

# **Türkiye Petrol Rafinerileri A.Ş. (Tüpraş)**

## **Export Control Policy**

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### **I. INTRODUCTION**

#### **1.1 Statement of Purpose**

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Many nations have enacted trade control laws that impose strict restrictions on the transfer of goods, technology and information to certain foreign countries, individuals, and entities. Tüpraş complies with all export control laws that apply to us in the places where we do business. Compliance with these laws is essential to the company's well-being. Failure to comply with these restrictions is not only contrary to our Code of Ethics and Business Conduct ("Code of Ethics") and our essential values, but may result in expensive fines and damaging publicity.

This document provides Tüpraş's Export Control Policy (the "Policy") with respect to compliance with export control laws. It is the responsibility of each Tüpraş employee, officer, manager, coordinator, and director – in particular those whose job responsibilities involve interactions with persons abroad or the importation or exportation of goods, materials, and services – to ensure that they:

1. Learn Tüpraş's policy with respect to compliance with export control laws and the potential consequences for failing to do so;
2. Understand the various types of restrictions imposed by export control laws;
3. Understand the various types of restrictions imposed by United States and European Union laws and Tüpraş's policy with respect to compliance with those laws;
4. Identify and collect necessary information for use when making a determination on whether a transaction is permitted; and
5. Understand when and how compliance personnel should be consulted for a determination on the permissibility of a transaction.

As a Koç Group company, Tüpraş follows the U.N. Global Compact (adopted by the Koç Group in 2006), the Koç Group policies, and the principles of the OECD Convention on Combatting Bribery. As a publicly traded Turkish company, Tüpraş is subject to the regulations of the Turkish Capital Markets Board which include requirements relating to transparency and corporate governance principles. Even if not discussed in this document, it

is strictly prohibited to breach other laws; other Tüpraş policies. Further details on the past conduct and compliance with all of these policies, principles and requirements are available in the annual reports published in Tüpraş official website ([www.tupras.com.tr](http://www.tupras.com.tr)).

This Policy provides a short explanation of the various types of restrictions and sets out the most important elements of the company's program to prevent improper conduct. It should be read together with the Code of Ethics. Compliance with this Policy by all of our Personnel is mandatory at all times. Every employee, officer, manager, coordinator, and director of Tüpraş – particularly employees in the Finance, Accounting, Technical Services, Trade, Crude Oil, Procurement and Projects and Investments Departments – is required to read and understand this Policy. If any employee, officer, manager, coordinator, or director has questions about the Policy, further guidance will always be available. Any individual who fails to comply will be subject to appropriate disciplinary action, including termination.

This Policy is intended to address solely the issue of export controls. Tüpraş has policies and procedures that relate to other compliance issues – including competition and anti-corruption – which should also be reviewed and understood. Even if not discussed in this document, any other breaches of law, Koç Group policies, other Tüpraş policies, or the Code of Ethics, and any form of criminal conduct, is strictly prohibited.

Please refer to the Glossary attached as Annex A to this Policy for the definitions of terms and abbreviations used in this Policy and any other related documentation.

## II. SHARED RESPONSIBILITY

It is the shared responsibility of all personnel to understand Tüpraş's Policy and ensure that the company's procedures are upheld.

Tüpraş has designated a Compliance Officer responsible for (a) implementation of the Policy, (b) training on the Policy, (c) monitoring our business activities to ensure compliance with the Policy, and (d) providing a channel for any employee to report possible violations of the Policy. While the Compliance Officer has special duties, every employee is obligated to maintain our standards. Further, every Tüpraş employee whose job responsibilities involve international business matters of any type shares in the responsibility to implement this policy.

Every supervisor, officer, manager, coordinator, and director within Tüpraş has the ultimate responsibility to ensure that all Tüpraş employees in their departments are made aware of the Policy and its contents, and shall provide assistance and guidance in its implementation and interpretation. The legal department and the Compliance Officer are available to answer any questions or concerns that may arise. Any employee can contact the Compliance Officer by \_\_\_\_\_.

### III. MANDATORY COMPLIANCE

All company personnel are responsible at all times for abiding by all applicable laws, regulations, and international conventions applicable in Turkey and in the countries where we do business. . All personnel have an affirmative duty to contact the Compliance Officer if the employee has any doubt or suspicion regarding a transaction or other conduct of the Company.

Failure to comply with export control laws can have extremely serious consequences for Tüpraş, as it may be subjected to very large fines and immeasurable damage to reputation. Export control laws can also affect Tüpraş personnel individually and subject them to criminal sanctions (if violated), including imprisonment and fines.

