



# Code of Conduct Handbook



Mutlu Akü ve Malzemeleri Sanayii Anonim Şirketi

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For questions and amendment recommendations:  
Company Secretary, +902165816252, [hukukservisi@mutlu.com.tr](mailto:hukukservisi@mutlu.com.tr)

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## Section 1

### PURPOSE AND OVERVIEW

The purpose of this handbook is to highlight the conducts expected from employees and stakeholders (i.e. suppliers) of Mutlu Akü ve Malzemeleri Sanayii Anonim Şirketi (“**Company**”) while working at our plants or providing services. The principle aim of this handbook is to help you to identify potential ethical or legal issues. It is crucial to understand that this handbook only provides brief information about the rules and regulations and it is expected from our employees and stakeholders to further read and study all legal requirements, other policies and policy letters issued by the respective plant/division.

This Code of Conduct Handbook is executed on 2 January 2017 in pursuant of Board of Directors resolution dated 8 September 2015 and numbered 2015/16.

## RESPONSIBILITY

All employees and stakeholders must know and comply with the company policies and legal requirements related to their work. Managers and directors are expected to take reasonable steps to ensure that they, too, know and follow company policies and any applicable legal requirements.

We find it crucial to remind our employees and stakeholders that anyone who violates the law or a company policy may be subject to disciplinary or legal action, up to and including termination or release. Violation of the law may expose the company to fines, penalties and damages. All employees and stakeholders must report all known or suspected violations of company policies or business related legal requirements.

If an employee or a stakeholder becomes aware of a known or suspected violation of a company policy or business related legal requirements, he/she should report it promptly to

- The respective manager or director; OR
- The Company Secretary OR
- In case anonymity is desired to METAIR's ETHICS LINE.

Metair Ethic's Line is managed by Deloitte- Africa leading independently managed ethics and fraud hotlines service provider. All employees are able to report unethical behaviour and wrongdoing anonymously as well as confidentially. The line operates 356/24/7 with live answering in a number of languages.



### **METAIR's ETHICS LINE** **Tip-offs Anonymous**

**+90216 9001775**  
Email: [metair@tip-offs.com](mailto:metair@tip-offs.com)  
Website: [www.tip-offs.com](http://www.tip-offs.com)

## COMPLIANCE WITH LAWS AND REGULATIONS

The company is committed to a policy of fair dealing and integrity in the conduct of its business. The commitment, which is actively endorsed by the Metair's Board of Directors, is based on a fundamental belief that business should be conducted honestly, fairly and legally. The company requires all employees and stakeholders to share its commitment to high moral and ethical standards as well as the adherence to all legal requirements.

Employees and all stakeholders must at all times comply with all applicable laws and regulations and also Global 10 Rules of United Nations, which relate to activities for and on behalf of the company. The company will not condone any violation of law by any employee.

Employees and stakeholders must ensure that their conduct cannot ever be interpreted as being in any way in contravention of applicable laws and regulations governing the operations of the Company. Employees and stakeholders should bear in mind that the perception of their actions by others is important and should act accordingly.

## Insider Trading

Metair Investments Limited is a public company listed in Johannesburg Stock Exchange. While working for the Company, employees or stakeholders may have access to information about the Company, or to the business information of other companies including Metair Investments Limited, that has not yet been made available to the general public. This is known as “insider information” or “inside information.” As a matter of company policy, and as a matter of law, you may not use such information for your own financial gain, or disclose it to others for their financial gain. Specifically, you may not buy or sell stock in a company if you learn of confidential information that a reasonable investor would deem important in deciding whether to buy or sell the stock of that company at the price offered. This means that if you have such non-public information about the Company (or another company), you must not buy or sell shares of stock of the affected company, or disclose that information to others, until the information has been made known publicly.

Things expected from our employees and stakeholders;

- Protect the Company’s confidential non-public information.
- Do not buy or sell stock or other securities based on non-public information.
- Do not “tip” others about non-public information so they can buy or sell stock.
- Contact the Legal Department if you have questions regarding your ability to buy or sell shares of stock, given the information you know about the Company’s business.

