GLOBAL SANCTIONS AND EXPORT CONTROLS POLICY
GLOBAL SANCTIONS AND EXPORT CONTROLS POLICY

1. PURPOSE AND SCOPE

The purpose of this Sanctions and Export Controls Policy (the “Policy”) is to set out the rules to be considered by Arçelik Global (the “Company”) in order to ensure compliance with the economic sanctions and export control obligations by setting minimum standards and criteria.

When applicable to their businesses, it is one of the main principles of the Company to fully comply with the economic sanctions administered by: the Republic of Turkey, the United Nations (the “UN”), the United States Government (the “US”) and the European Union (the “EU”), (respectively, “Turkey Sanctions”, “UN Sanctions”, “US Sanctions” and the “EU Sanctions”) as well as the economic sanctions and export controls administered by other jurisdictions, (collectively, the "Sanctions").

The Company is committed to carrying out its business in compliance with all applicable laws, rules and regulations and to maintaining the highest ethical standards in relation to its business activities.

The Company has implemented a Sanctions compliance framework to ensure it complies with all applicable Sanctions and can identify and mitigate the Sanctions risks confronting its business.

This Policy applies to all employees of the Company, Group Companies (defined below) and its Business Partners. In cases of conflict between the local laws and regulations, which are applicable in the countries that the Company operates and this Policy, the stricter provisions shall apply.

All employees of the Company and Group Companies are required to abide by this Policy. In case an employee of the Company and Group Companies become aware of any action that she/he believes to be inconsistent with this Policy, the applicable law or the Arçelik Global Code of Conduct or in case there is any requirement to have direct or indirect contact with a Sanctions Target, she/he will be required to seek immediate guidance. In such a case, he/she should contact her/his line managers and the Legal and Compliance Department of the Company, if necessary.

2. DEFINITIONS

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

“DPS” means Denied Party Screening which is the process of identifying whether or not Business Partners of the Company and Group Companies are listed in global lists for restricted persons, embargoed countries, and companies that are owned by these denied entities.

“Embargo” means a general term that is used as a government prohibition against the export or import of all or certain products to a particular country for economic or political reasons.
“EU” means the European Union.

“EU Sanctions” means the Sanctions adopted by the EU Council and implemented by the member countries.

“Export Control Regulations” mean the laws and regulations that regulate and restrict the import, export and reexport of technologies, information, goods and services for reasons of commerce, foreign policy and national security.

“Group Companies” means the entities of which the Company holds directly or indirectly more than 50% of share capital.

“International Organization” means an organization with an international membership, scope, or presence.

“Koç Group” means Koç Holding A.Ş., companies which are controlled directly or indirectly, jointly or individually by Koç Holding A.Ş. and the joint venture companies listed in its latest consolidated financial report.

“Money Laundering” means the activities that involve taking criminal proceeds and disguising their illegal source in anticipation of ultimately using such criminal proceeds to perform legal and illegal activities.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“RFI” means request for information.

“Sanctions” has the meaning assigned to this term under Section 1 (Purpose and Scope) of this Policy.

“Sanctions Obligations” means any contractual obligation or commitment, form or undertaking in written or oral or other form etc., including but not limited to the loan, facility and other agreements, undertakings, bank opening forms etc.

“Sanctions Target” means;

- Any individual, entity, vessel or government which is a designated target of Sanctions (collectively, "Listed Persons") (e.g., OFAC and SDNs);
- Companies owned 50% or more, directly or indirectly, by a Listed Person;
- Individuals or companies that are resident, incorporated, registered or located in countries or territories such as Crimea, Cuba, Iran, North Korea, Sudan and Syria that are subject to a comprehensive country or territory-wide Embargo as of the approval date of this Policy (i.e., the "Embargoed Countries"), and
- Persons or companies owned or controlled by, or operating as agents of, the governments of Embargoed Countries or the Government of Venezuela.
“SDN” is a list of groups, and entities, such as terrorists and narcotics traffickers published by OFAC, designated under programs that are not country-specific. As part of its enforcement efforts, OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. Collectively, such individuals and companies are called “Specially Designated Nationals” or “SDNs.”

