

A pair of brass scales of justice is shown hanging from a metal hook. The scales are made of polished brass and feature a circular weighing pan at the bottom, suspended by three chains. The background is a solid, bright yellow color. The text is overlaid on the upper portion of the image.

# **CMS COMPANIES**

**“CODES OF BUSINESS ETHICS”**



## Dear Employees of CMS Companies,

As indicated in the principles of our founding president Mr. Tongu Ösen, “**CMS Group is an establishment of trust**”. CMS Companies aim to be the symbol of reliability and acts respectfully to all stakeholders and adheres to the law in all circumstances.

CMS Companies, its employees and partners act by being aware of their responsibilities to the society, environment, customers and business partners and these responsibilities constitute the basic principles of business ethics of CMS.

Within this context, our “**Codes of Ethics**”, which are important for the success of our companies as well as its employees, have been put in writing and approved by our Board of Directors. Codes of Business Ethics of CMS Companies are a body of rules that have to be respected by the members of the Board of Directors and Managers, in the first instance, and also all employees and that have to become pioneer for other employees to act in accordance with these principles.

Codes of Business Ethics of CMS Companies include all employees. Therefore, employees of CMS Companies at all levels have to comprehend and accept codes of business ethics and conform to these rules while carrying out their responsibilities.

CMS Companies’ success and reputation will rest with our valuable employees in the future, as it was in the past as well and we have to struggle for their protection. We are all responsible for protecting the reputation of ‘**CMS**’ brand.

Always remember that we can implement and maintain the environment of ‘**CONFIDENCE**’ and ‘**CODES OF BUSINESS ETHICS OF CMS COMPANIES**’ in this booklet with the support and behaviours of our valuable employees. Enriching our institutional culture and providing its continuity for many years rest with us, all.

Best Regards,

**Bertuğ ÖSEN**  
Chairman of the Board

**Özer UĞUR**  
CEO



# PRINCIPLES OF OUR FOUNDING PRESIDENT

- CMS Group is an establishment of trust.
  - We should show maximum effort to ensure the mutual trust in our group's employees and their confidence in the company management.
  - Our group's employees; particularly managers and directors; should treat each other in a friendly way and toleration.
  - We are a group that knows to share. We also know to share the failures as well as the success.
  - Make soft and natural contacts with customers. Try to come face to face with customers as people understand each other better when they talk face to face.
  - In order to be a good administrator, you must follow up well. Do not forget to constantly control and pursue your job.
- Love solves all problems as long as you love people.
  - Every human being is good as long as you know how to discover his/her better side.
  - The one who runs fast wins.
  - Good administrator is the one who feels and sees what's going on around him.
  - A virtuous man is who forgives those who does wrong to him.
  - If you think that you cheat, then you are cheated.
  - Every person has the right to win, but not disgracefully.

With warm regards,

**TONGUÇ ÖSEN**  
**FOUNDING PRESIDENT**



# CODES OF BUSINESS ETHICS OF CMS COMPANIES

## What is the Content of this Study?

This study aims to expressly explain to you the principles of business administration including our employees' responsibilities for the company. "Codes of Business Ethics" include the members of the Board of Directors of the company and its subsidiaries as well as their all managers and employees and all these people are referred as 'employees' hereinafter.

Responsibility of each one of us, as employees, is to protect the principles of honesty and ethical business understanding. We have the liabilities to be confident, trustable and trustworthy in our relations with others and on the subject of complying with the codes of business ethics in every stage of our job.

The purpose of code of business ethics is to ensure that we have a common understanding in what is expected from us and what is not expected in the current regulation and rules of our company and in our studies in relation to the fields we are responsible for. These studies demonstrate the principles of business ethics which define us as a company and determine some practical and guiding rules which shall help us understand and follow up these principles. But, it is not possible that every situation is included in this study. These rules are designed to include the most frequently encountered subjects and not an inclusive rules book.

