



**SOCAR TÜRKİYE**

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## **GOVERNMENT RELATIONS POLICY**

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## INTRODUCTION

This Policy has been drawn up in order to guide the best performance of the relevant processes with the public institutions and organizations and NGOs in a manner to cover any and all activities of the SOCAR Turkey and/or Group Companies under the SOCAR Turkey Corporate Values, and to be represented in a manner that will increase the reputation, and to ensure the necessary coordination.

### 1. PURPOSE

This purpose of this Policy in order to ensure that any and all processes, which will be carried out by the SOCAR Turkey and/or Group Companies with the public institutions and organizations and the NGOs under the SOCAR Turkey Procedure for Relations with Public Institutions and Non-Governmental Organizations, and the necessary legislation with the public institutions and organizations and the NGOs under the Procedure for Management of Legislation and Regulations on Government Relations are monitored, and that the drafts for regulatory suggestion are drawn up, and that the requests for regulatory draft opinions are met, and that any and all permit, authorization and license processes, as obliged during the pre-investment, construction and post-investment period based on the Procedure for Permit, Authorization and License Processes for Government Relations, are completed fully and timely, and that the processes for fully and timely performance of any and all permit processes within OEB are implemented daily and periodically in accordance with the Procedure for Strategic and Operational Planning for Government Relations, and strategic planning for investment period, and strategic planning for operating period, and operational planning and import policy regime for commercial policy verifications, and processes for projects that create operational value, and Procedure for Permit Process for SOCAR Private Industrial Zone.

### 2. SCOPE

Any and all employees of SOCAR Turkey are required to comply with the Government Relations Policy, which is established in accordance with this Policy, as well as with the Procedures included in the attachments to the Policy.

Any and all employees of SOCAR Turkey shall be expected to comply with this Policy and the Procedures as attached thereto during any and all processes to be carried out with the public institutions and organizations. This Policy shall be of critical importance since any situation, which might cause any damage to SOCAR Turkey's reputation with the public institutions and organizations, and in which the permit, authorization and license processes are not carried out fully, might result in the administrative and criminal sanctions in case of any breach of this Policy and the Procedures as attached thereto under the public process requests to be submitted internally, and the information documentation requests to be submitted by the public institutions and organizations, and the representation, legislation and regulation management, and the permit, authorization and license processes, and the strategic and operational planning practices.

### 3. DEFINITIONS, TERMS AND ABBREVIATIONS

#### 3.1 DEFINITIONS

**Office of Chief:** shall mean the Office of Chief Communications and Government Relations Officer of SOCAR Turkey.



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**Employee:** shall mean the natural persons who are adhere to SOCAR Turkey and/or any of its subsidiaries under an employment contract.

**Department:** shall mean the unit and/or each unit as established within the organizational structure of the Company.



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**Directorate:** shall mean the Government Relations Group Directorate and/or department employees reporting to the SOCAR Turkey Communications and Government Relations Directorate.

**Procedure for Permit, Authorization and License Processes:** shall mean the procedure, which has been drawn up by the Directorate, and under which management of the permit, authorization and license processes of SOCAR Turkey and/or Group Companies are regulated.

**Government Relations:** shall mean management of any and all relations of the SOCAR Turkey Group Companies with any and all public institutions and organizations.

**Procedure for Management of Amendments to Legislation and Regulations on Government Relations:** shall mean the procedure which is regulated by the Directorate with respect to systematic management, by SOCAR Turkey, of the regulatory amendments performed by the public institutions.

**Procedure for Strategic and Operational Planning for Government Relations:** shall mean the procedure, which has been drawn up by the Directorate, and under which management of the strategic and operational processes of SOCAR Turkey and/or Group Companies are regulated.

**Public Institutions:** shall mean any and all administrative institutions, who have the legal personality, including the Presidency, the Grand National Assembly of Turkey, all Ministries, affiliated, related and associated organizations of the Ministries, and municipalities, for the purpose of providing the public services.

**Procedure for Relations with Public Institutions and Non-Governmental Organizations:** shall mean the procedure drawn up by the Directorate, in which management of the relations of SOCAR Turkey Group Companies with the public institutions and NGOs is regulated.

