COMPETITION COMPLIANCE POLICY

Biotrend acts with the conscious of maintaining market equilibrium and carries out its activities within the scope of principle of protecting the fair trade and competition between the actors of energy generation market. In this sense, Biotrend avoids any acts and actions, regardless of the name under which, distorting the competitions apart from the activities permitted by the relevant legislation including the Law No: 4054 on Protection of Competition.

In free market economy, enterprises can easily enter the market, freely operate therein and determine the prices. The competition must exist in the market for the enterprises to have these freedoms.

The market-maker institutions, which regulate the market in which Biotrend operates, show maximum effort to create and form a market in which the market actors, namely electricity suppliers, freely take decisions, enter into and exit from markets easily and determine the prices freely. It is not possible to have a fair and a healthy market in a sector in which the competition does not exist or is restricted.

As it is known, the fundamental policy of our company and Doğanlar Holding, our Principal Shareholder, is to act in full compliance with the laws and all applicable legal regulations. In this context, one of the primary principles of Biotrend is to ensure full compliance with competition in the light of Law No. 4054 on Protection of Competition ("Competition Law" or "Law" or "LPC") and all regulations. In this context, the Competition Compliance Policy of Biotrend, which is also mentioned in the UY.YT.008 Code of Business Ethics of Biotrend, is in full compliance with the letter and spirit of the Competition Law.

As a result of violations of competition law, the companies may face with heavy fines or claims for compensation and administrative fines may be imposed on employees. Undoubtedly, the most serious damage of such competition violations is their negative effect on our company's reputation and brand value. In order to avoid all these negative consequences, both our company and each of our employees have a serious responsibility in terms of internalizing the competition rules.

Within the framework of Biotrend's principle of 100% compliance with the legislation, it is very important to read and learn the fundamental principles and prohibitive rules of competition law, for each employee to constantly improve him/herself in this field and to increase the awareness of both himself and those around him on sanctions.

In relations, communications and interactions with rival companies, the rules of competition law must be strictly followed by taking into account their economic fundamentals and practical application. For this reason, our valued employees should read this Policy having the characteristics of "guideline", should follow the determined rules and pay attention to and take into account the recommendations.

Prevention of anticompetitive consequences and sanctions is only possible if all employees duly fulfill their duties. For this reason, all of our employees are expected to learn and internalize the competition rules in the best manner and to act in full compliance with these rules.

1. Operations Examined within the scope of Competition

"Agreements, Concerted Practices and Decisions Limiting the Competition" are prohibited by this article. In this context, there appears vertical and horizontal agreements (Article 4 of the Law).

"Abuse of Dominant Position" is prohibited by this article. Being in a dominant position is not prohibited; however, abusing such dominant position is prohibited (Article 6 of the Law).

"Mergers or Acquisitions" are illegal and prohibited where these would result in a significant lessening of "effective" competition in the entirety or a portion of the country (Article 7 of the Law).

2. Agreements, Concerted Practices and Decisions Limiting the Competition

Agreements and concerted practices between undertakings, and decisions and practices of group of undertakings which have as their object or effect or likely effect the prevention, distortion or restriction of competition directly or indirectly in a particular market for goods or services are illegal and prohibited.

These agreements and practices may be executed and performed both between the rival companies at horizontally same level and between undertakings at vertically different levels of production and distribution chain.

The agreements within the scope of Article 4 of Law No: 4054,

• don't have to be valid agreement as per the provisions of Civil Law and Code of Obligations. Gentleman's Agreements are agreements as per Law No: 4054.

• have no requirement as to form. Any kinds of intention, whether in writing, verbal, implied etc., is sufficient.

• don't have to be signed.

• It is sufficient to agree to be bound by agreement.

• don't have to be implemented. The purpose is essential and sufficient.

• don't have to be for the benefit of both parties.

• may be executed intentionally or negligently.

2.1. Types of Agreement

Agreements at different levels of the production chain (for example, between manufacturers and distribution companies, between distribution companies and suppliers) are considered as vertical agreements; Agreements between competitors at the same level of the chain are considered as horizontal agreements.