The Code of Business Ethics of CMS Companies manual consists of a set of basic principles and practices for dealing with ethical issues. The "**Code of Business and Conduct**" document contains more detailed information on issues related to this manual. "Doing what is right" is the most important responsibility of all employees. When it comes to situations not covered here, employees can adopt the following two basic principles:

- Avoiding attitudes and behaviors that will harm the institution or damage its reputation
- Acting under the laws, general morality and honesty

Please read code of business ethics of our company, take time to consider them and try to work by considering these rules. We recommend you to immediately apply to your managers and the Ethical Committee in case you have questions regarding what these rules mean and worries about the possible ethical breaches in the work place.

The main principle of this study can be summarized as follows;

**"You, in your capacity of the company's representative, always have to act in a trustable, fair and consistent way on every issue."**

# CODES OF OUR BUSINESS ETHICS

## 1 Honesty and Fair Behaviour

Employees of CMS Companies should be honest, fair and trustworthy, respect the ethical values and adopt the principle of honesty and fair behaviour in all matters with its employees, shareholders, customers, suppliers, competitors, subordinates, superiors and all persons and institutions in contact.

No unfair advantage shall be acquired from persons or institutions by means of manipulation, concealment, misappropriation of proprietary information or other confidential information, misrepresentation of material facts or other unfair operations or conduct.

Actions should be taken within the framework of the principle of doing the right things at the same time as doing the job right.

- Do what is right, observe your movements and consult.
- Express your worries when there is a possibility of breach. Please note that you have the right to keep your identity secret while using the communication channels related with your notifications.
- Request written approval, if necessary, on certain issues such as the use of Company assets for non-business purposes and/or conflicts of interest.
- Do not promise or undertake matters that are not within your competence and processes that you are responsible for.

## 2 Conflicts of Interests

The conflict of interest arises when the interests of the Institution conflict with the personal interests of an employee or a third party. It is essential that CMS company employees avoid the situations which might cause conflict of interest. It is one of the most important responsibilities of all employees that the sources, names, identities and power of the company should not be used for their personal benefit and the situations which might affect the name and image of the institution adversely should be avoided. Your ability to make a decision is one of your most valuable properties. Conflict of interest prevents you from making a decision. You, as a CMS employee, are expected to behave in line with the benefits of the company.

Our employees are expected to behave in accordance with the below specified instances in order to preserve conflict of interest.

- They avoid causing the situations which shall create conflict of interest or its impression in favour of themselves and their close friends/relatives, they do not attend in the process of decisions to be made on the subjects relevant to the benefit of themselves and their close friends / relatives.
- They do not have any private financial relations with customers and suppliers; they do not gain advantage by using their business relationship.

- They do not give in to pressures which might result against the company, do not have private advantage from customers / suppliers and they do not transmute benefit by establishing an intermediary relationship between customers and suppliers.
- They use their time and efforts for the company. They do not undertake any responsibilities which lead to conflict of interest and do not work before the natural and legal persons, apart from CMS Companies.
- They do not use their knowledge they've acquired from their duties in the way that it leads to improper personal benefit.
- They have no impact on the promotion and reward decisions of their spouses and close relatives within the company and its subsidiaries.
- In case there is a kind of family relationship among employees, they should not have any horizontal or vertical connections among them on the subjects of the procurement, rotation, promotion and appointment.
- Employees are obliged to report to HR and their manager if they have any line of descent with other employees in the institution.

Employees should avoid conflicts of interest wherever possible. If a conflict of interest occurs or an employee encounters a situation that is likely to create a conflict of interest, the employee should share this with the manager, Human Resources or the Ethical Committee to ensure a fair and transparent solution.