**Regulations:** shall mean any and all of the applicable legal rules. **SOCAR:** shall mean State Oil Company of Azerbaijan Republic. **SOCAR Turkey:** shall mean SOCAR Turkey Enerji A.S..

**SOCAR Turkey Group Companies:** shall mean SOCAR Turkey Enerji A.S. and the group of companies consisting of each Group Company (association company).

**SOCAR Turkey Corporate Culture and Values:** shall mean the principles of reliance, agility, inclusiveness, passion, efficiency and responsibility,

**Procedure for Permit Process for SOCAR Turkey Private Industrial Zone:** shall mean the procedure, which has been drawn up by the Directorate, and under which management of fully and timely performance of any and all permit processes within the SOCAR Private Industrial Zone.

**Representation and Hospitality Procedure:** shall mean the procedure, which contains the principles required to be observed by the employees of the SOCAR Turkey Group of Companies with respect to representation and hosting activities.

**Anti-Bribery and Anti-Corruption Policy:** shall mean the policy, which guides any and all employees of the SOCAR Turkey Group Companies in order to protect the values of SOCAR Turkey while carrying out their daily duties and responsibilities, and which constitutes an integral part of the SOCAR Turkey Code of Ethics.

**SOCAR Turkey Management Office:** shall mean the department that manages the SOCAR Turkey Group



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Companies, by reporting directly to the SOCAR Turkey CEO.

**Company:** shall mean SOCAR Turkey Enerji A.S. and/or any relevant Group Company, where appropriate.

**Group Company:** shall mean each subsidiary, as established in Turkey, of SOCAR Turkey Enerji A.S..



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### 3.2 TERMS AND ABBREVIATIONS

Code	Definition
SOCAR	State Oil Company of Azerbaijan Republic
SOCAR OEB	SOCAR Private Industrial Zone
NGO	Non-Governmental Organizations

### 4. RESPONSIBILITIES, ROLES AND AUTHORITY

All Employees shall be responsible for fulfilling the requirements hereunder.

**Government Relations Group Directorate:** It shall be responsible for fulfilling its duties and responsibilities under the Policy, along with its units situated in Istanbul, Ankara and Izmir, on a location basis.

### 5. IMPLEMENTATION

The Government Relations Group Directorate shall be responsible for implementation of this Policy throughout SOCAR Turkey. SOCAR Turkey, which is the symbol of the energy cooperation between the two brother countries, namely Azerbaijan and Turkey, shall directly contribute to ensure the energy supply security of the Republic of Türkiye and to reduce its current deficit, as a whole. The Government Relations Policy has been drawn up with respect to representing SOCAR Turkey and/or Group Companies, which have productions and investments of strategic importance for Turkey, in a manner to increase their reputation with the public institutions and organizations, and monitoring the processes thereof, and implementing the practices in relation to their interests, and fulfilling the obligations under any and all branches of the industry, in which they operate, and ensuring the necessary coordination, and carrying out the necessary public visits and negotiations in relation to the critical matters and any and all other processes. This policy covers to ensure the necessary representation of the SOCAR Turkey Group Companies within the organizations, which direct the sectoral developments, and of which they are or are not members, with the NGOs in addition to the public processes, duties and tasks, and to participate in the events, and to be involved in the working groups, and to carrying out the works with respect to the critical situations and matters about the industry, in which they operates, by taking into account the interests of the SOCAR Turkey and/or Group Companies. The Policy is based on fulfilment of the principles of trust, agility, inclusiveness, passion, efficiency and obligation under the SOCAR Turkey Corporate Culture and Values during any and all processes with the public institutions and organizations and NGOs. The Directorate shall carry out any and all of its representation and hosting activities with the public institutions and organizations and NGOs in accordance with the SOCAR Turkey Representation and Hospitality Procedure. SOCAR Turkey Anti-Bribery and Anti-Corruption Policy shall be applied for any and all multilateral relationships established by the Directorate with the public institutions and organizations and NGOs. The stakeholders shall be informed frequently with respect to the matters by establishing the trust-based management responsibility and sustainable relationships with the stakeholder categories within any and all processes that are carried out in order to provide the maximum benefit to SOCAR Turkey and/or Group Companies. The relevant stakeholders and local authorities shall be informed under the processes through a systematic study. The process for consultancy with any and all stakeholder categories and local authorities



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with respect to the matters concerning SOCAR Turkey and/or Group Companies shall be carried out in accordance with this policy and based on the consultancy guide.

