

Corporate Governance Rating Report

SETAŞ İNŞAAT
Ticaret ve Sanayi A.Ş

03 October 2025

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Rating and Executive Summary

Setaş İnşaat Ticaret ve Sanayi A.Ş.



Corporate Governance Rating:

8.81
Priv.



MAIN SECTIONS: Avg. 88.07

Shareholders: 93.16



Public Disclosure & Transparency: 94.14



Stakeholders: 92.87



Board of Directors: 78.05



0 10 20 30 40 50 60 70 80 90 100

EXECUTIVE SUMMARY

The Corporate Governance Rating of 8.60 that has been assigned Setaş İnşaat Ticaret ve Sanayi A.Ş. ("Setaş" or "the Company") on October 3rd 2024 is hereby revised as **8.81**. Our rating methodology (page 5) is based on the Capital Markets Board's (CMB) "Corporate Governance Principles".

The Company's corporate governance rating is updated as above in consideration with the importance given by Setaş to corporate governance principles, its willingness to carry out the compliance process continuously and dynamically and studies which had been initiated in this direction since the previous rating.

SAHA publishes (annually) the World Corporate Governance Index (WCGI) which ranks countries in terms of their level of compliance with corporate governance principles as well as their germane institutions, rules, codes, and regulations together with international standards and indices which evaluate countries in a vast array of areas such as transparency, corruption, ease of doing business, etc. Setaş is analyzed as a Turkish company and Turkey takes place at the top classification of the WCGI which is Group 1. Details of the World Corporate Governance Index (WCGI) published by SAHA on August 27, 2025 can be accessed at <http://www.saharating.com>.

Setaş is rated with **9.32** under the **Shareholders** heading. Exercise of shareholders' rights complies with the legislation, Articles of Association and other internal rules and regulations, and measures have been taken to ensure the exercise of these rights. All procedures prior to the general shareholders' meeting as well as the conduct of the meeting comply with the legislation. A policy on donations and grants is established and approved at the general shareholders' meeting. There is a publicly disclosed, consistent dividend policy of the Company. There are no restrictions on transfer of shares. On the other hand, there are areas open to improvement such as the absence of a regulation on minority rights in the Company's Articles of Association and the fact that no donations or grants were realized during the rating period, and such information is not provided to the shareholders with a separate agenda item in the general shareholders' meeting.

Setaş attained **9.41** under the **Public Disclosure and Transparency** chapter. There is a comprehensive web site that includes all information listed in the CMB's Corporate Governance Principles pertinent to "Public Disclosure." Public announcements are carried out via all communications channels and are in accordance with rules and regulations. The Company's shareholding structure; names of the ultimate controlling individual shareholders over 5% as identified after being released from indirect or cross shareholding relationships between co-owners, and inexistence of voting privileges are disclosed to the public. Non-disclosure of all benefits provided to the members of the Board of Directors and senior executives on an individual basis in the Annual Report has been identified as an area open to improvement under this heading.

On the topic of **Stakeholders**, Setaş scored **9.29**. The exercise of stakeholders' rights has been facilitated. A written compensation policy for the employees is established and disclosed to the public on the corporate web site. Code of ethics is also publicly available through the Company's web site. Company has a documented human resources policy. Setaş complies with the environmental laws. On the other hand, models to support stakeholders' participation in the Company management are not included in the Articles of Association nor in internal regulations in writing, and there are no established sustainability policy and related implementations.

From the perspective of the principles regarding the **Board of Directors**, Setaş's tally is **7.81**. The Company's Board of Directors is structured in accordance with the Communiqué and carries out its activities in a transparent, accountable, fair, and responsible manner. The Board of Directors consists of 3 members, of whom 2 hold executive duties. Corporate Governance, Audit, Risk Management, and Remuneration and Nomination Committees are established within the Board of Directors. The working principles of the Committees are disclosed to the public. The lack of independent members in the Board of Directors, the low number of non-executive members, the fact that majority of the Committee members are not composed of non-executive members, absence of female Board members and lack of a female Board-membership policy approved by the Board of Directors, and inexistence of an executive liability insurance are the areas that can be improved.

