# DUYGU CONTRACTING AND CONSTRUCTION INC.

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# Sanctions and Export Controls Policy

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## 1. Purpose and Scope

The Sanctions and Export Controls Policy (the "Policy") aims to ensure that Duygu Contracting and Construction Inc. and all group companies affiliated with and/or related to the controlling shareholders of this company fully comply with all national and international sanctions and export control regulations applicable to their activities.

The principal objective of the Policy is to ensure that Duygu Construction:

- complies with sanctions and export control regimes issued by the United Nations (UN), the European Union (EU), the United States sanctions authorities (OFAC), the United Kingdom sanctions authority (OFSI) and other national authorities;
- prevents Company employees and third parties from engaging in activities contrary to such regulations; and
- protects the Company's reputation, financial sustainability and relationships of trust with international stakeholders.

This Policy applies to all Duygu Construction employees, members of the Board of Directors, subsidiaries and all third parties acting on behalf of the Company. Where the regulations in force in a country of operation are stricter than the rules set out in this Policy, the relevant local legislation must be followed.

## 2. Definitions

Terms, words and expressions used in the Policy that are not otherwise defined under this heading shall have the meanings assigned to them under applicable legislation, relevant regulations and industry practice.

**Duygu Construction:** Refers collectively to Duygu Contracting and Construction Inc. and all group companies affiliated with and/or related to the controlling shareholders of this company. All such companies are collectively referred to as "Duygu Construction" under this Policy.

**EU Sanctions:** Sanctions adopted by the Council of the European Union and implemented by EU Member States.

**US Sanctions:** Sanctions imposed by the United States and its regulatory authorities.

**Embargo:** A decision restricting commercial transactions with a particular country or the trade of specified goods.

**Due Diligence**: The process by which the organisation identifies third parties and verifies such identification using reliable sources; determines the ultimate beneficial owner in financial transactions; obtains ownership information for legal entities and identifies who owns them; obtains information about the type and nature of the proposed transaction; and continues all such procedures periodically after the business relationship has been established.

**Ultimate Beneficial Owner:** The natural person who ultimately controls a business and/or the person on whose behalf a transaction is conducted.

**Money Laundering:** The introduction into the financial system of proceeds obtained through illegal means by presenting them as lawfully obtained.

**Terrorist Financing:** The transfer of financial resources to persons or organisations that support terrorist activities.

**Third Party:** Any supplier, contractor, subcontractor, dealer, distributor, intermediary, representative or consultant acting on behalf of the Company or representing the Company.

**Office of Foreign Assets Control (OFAC):** The department of the United States Department of the Treasury responsible for implementing and administering US economic sanctions and determining administrative penalties under those sanctions.

**Office of Financial Sanctions Implementation (OFSI):** The office within HM Treasury responsible for implementing and monitoring UK financial sanctions and determining administrative penalties for breaches.

## 3. General Principles

Economic sanctions and export controls are regulations that restrict or completely prohibit doing business with specified persons, entities or countries, or trading in specified goods and services. Breaches may result not only in financial sanctions but also in serious reputational damage and legal consequences.

Duygu Group undertakes to comply fully with sanctions and export control regimes issued by the European Union (EU), the United States (OFAC), the United Kingdom (OFSI), the United Nations (UN) and other international sanctions authorities. Accordingly, no direct or indirect business relationship may be established with any person, entity or country included on the relevant lists.

Duygu Construction takes all necessary measures to ensure that its commercial activities and contractual obligations do not breach any sanctions or export control regulation. Sanctions-list screening, due diligence and risk assessments are therefore carried out before a business relationship is established and regularly throughout existing relationships.

Non-compliance with this Policy may result in the following consequences:

- Fines imposed on Duygu Construction,
- Fines or imprisonment imposed on employees,
- Restrictions on access to international financing,
- Termination of business relationships and contracts,
- Freezing or seizure of Duygu Construction assets,
- Serious damage to the Company’s reputation.

## 4. Due Diligence

Duygu Construction conducts comprehensive due diligence to manage effectively the sanctions and export control risks that may arise in its international activities. Such reviews are carried out both before new business relationships are established and at regular intervals during existing relationships. The purpose is to determine whether customers or third parties appear on sanctions lists, operate in embargoed countries and whether the nature of their commercial transactions may expose the Company to a sanctions violation.

As part of due diligence, the identity, ownership structure, ultimate beneficial ownership information and source of assets of the relevant parties are reviewed. The nature and consistency of the proposed commercial transaction are also assessed. Information and documents supplied by the parties are reviewed in detail and retained. Unless otherwise required by local law or international regulations, all records shall be retained for at least ten years.

A business relationship must not be established with a party where due diligence identifies any of the following:

- The company or its ultimate beneficial owners appear on sanctions lists,
- More than 10% of the income from its activities is generated through embargoed countries,
- The company is incorporated in an embargoed country or the relevant natural persons reside in such a country.

The Legal Department must be consulted in any suspicious case. Following its assessment, the Legal Department submits the matter to the Board of Directors. If the Board decides to continue the business relationship despite adverse findings, the decision may be implemented only with risk-mitigation measures and enhanced due diligence.

All contracts with third parties must also expressly provide audit and termination rights relating to sanctions and export controls. To mitigate legal risk, approval from the Legal Department must be obtained before contracts are signed.

## 5. Training and Awareness

Duygu Construction employees whose duties involve responsibility for sanctions and export controls must receive training at least once a year. The Human Resources Department is responsible for organising and monitoring the training.

## 6. Authority and Responsibilities

All Duygu Construction employees must comply with this Policy. If employees encounter conduct contrary to the rules set out in the Policy, they must report it without delay through at least one of the following channels:

- Ethics and Compliance Committee,
- Legal Department,
- Finance Department.

The Ethics and Compliance Committee is responsible for communicating the requirements of this Policy to employees and establishing an internal control environment demonstrating that employees act in accordance with the Policy.

Where the laws applicable in countries in which Duygu Construction operates are stricter than this Policy, the applicable legal requirements shall prevail.

Employees who fail to comply with the Policy may be subject to various disciplinary sanctions, including termination of employment.

## 7. Revision History

This Policy has entered into force following approval by the Ethics and Compliance Committee pursuant to the relevant resolution of the Company's Board of Directors. The Ethics and Compliance Committee is responsible for reviewing the Policy at least annually in parallel with changes in legislation and international standards and updating it where necessary.