### 3 Accuracy of Records and Documents

Accurate and well-kept business records are necessary and substantial to carry on your business. Employees are responsible for ensuring the accuracy and legal conformity of records, papers and documents in all kind of operations they perform on behalf of CMS Companies. These records are essential for the execution of company's activities and fulfillment of company's obligations towards its employees, suppliers, customers and official authorities. For this reason, the accounting books, records and accounts of CMS Companies should always reflect the financial transactions of CMS Companies completely and accurately, whether they are arranged on a computer or on paper; information and other documents pertaining to operations other than these shall be kept in a complete, transparent and accurate manner within the scope of the relevant legislation and shall be made available where necessary. These include records, performance evaluations and other important information related to time schedules, receipts, vouchers, invoices, expense statements, salary and wage payrolls, and other personnel benefits etc. It is the duty of all Employees, not only Accounting and Finance personnel, to ensure that business and financial records and other information and documents are kept and maintained accurately and completely.

- Always record and classify transactions in the appropriate accounts and the related expense centers of departments in the appropriate accounting period. Do not delay or accelerate the records of revenues and expenditures to catch up with budget targets.



- Estimates and accruals should be supported with appropriate documentation.
- Make sure that the reports to be submitted to the official authorities are complete, honest, accurate, timely and understandable.
- Never falsify a document.
- Never disrupt the actual quality of any transaction.
- Never allow others' efforts for tax evasion or violating local currency laws. Payments should therefore be made only to the person or company providing the goods and services. Payments must be made in the home country where the supplier does business or sells and services the products, unless the supplier legally demands the payments to be made to another legal entity or sells the accounts receivable to another legal entity.

In the framework of the applicable legislation, the institution has the right to monitor and inspect how its assets are used by its employees. This includes the monitoring and control of electronic mails, information, data and files kept on the institution's network. Supervisory personnel should be supported in order to be able to continue their work, providing the necessary facilities and assistance.

## 4 Use of Company's Assets and Resources



Company's assets are for the use of the company and cannot be used for the individual purposes. All kinds of goods, assets, equipment, vehicles, computers, computer programs and the like are registered with the inventory delivery forms and cannot be used by any employees on individual benefit or any other persons' benefit. **"Saving in all matters"** principle is applied by all employees. Employees should be aware that intentionally benefitting

from company's assets for the individual purposes is against 'Codes of Business Ethics'.

Employees should protect the assets of CMS Companies and ensure that they are used appropriately and effectively. All employees should try to protect the assets of the company from loss, damage, abuse, theft, fraud, embezzlement and abuse. This obligation includes all material and spiritual assets including brands, know-how, confidential or proprietary information and information systems.

Entering in financial relation with the customers or with the people or organizations doing business on behalf of the company, trying to take advantage and looking after individual benefit in the executed contracts may mean indirect use tangible and intangible assets of the company.

Employees of CMS Companies cannot work as a member and an auditor of the Board of Directors in the companies except its group companies without the consent of the Board of Directors and cannot work for the rival companies or other companies with which the company has entered in business relationship. They can be engaged in some duties within the framework of social responsibility projects, in charity organizations, in non-profit organizations and universities upon getting the written consent of the company in advance as long as they do not neglect their duties in the company.

## **5 Relations with Customers and Suppliers**

All our employees pay attention to be accurate, consistent, reliable and helpful in the relations with our customers and those who have commercial relationship with our company. They show the utmost attention and care for a healthy flow of information with our customers and suppliers. Each of the employees is in the capacity of the representative of CMS Companies at all platforms. It is believed that our success takes its source from our relations that are based on the honesty, ethical and mutual trust with our customers.

### **Policy of Accepting and Giving Gift**

It is essential that employees of CMS Companies do not accept any gifts or benefits which might affect their objectivity, decisions and behaviours and do not directly or indirectly attempt to give any gifts or benefits which might lead to this kind of outcomes for the third parties and institutions. Improper benefit includes any practice that has a material or spiritual value for the party receiving the benefit, such as employment and consulting contracts for relatives.

Employees do not request any gifts from the persons and/or institutions in which the company is engaged in commercial relationship and imply in this regard. They cannot accept any gifts, money, cheques, properties, free vacation, special discounts etc... which shall put the company under obligation apart from promotional items (calendar, daybook, pen).