Rating Methodology

SAHA's methodology for rating the degree of compliance with the Principles of Corporate Governance is based upon the CMB's "Corporate Governance Principles" released on January 2014.

The CMB based these principles on the leading work of The World Bank, The Organization of Economic Cooperation and Development (OECD), and the Global Corporate Governance Forum (GCGF) which has been established in cooperation with the representatives of the preceding two organizations and private sector. Experts and representatives from the CMB, Borsa Istanbul and the Turkish Corporate Governance Forum have participated in the committee that was established by the CMB for this purpose. Additionally; many qualified academicians, private sector representatives as well as various professional organizations and NGOs have stated their views and opinions, which were added to the Principles after taking into account country specific issues. Accordingly, these Principles have been established as a product of contributions from all high-level bodies.

Certain applications of the Principles are based on "comply or explain" approach and others are mandatory. However, the explanation concerning the implementation status of the Principles, if not detailed reasoning thereof, conflicts arising from inadequate implementation of these Principles, and explanation on whether there is a plan for change in the Company's governance practices in future should be mentioned in the annual report and disclosed to public.

The Principles consist of four main sections: shareholders, public disclosure and transparency, stakeholders, and the board of directors.

Based on these Principles, the SAHA Corporate Governance Rating methodology features around 330 sub-criteria. During the rating process, each criterion is evaluated on basis of information provided by the Company officials and disclosed publicly. Some of these criteria can be evaluated by a simple YES/NO answer; others require more detailed analysis and examination.

SAHA assigns ratings between 1 (weakest) and 10 (strongest). In order to obtain a rating of 10, a company should be in full and perfect compliance with the Principles (see Rating Definitions, p.19).

To determine the total rating score for each main section parallel to the CMB's Corporate Governance Principles, SAHA allocates the following weights:

Shareholders: **25%**

Public Disclosure and Transparency: **25%**

Stakeholders: **15%**

Board of Directors: **35%**

To determine the final overall rating, SAHA utilizes its proprietary methodology which consists of sub-section weightings and weightings for the criteria there under. A separate rating is assigned to each one of the main sections as well.

Company Overview

Setaş İnşaat Ticaret ve Sanayi Ticaret A.Ş.	
 SETAŞ İNŞAAT Ticaret ve Sanayi A.Ş.	Chairman of the Board of Directors Abdullah Rasim Akdoğan General Manager Akın Can Akdoğan
Nasuh Akar Mah. 1400. Sokak. No:34/3 06520 Balgat-Çankaya, Ankara http://www.setas.net/	Shareholder Relations Manager Atilla Akagündüz Tel: 0 (312) 287 38 38 atilla@setas.net.tc

Established in 1975, Setaş İnşaat Ticaret ve Sanayi A.Ş. is engaged in construction and contracting works. Since its establishment, the Company has been mainly involved in the infrastructure construction works of the General Directorate of State Hydraulic Works ("SHW") along with various projects of the Ministry of National Defense, Petroleum Pipeline Corporation ("BOTAS"), and the General Directorate of Eti Mine Operations.

The sole shareholder, Akdoğan Family, holds control over companies such as Setel Elektrik İhr. İth. & Toptan Satış A.Ş., Setgaz Doğalgaz İth. İhr. & Toptan Satış A.Ş., Akdoğan Sürdürülebilir Yatırımlar Holding A.Ş., and Akdoğan Tren Kargo Taşımacılık A.Ş.

