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1. PURPOSE

The purpose of the Koç University Conflict of Interest Policy ("Policy") is to define the principles and rules for the identification and management of potential conflicts of interest that may arise in the areas of human resources, procurement, or governance for academic and administrative staff, except for the "Entrepreneurship and Academic Advisory Policy".

2. SCOPE

This policy includes all Koç University employees.

3. REFERENCES

4857 numbered Labor Law, 2547 numbered Higher Education Law, Koç University Faculty Handbook, Koç University Administrative Staff Discipline Directive, Koç University Code of Ethics and Application Principles, Information Security Directive, Personal Data Protection Policy.

4. RESPONSIBILITIES

4.1 The "Legal Counsel" is responsible for preparing and, if necessary, updating this policy.

4.2 The "Rector" is responsible for the implementation of this policy.

4.3 In terms of the implementation and coordination of this policy;

4.3.1 Each unit and every university employee will make every effort and cooperation possible to achieve the objectives of this policy.

4.3.2 Legal Counsel: To achieve the objectives of this policy, it updates the policy when necessary. It provides advice and recommendations regarding conflict-of-interest incidents and measures to prevent them.

4.3.3 Human Resources Directorate: It is responsible for keeping records of conflicts of interest in employee files during recruitment processes and thereafter. It organizes, monitors, and announces training within the scope of this Policy. It acts as the secretariat for the Conflict-of-Interest Evaluation Committee and provides necessary information to relevant units. It supports the Procurement Directorate, Finance, Budget, and Reporting Directorate, Accounting, Tax, and Legal Reporting Directorate by providing critical information from Annual Conflict of Interest declarations for them to take their own precautions and measures.

4.3.4 Academic Advisory Directorate: It is responsible for providing information and opinions regarding conflict-of-interest incidents within the framework of the Entrepreneurship and Academic Advisory Policy.

4.3.5 Procurement Directorate: The committee responsible for Conflict of Interest Evaluation, until the decision is made by the Rector, is responsible for suspending the procurement process upon the request of the Conflict of Interest

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Evaluation Committee and implementing measures according to the decisions taken by the Rector. This Policy and the policies and procedures derived from this Policy are responsible for designing and implementing internal control systems to detect and prevent conflicts of interest in the procurement processes related to the Conflicts of Interest specified in the Policy and the policies and procedures derived from this Policy.

4.3.6 Accounting, Tax, and Legal Reporting Directorate: It is responsible for suspending payments upon the request of the Conflict-of-Interest Evaluation Committee for potential and direct conflicts of interest until a decision is made by the Rector. It is also responsible for implementing the decisions of the Rector in accordance with this Policy and the policies and procedures derived from this Policy. It designs and implements internal control systems to identify and prevent conflicts of interest in procurement processes, as specified in this Policy and related policies and procedures.

4.3.7 Risk Management, Compliance, and Internal Control Directorate: It carries out the general oversight of this Policy on behalf of the Rector and may organize process audits within the scope of the annual audit and control plan. In case of situations contrary to the Policy (after approval by the Rector), it conducts necessary investigation and inquiry activities upon being notified through the Conflict-of-Interest Committee.

5. DEFINITIONS

5.1 Conflict of Interest: In the context of this Policy, "Conflict of Interest" refers to the situation where academic and administrative staff have or may have any form of personal interest or benefit, whether measurable by money or not, that may affect or influence the impartial execution of their duties, except for conflicts of interest falling within the scope of the Entrepreneurship and Academic Advisory Policy.

5.2 University: It represents "Koç University" in English.

5.3 Employee: It represents all academic and administrative personnel of Koç University.

5.4 Policy: It represents "Koç University Employee Conflict of Interest Policy

Family Relationship: The degree of kinship is determined by the number of generations that connect relatives to each other.

The relationship between individuals can be either direct-lineal (ancestors and descendants) or collateral (individuals who do not descend from each other but share a common ancestor).

In the context of this Policy, "Family Relationship" includes First, Second-, and Third-Degree Relatives.

