ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. PURPOSE

The Anti-Bribery and Anti-Corruption Policy ("**Policy**") has been prepared to demonstrate the commitment of Koton Mağazacılık Sanayi ve Ticaret A.Ş. ("**Koton**" or the "**Company**") to anti-bribery and corruption, in line with its corporate responsibility approach; and is based on compliance with anti-bribery and anti-corruption legislation in force in all countries of operation, as well as ethical and professional principles. Koton adopts a "zero tolerance" approach against bribery and corruption; it commits to conducting all its activities within the framework of the principles of honesty, transparency, accountability, compliance with laws, and ethical business conduct.

2. SCOPE

This policy covers:

- all executives and employees of the Company, including the members of the Board of Directors,
- the affiliates and subsidiaries of the Company, and the Board of Directors members, executives, and employees of these affiliates and subsidiaries,
- all natural and legal persons acting on behalf of the Company, including suppliers, manufacturers, distributors/franchisees, subcontractors, dealers, consultants, lawyers, external auditors, and similar, and the employees and representatives of these persons and entities (hereinafter to be referred to as "Business Partners").

This Policy is an integral part of the Koton Code of Business Ethics and the Human Resources Policy.

3. DEFINITIONS

Corruption is the abuse of authority, duty, or influence possessed by virtue of one's position, whether directly or indirectly, to provide benefit to oneself, as a corporation, or to third parties.

Bribery is the direct or indirect provision, offering, promising, requesting, or accepting of a benefit to or by a person in exchange for acting in a manner that is contrary to the requirements of their duties, such as performing, causing the performance of, not performing, or expediting or delaying the performance of their duty. Bribery also includes acting as an intermediary for such benefits, or reaching a written or verbal mutual agreement/understanding between the parties to ensure that a person acts contrary to the requirements of their duty; in other words, it

is not essential for the benefit to have been provided in order for bribery to occur, and it is sufficient for the parties to merely agree on the benefit to be provided.

Bribery and corruption—regardless of their monetary value—are not limited solely to the exchange of money and may also include different types of benefits intended to secure an advantage. The types of benefits that can be considered to fall within this scope include:

- cash payments,
- gifts and hospitality,
- commissions,
- donations,
- social benefits or privileges, memberships,
- procurement of goods or services,
- recruitment concessions,
- facilitation payments, and
- benefits provided through third parties.

Employee: Any natural person employed within Koton.

Senior Executives: General Manager (CEO) / Deputy General Managers / C-Level Executives and Directors (including the top executive of each function)

Code of Business Ethics: Koton Code of Business Ethics

Ethics Line: A line operated by an independent company and a service managed under the supervision of the Ethics Committee, where Company employees can ask questions or report concerns regarding the Code of Business Ethics or other ethics and compliance matters.

Ethics Committee: The committee responsible for investigating and resolving complaints and notifications regarding the violation of ethical rules, consisting of the Chairperson of the Ethics Committee (Internal Audit Director) and the Members of the Ethics Committee (Legal Director and Human Resources Deputy General Manager).

Affiliates: Companies and all subsidiaries, controlled directly or indirectly, individually or jointly, by the Company.

4. ROLES AND RESPONSIBILITIES

Board of Directors

- Approves anti-bribery and corruption policies, procedures, and control mechanisms, regularly reviews their effectiveness, and oversees their implementation.

- Ensures the creation of a corporate governance and audit environment that is committed to ethical values, is compliant with legislation, and is supportive of an effective internal control structure.
- Oversees the provision of the necessary working environment for the effective operation of reporting, review, investigation, and sanction processes, the protection of the confidentiality of reporters and the prevention of retaliation against them, and the taking of necessary actions in the face of detected violations.
- Supports training, awareness, and communication activities for employees.