The recent capital and shareholding structure of Setaş, whose shares are not traded in any stock exchange, is as follows:

Setaş İnşaat Ticaret ve Sanayi A.Ş. Capital Structure		
Shareholders	Share Value (TL)	Share %
Abdullah Rasim Akdoğan	81,000,000	81
Akın Can Akdoğan	17,000,000	17
Mehmet Yılmaz Akdoğan	2,000,000	2
Total	100,000,000	100

Setaş İnşaat Ticaret ve Sanayi ve A.Ş. Board of Directors		
Members	Title	Executive
Abdullah Rasim Akdoğan	Chairman of the Board	√
Akın Can Akdoğan	Vice-chairman General Manager	√
Mehmet Yılmaz Akdoğan	Board Member	

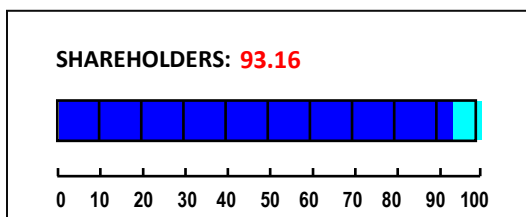
Corporate Governance Committee	
Members	Title
Mehmet Yılmaz Akdoğan	Chairman
Abdullah Rasim Akdoğan	Member

Audit Committee	
Members	Title
Mehmet Yılmaz Akdoğan	Chairman
Abdullah Rasim Akdoğan	Member

Risk Management Committee	
Members	Title
Mehmet Yılmaz Akdoğan	Chairman
Abdullah Rasim Akdoğan	Member

Remuneration and Nomination Committee	
Members	Title
Mehmet Yılmaz Akdoğan	Chairman
Abdullah Rasim Akdoğan	Member

SECTION 1: SHAREHOLDERS



SYNOPSIS

+	Equal treatment of shareholders.
+	General shareholders' meetings conducted in compliance with the legislation.
+	Studies and announcements prior to the general shareholders' meeting are satisfactory.
+	Publicly disclosed dividend distribution policy.
+	Donation policy submitted to the general shareholders' meeting for approval and disclosed to the public via the web site.
+	No voting privileges at the general shareholders' meetings.
=	Policy on donations and grants submitted to the general shareholders' meeting for approval, but the fact that no donations or grants took place within the rating period is not informed to the shareholders with a separate agenda item.
-	Minority rights are not recognized for shareholders who possess an amount less than one-twentieth of the share capital.

1.1. Facilitating the Exercise of Shareholders' Statutory Rights:

The Company manages its relations with shareholders through its "Shareholder Relations Unit."

The "Shareholder Relations Unit" plays an active role in protecting and facilitating shareholders' rights and in particular the right to obtain and review information, and its duties are as follows;

- To ensure that the records relating to the written correspondence with the shareholders and other information are kept in a healthy, safe, and updated manner.
- To respond to the queries of the shareholders requesting written information on the Company.
- To ensure the general shareholders' meeting is held in compliance with the applicable legislation, articles of association and other Company by-laws.
- To prepare the documents that might be used by shareholders in the general shareholders' meeting.
- To supervise the fulfillment of the obligations arising from capital markets legislation including all corporate governance and public disclosure matters.

Personnel responsible for shareholders submits a report to the Board of Directors at least once a year on the activities conducted.

Information and explanations that may affect use of shareholders' rights are available and up to date on the corporate web site.

1.2. Shareholders' Right to Obtain and Evaluate Information:

There is no evidence of any hindering process or application regarding the appointment of a special auditor at the request of shareholders. All kinds of information about the Company that do not have the characteristics of a trade secret are provided in a complete, timely, honest, and diligent manner.

The Company's disclosure policy is submitted to the general shareholders' meeting for approval and publicly disclosed on the corporate web site.

1.3. General Shareholders' Meeting:

The Resolution of the Board of Directors included information such as the date and time of the meeting, without any ambiguity exact location of the meeting, agenda items of the meeting, the body inviting to the general shareholders' meeting, and it is clearly stated that the Annual Report, financial statements, and other meeting documents can be examined.