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Government Relations Group Directorate shall fulfill its duties and responsibilities, along with its units situated in Istanbul, Ankara and Izmir, and along with the employees thereof, on a location basis under the Government Relations Policy.

The Government Relations Group Directorate shall be responsible for managing the following five main functions effectively and in accordance with the procedures.

### 5.1. RELATIONS WITH PUBLIC INSTITUTIONS AND NON-GOVERNMENTAL ORGANIZATIONS

The Directorate shall be responsible for ensuring the necessary coordination in order to carry out and submit any and all correspondences with the public institutions and organizations, and to check their appropriateness, and to carry out the processes by sharing the same with the departments, if and when required, and to finalize the processes in compliance with the interests of SOCAR Turkey Group Companies, except for the any letter, information and documentation, which are submitted to the relevant public institutions in relation to the matters under the operational activities of the relevant departments, with respect to monitoring the processes with the institutions, and performing the necessary negotiations, and drawing up and submitting the official letters, based on the processes of the SOCAR Turkey Group Companies with the public institutions and organizations. The necessary studies and preparations shall be performed in a timely manner upon the opinions and requests of the relevant departments during the processes carried out by the public institutions and organizations. The alternative solutions shall be generated with respect to the initiatives, which are created based on the vision and plans of the SOCAR Turkey Group Companies, and which are not suitable to be accepted by the public institutions. Also, it shall be of critical importance to represent SOCAR Turkey under the activities of the NGOs, of which the SOCAR Turkey Group Companies are members, and to participate in the working groups, and to carry out the relations based on the interests of the SOCAR Turkey Group Companies by closely monitoring the sectoral developments. The Directorate shall be responsible for drawing up the lists of representatives, and ensuring the participation in the working groups, and/or ensuring the coordination as required during the membership/representation processes, which require participation of the relevant departments, under the direct performance or management of the representation processes of the SOCAR Turkey Group Companies with the NGOs, of which it is required to be a member in accordance with the legislation, or NGOs, of which it is become a member upon the approval of the Management Office, and sharing such documents as the memorandum, presentations, executive summaries, etc. during the new NGO membership processes as requested by the SOCAR Turkey Management Office or the other departments in relation to SOCAR Turkey. SOCAR Turkey investments, which have strategic importance for the Turkish economy, and any and all processes of SOCAR Turkey Group Companies with the public institutions and organizations and NGOs shall be important both in terms of industry and reputation.

### 5.2 MANAGEMENT OF AMENDMENTS TO LEGISLATION AND REGULATIONS

In respect of the legal and administrative regulations, to which the SOCAR Turkey Group Companies and/or the activities carried out by the SOCAR Turkey Group Companies are directly or indirectly subject, any and all employees are required to act in accordance with this Management of Amendments to Legislation and Regulations, which emphasizes the existence of the integration on internal basis and the unity of the representation on external basis, by carrying out the internal practices and the relevant sectoral activities of the NGOs and the public communication process through a single center. The employees shall be obliged to monitor the legislative developments with respect to the matters falling within their duties and



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responsibilities regarding the business processes, and to contact the Directorate in the event that any matter is required to be reported to the Directorate under the Management of Amendments to Legislation and Regulations. The duties and tasks required to be fulfilled by the Directorate in order to ensure the sustainable and successful operation of this system have been regulated under three separate categories (Internal practices, studies of the NGOs and relevant industries, and public communication process).