## Anti-Bribery

Our business often requires that we interact with officials of various governments around the world.

The Company is committed to conduct its business with integrity. This means avoiding corruption of all kinds, including bribery of government officials. We will abide by all applicable anti-bribery laws in every country in which we conduct our business. These laws prohibit bribery of government officials and mandate that companies establish and maintain accurate books and records and sufficient internal controls.

Applicable laws prohibit companies and their employees and representatives from giving, promising, offering, or authorizing payment of anything of value to any government official in order to obtain or keep business or to secure some other improper advantage. In essence, these laws prohibit the giving of anything of value to influence a government official's actions. Prohibited payments include, but are not limited to, those designed to:

- Induce the recipient to award a contract to the Company;
- Obtain advantageous tax or customs treatment that would not otherwise be available to the Company; or
- Circumvent or cause non-enforcement of laws or regulations applicable to the Company.

The prohibition on bribery applies to the giving of anything of value, not only money. This includes providing business opportunities, favourable contracts, stock options, gifts and entertainment. Such payments are barred even if:

- Any person other than the party making the payment benefit from it.
- The business sought is not being conducted with the government.
- The payment does not in fact influence the government official's conduct.
- The foreign government official initially suggested the payment.



## Competition and Antitrust Laws

The Company is committed to complying with competition laws, also known as antitrust laws. These laws, which exist in nearly all of the countries in which we conduct business, are intended to protect vigorous, open, and fair competition from improper, collusive, or anticompetitive restraints. Fair competition is vital to the Company's success: The Company must compete vigorously, aggressively, and fairly, and without any anticompetitive understandings or agreements with its competitors. Violations of competition laws, such as agreements among competitors to fix prices, are prosecuted as serious crimes. The Company could be obligated to pay damage awards as a result of anticompetitive practices.

It is expected from our employees to work closely with the Company Secretary or local law firm to understand the rules and regulations applicable to the Company. It is vital to comply with all competition laws.

Below we provide a basic list of requirements which needs to be complied all the time. It should be noted that the list below is not exhaustive and respective managers and directors must seek help from the Company Secretary where they deem necessary.

- Price-fixing agreements between the Company and its competitors are illegal almost in every jurisdiction. Disclosing pricing information or discussing the same with competitors may also lead to price-fixing agreements, therefore must be avoided.
- We must avoid entering into agreements with competitors that improperly restrict competition.
- Sometimes engaging benchmarking, joint research programs or other information enhances or joint activities with the competitors may lead to certain competition concerns. Unless you have obtained prior approval from the Company Secretary or your local legal office, our employees must not engage with those activities.

## Export Controls and Prohibited Transactions

The Company is committed to complying with the government regulations on the importation and exportation of goods and services where it operates.

Failure to comply with the applicable laws and regulations in this area exposes the Company, and in some instances the individuals involved, to severe civil or even criminal penalties, and also to reputational risk.

Various countries worldwide, as well as the United Nations and the European Union and their member states, have regulations that restrict exports and transactions with certain countries, entities, and individuals. These trade restrictions limit or prohibit transactions with certain designated individuals and entities, such as terrorist groups and drug traffickers, as well as with certain sanctioned countries.

The Company expects from its employees to evaluate their business activity and notify the Office of the General Counsel if a transaction screening process necessary before engaging with the activity.

Any breach of these regulations could damage the Company's reputation and also may result in heavy penalties and fines for the Company and the individuals involved in.

## Money Laundering

Money laundering is conducting or attempting to conduct a financial transaction knowing that the transaction is designed in whole or in part to conceal or disguise the nature, location, source, ownership, or control of the proceeds of specified unlawful activity. To assist the countries in detecting, preventing, and eradicating criminal and terrorist financing and activity, the Company is committed to take all necessary steps to comply with applicable anti-money laundering laws and regulations.