Commencing from the date of the resolution of the Board of Directors, following documents are made available to all shareholders for examination purposes at the headquarters of the Company;

- The Annual Report
- Financial statements and reports
- All other related documents pertaining to the agenda items

Agenda items were put under a separate heading and expressed clearly in a manner not to result in any misinterpretations. Expressions like "other" and "various" were not used. Information submitted to the shareholders prior to the conduct of the

general shareholders' meeting was related to the agenda items.

As per the minutes of the general shareholders' meeting, it was concluded that the chairman of the meeting made the preparations and obtained the necessary information for the execution of the meeting in accordance with the Turkish Commercial Code (TCC), Law, and legislation.

The 2025 general shareholders' meeting was held at the Company headquarters.

As included in the meeting minutes, items on the agenda were conveyed in detail and in a clear and understandable way by the chairman of the meeting and shareholders were given equal opportunity to voice their opinions and ask questions.

Agenda of the general shareholders' meeting included the proposal for the permission to be granted to shareholders who have control of the management, members of the Board of Directors, managers with administrative responsibility, their spouses and up to second degree blood relatives to execute transactions and compete with the Company and/or its affiliates, to make a commercial business transaction for himself or on behalf of others or to join to another company dealing with the same type of commercial business as a partner with unlimited responsibility. The shareholders were informed that there was no action taken in this direction.

The members of the Board of Directors related with those issues of a special nature on the agenda, other related persons, authorized persons who are responsible for preparing the financial statements, auditors were present to give necessary information and to answer questions at the general shareholders' meeting.

In addition, the Company has established a policy on donations and grants and disclosed it to the public via the corporate web site, and submitted it to the shareholders' approval at the extraordinary general shareholders' meeting held in 2021.

General shareholders' meeting is attended by the representative of the independent auditor.

1.4. Voting Rights:

Setaş avoids applications that make it difficult to exercise voting rights and all shareholders are given the opportunity to exercise their voting rights conveniently and appropriately.

Article 14 of the Company's Articles of Association titled General Shareholders' Meeting states that "Every shareholder's voting right is calculated by dividing the total nominal value of the shares he/she holds with the total nominal value of the Company's capital". There is no privilege in the voting rights of the shareholders or any upper limit on the number of votes.

1.5. Minority Rights:

Minority rights at Setaş are not recognized for shareholders who hold an amount less than one-twentieth of the share capital.

There is no evidence of any conflict of interest between the majority shareholders and that of the Company.

1.6. Dividend Rights:

The dividend policy of the Company is clearly defined and disclosed to the public on the corporate web site and submitted to the shareholders for approval at the general shareholders' meeting.

The Company's dividend distribution policy contains minimum information clear enough for shareholders to predict any future dividend distribution procedures and principles. A balanced policy is followed between the interests of the shareholders and that of the Company.

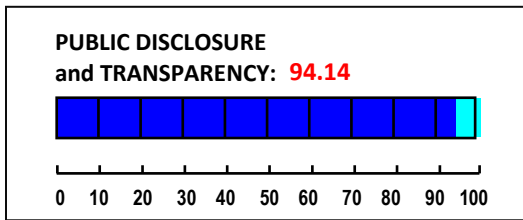
The Company's financial statements indicate that its 2024 operations resulted in a profit. It was unanimously decided at the general shareholders' meeting to distribute the 2024 dividend to shareholders.

1.7. Transfer of Shares:

There are no hindering practices for the shares to be freely transferred.

The Articles of Association of the Company do not contain any provisions that impede the transfer of shares. However, the acquisition of shares representing 10% or more of the Company's capital directly or indirectly by a real or legal person, and share acquisitions resulting in a shareholder's shares exceeding 10% of the legal entity capital and/or share transfers resulting in a shareholder's shares falling below the above rates are subject to the approval of the Energy Market Regulatory Authority.

