



Corporate Governance Compliance Rating Report



Alarko Holding A.Ş.

2 October 2025

Validity Period 02.10.2025-02.10.2026

LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Alarko Holding Anonim Şirketi;

has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published in the Official Gazette No. 31262 on 02 October 2020 by the Board, as well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871

The criteria, established for the companies whose shares are traded at BIST, are organized separately as First Group, Second Group and Third Group companies and investment partnerships, taking into consideration the group distinctions stated by CMB's Corporate Governance Principles in Item 2 - Article 5 of communiqué no II-17.1, published in the Official Gazette on 03.01.2014.

The Corporate Governance Compliance Rating Report issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. is based on 106 copies of documents, data and files transmitted by the concerned firm electronically, including data open to the general public and examinations made by our rating experts on site.

Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. has formulated its Ethical Rules according to the Banking Act, the CMB and BRSA Directives on the Operations of Rating Companies, generally accepted ethical rules of the IOSCO and OECD, including generally accepted ethical customs, which are shared with the public through its Internet website (www.kobirate.com.tr).

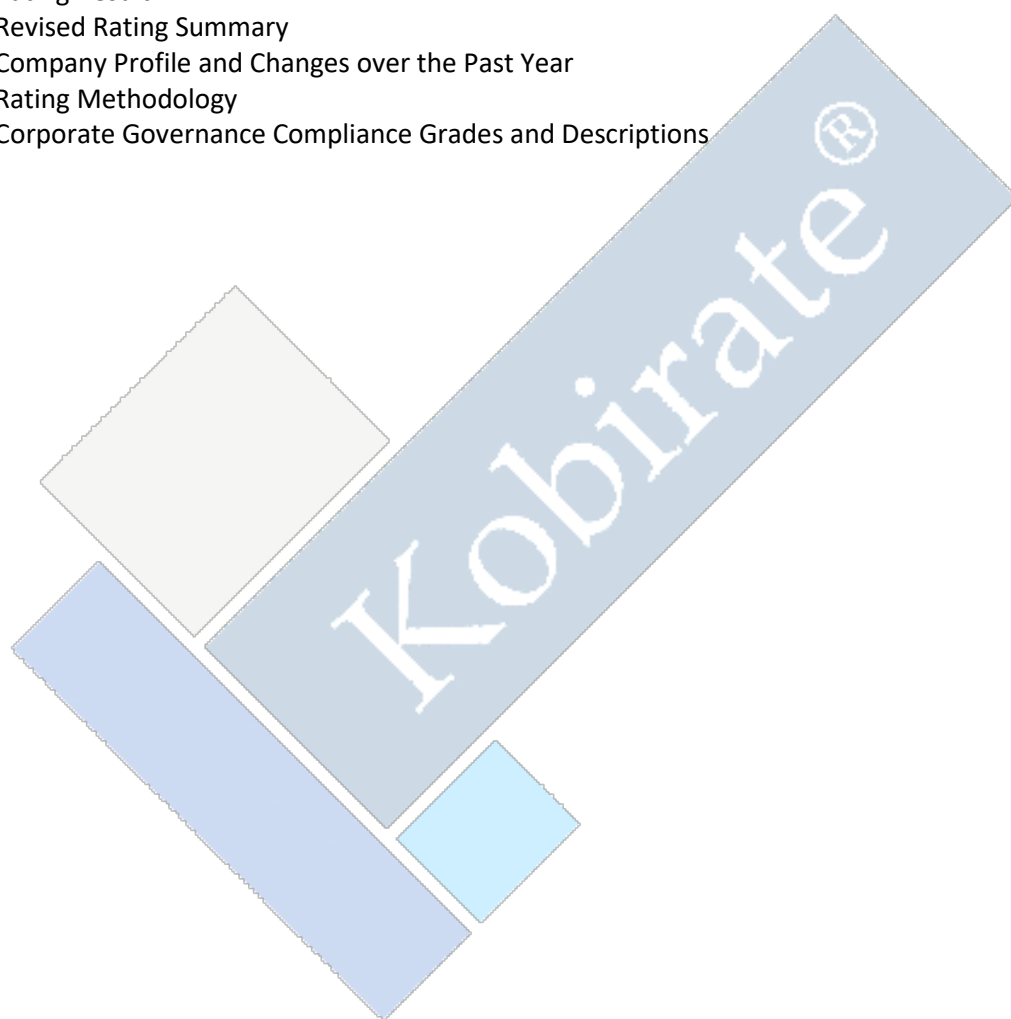
Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş., formed according to the methodology disclosed.

The rating grade does not constitute a recommendation to purchase, to hold or to dispose of any kind of borrowing instrument. KOBİRATE A.Ş. may not be held liable for any losses incurred or investments made by the company referring to this report.

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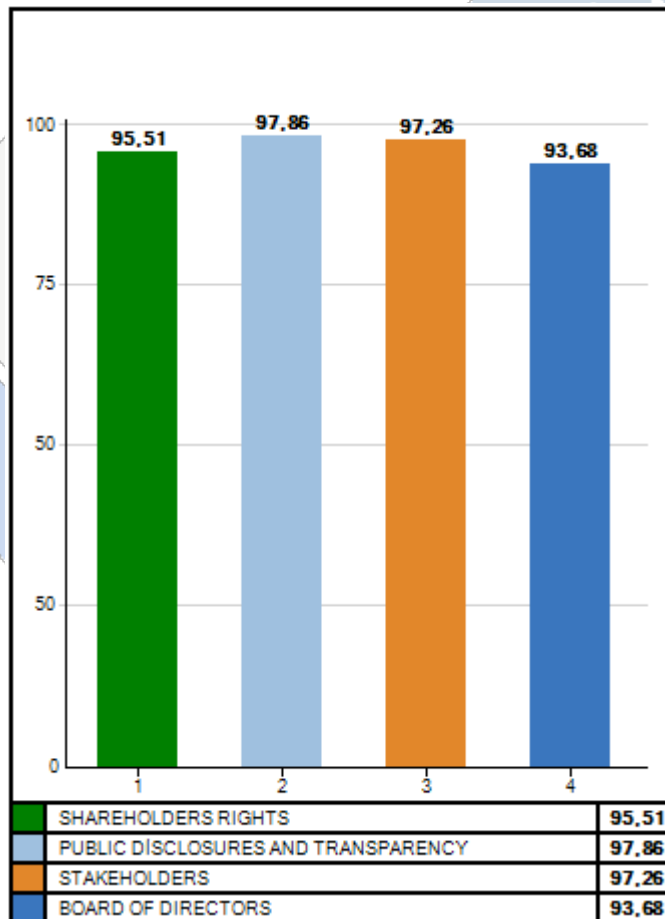
ALARKO HOLDİNG A.Ş.