5.5 First Degree Relative: They are the person's mother, father, and children.

5.6 Second Degree Relative: They are the person's siblings, grandparents, and grandchildren.

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5.7 Third Degree Relative: They are the person's uncle, paternal uncle, maternal aunt, aunt, and nephew/niece.

5.8 Merchant: It refers to individuals who operate a commercial business, partly or wholly, in their own name and account.

5.9 Craftsman: Independent workers, who rely more on physical labor and effort in their work rather than capital.

5.10 Conflict of Interest Evaluation Committee

It is the committee that examines and evaluates conflict of interest claims and presents its opinions and recommendations to the Rector.

The Conflict-of-Interest Evaluation Committee is composed of the Vice-Rectors responsible for Academic Affairs and Research and Development, the Secretary-General, the Director of Human Resources, and the Chief Legal Counsel. An employee selected from the Human Resources Directorate's Personnel Unit serves as the secretary of the Conflict-of-Interest Evaluation Committee.

5.10.1 The Conflict-of-Interest Evaluation Committee can request information and documents from University units regarding potential and actual conflicts of interest. The committee can act collectively as a whole, or its members can individually request information and documents on behalf of the committee. The working procedures and principles of the Conflict-of-Interest Evaluation Committee are determined at their first meeting after the enactment of this Policy.

5.10.2 The Conflict-of-Interest Evaluation Committee meets at least every 6 months to gather information about any conflicts of interest that have arisen during the relevant period and the internal control mechanisms implemented or to be implemented by the Units for the purposes of this Policy. The committee provides recommendations to the relevant units based on the information received.

6. CORE PRINCIPLES

6.1 Basic Principles And Principles

6.1.1 All employees must act in accordance with the procedures, principles, and rules specified in this Policy, the Faculty Handbook, and the Entrepreneurship and Academic Advisory Policy while performing their duties.

6.1.2 Academics and administrative employees specifically designated by the Rector are required to submit their Annual Conflict of Interest Declarations and ad hoc (instant) potential Conflict of Interest Declarations as announced by the University.

The Human Resources Directorate is responsible for collecting the Annual and ad hoc (instant) potential Conflict of Interest Declarations, recording them properly, submitting them to the Conflict-of-Interest Evaluation Committee, obtaining approval and instructions from the Rector, and communicating them

to the relevant parties. Employees with a family relationship at the University, as well as spouses, cannot be appointed to direct or indirect hierarchical positions within the same unit or directorate.

- 6.1.3** In the case of candidates for projects funded by external sources within the University, if there is a family or spousal relationship among the candidate employees, the precondition for their appointment is that the candidate with the family relationship must make a written application to the relevant Institute Director or Dean, clearly and sufficiently explaining why their participation is necessary for that project. The relevant Institute Director or Dean, along with their own views and recommendations, presents the application to the Conflict-of-Interest Evaluation Committee. Before the archival research and security investigation process, the Conflict-of-Interest Evaluation Committee provides its views and recommendations in writing to the Rector. The employment can be approved or disapproved by the Rector's written consent.
- 6.1.4** Regarding individuals who are currently working in the same unit or project and have a family or spousal relationship up to the 2nd degree, including the 1st degree, the Conflict-of-Interest Evaluation Committee evaluates the situation and provides its recommendations and opinions to the Rector. A decision is made regarding these individuals based on the evaluation. If there are no concrete and significant justifications for their involvement in the relevant projects, as a principle, their employment contracts will not be renewed.
- 6.1.5** Employees, their family members, friends, and close associates, or companies and institutions in which they or their family members, friends, and close associates hold shares or have an interest, cannot engage in any transaction that may create a conflict of interest where they or their close ones receive mutual or unilateral benefits, in any way, in business relationships established between these companies and institutions and the University.
- 6.1.6** Employees cannot work directly or indirectly as "Merchants" or "Artisans".
- 6.1.7** Except for the cases specified in the "Entrepreneurship and Academic Advisory Policy" and those exceptional cases approved in writing by the Rector, employees: (i) cannot hold positions in other universities or companies and institutions in a relationship with the University; (ii) cannot work for any other person or entity, inside or outside the University working hours, or even in companies they have established or participated in, in return for payment or any similar benefit, or without any expectation of benefit.
- 6.1.8** Employees' engagement in paid work or receiving any form of benefit from another person or entity outside their working hours, as well as serving as a board member or auditor in any company, is subject to approval by the Rector. The employee should first submit this request in writing to their immediate superior, providing a sufficient and clear explanation regarding the specific

transaction. The immediate superior of the relevant employee presents the request to the Conflict-of-Interest Evaluation Committee. The committee provides its views and recommendations in writing to the Rector, and the employment can be approved with the Rector's written consent.