SECTION 2: PUBLIC DISCLOSURE AND TRANSPARENCY



SYNOPSIS

+	Disclosure policy publicly disclosed and submitted to the general shareholders' meeting for approval.
+	Dividend distribution policy disclosed to the public via the Annual Report.
+	Ethical rules established and publicly disclosed on the web site.
+	Comprehensive web site, actively used for public disclosure.
+	Ultimate controlling individual shareholders as identified after being released from indirect or cross shareholding relationships between co-owners is disclosed to the public.
+	Financial statements comply with the legislation, and international standards.
+	Audit Committee took an active role in the selection of the external audit firm.
=	Web site designed also in English but not identical with Turkish content.
-	All benefits provided to Board members and senior executives are not listed on individual basis.

2.1. Corporate Web Site:

Company's web site is actively used for disclosure purposes and the information contained therein is timely updated.

Along with the information required to be disclosed pursuant to the legislation, the Company's web site includes; trade register information, information about latest shareholder and management structure, information on absence of any privileged shares, final version of the Company's Articles of Association, annual reports, periodical financial statements and other public disclosure documents, disclosure policy, dividend distribution policy, and ethical rules of the Company.

The Company's shareholding structure; the names and amount of the shares held by the Company's ultimate controlling individual shareholders over 5% as identified after being released from indirect or cross shareholding relationships between co-owners is disclosed to the public and updated bi-annually as per the minimum requirement.

An area open for improvement is that the English version of the web site designed for the benefit of international investors is not identical to the Turkish content.

The Company's web site also includes; information on Committees and their working principles, policy on donations and grants, web site privacy and security policy, the compensation policy, credit rating results, the vision/mission of the Company established by the Board of Directors, information on senior management, financial data, main ratio analysis, and the human resources policy.

2.2. Annual Report:

The Annual Report is prepared in detail by the Board of Directors to provide

public access to complete and accurate information on the Company. The 2024 Annual Report covers information such as;

- Period covered by the Report, the title of the Company, trade register number, contact information,
- The names and surnames of the chairman and members served on the Board of Directors during the covered period, their limits of authority, tenure of office (with start and end dates),
- The sector in which the Company operates and information on its position in the sector,
- Information on related party transactions,
- Other issues not included in the financial statements, but are beneficial for users,
- Company's organization, capital and ownership structure,
- Information on number of personnel,
- Information on Board members' transactions with the Company on their behalf or someone else within the framework of permission granted by general shareholders' meeting along with their activities within the scope of restraint of trade,
- The dividend distribution policy,
- Major events occurred between the closing of the accounting period and the date of the general shareholders' meeting where financial statements are evaluated.

In addition to the matters specified in the legislation, following issues also took place in the Annual Report;

- Members of the Committees established by the Board of Directors and number of Committee meetings held during the year,
- Number of Board meetings held within the year,
- Information on major court cases against the Company and possible consequences,
- Rating results.

On the other hand, exclusion of the Corporate Governance Compliance Declaration, and lack of information on all the benefits provided to the members of the Board of Directors and senior executives are considered as areas to be improved.

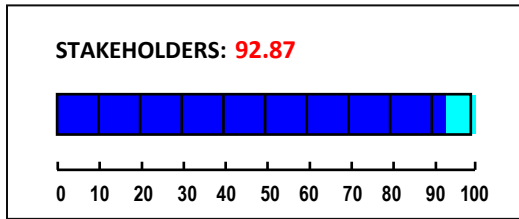
2.3. External Audit:

The external audit of the Company is conducted by Dmf Sistem Uluslararası Bağımsız Denetim Danışmanlık ve Yeminli Mali Müşavirlik A.Ş.

There has not been a situation where the external auditor avoided to express its opinion and not signed the audit report, nor has reported a qualified opinion during the latest reporting period. It has been declared that there has been no legal conflict between the Company and the external audit firm.

Independent audit firm and their audit staff did not provide consulting services for a price or free of charge during the audit period. Neither a consulting company in which the external audit firm is in a dominant position either directly or indirectly in management or capital provided any consulting services for the same period.