It is NEVER in the interest of Tüpraş to violate this Policy or any applicable laws. Compliance is MANDATORY and any individual that fails to comply will be subject to appropriate disciplinary action, including termination.

#### IV. U.S. NATIONAL EMPLOYMENT

U.S. National employees must abide to the “U.S. Person Recusal policy” and must sign the relevant “Undertaking” attachment.

#### V. TRADE WITH RESTRICTED PERSONS

The United Nations, the United States, the European Union, Turkey, and others maintain lists of individuals and entities that are subject to restrictions (“Restricted Parties”). The restrictions that apply can include an obligation to freeze the assets of the Restricted Party, to refrain from any transaction with the Restricted Party, or to obtain a special authorization before transacting with the Restricted Party. The significant lists of Restricted Parties include the following:

- U.S. Specially Designated Nationals List;
- United Kingdom Consolidated List of Financial Sanctions Targets;
- United Nations Security Council Sanctions Lists;
- Turkish Council of Ministers List of Persons Subject to an Asset Freeze; and
- Council of the European Union Lists of Persons Subject to a Freeze on Assets and Economic Resources.

Any transaction with a Restricted Party, including any transaction in which a Restricted Party has any interest, is prohibited. If Tüpraş personnel become aware of any planned, pending, or completed transaction that may involve a Restricted Party, they must immediately notify the Compliance Officer.

The types of restrictions imposed by these regulations are complex. They can affect, for example, the following kinds of activities:

- Exports of products, materials, and services to sanctioned countries;
- Imports of products, materials, and services from sanctioned countries;
- Transshipment of products, materials, and services through sanctioned countries; and
- Wire transfers of funds to banks in sanctioned countries.

All Tüpraş customers, vendors, and other entities receiving or sending international shipments to/from the company must be screened by the company against the applicable lists of Restricted Parties. This includes intermediaries, such as agents, brokers, and freight forwarders. The applicable department manager shall be responsible for ensuring that the appropriate screening is performed within each department and shall coordinate with the Compliance Officer. To accomplish this, the company has installed Export on Demand and has set forth instructions in a document entitled the Blocked Party Screening Procedures. All individuals and entities involved, connected, associated, or otherwise appearing in connection with a transaction should

be screened against the lists of Restricted Parties as detailed in the Blocked Party Screening Procedures.

## VI. TRADE WITH RESTRICTED DESTINATIONS

### 6.1 General

Several countries are subject to broad economic embargoes or trade restrictions (“Restricted Destinations”). United States economic sanctions laws, for example, place comprehensive restrictions on transactions with the governments of, or with people or businesses associated with, certain countries. In practical terms, any transaction by Tüpraş with these countries can be subject to restrictions, regardless of whether the transaction is connected to the United States or European Union.

As of [13 January 2015], the following countries or regions are considered Restricted Destinations:

- Crimea Region
- Cuba;
- Iran;
- North Korea;
- Sudan; and
- Syria.

### 6.2 Restricted Destinations -- Prior Approval Required

If anyone is contemplating a transaction with, or involving, a Restricted Destination, the transaction must be referred to the Compliance Officer for an assessment of whether the transaction is permitted under applicable laws.

All transactions with Restricted Destinations are presumed to be prohibited, and no transactions with Restricted Destinations may be conducted without prior written authorization from the Compliance Officer.

### 6.3 Transactions with Other High-Risk Destinations

The following countries or regions are also subject to substantial restrictions (“High-Risk Destinations”):

- The Balkans (which includes the former Yugoslavia);
- Belarus;
- Congo;
- Iraq;
- Ivory Coast (Cote d’Ivoire);
- Lebanon;
- Liberia;
- Libya
- Myanmar (Burma)
- Russia
- Somalia;
- Ukraine;
- Yemen; and

- Zimbabwe.

The Compliance Officer must be consulted when conducting transactions with a High Risk Destination. The Compliance Officer, after considering the transaction and parties, could require additional due diligence on the parties involved prior to approving the relevant transaction.

#### 6.4 Remaining Current

The lists of Restricted and High-Risk Destinations change occasionally. An updated list will be maintained by the Compliance Officer and will be available [on the company's intranet at [www.....](#)]. Employees with responsibilities involving foreign trade should ensure that they remain current on the identities of these countries, and the [blocked party screening software] is designed to assist in this effort.

Employees should not hesitate to contact the Compliance Officer with questions before completing a transaction.

## VII. CONTROLLED GOODS, MATERIALS, SERVICES, AND TECHNOLOGY

A relatively small percentage of goods, materials, services and technology that Tüpraş purchases and re-sells is subject to export or import restrictions that are based on the nature of the good, material, service, or technology (“Controlled Goods”). A Controlled Good can include technical information and industrial processes that are used during production of Tüpraş products, materials, and services.

