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## 1. PURPOSE

The purpose of Anti-Bribery and Anti-Corruption Policy (“Policy”) is to set out anti-bribery and anti-corruption policies of Akçansa Çimento Sanayi ve Ticaret A.Ş. (“Akçansa”), which are contained in the Code of Business Ethics of Sabancı Holding that also applies for Akçansa.

## 2. SCOPE

Anti-Bribery and Anti-Corruption Policy covers:

- All Akçansa employees including the Board of Directors of Akçansa;
- the companies from which we outsource goods and services and their employees, and the people and agencies working on behalf of Akçansa including suppliers, consultants, lawyers, external auditors, etc. (business partners).

This policy is an integral part of:

- the Corporate Governance Principles approved by the Board of Directors of Akçansa Çimento A.Ş. and disclosed to the public and the Code of Business Ethics of Sabancı Holding applied at Akçansa Çimento A.Ş.;
- the principles which we have undertaken to comply with by joining the United Nations’ Global Compact;
- the Human Resources Codes of Practice.

## 3. DEFINITIONS

**Affiliates:** Karçimsa Çimento Sanayi ve Tic. A.Ş.

**Corruption:** means the misuse of the authority held due to the position for the purpose of gaining any kind of advantages directly or indirectly.

**Bribery:** means a person’s gaining advantage or providing advantages to the requesting party or to others under such relationship within the framework of an agreement reached with a third person so that such person acts in breach of the requirements of his/her duty by way of performing or omitting to perform any work related with performance of his/her duties, assigning others to perform such work, speeding up or slowing down thereof, granting, offering, promising, soliciting or accepting any advantages directly or through other people; or intermediating in such activities, etc.

## 4. DUTIES AND RESPONSIBILITIES

The Board of Directors is authorized, in charge of and responsible for implementation and updating of the Anti-Bribery and Anti-Corruption Policy. In this context;

- The Corporate Governance Committee is required to advice the Board of Directors for establishing an

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ethical, reliable, legal and controlled working environment;

- Senior management is required to evaluate risks and establish the necessary control mechanisms in compliance with the principles to be designated by the Board of Directors;
- the Internal Audit and Compliance Department, the Legal Affairs Unit and the Human Resources are required to monitor whether operations of Akçansa Çimento A.Ş. are carried out safely and in compliance with legal regulations within the scope of their duties;
- reporting, investigation and sanction mechanisms should be determined and implemented against any possible breach of or non-compliance with policies, rules, and regulations.

In addition, all employees of Akçansa Çimento A.Ş. are responsible for;

- ensuring compliance with the established policies of the Board of Directors;
- effectively managing the risks related with their fields of activity;
- working in a manner consistent with the relevant legal regulations and the applications of Sabancı Holding and Akçansa Çimento A.Ş.;
- informing the Ethics Representative of Akçansa Çimento A.Ş. and the Ethics Board of Sabancı Holding if they encounter any behaviour, activity or practice in breach of the Policy. (there is no ethic representative at HC,

## **5. THE COMPANIES FROM/TO WHICH GOODS AND SERVICES ARE PURCHASED/SOLD AND BUSINESS PARTNERS**

During selection of the business partners and the companies from which goods and services are received, the senior management takes into account the criteria such as experience, financial performance, technical competency, etc. as well as morality and a positive background in this field. The companies or business partners that have a negative background with regards to bribery or corruption are not collaborated even if they meet the other requirements. In this context, the responsibility for making the necessary investigations and evaluations before establishing any business relationship rests primarily with the senior management. The Internal Audit and Compliance Department evaluates whether such issues are complied with during its audits.

The business partners and the companies from which goods and services are purchased must comply with the policy principles and other relevant statutory regulations. Any business relationships with the persons and entities failing to comply with these requirements are terminated.

## **6. OUR POLICIES AND PROCEDURES**

### **6.1 Bribery and Corruption**

- Corruption is a criminal offence in every field of activity of Akçansa and its affiliates.

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- Bribery constituting a crime in business relationship may be committed actively or passively. Bribery may occur as gaining or promising any kind of personal advantage, or giving or soliciting or receiving any authorization directly or indirectly. Bribery may also be given or received indirectly through intermediaries. Both the person or entity offering the bribe and the person or entity receiving the bribe may be punished.
- Bribe is a criminal offence; some courts may adjudicate for execution of the laws of their jurisdiction outside the relevant country. Therefore, it is not important whether a crime is committed within or outside the boundaries of the jurisdiction, the laws of which applies for the offender according to his/her nationality. Several court judgements may be executed for an offence and the related punishment. Individuals may be punished with fines, imprisonment for a few years, or attachment of their properties. The companies offering or promising a bribe or giving or receiving authorization on behalf of a person may be punished with criminal or administrative fines; the goods that they have acquired illegally may be seized or they may face administrative consequences.
- Providing, offering, promising or authorizing the provision of a personal advantage to a government official in relation to an official transaction or any advantages on behalf of a third person constitutes a bribe on duty. The companies offering a bribe to a person may also be banned from participating in public tenders or bidding in addition to the consequences specified in the paragraph above.
- If the person offering, promising, authorizing or giving a bribe acts beyond his/her authority in order to use the assets of the company and thus, causes a loss for the company, then the act of bribing turns into a breach of trust requiring punishment.

