the decision-making process, that may create a potential conflict of interest or be perceived as such by the other party, exceptional cases are subject to the approval of the CEO.

The participation offers, such as free conference, promotional meeting, training, etc., the organizations open to general participation, sports and similar activities received from third parties, customers or potential customers can be accepted with the approval of a senior manager.

Organizations such as business lunches, conferences, receptions, promotional events and seminars open to general participation are excluded from this scope.

## **v. Receiving and Giving Gifts**

The employees of HEKTAŞ and Group Companies should not ask for gifts, gains, aid, entertainment, special discounts, commissions or discounts that may affect their impartiality, decisions and behaviours, or should not accept such offers for their own benefit.

Except for gifts that have no doubt about symbolic meaning, are given in accordance with commercial traditions, customs, or are promotional/souvenir gifts, and have an approximate value of which does not exceed 1 quarter of the net minimum wage, the gifts from persons or entities with whom we have commercial relations, including customers, suppliers and dealers, are not accepted.

It is essential that gifts that have to be accepted due to commercial relations and that do not comply with the above-mentioned criteria are reported to the Ethics Committee and then recorded in the fixed assets records of the company.

It is essential that the employees of HEKTAŞ and Group Companies do not accept gifts in cash or cash equivalents (*such as gift certificates, commissions, etc.*) or borrow money from suppliers, consultants, dealers or competitors, regardless of their amount.

The employees cannot give gifts to entities and persons with whom they have a business relationship, other than the gifts that the company has prepared for promotional purposes.

## **vi. Political Activities**

In their individual and voluntary political activities, the employees of HEKTAŞ and Group Companies should stay away from situations that may create a conflict of interest in their current duties and responsibilities.

The company's name, title within the company and company's resources are not allowed to be used in individual political activities.

It is not allowed to make political propaganda during the working hours and in the workplace environment, it is not allowed to ask the employees to be members of a political party in any way, and the time of other employees cannot be taken for such activities.

## vii. Club and Association Memberships

It is essential that the employees of HEKTAŞ and Group Companies do not engage in social activities that are incompatible with their interests and benefits. However, they can take charge in foundations, associations for professional and social purposes, provided that they do not disrupt their working hours and order. In case they take charge in the management level in the specified places, it is essential that the employees inform the "Ethics" communication channels. Association and/or club activities must not be discriminatory or contrary to the public interest in any way.

## C. Confidentiality and Protection of Trade Secrets

Information is one of the most significant assets that will be used to actualize the vision of HEKTAŞ and Group Companies. To use information effectively, to share it correctly and to ensure the confidentiality, integrity and accessibility of information in this process is the common responsibility of all our companies and employees.

The information and documents, trade secrets, non-public financial and other information provided by the company due to its location or that are likely to be accessed or learned at the workplace, confidential information regarding employees' personal rights and agreements concluded with third parties are evaluated within the framework of confidentiality and protection of trade secrets.

Each employee is committed to the confidentiality of company information and not allowed to disclose such information without permission or necessary written authorization. The protection and confidentiality of all financial and commercial information, agreements and employees' information belonging to the company is essential.

All official statements are announced to investors, partners and the public in a complete, simultaneous and understandable manner and in accordance with the principle of equality through the units determined by the companies.

It is not allowed to share the passwords for computers, telephones, tablets, all devices and software that store data with anyone inside or outside the company. The employees are responsible for the data security of desktop and/or laptop computers, mobile phones and tablets, which are debited to them, as well as personal information accessed for business purposes. They are used in accordance with the Personal Data Protection Law.

Internal Audit Senior Management is the only unit that is authorized to inspect the devices and software records (*notebook, external data storage device, mobile phone, tablet, e-mail, Skype, SMS*) given to employees by HEKTAŞ and Group Companies,



if deemed necessary. Related records can be subject to review upon a written request from the Information Systems Senior Management.

If information should be shared with third parties and/or entities for the benefit of the company, then a non-disclosure agreement is signed initially or a written commitment of confidentiality is obtained from the other party in order to ensure that the responsibilities of these persons and entities regarding the security and protection of the shared information are well-understood. It is essential to get the support of legal units in such practices.

The wages, fringe benefits, etc. personal information that reflect the company's policy and are personal are confidential and should not be disclosed to anyone other than the authorities. The information belonging to the employee is delivered privately. The employees are not allowed to disclose this information to others or apply pressure to other employees to disclose the information.

The persons who are authorized to make evaluations, express opinions, and make written or verbal press releases on behalf of the company are the Chairman of the Board of Directors and the CEO (*with the approval of the Chairman of the Board of Directors*), as well as the persons to be assigned by them.

## D. Our Responsibilities

### i. Our Legal Responsibilities

HEKTAŞ and Group Companies executes all its domestic and abroad activities and proceedings within the frame of the Republic of Turkey laws and international laws, and it is essential to present accurate, complete and comprehensible information to the legal regulatory entities and organizations on time.

### ii. Responsibilities to Our Employees

HEKTAŞ and Group Companies do not discriminate by basing on race, ethnicity, nationality, religion, or gender. By providing equal opportunities to people under equal conditions, take performance and efficiency criteria in remuneration, appointment and promotion as basis.

The practices of the company comply with all applicable laws and regulations regarding the employment and working life. The employees of the company also fulfil all legal requirements within the scope of their activities and act in accordance with legal regulations.

