

Otokoç Otomotiv

Disciplinary Policy

Contents

Contents	2
1. PURPOSE AND SCOPE	3
2. DEFINITIONS	3
3. GENERAL PRINCIPLES	4
4. APPLICATION OF THE POLICY	4
4.1. Investigations	5
4.2. Disciplinary Decisions	6
4.3. Disciplinary Committee	6
4.4. Right of Appeal	7
5. AUTHORITY AND RESPONSIBILITIES	7
6. REVISION HISTORY	8

1. PURPOSE AND SCOPE

The purpose of this Disciplinary Policy (“**Policy**”) is to set standards, principles and rules used to describe and evaluate what is considered as a disciplinary offense and how it is penalized for Otokoç Otomotiv (“**Otokoç**”), and to ensure that employees are treated in a fair, appropriate and consistent manner in all of these processes.

This Policy is envisioned to encourage the employees to achieve and maintain satisfactory performance, attendance, behavior and continuity to create the best working environment.

All employees and directors of Koç Group shall comply with this Policy, which is an integral part of the Koç Group Code of Ethics and Otokoç Otomotiv Code of Ethics, and other related policies.

2. DEFINITIONS

“**Disciplinary Committee**” refers to the committee that is accountable for determining the breach of an employee(s), and affiliated damages that incurred according to the evidence, and for deciding on the appropriate actions.

“**Disciplinary Offence**” is a behavior that may damage the reputation of Koç Group or Otokoç Otomotiv, disrupt peace at the workplace, and which is a violation of applicable legislation and/or a breach of Koç Group Code of Ethics and Otokoç Otomotiv Code of Ethics, related policies, procedures, regulations and all applicable regulations and breach of the relevant employment contract.

“**Disciplinary Penalty**” refers to the type of penalty imposed for a Disciplinary Offence as defined herein.

“**Employee**” refers to all employees subject to Otokoç Otomotiv Personel Regulation.

“**HR**” refers to Human Resources and Industrial Relations Department of Otokoç Otomotiv.

“**Investigation**” means research activities carried out comprehensively and carefully about relevant actions and behaviors to establish the facts of an incident, including the assertion of a Disciplinary Offence claim.

“**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.

“**Otokoç Otomotiv**” means all of the directly or indirectly, individually or jointly controlled by Otokoç Otomotiv and the joint venture listed in its latest consolidated financial report.

“**Line Manager**” refers to the primary manager of the employee.

“**Personel Regulation**”¹ refers to the regulation, which explains all the rules, that Otokoç Otomotiv employees are expected to follow, and all benefits to be applied to employees. It constitutes an integral part of all employment contracts.

The words, terms and expressions which used in this Policy but which are not defined shall have the meanings assigned to them in updated applicable laws.

3. GENERAL PRINCIPLES

Creating and maintaining a positive working environment for employees is the main principle of Otokoç Otomotiv. Therefore, Otokoç Otomotiv undertakes to treat all of its employees in an honest, fair, respectful of human dignity, non-discrimination manner, and applies the following principles:

- No employee can be subjected to a Disciplinary Penalty based solely on his/her gender, language, religion, color, age, nationality, thought and wealth difference.
- Disciplinary Penalties can be imposed on employees only if they are proportional to the committed Disciplinary Offense.
- No employee can be subjected to a Disciplinary Penalty more than once for the same Disciplinary Offense. If the same incompliant behavior is repeated, Disciplinary Penalty is scaled to a higher degree.
- The contracts which are made with subcontractors that provide various services to Otokoç Otomotiv (e.g. cleaning, security, etc.) are expected to comply with the principles set forth herein as much as they are applicable.
- Investigations conducted to determine whether a Disciplinary Offence was committed, are confidential and performed in accordance with the local and international regulations and in line with Whistleblowing Policy²

4. APPLICATION OF THE POLICY

Before imposing a Disciplinary Penalty, the Disciplinary Committee, or depending on the relevant case, the HR shall take into account the applicable legislation, this Policy, other relevant Koç Group policies and Otokoç Otomotiv Personel Regulation. A proportionate Disciplinary Penalty may be applied if it is deemed necessary as a result of the evaluation performed according to this Policy and Otokoç Otomotiv Personel Regulation.

¹ Activities aimed at updating this regulation are carried out by the Human Resources and Industrial Relations Department, and it is foreseen that its new name to be “Work Life Procedure”. The relevant sections of the Disciplinary Policy will be updated following the completion of these activities.

² Please refer to the Koç Group and Otokoç Otomotiv Whistleblowing Policy for details.

4.1. Investigations

Otokoç Otomotiv shall evaluate contradiction with or violation of laws and/or Code of Ethics or company policies, which are reported through the Ethics Hotline or other alternative channels carefully, and ensure that the suspected violation is investigated, and aims to investigate the suspected violation or breach, where necessary.

According to the Koç Group Whistleblowing Policy, and based on the subject of the reports (if it is not a *HR Matter* as defined below), the Internal Audit Department or the Otokoç Otomotiv Legal and Compliance Department (if there are Private Law Violations defined in the Koç Group Whistleblowing Policy) shall conduct an Investigation.

Otokoç Otomotiv Compliance Program components and interaction are included in the Otokoç Otomotiv Compliance Policy, and they are publicly available at Otokoç Otomotiv website.

Necessary precautions shall be taken against a conflict of interest between parties that are subjected to the notification and the employees who are authorized to perform the Investigation.

If the subject of the investigation is the Head of Internal Audit or the Chief Legal and Compliance Officer, the process of the Investigation is determined by the Otokoç Otomotiv General Manager

The department or person responsible for the investigations shall submit its report based on the investigation activities, and its Disciplinary Penalty recommendation to the Disciplinary Committee if it concludes that a Disciplinary Offence has been committed.