## **6.2 Gifts**

### **6.2.1 Gifts from Suppliers, Service Providers or Other Business Partners**

- Akçansa and its affiliates are important customers for suppliers and service providers (shall be hereinafter referred to as the “Suppliers”). All employees, including particularly the responsible procurement staff, may receive unethical and improper offers from the Suppliers or other business associates. The paragraphs provided below in this section shall apply for all employees including particularly those involved in a procurement process.
- Suppliers may be selected on a competitive basis only. Suppliers’ efforts to influence the procurement decisions of the personnel of Akçansa and its affiliates with gifts, aids or donations should not be tolerated. Such efforts may be personal or in favour of a third person. Suppliers should be recommended to not influence the personnel of the company as such and warned against any possible breach of this requirement. The names of the suppliers committing a serious or repeated breach of this rule should be notified to the Procurement Department. If the breach is serious or is repeated, the business relationship should be terminated.

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- It is prohibited for the employees of Akçansa and its affiliates to receive gifts, derive improper benefits or receive anything of value directly or indirectly. (For example, credit, commission, valuable movables or other properties or shares of properties, employment, exemption from any kind of debts or other obligations, any other service providing benefits, etc.)
- The following conditions describe the exceptional cases with respect to gifts and invitations:
  - If it is infrequent (once or twice a year for each business partner);
  - if the total value of the gifts received in each calendar year from each individual/company does not exceed TL 250/or equivalent
  - If it results from accommodation for business purposes and customary business practices only;
  - If it does not cause a breach of laws or regulations;
  - If it does not have a reasonable or potential effect on a decision of concluding an agreement which the Supplier relies on after receipt of such gift or accommodation.
- The gifts and invitations listed below may generally be accepted on a specific case basis:
  - Promotional gifts (e.g. pens, calendars, notepads, coffee mugs, shirts or other simple wearing apparels, etc.) and the other gifts that are generally of no material value;
  - Occasional invitations to business dinners as long as the invitation is for business purposes (e.g. it is organized within the scope of a business meeting) and the value of the business dinner is commensurate with the position of the invited person in the company;
  - It is strictly prohibited to accept any gifts, donations, aids and invitations in case that they might improperly influence the behaviours of the accepting employee (e.g. in case of possibility of establishing a link between accepting a gift, donation, aid, or invitation and placement of an order or winning a tender).
- Special attention is paid to the issue whether the invitations cover the travel or accommodation expenses or the expenses of an accompanying spouse or a travel companion. In principle, it is prohibited to accept any offer for covering such expenses except for the situations where a Supplier fulfils its social or cultural responsibilities (e.g. invitation to a dinner requiring accompaniment by a spouse or fellow). Exceptions are subject to the prior approval of the employee's immediate supervisor.
- It is always prohibited to accept money or its equivalents (e.g. gift cards or gift certificates for some stores) for personal use or for the benefit of a third person. The employee must immediately notify such an attempt to his/her immediate supervisor. If the immediate supervisor does not comply with it, it should be notified to a higher-ranking supervisor or ethics hotline.
- Providing that the invitations must not become frequent, the invitations to the events such as sports

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events, concerts, cultural events, trade fairs or conferences, etc. (once or twice a year for each business partner) may be accepted under the following conditions only:

- There is a direct business purpose (it must not be directly related with the ongoing contract negotiations);
  - The employee is accompanied by a person with which he/she has established a business relationship;
  - The cost of the ticket is commensurate with the position of the invited person in the relevant country.
- Acceptance of such an invitation is subject to the approval of the employee's supervisor. In addition to the requirement to reject the invitations for spouses or friends, the offers of the inviting company to cover the related travel or accommodation expenses must also be rejected.
- In case that a gift, donation, aid or invitation cannot be accepted due to these rules, the related person should kindly reject it and mention about this policy. If the gift is sent in advance, it should be returned.