Violation of immunity in any way by means of physical, sexual and/or emotional harassment against our employees or our stakeholders with whom we have a business relationship, at the workplace or at any place where they are due to work, is not tolerated. Possible negative attitudes and behaviours towards those who report such violations or assist during the investigation are considered as violations of our ethics rules.



An affirmative and harmonious working environment that supports cooperation is created within the company and clash environments are prevented, thus people with different beliefs, thoughts and opinions work in harmony, and it is not allowed to make religious propaganda in the workplace environment.

HEKTAŞ and Group Companies ensure the necessary participation in Occupational Health and Safety (OHS) trainings for a safe and healthy working environment and pay utmost care to take measures in this regard. Our employees notify the possible dangers and risks they recognize in the workplace to their unit supervisors and/or workplace OHS units through the relevant notification forms.

The trainings aimed at improving the professional knowledge and skills of the employees as well as their personal abilities are realized with the principle of equality.

Systematic and planned behaviours that aim to alienate the targeted person from work, decrease his performance, and cause him to resign in a manner that will be evaluated within the scope of psychological harassment (mobbing) will not be tolerated.

### **iii. Responsibilities to Our Shareholders**

By giving priority to sustainability and acting in accordance with the goal of creating value for their shareholders, HEKTAŞ and Group Companies take their operation related decisions by basing on known economic criteria, and attach importance to the most efficient management of resources with an understanding of financial discipline and accountability.

In the statements made to the public and shareholders, timely, accurate, complete and comprehensive information about financial statements, strategies, investments and risk profile are provided. All meetings to be held with the parties such as the investors, financial analysts, members of the press, etc. are regulated by the relevant in-house regulations, no verbal or written statement is made on behalf of HEKTAŞ and Group Companies unless a task is granted.

### **iv. Responsibilities to Our Customers**

HEKTAŞ and Group Companies work with a proactive approach that focuses on customer satisfaction and responds to the needs and demands of the customers in the shortest time possible.

Offers services on time and under promised conditions; approaches its customers within the framework of respect, honor, justice, equality, and courtesy rules. It is essential that the employees carefully protect the confidential information of the customers.

We are sensitive to the requirements and demands of our customers. We continuously improve our products, services, technology and business processes



in order to ensure quality, energy efficiency and development at every phase of our activities.

### **v. Responsibilities to Our Suppliers/Business Partners**

We select all our suppliers with objective criteria among the companies that are experts in their fields of business, that fulfil their legal obligations, and that do not have an unfavourable reputation.

We behave fairly and respectfully as expected from a good customer, take the necessary care to fulfil their obligations in a timely manner, and carefully protect the confidential information of the people and entities with which we do business, as well as our business partners.

### **vi. Responsibilities to Our Competitors**

We do not engage in agreements and behaviours aimed at preventing, distorting or restricting competition, directly or indirectly, with competitors or other persons and entities in the areas in which we operate.

As HEKTAŞ and Group Companies, we never allow situations that prevent competition, such as working or collaborating in order to determine the market and price, or exchanging information.

### **vii. Responsibilities for Social Media**

Except for employees who are expressly authorized by job description and authority, all types of posts and personal comments shared in social networking sites, blogs, e-mail groups and that may negatively affect the corporate position, sectoral and social reputation and competition of HEKTAŞ and Group Companies cause obligations for the employee. No employee other than those assigned can make a verbal or written statement on behalf of HEKTAŞ and Group Companies.

## **III. IMPLEMENTATION**

The access to ethics notifications is only under the authority of the Head Office and the Internal Audit Senior Management. Security, confidentiality and management of all channels fall within the purview of the Internal Audit Senior Management. The decision to subject the notifications to the review in the Ethics Committee is taken by the CEO following the preliminary examination to be carried out by the Internal Audit Senior Management.

## A. Ethics Committee

HEKTAŞ and Group Companies Ethics Committee is the competent authority for ethics issues within the company. Presents recommendations to senior management on all ethics issues and draws attention to risky situations aspects of ethics.

Ethics Committee is comprised of the CEO, COO and the Human Resources Director. Internal Audit Manager acts as the rapporteur of the Ethics Committee. The Ethics Committee is chaired by the CEO and has the authority to replace the members of the Ethics Committee.

## B. Working Principles of Ethics Committee

The Ethics Committee ensures that all employees are informed about the Code of Ethics, and answers the questions of all employees regarding the implementation of the Code of Ethics with the utmost confidentiality.

It keeps the reports or complaints or the identity of those who report or complain confidential. Adopts a policy to prevent possible retaliatory attitudes and behaviours towards employees or persons who report ethics violations, and conducts the investigation within the framework of confidentiality principles.

It has the right to request information, documents and evidence related to the investigation directly from the related business unit. It can examine all kinds of information and documents it has obtained only within the scope of the investigation.

The investigation is handled promptly and reached to the result as quickly as possible, and the decisions taken by the Ethics Committee are immediately put into practice by informing the relevant authorities about the results. The investigation process is recorded in a written report from the beginning and the information, evidence and documents are attached to the report and it is signed by the Chairman and the Members.

While performing their duties, the Chairman and members of the committee act independently and unaffected by the department managers and the hierarchy within the organization. They are not allowed to be subject to repression or any suggestions.

In case the employees recognize an unethical practice, they can report this via the Ethics Line established within our Group ( [www.remedetikhat.com.tr](http://www.remedetikhat.com.tr) web address, [hektas@etikhat.com](mailto:hektas@etikhat.com) e-mail address and (0212) 403 34 53 numbered telephone formed within the scope of ethics line).