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Accordingly, the Directorate shall take rapid action internally with respect to any legislative amendment, which might directly or indirectly affect the SOCAR Turkey Group Companies and/or the activities carried out by the SOCAR Turkey Group Companies, and it shall carry out the processes based on the interests of SOCAR Turkey. The Directorate, which takes an active role in the committees, working groups and workshops of the NGOs of which SOCAR Turkey Group Companies are members, shall closely monitor the approaches and studies of the industry with respect to the legislative regulations. Additionally, it shall carry out any and all kinds of public relations with respect to any relevant development and amendments in relation to the legislative regulations, which might directly or indirectly affect the SOCAR Turkey Group Companies and/or the activities carried out by the SOCAR Turkey Group Companies. The draft regulations received from the public institutions or relevant NGOs with respect to the legislative amendments shall be forwarded to the relevant departments in order to receive their opinions and requests in consequence of performance, by the Directorate, a business impact analysis. Following the review and assessment performed by the relevant departments, the opinions and requests for the draft regulation with respect to the legislative amendment shall be shared with the Directorate by providing a justification. The Directorate shall be obliged to carry out any and all kinds of visits, meetings or correspondence processes in order to perform such legislative amendments based on the interests of the SOCAR Turkey Group Companies. The duties and tasks shall also impose the certain responsibilities on any and all employees, and such responsibilities shall include the obligations required to be fulfilled primarily by the employees of the Directorate and then by any and all employees of SOCAR Turkey.

### 5.3 PERMIT, AUTHORIZATION AND LICENSE PROCESSES

The process for performance of any and all amendments, applications and other obligations for the permits, permits authorizations and licenses, which are possessed by the SOCAR Turkey Group Companies, during pre-investment, construction and post investment period shall be coordinated by the Directorate. The relevant departments of SOCAR Turkey Group Companies shall be obliged to inform the Directorate and to seek its opinion with respect to any and all kinds of permits, authorizations and license processes provided under the Procedure for Permit, Authorization and License Processes. In respect of the permits, authorizations and licenses possessed, the SOCAR Turkey Group Companies shall be obliged to fulfill the such matters as performance of the necessary negotiations and visits with the public institutions and organizations for such processes, and complete preparation of any information and documentation as required for the applications, and submission thereof to the institution. In case of failure to fulfill the relevant obligations, the permit, authorization and license processes shall be important in order to avoid any possible administrative and criminal sanction. The Directorate shall be responsible for preparing the reports for the risk elements arising from the legislation or bureaucratic processes with respect to the pre-investment, construction and operating periods of the projects, which are or will be carried out by SOCAR Turkey Group Companies, and for carrying out the business processes in relation to the activity by ensuring the process coordination between the relevant departments, consultant company/companies, consulting firms and public institutions, and for ensuring assessment, by the Directorate, of the advantages and disadvantages, which arise from the legislation or bureaucratic processes with respect to the projects. The Directorate shall carry out any and all bureaucratic permit processes within the coordination and communication with the public institutions and organizations with respect to the assessment reports regarding the risk definitions and with respect to the authorization, license and incentive matters, in respect of permit processes of the projects, which will be carried out by SOCAR Turkey Group Companies based on their goals and strategies during the pre-investment, construction and operating periods. In case of any need for legislative amendment with respect to the projects, which are or will be carried out by the



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SOCAR Turkey Group Companies, then the Directorate shall coordinate, and be responsible for, performance of the permit, authorization and license processes, especially any suggestion to be submitted to the competent public institutions with respect to the necessary legislative amendment. The departments of SOCAR Turkey Group Companies shall be obliged to inform the Directorate and to seek its opinion with respect to any and all kinds of permits, authorizations and license processes provided under the Procedure for Permit, Authorization and License Processes.

Also, any and all employees of SOCAR Turkey shall be obliged to provide any and all kinds of support to the Directorate under such processes, and to provide any necessary information documentation completely and timely.