The restrictions on Controlled Goods are independent and not directly related to the limitations on Restricted Parties and Restricted Destinations. The restrictions on Controlled Goods are often imposed because the Controlled Good has both a civilian and military use (“dual-use”). Transactions in Controlled Goods will often require a license from the relevant authorities.

It is the policy of Tüpraş to comply with all licenses for and restrictions on Controlled Goods in Tüpraş’s control. Accordingly, Tüpraş personnel are prohibited from selling or otherwise transferring any good, technology, or technical information not produced by Tüpraş, other than petroleum products to a third party without the permission of the Compliance Officer. The Compliance Officer will be responsible for determining whether the relevant item is considered a Controlled Good and whether any restrictions apply to its sale or transfer.



## VIII. DIVERSIONS AND CUSTOMER CERTIFICATIONS

Tüpraş personnel should not sell products to a customer when Tüpraş personnel know or have reason to know that the customer intends to transfer the product to a Restricted Destination or Restricted Party. It can be a violation of the law, and this Policy, to conduct a transaction with a Restricted Destination or Restricted Party indirectly if the same transaction would have been prohibited had it been conducted by Tüpraş directly.

Tüpraş personnel should be particularly vigilant when conducting transactions with known transshipment hubs, for example the United Arab Emirates, Malta, Singapore, and the Netherlands. Tüpraş personnel must also be vigilant when conducting transactions with re-sellers and brokers, where the end purchaser of the product is not the company's customer.

Tüpraş personnel must be attentive to any signs that a customer is attempting to purchase products on behalf of a Restricted Party and/or re-selling Tüpraş products in contravention of this Policy. Annex ["B"] to this Policy contains a list of circumstances that suggest a need for greater scrutiny and safeguards against a potential violation of export control laws or Tüpraş's Policy, which are known as "red flags". Any red flag must be immediately reported to the Compliance Officer and resolved prior to completing a transaction.

All active customers – including domestic customers purchasing for export and "bunker/jet fuel" customers – will be provided this Policy and be required to sign, on an annual basis, a Deed of Undertaking stating that the customer will comply with this Policy's restrictions on sales to Restricted Parties and Restricted Destinations. Instances of customers failing to sign the annual certification must be referred to the Compliance Officer for appropriate action.

## IX. KNOW YOUR BUSINESS PARTNER

Tüpraş personnel are required to obtain relevant information about the persons and entities with which they do business. This requirement is often referred to as Know Your Customer or “KYC”. Knowing your Business Partner includes, but is not limited to, obtaining information about your Business Partners’ type and size of business, understanding your Business Partners’ area of operations and sales channels, and knowing who is the ultimate beneficial owner of the Business Partner.

All customers, vendors, and other business partners are required to complete the relevant Tüpraş pre-qualification questionnaire. The questionnaire will request the information for Know Your Business Partner requirements, and Tüpraş personnel are responsible for checking that such information is complete, appears accurate, and is screened for Restricted Parties and Restricted Destinations.

Instances of customers, vendors, and other business partners who have failed to meet the requirements of this Policy must be referred to the Compliance Officer for appropriate action.

## X. IMPLEMENTATION

### 10.1 Compliance Office Functions

Day-to-day responsibility for all issues related to export control compliance will be handled by the Tüpraş Enterprise Risk Management.. Tüpraş has designated the Enterprise Risk Management Director, to fulfill the company's Compliance Officer function.

The Compliance Officer and others involved in the compliance function will be responsible for the following tasks:

- Reviewing reported or suspected deviations from this Policy and referring such deviations to the company's Ethics Committee for further action;
- Reviewing and approving revisions to this Policy;
- Ensuring that relevant Tüpraş employees are receiving appropriate training on this Policy and relevant export control laws; and
- Answering questions about this Policy.

### 10.2 Training

All personnel whose work involves the shipment of goods, technology, equipment, or data across international borders, will receive training on this Policy. After receiving a copy of this Policy, each relevant employee will be required to certify that he/she has received, read and understood this Policy and that he/she will abide by it. Supplemental training will be available for those who are responsible for day-to-day compliance with this Policy by virtue of their work assignments.

### 10.3 Violations of Law and Policy

Violations of this Policy or any applicable export control laws may result in disciplinary action, up to and including termination. Personnel should also be aware that violations of export control laws can result in criminal or civil prosecution, and carry other serious penalties, such as fines and imprisonment.

### 10.4 Revisions and Approvals

This Policy may be updated from time to time by the Compliance Officer. Updates shall be immediately effective upon approval of the General Manager.