Horizontal Violations

- The below-mentioned actions of rival undertakings are illegal and prohibited as per Law No: 4054
- Price fixing (increasing or fixing prices, determining minimum price, cancelling price discounts, setting discount rates and profit margins, etc.)
- Submitting concerted bids in tenders (partitioning tenders, boycotting the tender, setting the bids to be submitted in tenders, etc.)
- Sharing markets / regions / customers
- Determining the amount of production / sales
- Complicating and restricting the activities of rival companies / excluding them from the market / hinder potential new entrants to enter into the market

The events brought before the Competition Board through horizontal agreements are as follows,

- Setting service fees (Agreement by the parties for setting the same price for EFT service)
- Setting product prices (Agreement by refinery companies on the product prices)
- Setting the commission rates to be received (Agreement by the shipper companies on the load)
- Sharing the market (Sharing of the airport by aircraft fuel suppliers)
- Supply restrictions (Agreement by electricity generation companies on supply restrictions, in particular planned failures)
- Sharing the region (Sharing by the cement producers of the region).

2.2. Presumption of Concerted Practice

In cases where the existence of an agreement cannot be proved; that the price changes in the market or the balance of demand and supply or the operational areas of undertakings are similar to those markets where competition is prevented, distorted or restricted, constitutes a presumption that the undertakings are engaged in concerted practice.

For instance,

- A similar price increase made concurrently by competitors in a specific market,
- Cease by competitors of any practice in favor of customers (e.g., price reduction) concurrently,
- Lack of competition between the competitors in an area requiring competition and the absence of a rational explanation (For example; the same quotation given by each competitor to a specific buyer, avoidance of competition by competitors, etc.)

When the presumption of concerted price is implemented, the undertakings should prove that they have not been engaged in concerted practices. Undertakings may prove that they have not been engaged in concerted practices, only provided that it is based on economic and rational facts.

2.3. Exchange of Competition-Sensitive Information

Exchange between competitors of any strategic information directly affecting the competition or eliminating uncertainty in the market is considered as a violation of competition as per Article 4 of the Law since it yields collaborative results and creates symmetry in the market.

The Competition Board considers the exchange of competition-sensitive information merely between competitors as violation. In addition, exchange of information facilitating the functioning of the cartel by way of allowing for monitoring of compliance with the mutually agreed rules is considered as an extension of the cartel.

The information listed below is considered as competition-sensitive information,

- Fees, promotions, prices and sales strategies that you intend to apply, and inventory figures.
- Tenders intended to be entered and the bids to be submitted in such tenders.
- Costs and profits.
- Any data/information that constitutes trade secret for and makes the company competitive.

By the decision of the Competition Board dated 28.11.2017 and numbered 17-39/636-276, totally TRY 21.179.390,25 of administrative fine was imposed on the enterprises under investigation due to violation of Article 4 of Law No: 4054 in consequence of sharing/exchanging by the banks extending credits to the corporate customers in Turkey of the credit terms such as interest rate, maturity etc. with respect to current loan agreements and other competition-sensitive information about other financial transactions.

3. Exemption Regime

Article 5 of the Law No: 4054:

Agreements between undertakings, concerted practices, and decisions of group of undertakings are exempt from the application of Article 4 provisions, provided they fulfill all of the requirements below:

a) They must ensure new developments or improvements or economic or technological improvement in the production or distribution of goods, and in the provision of services,

b) The consumer must benefit from the above-mentioned,

c) They must not eliminate competition in a significant part of the relevant market,

d) They must not restrict competition more than necessary to achieve the goals set out in sub-paragraphs (a) and (b).

In case the requirements mentioned are fulfilled, the Board may issue communiqués which ensure block exemptions for the types of agreements in specific subject-matters, and which indicate their terms.

Within the scope of the Law No. 4054, it is investigated whether an agreement/concerted practice / decision of group of undertakings has the purpose, effect, or future probable effect of distorting, preventing or restricting competition. Even in the presence of these risks, horizontal agreements (such as R&D, cooperation, specialization, co-production, and co-purchase agreements between competitors) and vertical agreements are permitted in some cases and under certain conditions.