1. RATING RESULT

BIST FIRST GROUP COMPANY

CMB CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE

9.57





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2. REVISED RATING SUMMARY

This report of the rating of compliance of Alarko Holding A.Ş. with the Corporate Governance Principles is concluded through onsite examinations of the documents and information open to the public, interviews held with executives and persons involved, and other examinations and observations. The study has been held in accordance with the Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. In the methodology and rating process, in addition to the Capital Markets Board's Corporate Governance Communiqué No. II-17.1, the Communiqué Amending the "Corporate Governance Communiqué (II-17.1) (II-17.1.a)" published by the Board has been considered in addition to the regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105.

According to the decision of the Capital Markets Board dated 16.01.2025 and numbered 3/76, Alarko Holding A.Ş. is in the Bist 1st Group Companies list. The Company has been evaluated through examination of 456 criteria described in Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.'s methodology of "BIST 1st Group Companies". At the end of the examination of the criteria under the main headings of Shareholders, Public Disclosure and Transparency, the Stakeholders and the Board of Directors, the Corporate Governance Compliance Rating Grade of Alarko Holding A.Ş. has been revised as **9.57**.

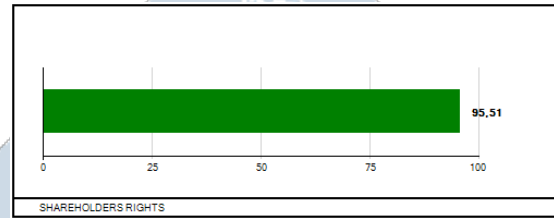
This result shows that the Company has achieved very high compliance with the Corporate Governance Principles issued by the Capital Market Board. Potential risks that the Company may be exposed to are identified and can be managed. The level of public disclosure and transparency is high. The rights of the shareholders and stakeholders are treated fairly. Composition and operational

conditions of the Board highly comply with the Corporate Governance Principles.

When the activities of Alarko Holding A.Ş. for the last year are examined, it is seen that it has been improving its compliance with Corporate Governance Principles.

In conclusion, this rating indicates that the Company highly deserves to be included in the BIST Corporate Governance Index.

▪ In the Shareholders section, the rating of Alarko Holding has been revised to **95.51**.



During the reviewing period, it has been observed that the company continues its activities in the field of informing the shareholders and exercising their fundamental shareholder rights with the same sensitivity and efficiency. It is understood that the harmonious cooperation of the Investor Relations Directorate with the Corporate Governance Committee is effective in the correct and effective exercise of the rights of the shareholders.

Activities on relations with shareholders are carried out by the Investor Relations Directorate, which directly reports to the Strategy and Business Development Group President, Mr. Alpaslan SERPEN.

Investor Relations Director Mr. Özgür KALYONCU started to work on 12.06.2019. In accordance with the CMB's Corporate Governance Communiqué No. II.17-1, she was appointed as a Member of the Corporate Governance Committee as well. The aforementioned development was announced to the public with the Material Disclosure of the same date. Mr. KALYONCU has Capital

Market Activities Advanced Level and Corporate Governance Rating Specialist Licenses.

The Investor Relations Directorate regularly reports to the Board of Directors on its activities and made two presentations to the Board of Directors and the Corporate Governance Committee in 2024.

Shareholders' right to obtain information and to examine is not canceled or restricted by the Articles of Association or any department of the Company.

The company carries out its disclosures to the shareholders and the public in accordance with the "Disclosure Policy". The said policy is published on the corporate website of the company.

The General Assembly meeting to discuss the operations of 2024 took place on 14.04.2025. The invitation to the ordinary general assembly meeting was published on the Public Disclosure Platform (PDP), the Central Registry Agency e-general assembly system (EGAS) on 14.03.2025, and in the Turkish Trade Registry Gazette (TTRG) dated 19.03.2025 and numbered 11295. The meeting invitation was made at least 3 (three) weeks before the meeting date as stipulated by the principles.

The general assembly information document provides detailed information on the distribution of company shares, the voting rights granted by the shares and the privileges regarding voting. In addition, whether the shareholders have a request to add an item to the agenda and the information that is required to be announced to the shareholders and the public are also included in the corporate governance principles.

Executives and auditors who are authorized to brief participants on special subjects and answer their questions have attended the meeting. Attending senior executives were; Mr. İzzet GARIH (Chairman of the Board of

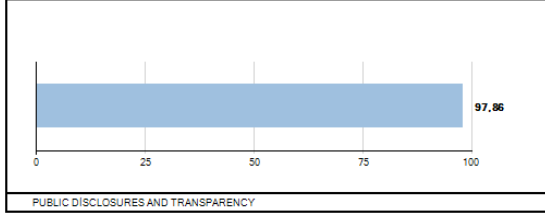
Directors), Mr. Vedat Aksel ALATON (Deputy Chairman of the Board of Directors), Ms. Leyla ALATON (Member of the Board of Directors), Mr. Niv GARIH (Member of the Board of Directors), Mr. Ayhan YAVRUCU (Member of the Board of Directors), Ms. Nihal MASHAKI SEÇKİN (Independent Board Member), Mr. Ümit Nuri YILDIZ (Member of the Board of Directors and Group Chief Executive Officer), Mr. Mehmet AHKEMOĞLU (Financial Affairs Group President), Ms. Pinar YAMANER (People and Organization Group President), Mr. Alpaslan SERPEN (Strategy and Business Development Group President), Mr. Serkan DEMİR (Chairman of Information Technologies and Digital Transformation Group), Mr. Özgür KALYONCU (Investor Relations Director) and Ms. Damla ÖZER (Investor Relations Assistant Specialist) and Independent Audit Company Representative.

The Company has established its Profit Distribution Policy and disclosed it to the public. During the reviewing period, the fact that this policy was revised in accordance with the Capital Markets Board's Dividend Communiqué No. II-19.1 and submitted for the approval of the shareholders at the ordinary general assembly constitutes the basis for the rating increase under this main section.