“Sectoral Sanctions Identifications (SSI) List” refers to a list published by OFAC to identify persons operating in sectors of the Russian economy identified by the Secretary of the Treasury pursuant to Executive Order 13662. Directives found within the list describe prohibitions on certain dealings with the persons identified. SSI sanctions apply to persons on the SSI List, as well as companies 50% or more owned by SSI listed persons. However, the SSI List is not part of the Specially Designated Nationals (SDN) List, and therefore blocking sanctions do not apply to persons on the SSI list unless they are also on the SDN List or 50% or more owned by an SDN.

“Turkey Sanctions” refer to the sanctions and embargoes that are imposed by the Republic of Turkey and administered by the Ministry of Foreign Affairs.

“UN Sanctions” refers to economic sanctions imposed by the United Nations Security Council and implemented by U.N. member countries. The economic sanctions imposed by the United Nations, aim to achieve different objectives by weakening the target country or organization, and compelling and punishing the target country or organization. U.N. members implements sanctions under their national laws. All U.N. members are obliged to obey U.N. sanctions.1

“US Sanctions” means the Sanctions implemented by the U.S. State Department.

3. AUTHORITY AND RESPONSIBILITIES

The Board of Directors of the Company is responsible for overseeing the management of Sanctions compliance program (the “Program”) and ensuring that the Company has adequate resources in place to effectively manage risks and implement the Program. The Company’s Legal and Compliance department has overall responsibility for the Program and for ensuring that their requirements are effectively and appropriately communicated to the persons and entities that are required to comply with them.

The business units and operations, as the first line of defense, are responsible for implementing and/or supporting the Company’s Sanctions-related procedures and controls in accordance with the requirements in this Policy. These units must ensure adherence to the requirements in this Policy and associated operating procedures.

The Chief Legal and Compliance Officer (“CCO”) is responsible for the administration of the Program, implementing its requirements across the Company and monitoring and assessing the effectiveness of the internal controls and procedures that are intended to ensure compliance with the requirements of the Program.

1 https://www.un.org/securitycouncil/sanctions/information
The Company’s Legal and Compliance Department, as the second line of defense, is responsible for the monitoring, assessment, and reporting of the Sanctions risks. The Legal and Compliance Department of the Company has the day-to-day responsibility for: (i) assessing the Company’s Sanctions risks; (ii) ensuring that the Program is capable of mitigating those Sanctions risks and that the Program is supplemented/enhanced as needed; (iii) responding to queries about this Policy and Sanctions-related compliance queries from the employees; (iv) developing and providing training to relevant employees; and (v) reporting any actual or suspected breaches of the requirements of this Policy to the Board in a timely manner. An annual risk assessment must be conducted by Legal and Compliance Department in order to follow up the risks associated with the Sanctions within the overall risk management framework.

Internal audit, as the third line of defense, is responsible for carrying out independent testing of the Company’s Sanctions-related policies, procedures and controls.

4. GENERAL PRINCIPLES

Governments and International Organizations may limit the transfer or procurement of certain goods and services, technical data, information, materials and technology in accordance with the Sanctions and Export Control Regulations. Economic or full or partial Embargoes may be imposed on certain countries, organizations or individuals for political, military or social reasons.

As a globally acting enterprise, the Company aims to take effective and necessary precautions for it and its Group Companies to manage the risks pertaining to the Sanctions and Export Control Regulations.

Products and services of the Company must not be traded, directly or indirectly with Sanctions Targets or the Embargoed Countries unless the Company’s Legal and Compliance Department has first confirmed that the prospective transaction does not violate applicable sanctions or otherwise expose the Company to such risk. In case the relevant business units have any doubt or in exceptional situations (such as transacting with a party which is included in the Sectoral Sanctions Identifications List (“SSI”); transacting with an Embargoed Country in a sector which is not subject to Sanctions, etc), the Company’s Legal and Compliance Department must be informed for preapproval. Such transaction may only be confirmed by Company’s Legal and Compliance Department after the final approval of the Legal and Compliance Department of Koç Holding to ensure that the prospective transaction does not violate applicable Sanctions or otherwise expose the Koç Group to Sanctions risk.