## CONFLICT OF INTEREST

The Company expects employees to perform their duties conscientiously, honestly and in accordance with the best interests of the Company and Metair. Employees must not use their position, or knowledge gained through their employment with the Company in such a manner that a conflict, or an appearance of conflict arises between the Company's interest and their personal interest. A conflict could arise where an employee, a member of an employee's family, or a business with which the employee or his / her family is associated, obtains a gain, advantage or profit by virtue of the employee's position with Metair or knowledge gained through that position.

### Outside Activities

We all share a very real responsibility to contribute to our local communities, and the Company encourages employees to participate in community activities. Employees should, however, avoid acquiring any interest or participating in any activity outside the Company, which would create;

- an excessive demand upon their time, attention and energy which would deprive the Company of their best efforts in their work, or
- a conflict of interest – that is, an obligation, interest or distraction which would interfere or appear to interfere with the independent exercise of judgement in the Company's best interest.
- Employees may not take up outside employment per se without the prior approval of the Director responsible for Human Resources.

Employees who hold, or have been invited to hold, outside directorships should take particular care to ensure compliance with all provisions of this Code. When outside business directorships are being considered, prior approval must be obtained from the Chairman of Metair.

## Relationships with clients, customers and suppliers

The Company recognizes that relationships with clients, customers and suppliers may give rise to many potential situations where conflicts of interest, real or perceived, may occur.

Employees should ensure that they are independent, and are seen to be independent, from any organisation that has a contractual relationship (providing goods or services to the Company) with the Company if such a relationship might influence or create an impression of influencing their decisions in the performance of their duties on behalf of the Company. In such circumstances, employees should not invest in, nor acquire any financial interest, directly or indirectly, in such an organisation.

### Prohibited Practices

The following activities are prohibited:

- Solicitation of loans, gifts, hospitality, favours or intellectual property information for personal gain.
- Fraudulent conversion of any monies or goods out of a suppliers account / inventory for personal gain.
- Transfer from a supplier share certificates, stock options, certificates of deposit or any other monetary instruments for personal gain.
- Ownership, part ownership, material equity or investment in a suppliers business.
- Attending recreational events where the supplier affords excessive costs or lavish favours (eg. permanent season tickets / facilities to recreational events afforded by the supplier).
- Use of suppliers' property / facilities for personal gain.
- Employees must not offer personal favours or other inappropriate preferential treatment to customer or supplier representatives, which might place the recipient under obligation. It is incumbent upon the employee to establish the customer's policies on receiving of gifts, hospitality and other favours and to observe the customer's policies in this regard.

## Declaration of Obligation

The Company requires from its employees to declare the following activities to the Director responsible for Human Resources and failure of which may be subject to disciplinary or legal action, up to and including termination or release.

- Complimentary business gifts presented by suppliers / service providers / contractors at year-end or other special occasions.
- Complimentary business gifts must be visible and be that which could be consumed within 24 hours or have no negotiable or re-sale value, e.g. Beverages, food hampers, calendars, diaries, writing instruments, desk ornaments, caps. These normally do not have to be declared.
- Gifts other than food and beverage will normally be permanently marked with supplier name and logo and should be notified.
- Attendance at any event (recreational / social) sponsored by a supplier / service provider / contractor must be declared by any employee attending such functions.

## Personal Investment

The Company respects the right of all employees to make personal investment decisions as they see fit, as long as these decisions do not contravene the conflict of interest provisions of this code, applicable legislation, any policies or procedures established by the various subsidiaries of Metair, and provided that these decisions are not made on the basis of material non-public information acquired by reason of an employee's connection with Metair (please refer to Insider Trading section on page 5 above).

When considering the application of this section, employees should ensure that no personal investment decision made for their own benefit could reasonably be assumed to influence adversely their judgement or decisions in the performance of their duties on behalf of the Company. In addition, employees who are in possession of material non-public information shall not use this information to benefit themselves nor pass such information on to others.