Internal Audit Department may distribute the report which is prepared by considering its existing authority and responsibilities to the members of Otokoç Otomotiv Board of Directors and to other relevant Senior Executives according to usual report distribution flow, if it deems necessary.

If the subject matter relates to the employee's incompetence (i.e. low performance, low productivity, failure to meet the requirements of the duty assigned) ("**HR Subject**"), his/her managers in the relevant business unit or his/her Line Manager shall forward the matter to HR, and request that an investigation be conducted. The HR is authorized to determine whether to impose a Disciplinary Penalty, and if imposed, the type of the Disciplinary Penalty, and has right to escalate the issue to the Disciplinary Committee when necessary.

However, if the negative situation claim regarding the employee involves the violation of the relevant laws and/or Code of Ethics and/or company policies, in other words, if it is not an HR Matter, HR or the person reporting the situation to HR must forward the situation to the Internal Audit Department or (if it is a Private Law Violation) to the Legal and Compliance Department for its investigation pursuant to Otokoç Otomotiv Whistleblowing Policy.³

Disciplinary Penalty imposed by HR shall be periodically reported to the Disciplinary Committee every three months or more frequently based on the recurrence rate of the cases.

³ Please refer to the Koç Group and Otokoç Otomotiv Whistleblowing Policy for details.

4.2. Disciplinary Decisions

Otokoç Otomotiv Personel Regulation describes the types of Disciplinary Penalties, and defines the circumstances that require their application.

The HR is responsible for executing the Disciplinary Penalty recommended by the Disciplinary Committee considering this Policy.

If a Disciplinary Penalty is recommended by the department conducting the Investigation for the Disciplinary Offences other than HR Matters, the Disciplinary Committee shall convene as soon as possible. In this case, a Disciplinary Committee decision is necessary for the application of any Disciplinary Penalty

In order to conduct a fair and objective assessment of a HR Matter or Disciplinary Offence, and to ensure that a fair and proportionate penalizing is imposed if a Disciplinary Penalty is required, HR or the Disciplinary Committee shall take various aggravating and mitigating factors into consideration such as the relevant regulations, company policies, job description of the employee, the size of the relevant incident and its effect on the company, the express intention of the employee, and whether the incident reoccurred or not.

4.3. Disciplinary Committee

The main task of the Disciplinary Committee is to uphold the equality principle and to conduct objective assessments on the situations that may result in Disciplinary Penalty. The Disciplinary Committee is authorized to take preventive and corrective measures, or to make recommendations to the business units and HR about this issue when necessary.

The Disciplinary Committee consists of the following members:

- General Manager,
- CFO,
- Chief Legal and Compliance Counsel
- Head of Human Resources,
- Head of Internal Audit Department
- Relevant Department Directors/Heads invited by the CEO. ⁴

The Disciplinary Committee shall convene as soon as possible upon the request of HR or the relevant department investigating the incident and with at least three members except for those who were invited. Each member has one vote, and the decisions are taken based on simple majority⁵. In case of equality, the CEO shall have two votes. At meetings which the CEO does

⁴ Corporate Communication and External Relations Director is a permanent member of the Disciplinary Committee with regards to a Disciplinary Penalty (harassment, mobbing, etc.) against an employee, or any matter which might adversely affect the reputation of Koç Group as a whole.

⁵ Different aggravated quorums can be applied in Koç Group companies based on the type of the Disciplinary Penalty.

not participate, one of the members shall preside over the meeting; however, he/she will have only one vote. Members cannot abstain from voting. The department conducting the investigation may invite the managers of the employee subject to the investigation to the Disciplinary Committee meetings but they cannot vote. Due to the fact that the department conducting the investigation is the prosecution, the Head of the relevant department can be invited to the meetings, but this person cannot vote.

Legal and Compliance Department is obligated to report the Disciplinary Committee's decisions and recommendations to the Koç Holding Legal and Compliance Department and Otokoç Otomotiv Audit and Risk Management Committee regularly, and forwards a copy of this report to the Internal Audit Manager.

4.4.Right of Appeal

All employees are entitled to object to a Disciplinary Penalty by presenting their reasons in writing which may be including but not limited to the following:

- Misleading evidence,
- Disproportionate punishment,
- Emergence of new evidence.

In this case, the employees can submit an application letter containing their reasons and evidence to the Disciplinary Committee within ten (10) days following the official notification of the Disciplinary Penalty or the emergence of new evidence. In this case, the Disciplinary Committee shall convene again to decide upon necessary actions including but not limited to those listed below:

- Taking a new decision for deepening the investigation,
- Re-assessing of the Disciplinary Offence and the application of the Disciplinary Penalty.

The participation of the CEO in the Disciplinary Committee is required in the process of evaluating the objectives. The final decision of the Disciplinary Committee is binding.

5. AUTHORITY AND RESPONSIBILITIES

All employees and directors of Otokoç Otomotiv are responsible for complying with this Policy. If there is a discrepancy between the local regulations and this Policy, subject to such practice not being a violation of the relevant local laws and regulations, the stricter of the two shall supersede.

If you become aware of any action you believe to be inconsistent with this Policy, the applicable law, Otokoç Otomotiv Code of Ethics or Koç Group Code of Ethics, you may seek guidance or

report this incident to your line managers. You may alternatively report the incident to Otokoç Otomotiv's Ethics Hotline via the following link: "koc.com.tr/hotline".⁶

Koç Group employees may consult the HR for their questions related to this Policy and its application.

6. REVISION HISTORY

This Policy takes effect on 29.11.2021 as of the date approved by the Board of Directors and is maintained by Human Resources Department.

⁶ See Koç Group Whistleblowing Policy of details.