It is of utmost importance for the Company to comply with any laws and regulations applicable to it, including Sanctions and Export Control Regulations, in the countries in which it operates and to fulfil its contractual obligations. For this reason:
• Unless the necessary arrangements are made and the required licenses are obtained\(^2\) any activity subject to Sanctions or constitutes a breach of applicable Export Control Regulations or any Sanctions Obligations must be ceased;
• Due diligence procedures must be performed in order to determine whether a third party is subject to Sanctions;
• Ongoing monitoring must be performed at a frequency determined according to the result of the due diligence procedures. If a prohibited transaction or any activity subject to Sanctions or constitute a breach of applicable Export Control Regulations is detected during an ongoing monitoring, the related process should be ceased immediately and the Company’s Legal and Compliance Department should be informed immediately. Once such information is received by the Company’s Legal and Compliance Department, Legal and Compliance Department of Koç Holding will be informed.

Payments and collection of revenues must be made and recorded to the books in accordance with laws and regulations of the countries in which the Company conducts its’ business activities.\(^3\) The Company shall not be involved in Money Laundering, terrorist financing and the financing of mass destruction weapons activities.

For such purpose the Company must:
• Know who their customers and Business Partners are;
• Comply with applicable laws, regulations and Arçelik Global Code of Conduct and related Policies;
• Always ensure accuracy in financial and commercial records;
• Keep records of all its activities in a safe and proper manner;
• Perform third party screenings/due diligence in compliance with applicable regulations.

Failure to comply with this Policy could lead to, but is not limited with, the following:
• Imprisonment of employees (as a result of violation of certain Sanctions);
• Significant financial penalties for both the Company and their employees;
• Adverse public reputation;
• Loss of business;
• Cancellation of incentives;
• Termination of agreements;
• Fall in stock prices;
• Poor or no access to international financing;
• Credit recall;
• Seizure of the Company’s assets.

\(^2\) The licenses must be obtained for at least 10 years unless otherwise stated in the relevant regulations.
\(^3\) Please refer to Arçelik Global Anti Money Laundering Policy for details.
5. IMPLEMENTATION

Within the scope of the due diligence procedures, Denied Party Screening (“DPS”) must be conducted via the third-party screening tool. Initial due diligence must be performed, before any engagement with a new Business Partner or other third party in accordance with the applicable regulations. While performing the due diligence activities, the domestic lists shall be also taken into consideration, to the extent technically possible together with global sanctions lists. Due diligence procedures must be conducted not only prior to any engagement but also during the course of the business relationship on a periodical basis. If red flags (such as the risk of transactions with the Sanctions Targets, Money Laundering activities, etc.) are detected by the relevant departments of the Company at any time during the course of the business relationship, the Legal and Compliance Department of the Company must be informed immediately. The Legal and Compliance Department performs enhanced due diligence activities and informs the related business unit about the precautions to be taken including, but not limited to the termination of the business relationship or cancellation of agreements. In case of doubt, the Company’s Legal and Compliance Department will consult to the Legal and Compliance Department of Koç Holding.

Depending on the results of the DPS, it is at the sole discretion of the Legal and Compliance Department of the Company to decide whether the business transactions can be initiated or continued.

The Company must ensure that the contracts with Business Partners and other third parties includes relevant articles regarding their understanding and obligations to comply with this Policy.

6. US PERSON INSULATION

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 US Person Insulation Protocol attached at Appendix [1] provides additional guidance and instructions on the exclusion of US Persons as necessary to comply with applicable US Sanctions.

For more information regarding insulation of US Persons, the Company’s Legal and Compliance Department shall be contacted.