#### 5.4 STRATEGIC AND OPERATIONAL PLANNING

The Directorate shall plan the activities with respect to improving the competency of SOCAR Turkey Group Companies, and increasing the efficiency in their management, and preparing the plans and programs for initiatives to be performed with the public institutions and organizations within the strategic plans received from the SOCAR Turkey Management Office based on the interests of the company, and monitoring the realizations regarding the establishment activities, and ensuring achievement of the program targets by comparing the programs and realizations, and designing and implementing the systems that will ensure the healthy and rapid performance of the works with the public institutions and organizations, in accordance with the purpose, principles and instructions as determined by SOCAR Turkey. The Directorate shall initiate, carry out and finalize the commercial policy measures against the national and international unfair competition conditions under the strategic plans of SOCAR Turkey Group Companies for the operating period, by being involved in the cost-decreasing, value-creating and financially contributive project groups of the public institutions and organizations. The Directorate shall organize the necessary studies in order to protect the brand value and sustainability of the brand reliability of the SOCAR Turkey Group Companies with the public institutions and organizations, and it shall create the public strategic plans for the investment period with respect to the road map to be observed within the public institutions and organizations regarding the investment decisions made by the board of directors of the SOCAR Turkey Group Companies. In respect of the strategic and operational planning, the Directorate shall carry out the strategic planning for investment period, and strategic planning for operating period, and operational planning and import policy regime for commercial policy verifications, and processes for projects that create operational value.

#### 5.5 SOCAR PRIVATE INDUSTRIAL ZONE PERMIT PROCESSES

The area of 1453 Ha situated in the Aliaga Peninsula, in which the majority of SOCAR Turkey's investments are located, has been announced as the SOCAR Turkey Enerji A.S. Private Industrial Zone ("SOCAR OEB") by virtue of the Presidential Decree, dated 19.10.2018 and numbered 190, as promulgated on the Official Journal, dated 20.10.2018 and bearing the issue number 30571, upon the application filed by SOCAR Turkey pursuant to the Section 4/Ç of the Industrial Zones Law Nr. 4737. Following such announcement, the strategic production performed within SOCAR OEB, which has become the first and only private industrial zone in Turkey, is of critical importance for the energy supply security in Turkey. In order for the relevant production to continue without any disruption, the Directorate shall be obliged to determine the methods for creation, coordination and performance of the applications in accordance with the Industrial Zones Law Nr. 4737 and the Industrial Zones Regulation, and to make the procedures and principles applicable. The Directorate shall be responsible for the entire communication and management process to be carried out with the public institutions and organizations with respect to the requests, which will ensure the sustainability of our investments and projects, by completing the authorization and permit processes within the SOCAR OEB for the SOCAR Turkey Group Companies correctly and timely, including the approval phase of the application. While fulfilling its such responsibilities, the Directorate shall work actively and in coordination with the Ministry in order to monitor and finalize the bureaucratic processes. Accordingly, a documentation file shall be created in the system with respect to the requests, which will ensure the sustainability of the investments and projects of SOCAR Turkey Group Companies, by completing the



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permit, authorization and license processes for the SOCAR Turkey Group Companies correctly and timely, and such file shall be forwarded by the Directorate to the relevant department which submits the request. The Directorate shall coordinate submission of the projects and investments of the SOCAR Turkey Group Companies, and submission of the building license/construction permit, the occupancy permit and the other construction period and operating period permit process applications to SOCAR Turkey, and management of such process, and provision of information about such matter.



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### 6. REFERENCE

- 🔥 SCC- GVR-PRC-0001 Procedure for Management of Legislation and Regulations on Government Relations
- 🔥 SCC- GVR-PRC-0002 Procedure for Permit, Authorization and License Processes
- 🔥 SCC- GVR-PRC-0003 Procedure for Relations with Public Institutions and Non-Governmental Organizations
- 🔥 SCC- GVR-PRC-0004 Procedure for Permit Process for SOCAR Turkey Private Industrial Zone
- 🔥 SCC- GVR-PRC-0005 Procedure for Strategic and Operational Planning for Government Relations
- 🔥 SCC-CMP-PRC-0003 Representation and Hospitality Procedure
- 🔥 SCC-CMP-FRM-0003 Anti-Bribery and Anti-Corruption Policy

### 7. ATTACHMENTS

N/A

### 8. RECORDS FOR UPDATING