No employee shall be able to offer any of the following to a third party whatever the value, or accept a similar offer from the third party:

- Cash Money
- Debt
- Commission
- Similar financial advantages

The content of gifts and promotions to be given to customers, dealers and the third parties whom the business relationship is established is approved by the company's senior management.



## 6 Data Protection

Non-public information - Confidential Information contains information that is not yet shared with the public or is never shared. Confidential information also covers trade secrets, business, marketing or service plans, customer information, engineering and production ideas, service design and content, databases, records, price information and other unpublished financial or other information.

Information related to the following can be given as examples:

- Employees
- Inventions
- Contracts
- Strategic plans and business plans
- Significant management changes
- New products put on the market
- Mergers and acquisitions
- Technical specifications
- Pricing
- Offers
- Financial data
- Product costs
- Production techniques

The secrecy of hidden and/or commercially confidential data relating to the company, documents and information belonging to employees and customers are considered as highly important . This data can never be used by employees under any circumstances for individual purposes or shared with the public.

Employees are held responsible for protecting the data which belongs to the company but is not open to the public. If you would like to investigate the applications relating to data protection in details, Data Security Policy of CMS Companies and relevant documents shall help you.

### Electronic Mail

Electronic mail should be used for business purposes. It should not be used for sending non-ethical and illegal messages which shall leave you and/or your company in a difficult situation.



## **7 Relations with the State Organizations, Private Institutions and Organizations, Non-Governmental Organizations and Media**

Accuracy and consistency of company's relations with the state organizations, private institutions and organizations, nongovernmental organization and media are considered as important.

Relations which the company maintain with the local government, political organizations, unions and other organizations should be based on the principles of accuracy, honesty, equality and independence. It is strictly prohibited to make donation/give gift to any state organizations or nongovernmental organizations on behalf of CMS Companies.

Employees should avoid the situations which might lead to any speculations and negative assessments on the company in the relations that CMS Companies maintain with the media and the applications and behaviours which may damage the confidence, reputation and stability of the company or sector or cause any unfair competition. Such requests and situations should be conveyed to the Corporate Communications Department.

## **8 Respect in the Work Place and Work Life**

Employees of CMS Companies behave respectfully towards each other. None of the employees of CMS Companies show any unsettling and disturbing behaviours to their customers or suppliers or other employees and act in a way to damage others' properties.

CMS Companies also respect private and family lives of employees.

Company is responsible for providing a healthy and beneficial working environment. Company shows maximum effort to have private information of its employees protected. Due to continuous development, company gives the required training in order that the employees acquire the desired level of performance.



All employees working in the company are considered equal without making any discrimination among their race, language, religion, age, gender, national origin, disability and under other categories legally preserved.

All kinds of behaviours that are unwanted, unwelcomed and answering part does not respond to are within the content of harassment. All kinds of behaviours, which are related to the demand containing a sexual message that are not welcomed by the other employee or shall make that employee feel that he is threatened and make concessions mean sexual harassment. All types of aggressive and mocking behaviours made for the disability of a person who is physically disabled are included in the scope of harassment of disabled. In this context, all employees show due diligence to their behaviours to each other.

## 9 Prevention of Unwanted Behaviours in the Work Place

### Use of Status Force in the Work Place

Misappropriation of status force may arise from the misappropriation of individual force (title, physical, personal, age) or collective force (arising from excessive number of people). Status force is not misappropriated under the circumstances, such as adopting appropriate and constructive manner against reasonable and logical mistakes made by an employee and assessments made on the development of employees within the performance system.



### Mobbing, Target Demonstration, Victim Selection

We all have the right to be respected and have the human dignity. Any behaviours or action which may breach them and particularly sexual harassment are in no way acceptable.