Senior Executives and the Ethics Committee

- Senior executives evaluate the risks regarding bribery and corruption issues in the activities within their areas of responsibility, in accordance with this policy, the Koton Code of Business Ethics, the Disciplinary Procedure, and other relevant procedures; establish the necessary control mechanisms, and perform the supervision of business and transactions within their areas of responsibility.
- The Ethics Committee ensures the investigation of complaints and reports regarding the violation of the Koton Code of Business Ethics, reports investigation outcomes to the Board of Directors and the General Manager (CEO), and provides opinions and recommendations regarding the implementation of the Koton Code of Business Ethics. The Anti-Bribery and Anti-Corruption Policy is an integral part of the Koton Code of Business Ethics.

Responsibilities of All Employees and Business Partners

All employees and business partners are expected to:

- Act in accordance with this Policy and relevant local and international legislation,
- Comply with the policy, procedure, and control principles determined by the Company,
- Effectively manage the risks related to their own fields of activity,
- Participate in the training and awareness activities organized within the scope of the Policy,
- Report situations evaluated to be a violation of the Policy or legislation without delay through the designated reporting mechanisms.

5. MAIN RISK AREAS WITHIN THE SCOPE OF THE POLICY

5.1. Bribery and Corruption

Koton has a zero-tolerance policy regarding bribery and corruption. This Policy applies to all business relations and transactions of the Company in all countries where the Company and its business partners operate. The Company does not condone bribery in any form, and conducts its activities in accordance with the Koton Code of Business Ethics and relevant legislation.

Under no circumstances is the receipt or acceptance of bribes permitted. Furthermore, no person or entity acting on behalf of the Company may directly or indirectly offer, promise, request,

receive, or give bribes within the scope of activities carried out with public entities, private-sector organizations, or other third parties.

Business relations are not initiated with persons or entities that intend to engage in bribery or corruption; existing relationships are reviewed in this respect and, where necessary, terminated. In this context, business relationships are also not maintained with third parties who make offers involving bribery or corruption.

Whether or not an action constitutes bribery is determined within the framework of the standards specified in the “Definitions” section of this policy and in the Code of Business Ethics. In the event of a discrepancy between the various pieces of legislation applicable in the countries where the Company's Affiliates operate, the stricter of the Policy or the piece of legislation shall apply, provided that the relevant practice does not constitute a violation of local legislation. Customary local practices do not validate any conduct that qualifies as bribery or corruption.

5.2. Gifts and Hospitality

No gift, invitation, meal, hospitality, travel, or similar advantage/benefit offers may be accepted from customers, business partners, or suppliers, which exceed the value/approval limits specified in the Code of Business Ethics and the Company’s procedures/policies, and which prevent or could be perceived as preventing the taking of objective business decisions that look out for Koton’s interests.

A gift is considered a product or benefit that does not require a monetary payment, and is given by persons with whom a business relationship is maintained out of gratitude or commercial courtesy. Money or gifts convertible into money are not accepted under any circumstances. Acceptable gifts may include gestures and promotional items; however, under no circumstances shall a company employee accept a gift with a monetary value of exceeding TL 5,000. The total value of gifts accepted within a calendar year per person/entity giving/receiving the gift must not exceed TL 10,000. Limit amounts are updated according to official inflation rates, and the revalued amount is taken as a basis. Gifts received by employees within this scope are treated as fixtures and delivered to the Company. Regardless of how small the value may be, it is prohibited to accept gifts or benefits that are explicitly tied to a quid pro quo.

In exceptional cases where, in our activities, local cultural values require mutual gift-exchanging above the limit specified in the Code of Business Ethics and the Company’s procedures/policies, these gifts are submitted to the Ethics Committee for its consideration solely on behalf of Koton and, if any, by the Deputy General Manager or C-Level executive of the relevant function, and the decision of the Ethics Committee is implemented.

Necessary approvals for all gift-exchanging and hospitality activities must be obtained in advance; they must take place in a transparent manner and in good faith, and must not create

any conflict of interest. All gift-exchanging and hospitality activities that take place must be transparently recorded by the relevant manager and employee and kept in a form available for auditing. The objective is to ensure full compliance with ethical standards while maintaining trust in commercial relationships.