Net distributable profit for the period 2024 was 1,248,922,461.58 TL according to the financial statements prepared in accordance with the TPL, and 1,757,272,090.00 TL according to the consolidated financial statements prepared within the framework of the CMB legislation. The way the profit is used is explained in the "ii. Dividend Distribution" section of our report.

The profit distribution proposal of the board of directors and the profit distribution table were published on the Public Disclosure Platform on the same day as the invitation to the general assembly.

▪ In the Public Disclosure and Transparency section, the company's rating was confirmed as **97.86**.



It has been determined that Alarko Holding's work on public disclosure and transparency is in compliance with legal regulations and corporate governance principles. Annual reports are very rich in content and contain sufficient information about the activities.

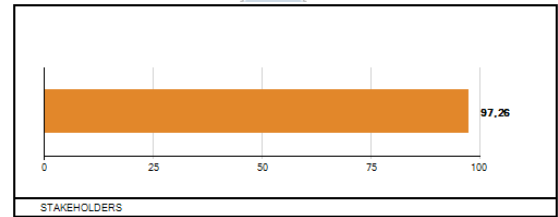
The corporate website (www.alarko.com.tr) is updated regularly, and the website is being used as an active and effective platform for disclosure to the public. All information and documents that the public, investors and other interested parties want to access are published on the corporate website of the company for the last five (5) years. It has been observed that this information is consistent with the disclosures made in accordance with the provisions of the relevant legislation and does not contain contradictory and incomplete information. The corporate website is designed as a convenient, easily accessible structure.

The officials in the Company who are charged with disclosures and have the authority for signature are: Mr. Ümit Nuri YILDIZ (Member of the Board of Directors and Group Chief Executive Officer), Mehmet AHKEMOĞLU (Financial Affairs Group President), and Mr. Süleyman Sami İNAL (Financial Affairs Director). The named persons have been assigned to maintain and monitor all kinds of issues related to public disclosure.

The independent external audit for 2024 was carried out by BDO Denet Bağımsız Denetim ve Danışmanlık A.Ş. (Member BDO International Network). There are no cases where the independent audit avoided expressing an opinion, expressed an opinion with conditions or avoided a signature in the reports. During the meeting with the company officials, it was learned that there

was no development that would harm the independence of the independent audit firm and its auditors and that there was no legal dispute. The same institution was elected as the independent auditor with the recommendation of the audit committee and the approval of the general assembly for the independent external audit of the accounts and transactions of the 2025 operating year within the framework of the Capital Markets legislation, the Turkish Commercial Code and the relevant legislation.

■ In the Stakeholders section, the company's rating has been revised to **97.26**.



The reasons for the company's rating increase under this heading are:

- The company has published a TSRS-compliant sustainability report,
- It is included in the Sustainability Index.

It is concluded that Alarko Holding protects stakeholders' rights, which are specified in regulations and mutual contracts. The impression is that in case of lack of any regulation, the company respects stakeholders' rights within goodwill rules and the company's reputation. It has been observed that many internal regulations were prepared to this end.

The Compensation Policy for employees has been prepared and disclosed to the public via the corporate website.

Recruitment, wage, health, leave rights, promotions, appointments, discipline, dismissal, death, resignation, and retirement regulations have been established. During the reviewing period, all these regulations were updated in accordance with the company's change philosophy. It is thought that these

procedures are adhered to in practice, as well. Both during the development of the policies and in practice, we got the impression that equal opportunity is given to individuals under equal conditions.

It has been determined that the Company runs training programs to increase the knowledge, talents and experience of its employees and that it has prepared training policies.

Ethical Rules and Working Principles have been determined and the relevant parties have been informed. In addition, all policies concerning the other shareholders and all stakeholders are disclosed to the public on the corporate website of the company.

As of the end of 2024, 69 white-collar employees were employed at Alarko Holding A.Ş. As of the same date, a total of 5,806 people, 1,862 white-collar employees, who are mostly engineers and architects, and 3,944 technicians and workers, were employed in the companies and institutions within the holding.

A total of 1,959 blue-collar employees in the Group Companies Alarko Carrier Sanayi ve Ticaret A.Ş., Meram Elektrik Dağıtım A.Ş. and Alcen Enerji Dağıtım ve Perakende Satış Hizmetleri A.Ş. are organized under three different unions.

Alarko Holding carries out social responsibility activities, especially in the area of education, in order to create sustainable and lasting value for society. It supports social development with education-oriented projects developed through various collaborations. Information about the company's contribution to the social development and welfare of society can be found in the annual reports and on the corporate website.

Sustainability;

A. General Principles

Alarko Holding A.Ş. initiated its policy development processes within the scope of

the sustainability principles compliance framework as of the end of 2020. In this context, an inventory study was carried out by collecting the matters monitored, the policies and procedures in place, and the initiatives to which both the Holding and the Group companies are members. Taking this inventory into account, materiality assessments were launched, followed by the creation of key performance indicators within a timeline and the commencement of efforts to develop short-, medium-, and long-term strategies.

A Sustainability Committee was established with the approval of the Board of Directors.

Within the Group companies, ISO 9001 Quality Management, ISO 14001 Environmental Management, ISO 18001, and ISO 50001 certifications have been obtained as part of environmental, social, and corporate governance practices. These certifications are regularly monitored, and periodic presentations are made to management based on key performance indicators. Environmental management systems within our Group companies are reported periodically within the scope of "Management Review Meetings." A quality management system report is prepared and shared with the Board of Directors once a year.

As part of its sustainability efforts, Alarko Holding A.Ş. has established Sustainability Committees both at the Holding level and within its subsidiaries, setting up a systematic structure for regular meetings and reporting. Historical data and future projections have been created for key performance indicators, and their regular monitoring is being carried out.

Alarko Holding A.Ş. has included information regarding its sustainability activities in its sustainability report and has shared its long-term goals.

Information has been provided on the alignment of its activities and prioritized

topics with the United Nations 2030 Sustainable Development Goals.

In the second Sustainability Report (Alarko Holding 2023 Sustainability Report), the scope of the previous report was enhanced to comply with international sustainability frameworks and standards (WEPs, UNGC CoP, TCFD, GRI, etc.). The report details the sustainability-focused practices implemented, as well as the risk and opportunity analyses conducted in the context of climate change and sustainability.

The 2024 sustainability report, prepared in accordance with the Türkiye Sustainability Reporting Standards (TSRS), was publicly disclosed in August 2025.