SECTION 3: STAKEHOLDERS



SYNOPSIS	
+	Measures to safeguard stakeholders' rights are facilitated.
+	A set of code of ethics is prepared and disclosed to public.
+	Compensation policy for employees established and publicly disclosed.
+	Company is not held liable by any public authority for any fine/sanctions within the rating period.
+	Efficient HR Policy.
+	In cases causing disruption in Company management, succession planning for determination of new manager appointments is in place.
-	Models supporting the participation of stakeholders in management are not documented in the Articles of Association, nor in internal regulations.

3.1. Company Policy Regarding Stakeholders:

Company officials have declared that Setaş recognizes the rights of stakeholders established by law or through any other mutual agreement. In case the rights of the stakeholders are not regulated by the relevant legislation and protected by contracts, the Company protects the interest of

stakeholders under good faith principles and within the capabilities of

the Company. Effective and expeditious compensation is provided in case of violation of the rights. A compensation policy for employees is established and included on the Company's web site. Adequate information is provided on policies and procedures towards the protection of stakeholders' rights.

Setaş plays a leading role in resolving any disputes that may arise between the Company and its stakeholders. Corporate governance structure of the Company ensures that its stakeholders, including its employees and representatives, report their concerns to the management concerning any illegal or unethical transactions, and preserves this right.

3.2. Stakeholders' Participation in the Company Management:

A clause on supporting the participation of stakeholders in the Company management is not included in the Articles of Association or in internal regulations. However, it has been declared by the Company that the employees or their representatives are notified of the decisions taken regarding the employees or the developments concerning them to ensure the participation of the Company employees and other stakeholders in the management.

3.3. Company Policy on Human Resources:

The Company has a written human resources policy which is available on the corporate web site.

Within this scope, the Company offers equal opportunity to persons with the

same qualifications in recruitment and career planning.

The criteria for recruitment are determined in writing and adhered to. Employees are treated equally regarding their rights. Training programs are organized and training policies are developed to enhance the knowledge, skills, and conduct of personnel.

Meetings are held for informing employees on matters such as career, education, and health.

Decisions that may affect the employees are notified to the employees through the internal communication process.

Productivity is taken into account in determining the wages and other benefits of employees.

Measures such as procedures, trainings, awareness raising, targets, monitoring and complaint mechanisms are provided and the Company takes all precautions to prevent any discrimination on basis of race, religion, language, or gender as well as any attitudes towards employees that could physically, mentally, or emotionally affect employees.

The Company puts in place all necessary safety precautions, and takes actions to prevent occupational diseases.

There is no trade union structured within the Company.

3.4. Relations with Customers and Suppliers:

It has been concluded that the Company takes measures to ensure customer satisfaction in the marketing and sales of its goods and services.

Quality standards are complied with in goods and services and care is taken to maintain the standard.

Confidentiality of information about customers and suppliers is accounted for within the scope of trade secret.

3.5. Ethical Rules & Social Responsibility:

There is a "Business Ethics Rules" document that defines the set of ethical rules which is publicly disclosed via the corporate web site.

The Company has not been subject to any significant sanctions, fine or warning during course of last year by the public administrations.

In addition, the Company combats all kinds of corruption, including extortion and bribery.

3.6 Sustainability:

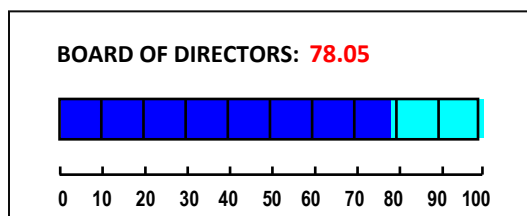
Setas's Annual Report does not include relevant disclosures in accordance with the "Sustainability Compliance Principles Framework."

The Company holds the following certifications: ISO 14001 Environmental Management System, ISO 9001 Quality Management System, and ISO 45001 Occupational Health and Safety Management System Standard.

The Company's work on sustainability is not sufficient.