7. TRANSPARENCY REQUIREMENTS

Employees of the Company including Group Companies shall not make any statements or engage in any conduct designed to evade Sanctions, the requirements of this Policy or that may be construed as facilitation of Sanctions evasion or sanctionable activity. No information in payment instructions, transaction documents and/or counterparty data
should be altered, deleted or concealed in order to evade Sanctions or impede the identification of a Sanctions issue. Employees should reject and report to the Legal and Compliance Department of the Company, any request from a counterparty to omit or conceal names, addresses or other information relating to a Sanctions Target in transaction records or other commercial documents. Any such lack of transparency in regard to a Sanctions issue will not be tolerated.

8. REQUESTS FOR INFORMATION

The Company and/or Group Companies may receive requests for information ("RFI") regarding certain transactions, counterparties, etc. from corresponding or counterparty banks. Such RFIs may be received via email, fax or other means. Any employee that receives a Sanctions-related RFI should immediately forward the RFI to the Legal and Compliance Department of the Company for review. All responses to Sanctions-related RFIs require approval from the Legal and Compliance Department of the Company and must address the entire request, be accurate and not misleading.

All documents related to RFIs, including all relevant internal correspondence, documentation evidencing the approval of the RFI response by the Legal and Compliance Department of the Company and any other documentation related to the handling of the RFI must be saved and archived in an electronic format.

The Company’s Legal and Compliance Department shall contact, Legal and Compliance Department of Koç Holding for the follow up of this RFI.

9. VIOLATIONS OF THIS POLICY

Violations of this Policy may result in significant disciplinary actions including dismissal. If this Policy is violated by any third parties, their contracts, if any, must be terminated with immediate action.

If you know or suspect that there has been a violation of this Policy and/or the applicable law, you should immediately report the violation (or suspected violations) to the Legal and Compliance Department of the Company. In addition, if you have any questions or concerns please contact Legal and Compliance Department of the Company, alternatively you may also report your questions or concerns via the below mentioned reporting channels:

Web: www.ethicsline.net
E-mail: arcelikas@ethicsline.net

In addition to the channels described you may also report any violation of this Policy to Koç Holding’s Ethics Hotline via the following link: “kocsnow.koc.com.tr/hotline”.

This Policy will be periodically reviewed by the Arçelik Legal and Compliance Department to ensure compliance with new or revised laws and regulations.
10. APPENDIX I- US PERSON INSULATION PROTOCOL

Insulation of US Elements from Business involving Sanctions Targets

I. Reason for this Protocol

A. To guard against the participation of the Company and Group Companies and all operations globally in transactions that might violate applicable economic sanctions or trade embargoes ("Sanctions").

B. Because Sanctions violations can result in criminal penalties and personal liability for employees who fail to comply, all employees must understand their obligations and strictly observe this Protocol both for their own protection and for the protection of their fellow employees.

II. Sanctions Targets

A. Each of the jurisdictions in which the Company and Group Companies operate may enforce a range of Sanctions against target persons, entities, vessels or countries ("Sanctions Targets") in accordance with United Nations' mandates or for other reasons.

B. US economic sanctions generally target a wider range of countries, persons and entities than Sanctions imposed by the other jurisdictions in which the Company and Group Companies operate. US Sanctions Targets include persons, entities and vessels designated by the US Office of Foreign Assets Control ("OFAC"), as reported on the OFAC website. In addition to such Specially-Designated Nationals ("SDNs") and Foreign Sanctions Evaders ("FSEs"), OFAC and other US Authorities currently impose comprehensive sanctions against Crimea, Cuba, Iran, North Korea, Sudan and Syria. Finally, OFAC has imposed Sanctions on certain entities that operate in Russia's financial, defense and energy sectors by putting them on OFAC's Sectoral Sanctions Identifications list ("SSI List").

C. US Sanctions requirements apply to US Persons globally and also to transactions by any person that involves the territory or financial system of the United States or international transfers of export-controlled US origin goods (collectively, "US Elements").

---

4 This protocol does not address US or EU export control regulations and licensing requirements. See [other company policies] for guidance on such regulations and requirements.

D. Questions to ask to determine whether a transaction that involves US Elements might create US Sanctions risk include:

- Is a transaction party on OFAC’s SDN list or owned by an SDN? \(^6\)
- 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.

\(^6\) 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.7

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.

---

7 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