Employees involved in performing investment activities on behalf of the Company and those who by nature of their duties or positions are exposed to share price-sensitive information relating to the Company or Metair, are subject to additional rules governing personal investment. These may from time to time be imposed by the Companies Act, JSE Securities Exchange South Africa and other regulatory bodies and Metair management.

### **Dealing with Metair Shares**

Prior approval to deal in shares to be obtained from the board of directors.

## Remuneration

The Company remunerates employees based upon formal remuneration scales and rates for salaries, wages, fringe benefits, and other regular remuneration. No employee may receive commission or other remuneration related to the sale of any product of the Company, except as specifically provided under an individual's terms of employment in terms of the Metair's remuneration policies.

Employees may not receive any money or items of value (other than the Company's regular remuneration, incentives or awards), either directly or indirectly, for negotiating, procuring, recommending or aiding in any transaction made by or on behalf of the Company, nor have any direct or indirect personal financial interest in such a transaction.



## Gifts, Favors

Accepting gifts or favors from a business contact, such as a supplier or dealer, may cloud your judgment when making decisions for the Company, or give the appearance that the supplier or dealer is “buying” favorable treatment. Always follow the Company’s limitations and conditions on accepting gifts or favors from individuals or organizations that conducts business with the Company, or that are actively seeking to do business with the Company.

Do not use your position at the Company to privately enrich yourself or others (such as family or friends). In fact, you should avoid situations that could even look to outsiders as if you are doing something improper.

Never ask for a gift or favour from an individual or organization that conducts business with the Company, or is actively seeking to conduct business with the Company.

Accept a gift or favor that is freely offered by suppliers, dealers, and others only if it is of nominal value, involves a normal sales promotion, advertising, or publicity, and there is a legitimate business purpose. TL 200 is considered to be nominal value.

Never accept any of the following types of gifts or favours from an individual or organization that does business with the Company, or is actively seeking to do business with the Company:

- Cash or gift certificates
- Tickets to any event, unless the supplier is in attendance
- A loan, unless it is from a regular financial institution on normal terms
- Discounts on goods or services, unless the supplier makes them generally available to all employees in the Company
- Gifts or other donations for parties or social events attended principally by Company personnel (for example, retirement or holiday parties)

Return inappropriate gifts with a polite note explaining the Company’s Policy. If it is not possible or practical for you to return the gift, consult Director of Human Resources to determine what to do with the gift.

## EQUAL OPPORTUNITY

The Company promotes equal opportunity in all aspects of the workplace, including but not limited to recruiting, transferring, promoting, training, compensation and benefits, corrective and disciplinary action, organisation realignments, and dismissals through the elimination of unfair discrimination on its employees and future employment candidates. The ultimate goal of equal opportunity initiatives is to create a business, free from all from of unfair discrimination or prejudices, where all of its people enjoy equal opportunities and where diversity is synonymous to productivity.

### **Employment Decisions**

All employment decisions at the Company are based on business needs, job requirements, qualifications and behaviour and performance of candidates, but mainly concentrating on the job specifications, without prejudice regarding race, gender, pregnancy, marital status, family responsibility, social religion, colour, sexual orientation, age, disability, religion or belief, HIV status, political opinion, culture, language, ethnic origin, marital, family or parental status, or any other position protected by the laws or regulations in the locations where we operate. The Company will not tolerate discrimination or harassment based on any of these characteristics.

### **Employee's Responsibility**

All the Company employees share in the responsibility for fulfilling the commitment of the Company to the equal opportunity. Employees who believe they have been discriminated against or who witness discrimination against others should report their concerns to their manager immediately. If the matter is not satisfactorily resolved by the manager or if the employee is uncomfortable raising the concern with his or her manager, the employee must raise the concern with the director or the Company Secretary immediately.

The Metair's Ethics Line is also available for employees to use, should they want to pursue this route.

## HEALTH AND SAFETY

The Company is committed to taking every reasonable precaution to ensure a safe working environment for all employees.

Employees who become aware of circumstances relating to the Company's operations or activities which pose a real or potential health or safety risk should report the matter as set out in the Contravention of the code section of this document.