B. Environmental Principles

For Alarko Holding, sustainability is a tool for long-term value creation. Under the “Planet” pillar of its Sustainability Strategy, the company prioritizes climate change and ecosystem restoration, two of the most pressing global challenges. Alarko has set forth a vision of achieving net-zero greenhouse gas emissions by 2050. In addition, the Group monitors its emissions through annual targets. Driven by the need to restore the health of the planet, the company has also established biodiversity and water-related targets under the ecosystem restoration pillar. Accordingly, a designated portion of annual net profit is allocated each year to investments in ecosystem and biodiversity conservation projects, while water consumption in operations is targeted to be reduced by 50% by 2030.

Alarko Holding A.Ş. adopts and implements the fundamental principles it has established to protect nature and the environment across all its operations, together with all employees and subcontractors. These principles are outlined in the “Ethical Principles and Social Responsibility” section of the Annual Report. Alarko Holding A.Ş. As a stakeholder of the Group companies’ Integrated Management Systems, Alarko Holding A.Ş. holds the TSE-ISO 14001:2015 Environmental Management

System certification. Environmental management and commitments in this direction are conducted in accordance with international environmental management systems.

It has established its own environmental management systems in line with TSE-ISO 14001:2015 Environmental Management System Standard and obtained a certificate from TSE, which carries out independent audits, ensuring continuity. It complies with the Social Policy, Environment and Occupational Health and Safety traditions in the Industry and Trade business line with ISO 50001, ISO 45001 Standards.

Tourism Group has ISO 18001, Safe Tourism Certificate, Zero Waste Foundation Certificate, Blue Flag Certificate, HACCP Gold Certificate and Travelife Gold certificates, undergoing regular audits and complying.

Alarko Holding's sustainability performance throughout 2023 and 2024 has been comprehensively presented in its Sustainability Reports. As part of the reporting process, information has also been shared regarding the commitment, energy, industry, trade, tourism, agriculture, land development, and investment group companies.

The Sustainability Committee established within the company plays an active role in achieving sustainability targets and convenes periodically, once every two months, to report to the Group Chief Executive Officer/CEO. This committee defines Alarko Holding’s sustainability strategies and targets, ensuring their implementation and monitoring. Sustainability governance within Alarko Holding is carried out under the authority and responsibility of the Sustainability Committee. The Sustainability Committee operates directly under the CEO and convenes based on predefined agenda items. The committee monitors progress toward sustainability targets, reviews topics to be included in the investment agenda, and tracks the sustainability performance of

group companies. When necessary, it provides information to the Board of Directors through the Committee Chair.

Alarko Holding's projects and initiatives carried out in line with its sustainability strategies make significant contributions to fulfilling the company's environmental and social responsibilities. Various projects have been implemented in areas such as energy efficiency, waste management, and the use of renewable energy sources. These projects aim to minimize the company's environmental impacts and establish a sustainable business model.

Memberships and organizations for which the company is a signatory have been included in the most recently published sustainability report.

In the 2024 calculations, the previous year's data were reviewed, and the calculations were reassessed.

C. Social Principles

Full compliance with the legal framework and applicable legislation is ensured in the employment contracts signed with all employees to be engaged at Alarko Holding A.Ş. and in the human resources procedures. Equal opportunity in recruitment is implemented in line with the policies set out under the relevant legislation. Appropriate conditions are provided in accordance with the provisions of the Labor Law and the Occupational Health and Safety legislation to prevent discrimination, inequality, human rights violations, and child labor.

All Group companies are certified with the TS EN 45001 Occupational Health and Safety Management System. The Group has an OHS Policy in place. Monthly workplace accident reports are issued by the OHS Unit. OHS risk analyses are conducted. Monthly OHS committee meetings are held with the participation of senior management.

Policies and procedures regarding the protection of personal data have been established and are regularly updated and monitored.

All Group companies prioritize customer satisfaction and use a Customer Survey Form, which is sent to customers annually to measure their satisfaction. Necessary actions are taken promptly whenever required.

The ethical rules and principles stated in the Alarko Group Philosophy, approved by the Company's Board of Directors and the Audit, Advisory and Approval Committee (DDO), and accepted by all Alarko Holding A.Ş. employees and management, are disclosed under the "Ethical Rules and Social Responsibility" section of the Annual Report.

D Corporate Governance Principles

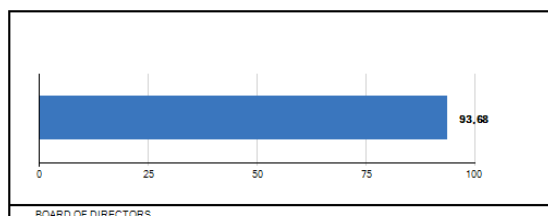
Sustainability is at the core of the corporate governance strategy. Sustainability activities are supported across all Group companies, with active participation. In this context, afforestation projects are organized among the Groups, and women's cooperatives are supported. Within the scope of KalDer membership, the EFQM Excellence Model is implemented. Alarko Carrier, one of the Group companies, also obtained the SA 8000 Social Accountability Certificate in 2005, which was renewed in 2014.

A disciplinary procedure is implemented regarding bribery and corruption.

The company discloses the "Sustainability Principles Compliance Report" and "Sustainability Principles Compliance Statement" in accordance with the voluntary sustainability principles compliance framework format specified in the Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" prepared by the Capital Markets Board and published in the Official Gazette No. 31262 on October 2, 2020, to the public in its annual activity reports.

As of April 2025, Alarko Holding has started to be traded on the BIST Sustainability Index.

▪ In the Board of Directors section, the rating of Alarko Holding was confirmed as **93.68**.



In the interviews with the relevant officials and the examinations of some selected board decisions, it was determined that the board continues its work actively, effectively and regularly. It has been observed that the Board of Directors internalizes the corporate governance principles, adopts an open approach to improvement and development, and displays a proactive attitude.

The Board of Directors has described the corporate strategic objectives and determined the necessary human and financial resources. The duties of the chairman of the board of directors and general manager are carried out by different persons, and the authorities of each are defined. The board of directors, consisting of 9 (nine) members, consists of 1 (one) executive and 8 (eight) non-executive members. 3 (three) of the non-executive members have the status of independent members.

There are 3 (three) female members on the Board of Directors. The rate of female members is 33.3% and this complies with the "not less than 25%" criterion determined by the CMB as the rate of female members on the board of directors. In addition, the "Board of Directors Female Member Policy" created by the board of directors in 2022 is still in effect.