3.1. Individual Exemption:

As a result of an agreement between companies,

• If an economic or technological improvement is ensured,

• If consumers benefit from the above-mentioned improvement,

• If the competition in the relevant market is not significantly eliminated or not restricted more than necessary,

• If the competition is not restricted more than necessary to achieve the determined goals,

Relevant undertakings or group of undertakings may apply to the Competition Authority in order to consider the Board to determine that the agreement, concerted practice or group or association of undertakings within the scope of Article 4 fulfills all the above-mentioned conditions for exemption.

3.2. Group Exemption:

Undertakings may not apply for the issuance of a group exemption; the Competition Board issues the group exemption for the sectors deemed necessary. Until now, there is no group exemption issued for the energy sector.

4. Abuse of Dominant Position (Article 6)

Article 6 of the Law No: 4054:

The abuse, by one or more undertakings of their dominant position in a market for goods or services within the whole or a part of the country on their own or through agreements with others or through concerted practices, is illegal and prohibited.

Within the scope of the Law No: 4054, dominant position is defined as "the power of one or more undertakings in a particular market to determine economic parameters such as price, supply, the amount of production and distribution, by acting independently of their competitors and customers".

Despite the market share is a significant indicator of the dominant position, it is not possible to determine a fixed market share rate for dominant position:

<%40	Generally, there is no finding for a dominant position,
%40-%50	Existence of other conditions are required,
%50-%60	A strong indication,
%60-%70	Sufficient indication of dominant position in the absence of opposite indicators,
>%70	Generally indication for a dominant position.

The dominant position of any undertaking is not prohibited in terms of competition law. The prohibited act within the scope of competition law is the abuse of dominant position.

4.1. Do's (Things to Do)

- Terms and conditions of services provided to customers should be determined independently of competitors (without concerting with competitors).
- Unless there are reasonable commercial reasons to compete, there **should always be competition** for the appropriate customers.
- **It should be acknowledged that** non-compete obligations arising from the concluded agreements do not exceed 5 years in principle and that the agreements containing exclusivity are, in any event, reviewed by the relevant Legal Department before execution.
- Agenda should surely be **requested and should be examined** in detail before the meeting with competitors.
- When issues to be considered against the competition law are mentioned during the meeting, **you should leave the meeting** immediately, **write this issue to the minutes** of meeting and should **take a copy** of such minutes.
- Within the scope of meeting, communication with competitors **should be limited to** discuss agenda items and official and unofficial interview with the competitors **should be avoided**.
- **It must be ensured that** the relations established under the purchase and sale agreements signed with rival undertakings engaged in energy sector remain only within the scope of such relationship.

4.2. Don'ts

Don't conclude any competition-restricting agreements with competitors.

Don't exchange information with competitors with respect to any competition sensitive issues, including, particularly, the price items such as prices and discounts that you offer, etc.

Don't even attend any negotiations or meetings during which competition-sensitive information about the competitors are discussed.

5. Mergers and Acquisitions

Some mergers and acquisitions may result in emergence of strong undertakings in a manner to significantly lessen and harm the competition environment in the market and adverse effects on consumer's welfare. For that reason, the audit and control of the mergers and acquisitions are of significance and required for the protection of the conditions of competition in the markets.

Within the scope of the Law No: 4054, mergers and acquisitions that are creating a dominant position or strengthening dominance position of a dominant undertaking and mergers and acquisitions significantly restricting the "effective" competition are illegal and prohibited.

The Board declares, via communiqués to be issued by it, the types of mergers and acquisitions which have to be notified to the Board and for which permission has to be obtained, in order for them to become legally valid. A transaction, which is subject to permission, cannot be legally valid without obtaining such permission from the Competition Board. If a transaction, which is subject to permission, is carried out without obtaining the permission from the Competition Board, such transaction may invalidated and heavy fines may be imposed. The Competition Board may permit or reject such transaction as a result of examination. In some cases, the relevant transaction may be permitted under specific conditions.

