

## FORD OTOSAN 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 the Ford Otomotiv Sanayi A.Ş. and its Subsidiaries<sup>1</sup> (“**Ford Otosan**”) in order to be in compliant with the economic sanctions and export control obligations.

When applicable and related to the business, it is one of the main principles of Ford Otosan 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**”), (collectively, the “**Sanctions**”).

All employees and directors of Ford Otosan shall comply with this Policy which is an integral part of Ford Otosan Code of Conduct and Ethical Rules<sup>2</sup>. Ford Otosan also expects and takes necessary steps to ensure that all its major shareholders and its Business Partners - to the extent applicable - complies with and/or acts in line with this Policy.

### 2. DEFINITONS and SUMMARY INFORMATION

“**Business Partner**” means suppliers, distributors, dealers, authorized service providers, representatives, all third party suppliers with whom we have business relationship, representatives, independent contractors, consultants etc. that act on behalf of Ford Otosan and employees and representatives of the above.

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

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

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

“**Main Shareholders**” means the main shareholders of Ford Otosan which are Ford Motor Company and Koç Holding A.Ş.

“**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.

“**Sanctions Target**” means;

- Any individual, entity vessel or government which is a designated target of Sanctions (“**Listed Persons**”) (e.g., OFAC and SDNs);
- Companies owned 50% or more, directly or indirectly, by a Listed Person;

<sup>1</sup> Companies in which Ford Otosan has directly or indirectly: a) majority of its capital or majority of its voting shares, b) the right to elect a number of members constituting the majority that can take decisions in the management body, shall considered as Subsidiaries within the meaning of this Policy. Ford Otosan recommends other companies that fall outside of this definition, but of which Ford Otosan is a shareholder, to adopt this Policy and its principles.

<sup>2</sup> Please see <https://www.fordotosan.com.tr/en/corporate/about-ford-otosan/policies> for Ford Otosan Code of Conduct and Ethical Rules, Gifts and Entertainment Policy and other related policies.

- Individuals or companies that are resident, incorporated, registered or located in countries or territories such as Crimea, Cuba, Iran, North Korea 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<sup>3</sup>.

“**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. All U.N. members are obliged to obey U.N. sanctions.<sup>4</sup>

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

### 3. GENERAL PRINCIPLES

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

Ford Otosan aims to take effective and necessary precautions to manage the risks pertaining to the Sanctions and Export Control Regulations.

Products and services of the Ford Otosan must not be traded, directly or indirectly, with Sanctions Targets or the Embargoed Countries. In case the relevant business units have any doubt; or in exceptional situations (e.g., transacting with a party which is included in the *Sectorial Sanctions Identifications List* (“SSI”) subject to certain conditions; transacting with an Embargoed Country, in a sector which is not subject to Sanctions, etc.), They shall follow relevant procedures<sup>5</sup> of Ford Otosan and if necessary seek the approval of the Compliance Leadership prior to proceeding with the relevant transaction, to ensure that the prospective transaction does not violate applicable Sanctions or otherwise expose Ford Otosan to any Sanctions risk.

It is of utmost importance to Ford Otosan to comply with any laws and regulations applicable to it, including Export Control Regulations and Sanctions and to fulfil its contractual obligations. For this reason:

- Unless the necessary controls are carried out and the required licenses are obtained<sup>6</sup>, no business relation in violation of Sanctions shall be entered, and/or any activity that constitutes a breach of applicable Export Control Regulations must be ceased;
- Evaluation process shall be conducted in accordance with Ford Otosan Company Pre-Competence Evaluation Procedure Before Entering into a Business Relation (“**Pre-Competence Evaluation Procedure**”) and third party due diligence must be performed in order to determine whether a third party is subject to the Sanctions;
- Ongoing monitoring must be performed at a frequency determined according to the result of the third party due diligence procedures. If transaction or activity is determined to be a prohibited transaction or any activity subject to Sanctions or constitute a breach of applicable Export Control Regulations, during the ongoing monitoring, the related transaction or activity should be ceased immediately and the Compliance Leadership should be informed.

<sup>3</sup> Applicable as of the approval date of this Policy.

<sup>4</sup> <https://www.un.org/securitycouncil/sanctions/information>

<sup>5</sup> Please see Ford Otosan Company Pre-Competence Evaluation Procedure Before Entering into a Business Relation.

<sup>6</sup> The licenses must be obtained for at least 10 years unless otherwise stated in the relevant regulations.

In case of any request of a statement, acceptance or commitment not to engage with a specific country or a person or entity who are not within the target of the US, EU, UN and/or Turkey sanctions (“**Boycott Request**”) received from a third party in which Ford Otosan plans to enter a business relationship, this Boycott Request shall not be accepted and Compliance Leadership should be contacted in advance as soon as such requests are received.