The Audit, the Corporate Governance and the Early Detection of Risk Committees, which are stated in the Principles, have been

established. Separate Nomination and Remuneration Committees haven't been established because of the Board's structure. These duties are carried out by the Corporate Governance Committee as well. The duties, working principles and the members of the committees have been determined by the Board of Directors, approved as written documents, announced to the public and published on the corporate website of the company. The composition of all three committees complies with the criteria listed in the corporate governance principles. The company's general manager has not been appointed within the committee structures.

The duties, working principles and the members of the committees have been determined by the Board of Directors, approved as written documents, announced to the public and published on the corporate website of the company. When the method followed before the general assembly regarding the independent members of the board of directors is examined, it is understood that:

- The Corporate Governance Committee prepares an evaluation report on the independence of the candidate for the election of independent members and submits it to the board of directors,
- The board of directors elects independent members within the framework of the Corporate Governance Committee's report,
- The report prepared regarding the determined candidate is sent to the Capital Markets Board together with the candidate's resume, declarations of independence and the resolutions of the board of directors in time.

The Board of Directors convened 42 (forty-two) times in 2024 and 23 (twenty-three) times as of June 2025. The secretarial function of the Board is carried out by Mr. Alpaslan SERPEN (Strategy and Business Development Group President).

The Audit Committee held 6 (six) meetings in 2024 and as of the end of June 2025. The Committee submitted a report to the Board of Directors regarding the number of meetings held during the mentioned periods.

The Corporate Governance Committee convened 2 (two) times in 2024 and 1 (one) time as of the end of June 2025. During the same period, the committee submitted reports to the board of directors about its work 2 (two) times.

The Early Detection of Risk Committee held meetings 6 (six) times in 2024 and 4 (four) times as of the end of June 2025 and reported the meeting results to the board of directors.

The secretarial function of the Corporate Governance Committee is carried out by Mr. Özgür KALYONCU (Investor Relations Director), and the secretarial function of the Early Detection of Risk Committee is carried out by Ms. Sebahat YENİLMEZ (Information Security and Project Management Manager).

In the examinations made on the documents, it was observed that the meeting records of both the Board and the Committees were kept regularly.

Remuneration Principles for the Members of the Board of Directors and Senior Executives have been determined and disclosed to the public on the Company's corporate website.

Remuneration and benefits given to the board of directors and directors with administrative responsibilities are not disclosed on an individual basis.

Damages caused by the faults of the members of the board of directors during their duties in the company are not insured.

Performance measurement criteria for Board Members have been established, and surveys are administered annually. The 2024 performance evaluation was reviewed at the Corporate Governance Committee meeting held on February 10, 2025.

However, there is no practice of rewarding or dismissing the members of the board of directors based on their performance.

3. COMPANY PROFILE AND CHANGES OVER THE PAST YEAR

A. Company Profile:



Company Name	: ALARKO HOLDİNG A.Ş.
Company Address	: Muallim Naci Caddesi No:69 34347 Ortaköy/İSTANBUL
Company Phone	: (0212) 227 5200 - (0212) 310 3300
Company Fax Number	: (0212) 260 7178 - (0212) 227 0427
Company's Web Address	: www.alarko.com.tr
E-mail Address	: info@alarko.com.tr
Date of Incorporation	: 16/12/1972
Registered Number	: 118376
Paid-in Capital	: 435,000,000 - TL
The Company's Field of Activity	: Portfolio Management.
The Sector in Which It Operates	: Financial Institutions / Holdings and Investment Companies

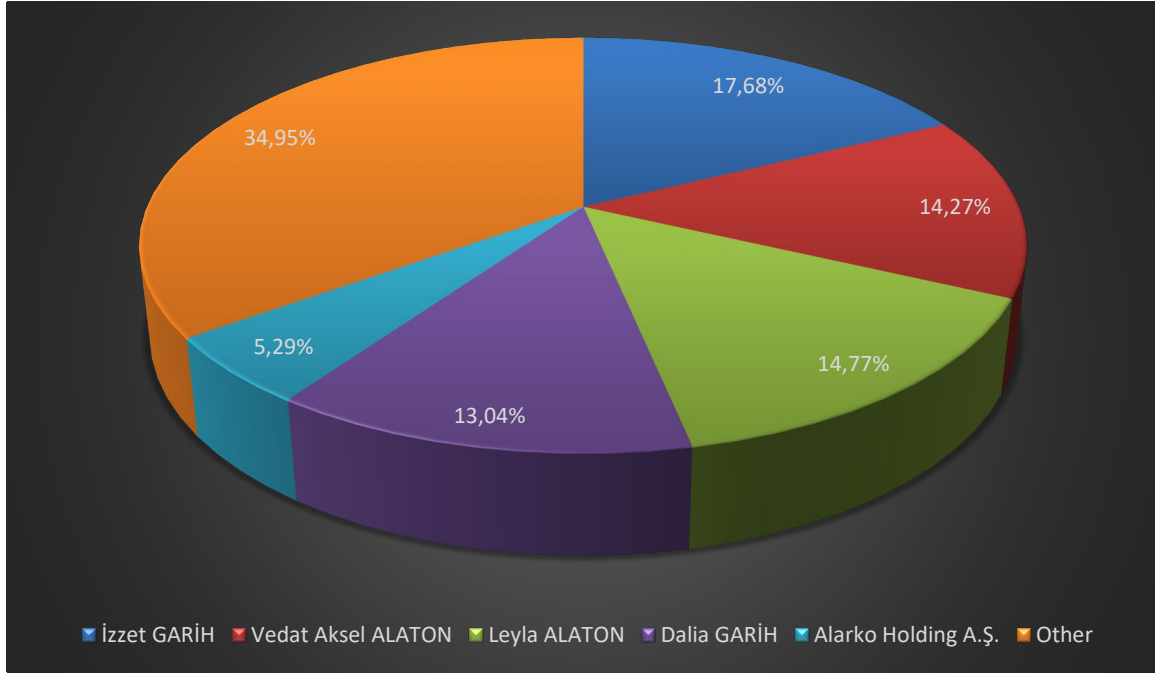
Company's Representative in Charge of Rating:

Özgür KALYONCU
Investor Relations Director

ozgur.kalyoncu@alarko.com.tr

(0212) 310 3429

Shareholder Structure (as of date of this report)