6. On-Site Examination Procedure and Things to do During On-Site Examinations

The Competition Board may perform examinations ex officio or upon the requests of applicants. As per Article 15 of the Law No: 4054, the Board may perform examinations at undertakings and associations of undertakings in cases it deems necessary while performing its duties within the scope of Law. Examinations are carried out by the experts that are authorized by the Competition Board.

The on-site examinations, by its very nature, are carried out without advance. When the authorized experts arrive for on-site examination,

• Give instruction to security staff and receptionist to take the experts in the facility.

• During this period, inform the relevant department managers, executive directors and attorneys specified in Company's procedures about the on-site examination.

• Pay attention that third parties, especially your competitors, are not informed of the on-site examination at your facilities; it may be considered as prevention of the investigation".

• Ask the assigned expert to present his/her authorization certificate and take a copy of such authorization certificate.

• Conduct the on-site examination in coordination with the experts and within the scope of rules of courtesy. Make them feel that you are ready for cooperation.

• Bear in mind that the prevention of the on-site examination will result in a further administrative fine.

• The experts assigned are authorized to conduct inspections in all buildings, vehicles and other areas of the company, to request for all documents, to examine the documents, e-mails, books and papers and to take copies thereof and to ask questions to employees about the events and documents.

• As per Article 15/1(a) of the LPC; “The experts are entitled to examine the books, all types of data and documents of undertakings and associations of undertakings kept on physical or electronic media and in information systems and take copies and physical samples thereof.

• The messages and correspondences sent by the employees on Whatsapp and other instant messaging applications may also be examined.

• The fact that the drawers and cabinets are closed, and the computers are encrypted do not prevent their examination.

• To the extent possible, do not attend any meeting alone. Write down carefully the questions asked by the experts during the meeting. Do not hesitate to ask information about the subject matter, scope and reason of the investigation.

• Answer the questions asked by the experts to the extent that you are sure of the answer. Avoid answering affirmative questions for which you are not sure about the answer. Make sure that the answers are short and right to the topic.

• Confidentiality is not a valid reason for not to provide documents to competition experts. You can try to prevent the access of experts to irrelevant documents but remember that experts have the final say.

• Make copies of and list the documents seized by experts. Examine with due diligence the minutes kept by the experts and express your objections, if you have any. Do not sign the minutes without reading them in detail and without consulting your attorney.

7. Points to take into consideration during on-site examination

Always make sure that experts are accompanied and bear in mind that you are obliged to cooperate.

Bear in mind that the experts assigned are authorized to conduct inspections in all buildings, vehicles and other areas of the company, to request for all documents, to examine the documents, e-mails, books and papers and to take copies thereof, to examine communication tools used for business purposes and to ask questions to employees about the events and documents.

Make notes about the matters which have importance in on-site examinations such as the fields/areas investigated by the experts, questions asked by the experts, keywords used by the experts etc.

Ask for immediate help from our Compliance Department and relevant Legal Department at any stage at which you are uncertain of your rights and obligations.

Take a copy of the electronic documents and papers held or copied by the experts.

Make sure that the answers given to the questions asked by the experts are short and relevant to the topic.

Answer the questions within the scope of the question asked.

Read the report issued at the end of the on-site examination by the experts of the Competition Board with due care and diligence.

Do not show hostile attitudes, do not panic or do not prevent/make difficult the examination.

Do not act inappropriately such as destroying any document, deleting a folder in the computer, hiding any document or warning third parties about the examination in a manner to jeopardize your situation.

Unless directly asked, do not be willing to provide any document or information. Avoid making comments on the issues that you are not sure about the answer.

Do not reject giving an information or a document without any clear legal opinion that rejection of giving any document and information are legally appropriate.

Do not leave experts alone without accompanying.

The fact that the drawers and cabinets are closed, and the computers are encrypted do not prevent their examination.

Answer the questions asked by the experts to the extent that you are sure of the answer. Avoid answering affirmative questions for which you are not sure about the answer.

Do not sign the minutes until you are sure that all the things that are talked are truly and fully written in the minute.