

# ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM POLICY

## 1. IMPLEMENTATION

### 1.1 Cash Payment Regulations

For the purposes of this Policy, "cash transaction" shall refer to payments made in person only and does not cover credit card transactions.

In order to be exempt from a major Anti-Money Laundering and Combating the Financing of Terrorism risk management application involving comprehensive risk assessments and business partner due diligence procedures, **no cash transactions equal to 7,000 Turkish Liras or above shall be allowed** while making payments to, or receiving payments from, Biotrend. This limit shall apply to each payment. Biotrend employees should take corporate measures in particular in order to ensure that they do not exceed this upper threshold while depositing any cash funds they may have into a bank account.

If multiple cash payments are connected to each other (e.g., division of an amount into multiple parts - known as the "smurfing" method-), these cash payments should be accepted as a single payment. All employees performing financial transactions should be informed to make sure that they can detect "smurfing" method. Performance of a high number of transactions that are similar in terms of business status, subject of business and business applications in a limited period of time is an indicator of the use of such "smurfing" method. In this case, the business partners bound with a contract do not need to be the same.

### 1.2 Risk Awareness, Risk Indicators, Business Partner Due Diligence

In addition to the foregoing rules related to the upper threshold for cash transactions, all Biotrend employees should seek the signs of the money laundering intention in all financial transactions and operations carried out with customers, suppliers and business partners.

The typical signs of money laundering according to the type of business partners or transactions are as follows:

- representatives and consultants in high-risk countries (e.g., Iran, Syria, Sudan, North Korea, Cuba and other countries to be determined by the Compliance Department in cooperation with the Legal Counsel Office);
- frequent changes of bank account details;
- business partners who cause difficulties or who are engaged in obscure acts;
- merchants and distributors who are usually not working in the field of activity of Biotrend;
- transactions which do not have a clearly visible reasonable economic or legal purpose;
- money transfers where the account holders and signatories are different parties;
- payments made to, or by, third parties despite the lack of a reasonable relationship with the business partner;
- involvement of intermediaries or third parties in the payment process;
- cases where the country of the company headquarters and target country of a payment are different and the target country is included in the group of high-risk countries;

- cases where the customer makes payments in excess and requests refund to a different account;
- cases where payment is received from a private account instead of company account or where payments are made to a private account; and
- cross-border transactions involving the legal systems of off-shore regions (e.g., British Virgin Islands, Bermuda, Panama) or high-risk countries.

The list above is not exhaustive considering that the criminals always develop new techniques.

### **1.3 Documentation**

All incidents involving suspected money laundering activities should be documented appropriately. This kind of documentation constitutes written evidence demonstrating the efficient application of Anti-Money Laundering and Combating the Financing of Terrorism processes of Biotrend.

These documents should involve the following components:

- description of the transaction (including the names of the parties, places, banks, amounts, etc.);
- explanation of the risk indicators resulting in suspicion;
- due diligence measures implemented and their results (e.g., authentication, beneficial owner, etc.);
- grounds for the decision-making process;
- risk reduction measures (if any);
- reporting to be made to competent authorities (if carried out);
- names of people/units conducting due diligence and assessment processes and the parties who are informed about the process; and
- written evidence indicating that any senior manager or Chief Financial Officer has granted written approval for the transaction (as described above).

### **1.4. Training**

All employees performing financial transactions should be informed about this Policy and should be provided with instructions for complying with this Policy.

Trainings may be provided in class environment (face to face), or online (via MS Teams, etc.). Initial and follow-up trainings should be documented. Employees should be provided with an Anti-Money Laundering and Combating the Financing of Terrorism training once every two years. All new employees to start working in the relevant positions should be informed about this Policy during the recruitment process.

This Policy may either be distributed in hardcopy, or be issued electronically.

### **1.5. Reporting Policy Violations**

If it is believed or suspected that an employee or a person acting on behalf of Biotrend Çevre ve Enerji Yatırımları A.Ş. is violating this policy, this should be reported with an e-mail to be sent to [etik@biotrendenerji.com.tr](mailto:etik@biotrendenerji.com.tr).

Biotrend encourages an honest and transparent approach, and supports all its employees or people acting on behalf of Biotrend who raise their concern in good faith and sincerely, and keeps such reports confidential.