Shareholder Name	Share (TL)	%
İzzet GARİH	76,921,245.42	17.68
Vedat Aksel ALATON	62,076,560.51	14.27
Leyla ALATON	64,251,560.42	14.77
Dalia GARİH	56,728,008.65	13.04
Alarko Holding A.Ş.	23,000,000	5.29
Other	152,022,625	34.95
Total	435,000,000	100

Source: www.kap.org.tr

Real Person Final Controlling Shareholders (as of report date)

Shareholder Name	Share in Direct and Indirect Capital (TL)	Share in Direct and Indirect Capital (%)
İzzet GARİH	76,921,245.42	17.68
Vedat Aksel ALATON	62,076,560.51	14.27
Leyla ALATON	64,251,560.42	14.77
Dalia GARİH	56,728,008.65	13.04

Source: www.alarko.com.tr

Board of Directors

Name/ Surname	Title	Executive/ Non - Executive
İzzet GARİH	Chairman	Non - Executive
Vedat Aksel ALATON	Deputy Chairman	Non - Executive
Ayhan YAVRUCU	Member of Board of Directors	Non - Executive
Niv GARİH	Member of Board of Directors	Non - Executive
Leyla ALATON	Member of Board of Directors	Non - Executive
Ümit Nuri YILDIZ	Member of Board of Directors – Chairman of the Executive Board of the Community	Executive
İzzet Cemal KİŞMİR	Independent Member of Board of Directors	Non - Executive
Nihal Mashaki SEÇKİN	Independent Member of Board of Directors	Non - Executive
Lale ERGİN	Independent Member of Board of Directors	Non - Executive

Source: www.kap.org.tr

Committees Formed Within Board of Directors

Audit Committee

Name Surname	Title	Duty
İzzet Cemal KİŞMİR	Independent Member of Board of Directors	Chairman of The Committee
Nihal Mashaki SEÇKİN	Independent Member of Board of Directors	Committee Member

Corporate Governance Committee

Name Surname	Title	Duty
Nihal Mashaki SEÇKİN	Independent Member of Board of Directors	Chairman Of The Committee
İzzet GARİH	Chairman	Committee Member
Vedat Aksel ALATON	Deputy Chairman	Committee Member
Özgür KALYONCU	Investor Relations Director	Committee Member

Early Detection of Risk Committee

Name Surname	Title	Duty
Lale ERGİN	Independent Member of Board of Directors	Chairman Of The Committee
İzzet GARİH	Chairman	Committee Member
Vedat Aksel ALATON	Deputy Chairman	Committee Member

Senior Management of the Company

Name/ Surname	Title
Ümit Nuri YILDIZ	Community Chief Executive Officer
Mehmet AHKEMOĞLU	Group President-Financial Affairs
Alpaslan SERPEN	Group President-Strategy and Business Development
Pınar YAMANER	Group President-People and Organization
Serkan DEMİR	Information Technologies and Digital Transformation
Edip İLKBAHAR	General Manager-Tourism
Erol UÇMAZBAŞ	General Manager - MEDAŞ
Ümit BORAN	General Manager-Contracting
Cem AKAN	General Manager-Industry and Trade
Hakan AYTEKİN	General Manager-ALTEK
Harun H. MORENO	General Manager-AGYO
İlker ARSLANARGUN	General Manager-MEPAŞ

Source www.alarko.com.tr

Data of some selected items of the Company's Balance Sheet for the last two year-end and six-month periods (Consolidated)

	2023/12 (Thousand TL)	2024/06 (Thousand TL)	2024/12 (Thousand TL)	2025/6 (Thousand TL) (**)
Current Assets	19,589,719	18,282,528	22,681,195	20,206,102
Trade Receivables	3,653,284	4,323,165	2,191,524	2,457,404
Inventories	1,377,144	1,610,363	1,649,584	2,254,718
Fixed Assets	54,451,357	58,298,913	86,918,861	88,292,799
Total Assets	74,041,077	76,581,442	109,600,056	108,498,901
Short-Term Liabilities	16,421,850	17,342,909	22,206,971	21,335,196
Long-Term Liabilities	2,801,688	6,128,949	11,902,035	17,182,349
Paid-in Capital	435,000	435,000	435,000	435,000
Equity	54,817,538	53,109,582	75,491,050	69,981,356

Source: Alarko Holding A.Ş. Independent Auditor's Report for the Periods 31.12.2023 - 31.12.2024 and 30.06.2025 (*)

Data of some items of the Company's Summary Income Statement for the year-ends of the last two years and six-month periods (Consolidated)

	2023/12 (Thousand TL)	2024/06 (Thousand TL)	2024/12 (Thousand TL)	2025/6 (Thousand TL)(**)
Revenue	8,296,228	5,533,636	7,598,275	3,626,466
Cost of Sales	(7,608,084)	(4,962,533)	(7,273,922)	(3,785,860)
Operational Profit / Loss	2,656,370	828,815	(123.277)	(556.977)
Profit/Loss Before Tax	6,819,094	(1,469,049)	2,720,783	(3,690,236)
Profit/Loss for the Period	6,907,066	(1,648,352)	2,720,783	(3,331,163)
Earnings/Loss Per Share	15.408	(3,716)	4.102	(7,740)

Source: Alarko Holding A.Ş. Independent Auditor's Report for the Periods 31.12.2023 - 31.12.2024 and 30.06.2025 (*)

(*) The independent external audit company of the group declares that "the consolidated financial statements have been prepared in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards (TFRS) and the related annexes and interpretations, as enforced by the Public Oversight, Accounting, and Auditing Standards Authority (POA), pursuant to the provisions of the Capital Markets Board's Communiqué No. II, 14.1 on Principles of Financial Reporting in Capital Markets, published in the Official Gazette No. 28676 dated June 13, 2013."

And that the consolidated financial statements and notes have been presented in accordance with the formats specified in the Financial Statement Examples and User Guide published by the Capital Markets Board (CMB) and in compliance with the 2024 TFRS Taxonomy issued by the Public Oversight Accounting and Auditing Standards Authority (POA) on April 15, 2019, and updated on July 3, 2024. Entities applying TFRS began implementing inflation accounting under TAS 29 Financial Reporting in Hyperinflationary Economies, starting from their financial statements for annual reporting periods ending on or after December 31, 2023, pursuant to the announcement made by the Public Oversight, Accounting and Auditing Standards Authority (KGK) on November 23, 2023. TAS 29 is applied in the financial statements of entities whose functional currency is that of a hyperinflationary economy. The Group's financial statements are prepared on the historical cost basis, except for those measured at fair value. These financial statements, together with all comparative amounts for prior periods, have been restated in accordance with TAS 29 to reflect the changes in the general purchasing power of the

Turkish Lira and are ultimately presented in terms of the purchasing power of the Turkish Lira as of December 31, 2024.