Nobody should be involved in the behaviours and rumours which might cause to have employee left alone in the company, target demonstration and mobbing behaviours that pose physiological pressure should be avoided. Systematic and planned behaviours, which intend to make the targeted person become estranged at work, decrease his performance, and lead him to resign, can be shown as the examples of it.

CMS Companies take all necessary measures so that such events and similar behaviours do not occur and expects from all employees to show due diligence.

## 10 Our Relations with the Environment

It is vitally important to protect the world we are living in. We, as CMS, know the importance and value of a healthy and clean environment. Our employees should implement the principles in the subjects of health, security and environment in a correct way in everywhere our company carries on a business.

Everyone who works in CMS Companies has duties in terms of Environmental and Occupational Health and Safety. Employees must act in accordance with the following principles:

- Activities should be carried out in a manner that is safe, appropriate to occupational health and safety and not environmentally harmful,
- Environmental, health and safety standards should be made part of the workplace and work, and Struggles to protect the natural environment and working environments should be contributed.



# APPLICATION OF CODES OF BUSINESS ETHICS

## Compliance with Codes of Business Ethics

It is the responsibility of each employee to comply fully with ethical rules and to consult with the manager or relevant departments when necessary. "Doing what is right" is an unalienable responsibility of every employee. Employees should notify the relevant departments of any application that they believe is illegal or against the rules. Notices in appropriate and/or necessary cases may also be made by keeping the identity secret. All notices will be investigated meticulously. CMS Companies prohibit acts of revenge against employees who report in good faith and in the same way protect the rights of the accused. The Ethical Committee takes every precaution to keep confidential the identity of the person who makes the notice in accordance with the requirements of the investigation. The Ethical Committee prevents acts of retaliation against employees who bring concerns or questions about ethical rules in good faith or report violations of laws, regulations and policies, but also has the authority to initiate investigations for notices of malicious intent and/or personal interest.

If employees believe that any employee may, or may be, in violation of the policy, procedures or ethical rules set by the law or the CMS Companies, and if there are reasonable justifications in this direction, they should be immediately communicate the situation to their supervisors or the Ethical Committee. In situations where the employees are hesitant to report an event, it should always be preferred to report the situation.

Employees of CMS Companies can access the Ethical Committee by using the "Ethics Line" service currently in force. The Ethics Line access information is as follows:

- **Telephone Number: (212) 371 07 70 (7 days and 24 hours)**
- **E-Mail: cms@etikhat.com**
- **Web: www.etikhat.com (Username: cmsetik / Password: cms1980)**

Employees should take all necessary precautions to prevent any violation of the rules.

Codes of Business Ethics are revised on yearly basis in accordance with the technological developments, the world and environmental conditions, company's dynamics and suggestion made by you, our valuable employees.

It is impossible to explain how the above mentioned codes of business each of us are encountered with everyday are applied to all different situations. Therefore, we can ask ourselves the following questions;

- Am I doing the most correct thing to be done?
- Is the thing I'm doing suitable for the environment and social considerations?
- Are the things I've done going to protect the image of my company which is an establishment of trust and reliability?
- Do the things I've done comply with the rules of law?
- Do I behave fairly and honestly?
- Would I be uncomfortable if someone else (rival company) did what I did?
- Do I respect CMS Companies' values and ethical standards?
- Does not behaving properly in this situation worsen the situation or cause a "mistake" to continue?
- If I was seen on the first page of the paper one morning, how did my behavior look to me?
- If I were to testify in a court, how would I respond if I wanted to explain what I did?
- Can I defend what I did to my family, children, or friends?
- Can I advise that someone else should act like me bravely?
- Does the perception match up with the reality in my head? How can the things I do be understood?

It mustn't be forgotten that we are a family. We are a wide family, the name of which is mentioned together with the moral value constituted by our founding president in accordance with his principles since the first day of establishment, and in which we believe the principles of love and respect between elders and youngsters. Our name is one of most important values of this family. We are responsible for protecting and improving this value.

Sincerely,