## XI. REPORTING VIOLATIONS AND GOVERNMENT INQUIRIES

### 11.1 Duty to Report

If anyone becomes aware of, or reasonably suspects, a violation of this Policy, such individual is obligated to notify his or her immediate supervisor, the Compliance Officer, or refer the matter through the “Hotline” described below. If the situation requires it, reports can also be made to the General Manager, the relevant Assistant General Manager, or Refinery Manager.

In situations where anyone feels uncomfortable talking with his or her immediate superior, they should communicate directly with the Compliance Officer.

Any reports of suspected violations should be accompanied, whenever possible, by concrete facts, documents, and data.

Reports will be handled with maximum attention to the principles of confidentiality and impartiality.

### 11.2 Non-Retaliation

Tüpraş will not tolerate any retaliatory act against a person who makes a report in good faith. Such conduct will be addressed consistent with the Code of Ethics and any applicable articles of the labor law. If you suspect retaliation, you should report it immediately.

Any deliberately deceitful or defamatory reporting, however, is itself considered to be a violation of this Policy.

### 11.3 Reporting Government Inquiries

All personnel should immediately report any inquiry made by a Turkish or foreign government official relating to export control issues to the Compliance Officer.. Company personnel should not respond to the inquiry before obtaining guidance from the Compliance Officer.. Tüpraş personnel must also consult the Tüpraş Communication Policy before responding to any inquiry.

Tüpraş employees engaging in discussions with Turkish or foreign government officials regarding export control issues should maintain accurate and contemporaneous records regarding the content of such discussions. The records should be promptly submitted to the Compliance Officer following the relevant meeting or discussion.

## XII. HOTLINE/INTERNAL GUIDANCE

Any employee, officer, manager, coordinator, or director who requires guidance related to this Policy or applicable export control law or wants to report a potential violation of this Policy or applicable export control law can call Tüpraş's compliance hotline at +902623163010 or email [Tüpraş's Compliance Officer at [uyum@tupras.com.tr](mailto:uyum@tupras.com.tr)]. Callers have the option to remain anonymous when reporting concerns, to the extent permitted by local law. All inquiries and reports will be held strictly confidential.

**ANNEX A**  
**GLOSSARY**

Code of Ethics	:	Tüpraş Code of Ethics and Business Conduct.
Compliance Officer	:	Enterprise Risk Management Director
Controlled Good	:	Goods, materials, services, and technology that Tüpraş purchases that are subject to export or import restrictions based on their nature.
High-Risk Destination	:	Countries or regions that are subject to substantial export control restrictions. See Section [V] for the list of High-Risk Destinations.
Koç Group Companies	:	Any entity listed on the relevant section at <a href="http://www.koc.com.tr">www.koc.com.tr</a> .
KYC	:	Know your customer.
OECD Convention on Combatting Bribery	:	Convention on Combating Bribery of Foreign Public Officials in International Business Transactions adopted by the Council of the Organisation for Economic Co-operation and Development on November 21, 1997.
Personnel	:	All employees, officers, managers, coordinators, and directors of Tüpraş.
Policy	:	Tüpraş Export Control Policy.
Red Flag	:	A circumstance that suggests a need for greater scrutiny and safeguards against a potential violation of export control laws or Tüpraş's Policy. See Annex ["B"] for examples of Red Flags.
Restricted Destination	:	Countries that are subject to broad economic embargoes or trade restrictions. See Section [V] for the list of Restricted Destinations.
Restricted Party	:	Individuals and entities that are included in the lists maintained by the United Nations, the United States, the European Union, Turkey, and others.

## ANNEX B

### EXAMPLES OF RED FLAGS

- The customer or its address is similar to one of the parties found on a Restricted Parties List.
- The customer is reluctant to offer information about the end destination of the product or the seller is reluctant to offer information about the origin of the product.
- The product does not fit the buyer's line of business, such as an order for refined petroleum by an entertainment company.
- The specification of the product ordered is incompatible with standard specifications for the end destination, such as sale of high sulfur gasoline to [Europe].
- The customer is willing to pay cash when the terms of sale would normally call for credit terms.
- The customer has little or no business background.
- The customer is unfamiliar with the product's performance characteristics but still wants the product.
- Delivery dates are vague, or deliveries are planned for out of the way destinations.
- A freight forwarding firm is listed as the product's final destination.
- The shipping route is abnormal for the product and destination.
- When questioned, the buyer is evasive and especially unclear about whether the purchased product is for domestic use, for export, or for re-export.
- The product is priced below market rates, such as crude oil priced below current market rates;
- The seller or buyer is using a non-corporate email address, such as Hotmail or Yahoo.
- The seller or buyer makes an un-solicited offer without a prior history of sales or purchases.