As of our report date, there is no fine or lawsuit filed against the Company due to any environmental damage.

SECTION 4: BOARD OF DIRECTORS



SYNOPSIS

+	Vision, mission, and strategic goals are defined.
+	Structure of the Board of Directors is in accordance with the Communiqué, performing its activities in a transparent, accountable, fair, and responsible manner.
+	Audit, Corporate Governance, Risk Management, and Remuneration and Nomination Committees are established.
+	Frequency of Board meetings is defined in internal regulations and included in the Articles of Association.
+	Principles of remuneration of Board members and senior executives are established and disclosed to the public.
=	One of the 2 members in the Committees is in the executive position.
-	No policy approved nor a target set for 25% female membership rate in the Board of Directors.
-	Remuneration of the Board members and executives with administrative responsibility are not disclosed on an individual basis.
-	No Manager Liability insurance.

- No independent Board members.
- No female Board members.
- Majority of the Board members hold executive duties.

4.1. Functions of the Board of Directors:

Strategic decisions of the Board of Directors aim to manage the Company's risk, growth, and return balance at an appropriate level and conduct a rational and cautious risk management approach with a view to the long-term interests of the Company. The Board administers and represents the Company within these parameters. The Board has defined the Company's strategic goals and identified the needs in human and financial resources, and controls management's performance. The Board of Directors also oversees that Company activities are managed in compliance with the legislation, Articles of Association, internal procedures, and established policies.

4.2. Principles of Activity of the Board of Directors:

The Board of Directors carries out its activities in a transparent, accountable, fair, and responsible manner, and it has been declared that there has been no lawsuit filed against the Board in this regard during the reporting period.

Distribution of tasks between the members of the Board of Directors is explained in the Annual Report.

The Board of Directors established various internal control systems which are inclusive of risk management, information systems, and processes by also taking into consideration the views of the Committees. In this context, the Board reviews the effectiveness of risk management and internal control systems at least once a year. The presence, functioning, and effectiveness of internal controls and internal audit are explained in the Annual Report.

The Board of Directors monitors possible conflicts of interest of the management, members of the Board and shareholders, along with misuse of Company assets and misconduct in related party transactions.

The Company's management and representation are clearly defined in the Articles of Association. The Chairman of the Board of Directors and the General Manager are not the same person.

The Board of Directors plays a leading role in maintaining effective communication between the Company and the shareholders and settling any disputes which may arise. The Board works in close coordination with the Corporate Governance Committee and the Investor Relations Unit in this context.

There is no manager liability insurance policy covering damages incurred by the Company and third parties due to the executives not performing their duties duly.

4.3. Structure of the Board of Directors:

The Company's Board of Directors consists of three members of which two hold executive powers. There are no independent Board members to execute their duties without being influenced under any circumstances.

There are no female members on the Board of Directors. Besides, the Company has not prepared a policy nor set a timetable to reach the Corporate Governance Principles Communiqué's advisory target of minimum 25% female Board membership rate.

4.4. Conduct of the Meetings of the Board of Directors:

Board meetings take place with sufficient frequency. Chairman of the Board of Directors sets the meeting agenda in consultation with other members.

Information on the agenda items of the Board of Directors is made available to the members in sufficient time prior to the meeting date by a coordinated flow of information.

The frequency of meetings of the Board of Directors has been regulated by the Articles of Association, but the decision quorum has not been disclosed.

Permission is obtained from the general shareholders' meeting for the members of the Board of Directors to carry out the duties stated in Articles 395 and 396 of the TCC, provided they are excluded from the issues prohibited by the TCC.

4.5. Committees Established Within the Board of Directors:

A Corporate Governance Committee, an Audit Committee, Risk Management, and Remuneration and Nomination Committees are established from within the Board of Directors in order to fulfill its duties and responsibilities. The Committees convened 4 times in 2024.

Functions of the Committees, their working principles, and its members are designated by the Board of Directors and disclosed to the public on the corporate web site.