We ask our employees to take personal responsibility for the protection of health and safety while at work. We believe that without commitment of all employees, we may not achieve the best result in terms of health and safety.

It is expected from the management team to consult with employees and/or their representatives and involve them in matters affecting their health and safety. Management of each activity is expected to accept this responsibility as an important priority, and to commit the necessary resources to health and safety.

## ENVIRONMENT

The Company is committed to developing operating policies to address the environmental impact of its activities by integrating pollution control, waste management and rehabilitation activities into operation procedures. Employees should give appropriate and timely attention to environmental issues.

It is expected from the employee to know the environmental requirements (both legally mandated and Company-initiated) that apply to your work.

Management team must use the Company's environmental specialists to assist them in understanding and carrying out your responsibilities.

If you receive a communication from any government agency regarding environmental matters, refer it immediately to the Office of the Company Secretary. Do not try to handle the matter on your own.

## USE OF COMPANY ASSETS AND DATA SAFEGUARDING

The Company has developed a number of internal controls to safeguard its assets and imposes strict standards to prevent fraud and dishonesty. All employees who have access to the Company's funds in any form must at all times follow prescribed procedures for recording, handling and protecting such funds.

Employees must, at all times, ensure that the Company's funds and property are used only for legitimate the Company business purposes. Where an employee's position requires the Company's funds to be spent, it is the individual's responsibility to use good judgement on the Company's behalf and to ensure that appropriate value is received for such expenditures.

The Company is committed to conserving resources used in its business operations. All employees should use their best efforts to make efficient use of all.

Please also note the following;

- Do not use Company resources to run a personal business or similar venture.
- Do not access, reproduce, display, distribute, or store any materials that are sexually explicit, obscene, defamatory, harassing, illegal, or otherwise inappropriate when using Company assets, or when performing your job.
- Do not use Company resources to reproduce, display, distribute, or store any materials that violate trademark, copyright, licensing, or other intellectual property rights of any party.
- Remember, the Company will investigate theft or loss of its assets and take appropriate action.
- Always wear safety belts when driving on Company business and when in a Company vehicle, all occupants must wear safety belts.
- Drive Company vehicles safely and in accordance with the law.
- Drivers must be unimpaired and properly licensed.

If employees become aware of any evidence that the Company's funds or property may have been used in a fraudulent or improper manner, they should immediately advise management as set out in the Contravention of the Code section of this document.

## DATA PRIVACY

In the regular course of business, the Company accumulates a considerable amount of information. The following principles are to be observed:

The Company principally aims to process as little personal data as possible. Therefore, each department shall determine the purposes which require the personal data to be processed and also whether it is necessary to process them. In case the anonymous or statistical data meets the requirements of the purpose, the related departments shall only use these numerical data and not identify the individuals, nor shall they collect, process or keep the personal data. It is not permitted to collect or process data based on the possibility that it may be required in the future, unless otherwise provided in applicable legislation or the legislation itself gives the permission to the same.

The Company shall make data safeguarding audits in order to provide the compliance with the legislation and to control the practices.

The Company shall raise awareness of this policy to its all Employees and managerial staff.

**For further information, please refer to “Data Safeguard Policy v.00” and “Data Safeguard Guide”.**

## CONTRAVENTION OF THE CODE

The Company regards any contravention of this Code as a serious matter.

If employees believe that their own actions have, or may have contravened the Code, they should either advise the person to whom they report or a person at management level responsible for Human Resources.

If employees suspect that another employee of the Company has committed a contravention of the Code, they should promptly and appropriately report this, preferably in writing. They should either advise the person to whom they report or a person at management level responsible for Human Resources. By following this process, confidentiality will be maintained and the matter will be investigated impartially. The Metair's Ethics Line is also available for employees to use, should they want to pursue this route.

Contravention of the Code is a serious matter and may result in disciplinary action, including possible termination of employment. Certain breaches of the Code may also result in civil or criminal proceedings.