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- Is a transaction party on OFAC's SDN list or owned by an SDN?<sup>6</sup>
- Is a transaction party located in or supplying goods or services to/from Crimea, Cuba, Iran, North Korea, Sudan or Syria (the "**Embargoed Countries**")?
- Is a transaction party on the SSI List or owned by a company that appears on the SSI List?
- Is a transaction party owned in whole or part by, or acting on behalf of, the governments of Cuba, Iran, Sudan or Syria or a corporation owned by one of these governments?
- Is a transaction party a national of Cuba or owned in whole or part by nationals of Cuba (other than Cuban nationals located in the United States or permanent residents of a third country)?

### III. Our Policy

A. We comply with all Sanctions laws, including export controls, applicable to our transactions.

B. We will not participate in transactions that would expose any of the participants to compliance risk under applicable Sanctions.

C. We will not participate in transactions designed or intended to evade the Sanctions laws of jurisdictions in which we do business.

*In cases of doubt, all employees must consult the Company's Legal and Compliance Department.*

### IV. Recusal of US Person employees

A. "US Persons", including employees who are US Persons, must not participate in any transaction involving an Embargoed Country or other US Sanctions Target unless OFAC has licensed or authorized the involvement of US Persons in that transaction. "US Persons" include anyone while in the United States; any US citizen or green card holder, wherever located (including dual nationals of the US and another country); any US-incorporated entity, or anyone employed by a US entity, as well as US-owned or controlled non-US entities under certain US Sanctions.

- The Company and Group Companies -except Beko U.S., Inc. - are not US Persons, but any of its offices and employees in the United States, and any employee globally with a US passport or green card are US Persons.

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<sup>6</sup> Denied Party Screening should be run for all transaction regardless of US element involvement.

B. In the absence of an applicable license, authorization or exemption, US Sanctions prohibit the involvement of US Persons in transactions with Embargoed Countries and other US Sanctions Targets.

- Sanctions imposed on the companies that appear on the SSI List are more limited in scope and prohibit US Persons from transacting in, providing financing for, or otherwise dealing in new debt (depending on the SSI-listed entity) or, in certain instances, new equity for these persons, their property, or their interests in property.

C. Accordingly, all employees who are US citizens or hold a US green card (including non-US citizens while in the United States) must not participate in or otherwise support or facilitate transactions involving US Sanctions Targets unless OFAC has licensed or otherwise permitted such transactions.<sup>7</sup>

D. Specifically, if you are a US Person, located in the United States, or a non-US person director or employee of a US entity while acting on behalf of the US entity:

1. Do not provide any commercial advice, assistance or other support in connection with OFAC-prohibited business involving Embargoed Countries or other US Sanctions Targets;
2. Do not supervise, authorize or approve any OFAC-prohibited business involving US Sanctions Targets or manage or direct the conduct of other personnel in regard to such business;
3. Do not participate in the re-design or restructuring of any transactions, operations, products or services for the purpose of facilitating OFAC-prohibited business involving US Sanctions Targets;
4. Do not provide corporate services (e.g., accounting, logistics, contract administration, technical services) specifically to support OFAC-prohibited business involving US Sanctions Targets.

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<sup>7</sup> The SSI List Sanctions do not prohibit US Person involvement in all transactions with SSI Listed companies. Rather the SSI List sanctions prohibit only limited activity. The SSI List should be consulted for details of these prohibitions, but they are in summary: Directive 1 – transactions that involve new equity or new debt of a Directive 1 sanctioned entity with a term of more than 30 days; Directive 2 – transactions that involve new debt of a Directive 2 sanctioned entity with a term of more than 90 days; Directive 3 – transactions that involve new debt of a Directive 3 sanctioned entity with a term of more than 30 days, and; Directive 4 - transactions involving exploration or production for deepwater, Arctic offshore, or shale projects that have the potential produce oil in the Russian Federation and involve a Directive 4 sanctioned entity. The same corresponding prohibitions apply to entities 50% or more owned by one or several SSI Listed entities. Therefore, US Persons may participate in transactions with such SSI Listed companies subject to the requirement that those transactions do not involve prohibited transactions or any other US Sanctions Targets.

5. Do not refer OFAC-prohibited business involving US Sanctions Targets to any other person or issue any powers of attorney in relation to specific transactions with US Sanctions Targets.

6. Do not provide any services listed above in connection with debt or equity, as applicable, to entities that appear on the SSI List.