The chairman of all Committees is a non-executive Board member and there is an executive Board member serving on all Committees. Since there are no independent members in the Board of Directors, the members of the Audit Committee are not independent members neither. The Committees are composed of 2 members each. Since there are three Board members, one member takes part in more than one Committee.

All necessary resource and support needed to fulfill the tasks of the Committees are provided by the Board of Directors. Committees can invite any manager as they deem necessary to their meetings and obtain their views.

The Committees convene with sufficient frequency and submit reports containing information about their activities and meeting results to the Board of Directors.

The Audit Committee;

- Supervises the operation and efficiency of the Company's accounting system, public disclosure, external audit, and internal audit systems,
- Determines the methods and criteria to be applied on reviewing complaints that are received by the Company regarding Company accounting, internal and external independent audit systems, within the framework of the principle of confidentiality and finalizes them,
- Following taking the opinion of responsible managers of the Company and the external auditor, notifies the Board in writing on whether the annual and interim statements disclosed to the public is in accordance with the Company's accounting principles, true and accurate,

- Immediately notifies the Board in writing on findings related to their duties and responsibilities and the related assessment and recommendations.

The Annual Report contains information on working principles of the Audit Committee and the number of written notices given to the Board of Directors within the fiscal year.

The nomination and election process of the external audit firm, taking into account its competence and independence, starts with a proposal from the Audit Committee to the Board and ends with the Board's choice being presented and approved at the general shareholders' meeting.

The Corporate Governance Committee is established to determine whether the corporate governance principles are being fully implemented by the Company, if implementation of some of the principles are not possible, the reason thereof, and assess any conflict of interests arising as a result of lack of implementation of these principles, and present remedial advices to the Board of Directors.

The Risk Management Committee reviews risk management systems at least once a year. It achieves early identification of risks that may jeopardize the Company's existence and continued development, implements the necessary measures identified with the associated risks and conducts studies to manage such risks.

4.6. Remuneration of the Board of Directors and Managers with Administrative Responsibility:

The principles of remuneration of Board members and senior executives have been documented in writing, but not submitted to the shareholders as a separate item in the general shareholders' meeting.

The Company does not lend any funds or extend any credits to a member of the Board or to senior executives, or grant any personal loans through a third party, or extend any guarantees.

Remuneration of Board members and managers with administrative responsibility as well as all benefits provided are not mentioned on an individual basis, but collectively in the Annual Report.

There have been no cases where the executives used confidential and non-public Company information in favor of themselves or others. There are no executives who accepted a gift or favor directly or indirectly related to the Company's affairs, and provided unfair advantage.

Rating Definitions

Rating	Definition
9 - 10	The company performs very good in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified and actively managed all significant corporate governance risks through comprehensive internal controls and management systems. The company's performance is considered to represent best practice, and it had almost no deficiencies in any of the areas rated. Deserved to be included in the BIST Corporate Governance Index on the highest level.
8	The company performs good in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified all its material corporate governance risks and is actively managing the majority of them through internal controls and management systems. During the rating process, minor deficiencies were found in one or two of the areas rated. Deserved to be included in the BIST Corporate Governance Index.
6 - 7	The company performs fair in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified the majority of its material corporate governance risks and is beginning to actively manage them. Management accountability is considered in accordance with national standards but may be lagging behind international best practice. During the ratings process, minor deficiencies were identified in more than two of the areas rated.
4 - 5	The company performs weakly as a result of poor corporate governance policies and practices. The company has, to varying degrees, identified its minimum obligations but does not demonstrate an effective, integrated system of controls for managing related risks. Assurance mechanisms are weak. The rating has identified significant deficiencies in a number (but not the majority) of areas rated.
<4	The company performs very weakly and its corporate governance policies and practices are overall very poor. The company shows limited awareness of corporate governance risks, and internal controls are almost non-existent. Significant deficiencies are apparent in the majority of areas rated and have led to significant material loss and investor concern.

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