### **6.2.2 Gifts to the Employees of Customers or Other Business Partners**

Akçansa does not want to exert influence on the purchasing decisions of the employees of its customers or other business partners through personal gifts. Therefore, the invitations to the employees of customers or other business partners and other donations must be limited. Thus, such donations will not probably affect the customer's purchasing decision. The donations except for promotional gifts and invitations to normal business dinners may be permitted only if the supervisor or the competent body that the customer's or the business partner's employee reports to is notified thereof and approvals are received for the gifts. In principle, the rules regarding acceptance of gifts from suppliers and service providers as specified in Section 6.2.1 shall exactly apply for any gifts given to the employees of customers or other business partners.

These rules also apply for the persons that are closely related with the customer's or the business partner's employee or the other third persons.

### **6.2.3 Gifts to Public Authorities and Governmental Officials**

The rules specified in Section 6.2.1 also apply for public authorities, governmental officials and the third persons related with such persons. The employees of the company and its affiliates must abstain from giving to a governmental official a promotional gift that may influence his/her decision while fulfilling his/her official duties. Therefore, all employees are prohibited from performing any activity or taking any action which may impose such pressure. In principle, it is prohibited to give, offer, promise or authorize for the giving of cash or its equivalents or gifts, aids or donations to any kind of public authorities or governmental officials. Exceptions are subject to the prior approval of the company executive and its ethics representative. Invitations to normal business dinners given to governmental officials must be approved in advance by the relevant employee's supervisor.

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It is always prohibited to make any payments or to offer non-cash equivalents, invitations, gifts, donations or aids in order to guarantee or speed up the routine processes of governmental officials or private sector employees (also known as facilitation payments).

### **6.3 Entertainment/Hospitality Policy**

It is evaluated under article 3 of SA-Code of Ethics Giving and Accepting Gifts Policy Rules of Practice. In case of any doubts, it is consulted with Akçansa Ethics Representative.

### **6.4 Donations and Corporate Citizenship Activities**

Some legal restrictions on donations and aids have been introduced with the Capital Market Law and the related legislation that Akçansa Çimento A.Ş. is subject to. Accordingly; the Donation and Aid Policy has been approved by the General Assembly and announced through publication on the website.

The supports provided by employees of Akçansa Çimento A.Ş. for the charity organizations using the amounts that they collect independently from their works are out of the scope of Donation and Aid Policy of Akçansa Çimento A.Ş. However, the principles included in Sabancı Holding Code of Business Ethics also applied in Akçansa Çimento A.Ş. are valid at this point.

The following rules should be complied with under the scope of investment projects:

- The internal policies and regulations and all statutory regulations that will be applicable for sponsorships and donations must always be complied with at the places where resources are provided and used. In addition, such activities must be consistent with Akçansa Donation and Aid practices and clearly serve public benefit;
- Such Corporate Citizenship activities must not create an improper competitive advantage for Akçansa and its affiliates;
- Such activities must not convey personal material advantages for the public authorities and governmental officials that are authorized to give investment authorization to Akçansa and its affiliates or to the third persons that are related to such persons in any manner;
- Such activities must not support individuals or profit-generating projects;
- Activities conducted in cooperation with public authorities or governmental institutions must be carried out in a politically impartial manner;
- All activities under the scope of Corporate Citizenship commitment must be conducted in a completely transparent manner.

### **6.5 Personnel Rotation and Internal Control**

- In addition to proper employment practices and proper training, Akçansa and its affiliates must also take other actions in order to minimize the risk of corrupt practices.
- In order to mitigate the risk of corruption is to regularly change the duties of the personnel exposed to

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corruption or to implement job rotation. If such changes are not made, an employee may be exposed to any benefits and gifts offered by business partners on a personal basis or for any third person or an employee may become too close with the business partners and thus, he/she may lose the critical distance required to be maintained for looking after Akçansa's own interests.

- Employees are encouraged to implement the double checking rule in all business transactions of significant value. Since two persons will always see and perceive much more things than a single person, an effective supervision against accidental or deliberate wrongful behaviours is ensured during procurement and supply activities.
- Double checking rule is also applied for separation of operation and audit functions. For example, control and allocation of an invoice must not be performed by the same person deciding on the order. The orders of very low value constitute the only exception to this rule.

## **7. CORRECT RECORDING**

The issues that Akçansa Çimento A.Ş. must comply with in relation to accounting and recording system have been regulated with legal regulations. Accordingly;

- All kinds of accounts, invoices and documents pertaining to the relations with third persons (customers, suppliers, etc.) must be recorded and kept in a complete, accurate and reliable manner;
- Accounting or similar commercial records related to any transaction should not be falsified or distorted.

## **8. ASSIGNMENT OF REPRESENTATIVES AND ADVISORS**

The rules prohibiting bribing the employees of business partners or public institutions cannot be avoided by assigning representatives or advisors.