Payments and collection of revenues must be made and recorded to the books in accordance with laws and regulations of the countries in which Ford Otosan conducts its business activities. Ford Otosan shall not be involved in Money Laundering, terrorist financing and the financing of mass destruction weapons activities. For such purpose, Ford Otosan must:

- Know who their customers and Business Partners are;
- Comply with applicable laws, regulations, Ford Otosan Code of Conduct and Ethical Rules and all related policies;
- Always ensure the accuracy in financial and commercial records;
- Keep records of all its activities in a safe and proper manner;
- Perform third party due diligence procedures in compliance with applicable regulations and related policies and procedures of Ford Otosan.

Failure to comply with this Policy could lead to, but is not limited with, the following:

- Imprisonment of employees and the members of Board of Directors (as a result of violation of certain Sanctions);
- Significant financial penalties for Ford Otosan, its employees and the members of Board of Directors;
- Adverse public reputation;
- Loss of business
- Termination of agreements;
- Poor access to international financing;
- Credit recall;
- Seizure of Ford Otosan’s assets.

#### **4. APPLICATION OF THE POLICY**

Within the scope of **Pre-Competence Evaluation Procedure**, third party due diligence must be conducted via the screening tool before any engagement with a new Business Partner or other third party, in compliance with the applicable regulations. This is to determine whether the Ford Otosan’s counterparty is a Sanctions Target. While performing the due diligence activities, global sanctions lists should be screened together with the domestic 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 at any time, Compliance Leadership must be informed immediately. Compliance Leadership performs enhanced due diligence activities and informs the related business unit about the precautions and necessary legal actions to be taken including but not limited to the termination of the business relationship or cancellation of agreements.

Ford Otosan employees and directors must ensure that the contracts with Business Partners and other third parties include necessary clauses to ensure that the relevant counterparty understands and will comply with this Policy.

#### **5. US PERSON RESTRICTIONS**

Employees who are US Persons, must not in principle participate in any transaction involving an Embargoed Country even if the relevant transaction is pre-approved by Legal and Compliance Leadership.

"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. For more information regarding restriction of US Persons, Compliance Leadership shall be contacted.

## 6. REQUESTS FOR INFORMATION

Ford Otosan employees may receive Requests For Information ("RFI") regarding certain transactions, counterparties, etc. from corresponding or counterparty banks via email, fax or other means. Any employee that receives a Sanctions-related RFI should immediately forward the RFI to Compliance Leadership for review. Responses to the RFIs, must address the entire request, be accurate and not misleading.

All documents related to RFIs, including all relevant internal correspondence, the approval of the RFI and by Compliance Leadership and related documentation must be saved and archived in an electronic format.

In case of doubt regarding the issues covered by this Policy, Compliance Leadership shall be contacted.

## 7. AUTHORITY AND RESPONSIBILITIES

All employees and directors of Ford Otosan are responsible for complying with this Policy, implementing, and supporting Ford Otosan's relevant procedures and controls in accordance with the requirements in this Policy. Ford Otosan also expects and takes necessary steps to ensure that all its Business Partners to the extent applicable complies with and/or acts in line with this Policy.

In case of becoming aware of any action that is inconsistent with this Policy, the applicable law or Ford Otosan Code of Conduct and Ethical Rules, Ford Otosan Human Resources Leader, Ford Otosan Ethic Representatives (Human Resources Leaders at company locations and Ethics Coordinator employed at the Internal Audit Leadership), Legal and Compliance Leader, Internal Audit Leader or Compliance Leader should be contacted. You can send all your questions or notices regarding ethical violation, you may call "0850 305 50 10", e-mail to [fordotosan.ethicspoint.com](mailto:fordotosan.ethicspoint.com) or [fordotosanmobile.ethicspoint.com](mailto:fordotosanmobile.ethicspoint.com); or via <https://www.fordotosan.com.tr/en/corporate/about-ford-otosan/notification-form>. You may also report to Koç Holding's Ethics Hotline via the following link: "koc.com.tr/hotline" or e-mail to Ford Motor Company's Ethics Hotline [SpeakUp@ford.com](mailto:SpeakUp@ford.com).

Ford Otosan employees may consult the Legal and Compliance Leadership in Ford Otosan for their questions related to this Policy and its application. Violation of this Policy may result in significant disciplinary actions including dismissal. If this Policy is violated by any third parties, all necessary legal actions shall be taken including termination of their contracts and collection of losses incurred by Ford Otosan from responsible parties.

## 8. REVISION HISTORY

This Policy takes effect on 29.12.2021 as of the date approved by the Board of Directors and is maintained by Ford Otomotiv Sanayi A.Ş Legal and Compliance Leadership.