(**) The data provided in the relevant column have been restated in accordance with TAS 29 to reflect the changes in the general purchasing power of the Turkish Lira and are ultimately presented in terms of the purchasing power of the Turkish Lira as of June 30, 2025.

Subsidiaries, Financial Fixed Assets and Financial Investments

Title of the Subsidiary Company	Line of Business	Paid in/Issued Capital	Direct Share (%)	Direct and Indirect Participation Share (%)
Alarko Carrier Sanayi ve Ticaret A.Ş.	Heating, Ventilation, Air Conditioning Pump Production and After-Sales Services	10,800,000 (TRY)	42.03	42.03
Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş.	Complete Facility Commitment, Construction and Tourism	3,988,750,235.22 (TRY)	99.91	99.99
Alarko Gayrimenkul Yatırım Ortaklığı A.Ş.	Real Estate Investment Trust	289,800,000 (TRY)	16.41	51.23
Al-Riva Projesi Arazi Değerlendirme Konut İnşaat ve Tic. A.Ş.	Housing, Construction	6,839,063.84 (TRY)	11.55	12.14
Al-Riva Arazi Değerlendirme Konut İnşaat ve Tic. A.Ş.	Housing, Construction	3,308,555.70 (TRY)	2.49	2.63
Al-Riva Arazi Değerlendirme Konut İnşaat Turistik Tesis. Golf İşl. ve Tic. A.Ş.	Housing, Construction and Touristic Facility Management	10,489,764.84 (TRY)	2.16	2.28
Alarko Tarım Sanayi ve Ticaret A.Ş.	Agriculture, Food, Food Business and Technologies	2,850,000,000 (TRY)	100	100
Alarko Konut Projeleri Geliştirme A.Ş.	Real Estate Development, Construction, and Utilization	22,193,713 (TRY)	-	99.99
A.O. Mosalarko	Design, Construction and Use of Real Estate	30,000,000 (Rubles)	-	51.23
Meram Elektrik Dağıtım A.Ş.	Electric Energy Distribution	496,032,904.58 (TRY)	-	50
Alcen Enerji Dağıtım ve Perakende Satış Hizmetleri A.Ş.	Establishment, Transfer or Operation of Energy Distribution Facilities	214,560,000 (TRY)	-	50
Alarko Fenni Malzeme Satış ve İmalat A.Ş.	Marketing of Industrial Products and After-Sales Services	230,000 (TRY)	100	100

Attaş Alarko Turistik Tesisler A.Ş.	Touristic Facility Management	21,500,000 (TRY)	0.46	99.99
Alen Alarko Enerji Ticaret A.Ş.	Purchase and Sale, Import and Export of Electrical Energy,	870,000,000 (TRY)	-	100
Altek Alarko Elektrik San. Tes. İşl. ve Tic. A.Ş.	Electric Energy Generation	350,000,000 (TRY)	10.60	100
Aldem Alarko Konut İnşaat ve Ticaret A.Ş.	Housing, Construction	5,348,776.48 (TRY)	100	100
Meram Elektrik Enerjisi Toptan Satış A.Ş.	Electric Energy Trading	4,050,000 (TRY)	0.10	50
Meram Elektrik Perakende Satış A.Ş.	Electric Energy Trading	13,545,520.42 (TRY)	-	50
Alyat Teknoloji Yatırımları Holding A.Ş.	Activities of the Holding Companies	900,000,000 (TRY)	99.88	99.88
Alarko Enerji A.Ş.	Energy Generation	226,975,276.3 1 (TRY)	89.24	100
Cenal Elektrik Üretim A.Ş.	Establishment and Operation of Electric Energy Plant	1,854,012,350 (TRY)	-	50
Bakad Investment & Operation LLP	Construction Works	65,759,065 (KZT)	-	33.30
Bakad International B.V.	Holding	154,211,309 (USD)	-	33.30
Alsim Alarko S.R.L.	Construction	240,000 (RON)	-	99.99
Saret KZ	Construction Works	600,000 (KZT)	-	100
Obrascon Huarte Lain SA – Alsim Alarko San.Tes.ve Ticaret A.Ş. Business Partnership	TCDD Ankara - Eskişehir High Speed Train Project	-	-	45
Alsera Jeotermal Tarım Gıda San. ve Tic. A.Ş.	Greenhouse Farming Based on Geothermal Energy	712,373,800 (TRY)	-	100
Alser Alarko Sermaye Yatırımları Holding A.Ş.	Activities of the Holding Companies	1,250,000,000 (TRY)	58.18	100
Palmira Agro Gübre San. ve Tic. A.Ş.	Micro Granule Fertilizer Production	7,500,000 (TRY)	-	80

Albi Bitkisel İlaç Hammaddeleri Üretim San. ve Tic. A.Ş.	Herbal Medicine Raw Materials	1,000,000 (TRY)	-	100
Alarko Dijital Teknoloji Çözümleri A.Ş.	Information Technologies	10,000,000 (TRY)	100	100
Ultilek Bilgi Teknolojileri	Computer Programming Activities	10,000,000 (TRY)	-	50
Alarko Havacılık Endüstri Yatırımları A.Ş.	Aviation and Aircraft Maintenance	350,000,000 (TRY)	100	100
Alarko Gübre Fabrikaları San. ve Tic. A.Ş.	Fertilizer Production and Marketing	400,000,000 (TRY)	-	100
Alarko Gıda San. ve Tic. A.Ş.	Food and Food Business	582,500,000 (TRY)	-	100
Genseed Tohum Islah ve Üretim A.Ş.	Seed Breeding and Production	100,000 (TRY)	-	80
Sanrose Tarım San. Tic. A.Ş.	Flower Greenhouse Production, Buying, Selling, and Marketing	60,000 (TRY)	-	100
Beybur Tarım ve Hayvancılık A.Ş.	Agriculture	300,000,000 (TRY)	-	100
Nata Tarım Üretim ve Tic. A.Ş.	Greenhouse Farming Based on Geothermal Energy	15,050,000 (TRY)	-	100
İpeks Jeotermal Enerji Tarım San. Tic. A.Ş.	Greenhouse Farming Based on Geothermal Energy	6,120,000 (TRY)	-	75
TOO ALSERA K/Z	Agriculture	6,377,509,999.66 (KZT)	-	100
Alfor Aviation And Technical Services Ltd.	Aviation and Aircraft Maintenance	10,000 (GBP)	-	51
BARR Operation And Maintenance LLP	Highway Maintenance Operations	23,000,000 (KZT)	-	25
Seraf Tarım ve Hayvancılık A.Ş.	Agriculture	16,500,000 (TRY)	-	100
Meram Enerji Toplayıcı A.Ş.	Aggregation in the Electricity Market	50,000,000 (TRY)	-	50
Seraverde Jeotermal Tarım Gıda San. ve Tic. A.Ş.	Agriculture	250,000 (TRY)	-	100
Alfor Havacılık ve Teknik Hizmetleri A.Ş.	Aviation and Aircraft Maintenance	18,000,000	-	51