E. Employees who are not US Persons must not involve US Persons, US-origin goods or services, or the US financial system in any OFAC-prohibited business involving US Sanctions Targets.

F. Thus, if you are not a US Person and your transaction involves US Sanctions Targets, unless authorized by an OFAC license or authorization or otherwise authorized by the Compliance Officer:

1. Do not work on that transaction while you are in the United States;
2. Do not ask a US Person (including a US citizen or green card holder outside the United States) to assist you with that transaction;
3. Do not discuss that transaction with a US Person, except to alert them to the need for compliance with this protocol or raise an OFAC compliance issue;
4. Do not include US Persons in e-mail chains in furtherance of that transaction;
5. Do not attempt to involve US Persons in that transaction by withholding information about its connection to a US Sanctions Target; and
6. Do not use credit or other assets provided by US Persons to finance transactions with US Sanctions Targets or provide US Persons with funds derived from such transaction.

G. Examples: The following are examples of actions that would violate this Policy:

- A US citizen employed by the Company in Turkey negotiates a sale of refrigerators to a Syrian business;
- A Turkish citizen employed by the Company in Turkey negotiates a contract with a company in Sudan while temporarily working from an office in New York;
- From Turkey, the same non-US employee orders parts from a US-based supplier for sale to a customer in Iran; or
- A US green card holder employed by the Company in Turkey approves a contract with an OFAC-listed SDN.

## H. Recusal of US Person Committee Members

- As noted above, anyone affiliated with the Company and the Group Companies who is a US Person may not approve, authorize, advise on or otherwise provide support or assistance in connection with business involving US Sanctions Targets or Embargoed Countries unless US law permits their involvement in a particular case (e.g., because OFAC has licensed the transaction or because of the limited nature of the SSI sanctions).
- A strict recusal rule therefore applies to any US Persons who may now or in the future serve on the Company and the Group Companies' managing boards and committees, meaning that they may not participate in any portion of a meeting of such board or committee, including planning or votes, in furtherance of OFAC-prohibited business involving US Sanctions Targets or Embargoed Countries.
- Thus, unless authorized to participate by the Compliance Officer, US Persons should leave the meeting room and/or drop off video/audio conferences during such interval that a board or executive committee may take action specifically in furtherance of business involving US Sanctions Targets or Embargoed Countries.
- Clarification regarding Compliance Advice: Any member of a committee may and routinely will seek and consider advice provided by US Persons on compliance with OFAC and other Sanctions regulations and the Company and Group Companies' exposure to US Sanctions risks. In this context, US Person members of or advisors the Company and Group Companies' boards and committees may address sanctions compliance issues on behalf of the Company and Group Companies, while at the same time recusing themselves from any commercial planning or decisions in furtherance of OFAC-prohibited business with US Sanctions Targets or Embargoed Countries.
- In regard to any minutes of meetings recorded by the respective boards and committees, for any meeting in which voting or other action in furtherance of OFAC-prohibited business with US Sanctions Targets or Embargoed Countries is recorded, such minutes should indicate the manner in which any US Persons in attendance recused themselves from such action (e.g., left the room, dropped off the conference call), before minuting the discussion and/or decisions related to the US Sanctions Targets.
- Board and committee members (and executives generally) who are not US Persons should not include US Persons in emails or other communications regarding the commercial aspects of OFAC-prohibited business with US Sanctions Targets or Embargoed Countries (in contrast to requests for compliance advice), and should consult the Compliance Officer in cases of doubt.

- The respective boards and committees will not approve or authorize any OFAC-prohibited business with US Sanctions Targets or Embargoed Countries if, following the recusal of all US Person members, the remaining members do not exceed the number of recused US Person members.

#### **V. Additional Guidance for US Person Employees**

A. The OFAC sanctions do not extend to passive awareness by US Person employees of the Company and Group Companies' activities involving US Sanctions Targets or Embargoed Countries, as long as the US Persons do not use their awareness of such business to engage in unauthorized activity that facilitates OFAC-prohibited business.

B. Publication and distribution to US Person employees of general purpose management reports or financial statements, disclosing costs/revenues/profits and other information about the Company and Group Companies' business with the Embargoed Countries in the context of the Company and Group Companies' global business activity, would not violate this Policy as long as the US Persons do not participate in any commercial deliberations or decision making in furtherance of unauthorized OFAC-prohibited business.

C. US Persons should consult the Company's Legal and Compliance Department whenever they have questions or concerns about the subject matter of this Protocol.

Version Date: 15.02.2021