No employee may request or imply a request for gifts from natural persons, legal persons or institutions with whom they have a business relationship. Furthermore, no gift or hospitality that could lead to a conflict of interest or be perceived as ethically inappropriate may be accepted.

Hospitality activities must be limited to business purposes, and must be reasonable and proportionate. It is essential that participation is based on a justified business purpose, the cost is not excessive, and the event is appropriate in terms of the Company's reputation. More comprehensive hospitality activities, such as travel and accommodation, can only take place with prior approval. The principles regarding gifts that can be given within this scope and their recording are set forth in writing under the heading “Accepting Gifts and Hospitality Offers” in the Koton Code of Business Ethics.

5.3. Facilitation Payments

A facilitation payment refers to low-value, informal, and non-transparent payments made for the purpose of speeding up or securing the performance of a routine and mandatory transaction. In this context, all kinds of improper payment requests, including for facilitation payments, must be rejected; should there be any hesitation regarding the nature of the payment, the transaction must not be performed, and the evaluation of the Ethics Committee must be sought in the case of any doubt. Facilitation payments are not permitted under this policy, and such practices are considered contrary to anti-bribery and anti-corruption principles.

5.4. Donations

The framework and limitations required for making donations and contributions are determined by the Capital Markets Law to which the Company is subject, relevant legislation, and the Company’s articles of association. Accordingly, the Donations and Contributions Policy has been prepared which was announced on the website.

All donation and contribution decisions are implemented in accordance with the procedures of the Company’s Donations and Contributions Policy in force, in a manner that will not lead to any conflict of interest, and in line with the Company’s vision, mission, policies, and ethical principles.

The Company’s employees and executives may not request or direct donations to be made to any person or entity for the purpose of providing an advantage by abusing their duties and

authorities. Donations and contributions can under no circumstances be used for the purpose of securing a hidden advantage, creating influence, or affecting decision-making processes.

Employees may not engage in individual political or personal donation activities by using workplace resources or the Company's name. Employees are obliged to avoid any attempt that would create the impression they are acting on behalf of the Company.

Support given by the Company's employees to charitable organizations with funds they collect independently of their jobs is outside the scope of the Company's Donations and Contributions Policy. However, the principles contained in the Company's Code of Business Ethics shall also apply in this regard.

5.5. Accuracy of Records

The main principle is to keep all financial, accounting, and commercial records of the Company in a complete, accurate, transparent, and timely manner, in accordance with the applicable legislation, relevant accounting standards, and internal control principles. Accounts, invoices, and documents belonging to all financial transactions and business relationships with third parties, including customers, suppliers, and service providers, are recorded in an accurate, complete, and verifiable manner; these records are kept for the periods prescribed by legislation and maintained in an accessible state for audits.

In this context:

- It is strictly prohibited to conduct off-the-record transactions, create off-the-record accounts, and keep false or misleading records.
- All accounting records must be complete, made in the correct periods, and based on appropriate accounts.
- All transactions, especially payments and service procurements, must be supported by sufficient, verifiable, and official documents.
- Employees declaring expense forms, invoices, and similar documents are personally responsible for the authenticity and accuracy of the relevant documents.
- The use of unauthorized or forged signatures is strictly prohibited.

Documents that are suspicious, inconsistent, or suspected of being falsified are not accepted and are immediately reported to the relevant units. Ensuring the accuracy of records is the joint responsibility of all employees, not just the finance and accounting units. The Company ensures the preparation of financial reporting in accordance with the facts, through effective internal control systems, and commits to maintaining a transparent, accountable structure.

5.6. Relationships with Business Partners

The Company bases its activities with suppliers, manufacturers, dealers, distributors/franchisees, consultants, external service providers, subcontractors, and all other business partners on honesty, transparency, commitment to ethical values, and compliance with legal regulations. In the selection process of persons and organizations with whom a business relationship will be established; their compliance with ethical standards, the transparency of their corporate structures, and their past performance in the anti-bribery and corruption field are also evaluated alongside technical competence, financial performance, experience, and operational capacity. No business relationship shall be established with parties who are found to have a negative background in matters such as bribery, corruption, ethics violations, or securing improper benefits, or who are blacklisted by public authorities, international organizations, or reliable sources, even if they meet other criteria; where necessary, existing contracts may be terminated for just cause.