The contracts of such representatives and advisors may be subject to an investigation initiated in the international area pursuant to the legislation of the relevant country.

In order to ensure that the representative and advisor contracts have a legitimate business purpose, due attention should be paid to the following issues:

- As with all other commercial transactions, the identity of the parties must be clear. This includes the persons acting on behalf of a company, partnership or any other legal person. For new business partners in the areas for which any prior agreement was not concluded in the past and in case of any doubt, the real persons must be asked to present their identities. The companies and other legal persons must provide the official approval of their existence (condensed commercial registration information, certificate of good standing, etc.).
- The contract partner must specify in the contract its own name, address, and, if any, the names of the

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persons acting on its behalf and the bank accounts to be used for receiving payments.

- In principle, no contract must not be signed with the companies established in the countries that are considered as tax heavens (shall be hereinafter referred to as “offshore companies”). If a contract with an offshore company cannot be avoided, it must be ensured that the company’s owner or owners are specified and their documents must be kept separate from the contract. Due attention shall be paid particularly in case that contracts are signed with the companies whose addresses are comprised of post office boxes only.
- The representative’s or advisor’s service must be described in the special conditions. If a compensation is payable upon successful completion of a transaction, the contract must contain a clear and straightforward wording indicating the meaning of completion of a transaction.
- If a service is received from an advisor, the methods (verbal/written? how detailed? Is there any evidence?) and frequency of reporting must be indicated. The advisor’s or consultant’s reporting duty must be audited. If the advisor or consultant is not assigned with a written reporting duty, the employee must keep the evidences of verbal reports, telephone calls, and meetings.
- The term of such contracts must be clearly specified as well as the options to renew or extend the contracts.
- The fee must be in proportion with the advisor’s or consultant’s services.
- The contract must contain the clauses indicating that the representative or advisor has agreed to abide by all applicable laws related with the contract including tax laws, anti-corruption law, competition law or anti-monopoly laws. Breach of any of these articles by the representative or advisor shall be considered as a serious breach of the contract and in such cases, Akçansa and its affiliates shall become entitled to terminate the contract with immediate effect
- The relevant legal affairs department must be involved in the process at an earlier stage possible in order to check and inspect whether the company’s policies and regulations are complied with.
- Except for rate situations, public authorities, governmental officials or politicians must not be a party to representative or advisor contracts.

## **9. TRAINING**

- All employees that bear the risk of exposure to bribing due to their job descriptions must receive training based on the obligations specified in this policy.
- Employees must be informed by their supervisors about this policy and the related issues during on-the-job trainings.
- This policy must be shared in electronic format.
- Internal or external training programs (buyer, seller, regular department meetings, etc.) must also be

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used in addition to regular in-house expert meetings, and, if any, internet-based training for refreshment trainings.

- Initial and refreshment trainings must be documented. The related employees must receive anti-corruption training at least every two years.

## **10. NOTIFICATION OF POLICY BREACHES**

- If any opinion or suspicion exists that an employee or a person acting on behalf of Akçansa Çimento A.Ş. is acting in breach of this Policy, the issue must be submitted to the Ethics Representative of Akçansa Çimento A.Ş. and the Ethics Board of Sabancı Holding. The issues related with the Codes of Business Ethics of Sabancı Holding are reminded to employees of Akçansa Çimento A.Ş. at specific intervals.
- Akçansa Çimento A.Ş. encourages an honest and transparent approach; supports any employee or person acting on behalf of Akçansa Çimento A.Ş. who expresses his/her sincere concerns with good faith; and keeps notifications secret. None of the employees may be subject to pressure or punishment for notification of the Ethics Representative of Akçansa Çimento A.Ş. and/or the Ethics Board of Sabancı Holding about a violation of the Code of Ethics; the scope of duties or place of job shall not be changed for this reason without the written consent of the Ethics Board.
- In case the notifying person is subject to such treatment, he/she should notify this to the Ethics Board of Sabancı Holding. The companies or business partners from which goods and services are outsourced are also expected to remind their employees about the role of the Ethics Representative of Akçansa Çimento A.Ş. and the Ethics Line of Sabancı Holding on a regular basis and encourage them to notify in case they encounter such situations. This issue is also guaranteed with the contracts made.

## **11. POLICY BREACHES**

- In cases which are or could be in breach of the Policy, the matter is reviewed by the Ethics Representative of Akçansa Çimento A.Ş. and the Ethics Board of Sabancı Holding; and necessary sanctions are imposed if improper behaviours are detected.

## **12. ENFORCEMENT**

This policy has been put into force with the resolution no. 1080 dated 15.06.2016 taken by the Board of Directors of Akçansa Çimento A.Ş.; and Corporate Management Committee is responsible for its execution.

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