- 6.1.9** Employees cannot use the powers granted to them by the University for their own or their close ones' benefit.
- 6.1.10** Employees cannot directly or indirectly gain personal profit from procurement or similar activities, as well as transactions and contracts in which the University is involved.
- 6.1.11** Employees cannot receive personal loans, goods, or services for personal purposes from other individuals or organizations with whom the University has commercial relationships, including businesses on campuses.
- 6.1.12** Employees cannot accept, give, or promise any gifts, money, checks, property, free vacations, special discounts, or any other benefits from/to other individuals or organizations with whom the University has relationships that may influence their impartiality, decisions, and behavior or are not considered reasonable according to customs and practices. This is also in violation of the Anti-Bribery and Anti-Corruption Policy.

7. METHOD

7.1 During the hiring process and throughout their employment at the University;

- I) If all employees learn that they have a family relationship with other employees at the University, or if such a situation arises,
- II) If academics and administrative employees designated by the Rector obtain shares or control rights in any company or organization,

They submit an ad hoc (instant) potential Conflict of Interest Declaration, as announced by the University, regarding their family relationship and the percentage of shares they own in the relevant companies and organizations, the business activities of the said companies and organizations, other partners, and any other requested information and documents. The Conflict-of-Interest Evaluation Committee provides its views and recommendations in writing to the Rector, and necessary actions are taken, if required, to prevent the conflict of interest, as determined.

7.2 When employees learn that their close relatives have ownership of shares or financial interests in a company or organization with which the University has a commercial relationship, they make an ad hoc (instant) potential Conflict of Interest Declaration as announced by the University. The Conflict-of-Interest Evaluation Committee provides its views and recommendations in writing to the Rector, and necessary actions are taken, if required, to prevent the conflict of interest, as determined with the Rector's written approval.

7.3 Employees, within the scope of their institutional responsibilities for identifying, evaluating, managing, and reporting conflicts of interest, even when they believe there is a conflict of interest, must inform their immediate superior in writing with

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sufficient and clear information for the matter to be evaluated. The unit's top manager is responsible for promptly submitting an Ad Hoc (Instant) Conflict of Interest Declaration to the Conflict-of-Interest Evaluation Committee with written and sufficient information about the situation. The Conflict-of-Interest Evaluation Committee provides its views and recommendations in writing to the Rector, and necessary actions are taken, if required, to prevent the conflict of interest, as determined with the Rector's written approval.

- 7.4** If the top manager of the unit to which the notification is made wishes, they can seek the opinion of the Legal Counsel. If the top manager of the notified unit concludes that the matter may lead to a conflict of interest, they ensure the suspension or cessation of the relevant transaction. In this case, the top manager of the notified unit immediately applies to the Conflict-of-Interest Evaluation Committee with sufficient and clear information, including recommendations regarding the conflict of interest. The committee presents its views and recommendations in writing to the Rector. Based on the evaluation, the Rector can either halt, approve, or conditionally approve the proposed or reported transaction or activity by the employee or institution.
- 7.5** In case of a violation of this Policy, appropriate actions will be taken in accordance with the Administrative Staff Discipline Directive and the Higher Education Law, as well as relevant Koç University directives, procedures, policies, guidelines, and legal regulations, depending on the nature of the incident.

8. REVIEW

The responsibility for reviewing and updating this policy lies with the Legal Counsel. The review is conducted every year in July.

9. CHANGE / DISTRIBUTION / APPROVAL TABLE

Amended Page	Date	Amendment	Made by

Distribution (Related Departments)
All Units Koç University

Conformity Approval (Chief Legal Counsel)	Enforcement Approval:(President)