The Company expects all its business partners to act in accordance with ethical rules and relevant legislation, to raise awareness among their employees on these matters, and to establish mechanisms that support the reporting of potential violations. All commercial transactions are carried out in a transparent, recordable, and auditable manner; potential risks are regularly monitored and evaluated.

The Company audits these processes regarding the compliance with the policy and legislation; in the event that a violation is detected, necessary sanctions are applied, including the termination of the contract, the ending of the business relationship, providing compensation for pecuniary damages, and, where necessary, making notification to the legal authorities.

5.7. Training and Communication Activities

The Policy and all related documents have been announced to the employees and are easily accessible by all stakeholders via the Company's Intranet system and/or the corporate website.

All employees are obliged to complete the mandatory in-class or online training programs assigned to them, in order to understand and adopt the content of this Policy and to properly apply it to their daily business processes.

Ethics and compliance training, particularly on anti-bribery and corruption matters, is an integral part of the orientation process for all newly hired employees.

Training sessions are updated and repeated at regular intervals according to specified needs; in the event of legislative changes or policy updates, the relevant contents are revised and re-delivered to the employees.

All training sessions aim to raise awareness among employees and strengthen the culture of ethical compliance; within this scope, the continuity and effectiveness of participation are monitored.

5.8. Reporting of Policy Violations

Suspicious situations and potential violations are reported by employees without delay to the Internal Audit Directorate or the Ethics Committee through the relevant reporting channels, or a report can be made using the Ethics Line. Reports to the Ethics Line can be made without providing identity information.

All reports are evaluated on a confidential basis, and reports made in good faith are protected.

Employees who report in good faith shall under no circumstances be subjected to adverse treatment, pressure, or discriminatory practices; the job security, job description, and working conditions of employees who reject bribery and corruption offers shall not be affected by these processes. Processes are carried out by the Ethics Committee, the Internal Audit Directorate, and the relevant units within the framework of the principles of impartiality and confidentiality. If it is detected that a report has been made knowing it to be false or groundless, or that untrue allegations have been put forward in bad faith or for personal gain, disciplinary processes shall be initiated against the persons performing such action.

5.9. Sanctions regarding Violations

Any conduct contrary to this Policy is taken seriously by the Company and evaluated within the scope of disciplinary processes. In the event that a violation is detected, necessary sanctions may be applied within the framework of the Labour Law and the Company’s procedures; when necessary, disciplinary measures, including the termination of the employment contract, are put into action. Decisions regarding violations and disciplinary matters are handled within the scope of the Disciplinary Procedure. Disciplinary sanctions shall also be applied to other persons who approve, direct, or have knowledge of the improper conduct and actions but do not make the necessary report in the proper manner.

In the event of conduct contrary to the Policy by business partners, suppliers, and external service providers, their commercial relationship with the Company and/or the Company's Affiliates may be terminated and contracts may be cancelled.

Situations that are contrary or suspected to be contrary to the Policy are investigated by the Ethics Committee; if non-compliance is detected, necessary disciplinary and administrative sanctions are applied. The Company follows the principle of strengthening the ethical compliance culture, ensuring transparency and accountability, and conducting all processes in accordance with the principles of impartiality and confidentiality.

6. EFFECTIVENESS

This Policy enters into force on the date it is approved by the Company's Board of Directors and takes effect upon being announced to employees and relevant stakeholders.

It shall also be published on the Company's website in two languages, Turkish and English, in a manner that will be accessible to customers, suppliers, business partners, investors, and all other interested parties.

The Policy is prepared by the Company's Human Resources, Legal, Compliance, and Internal Audit Units and enters into force upon the approval of the Board of Directors. The implementation process is reviewed at regular intervals to maintain the document's relevance and appropriateness.