		(TRY)		
Camser Tarım Gıda A.Ş.	Agriculture, Greenhouses	7,000,000 (TRY)	-	51
Alarko Gotion Green Energy Enerji Depolama Sistemleri Üretim A.Ş.	Energy Storage Systems, Production	250,000 (TRY)	-	60

Source: www.kap.org.tr

The Market where the Capital Market Instrument is Traded and the Indexes in which the Company is Included

BIST Code : ALARK

Market where the Capital Market Instrument is Traded : BIST STAR

Indices in which it is included : BIST SUSTAINABILITY / BIST 500 / BIST 100 / BIST DIVIDEND / BIST DIVIDEND 25 / BIST 50 / BIST SUSTAINABILITY 25 / BIST 100-30 / BIST FINANCIALS / BIST STARS / BIST ISTANBUL / BIST ALL SHARES / BIST CORPORATE GOVERNANCE / BIST HOLD. AND INVESTMENT

The Peak and Bottom Closing Values of the Company Stock in the BIST in the Last One Year Period (25.09.2024-25.09.2025)

<i>Bottom (TL)</i>	<i>Peak (TL)</i>
73.74 (25.02.2025)	102.05 (03.04.2025)

Source: Alarko Holding A.Ş.

B. Changes in the Company in the Last Year:

i. Changes in Capital and Articles of Association

- During the meeting of the Board of Directors dated 25.09.2024;
 - o Since the permission for the registered capital ceiling granted by the Capital Markets Board will expire in 2024 after a 5-year period, to seek an extension and to increase the registered capital ceiling of the company from 500,000,000.00 TL to 2,000,000,000.00 TL, and therefore, to reapply to the Capital Markets Board for approval in accordance with the Capital Markets Board's Communiqué No. II-18.1 on the Registered Capital System.
 - o To amend Article 8 of the Company's Articles of Association in line with the regulations of the Capital Markets Board concerning the registered capital system, and following the receipt of necessary approvals for the amendment to the Articles of Association, to present the revised registered capital ceiling for approval at the next General Assembly.
 - o In accordance with the Amendment Text attached to this Board Resolution, to amend the following articles of the Company's Articles of Association:

- Articles 7, 8, 9, 17, 18, 24, 26, 27, 28, and 30.
- Articles 10, 11, 12, 13, 14, 15, 16, 19, 20, 21, 22, 23, 25, and 29, which had previously been stated as abrogated.
- Articles 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 66, and 67, as well as Articles 31, 45, 46, 47, and 65, which had previously been stated as abrogated, to be removed from the Articles of Association.
- o To obtain the necessary approvals from the Capital Markets Board regarding the amendment to the Articles of Association.
- o Upon receiving the approval of the Capital Markets Board, to apply to the Ministry of Trade and submit the amendment to the Articles of Association for approval at the next General Assembly. The resolution was passed unanimously by those present.

An application was made to the Capital Markets Board on 25.09.2024 regarding the increase in the registered capital ceiling and the amendment of the Articles of Association.

- In the Company's Material Event Disclosures dated 14.04.2025;

It was announced that the update of the Company's registered capital ceiling and its validity period within the scope of the above-mentioned item, as well as the amendment of the relevant articles of the Articles of Association, were approved by the general assembly at the Ordinary General Assembly meeting for the year 2024, held on 14.04.2025.

- The Company's Material Disclosure dated 27.06.2025 is as follows:

"Alarko Holding Anonim Şirketi (the "Company") Board of Directors has resolved as follows:

1. To reduce the Company's issued capital of 435,000,000 TL by 18,000,000 TL to 417,000,000 TL through the cancellation of 1,800,000,000 shares with a nominal value of 18,000,000 TL out of the total 2,300,000,000 shares with a nominal value of 23,000,000 TL that were previously acquired under the Company's share buyback programs pursuant to the Capital Markets Board's Communiqué on Share Buybacks (II-22.1), in accordance with the capital reduction procedures that do not require any cash outflow, as set out under Article 19/9 of the said Communiqué,
2. To approve the Board of Directors' Capital Reduction Report prepared within the framework of Article 473/1 of the Turkish Commercial Code, Article 19/9 titled "Disposal and Cancellation of Repurchased Shares" of the Capital Markets Board's Communiqué on Share Buybacks (II-22.1), and Article 19 titled "Capital Reduction Without Cash Outflow" of the Capital Markets Board's Communiqué on Shares (VII-128.1), and to submit the report to the approval of the General Assembly.
3. To amend Article 8 titled "Capital" of the Company's Articles of Association in line with the Draft Amendment Text, to apply to the Capital Markets Board to obtain a conformity opinion for the amendment, to apply to the Ministry of Trade of the Republic of Türkiye following receipt of the Capital Markets Board's approval, and to submit the amendment to the approval of the next General Assembly.
4. To carry out all necessary actions before the relevant authorities and institutions within the framework of the Turkish Commercial Code and capital markets legislation in order to fulfill the requirements of this resolution.

The foregoing resolutions have been adopted."

ii. Profit Distribution:

- The Board of Directors resolution of the Company dated 14.03.2025 and the Material Event Disclosure of the same date are as follows:

“In the Company’s consolidated financial statements for the year 2024, which were prepared in accordance with the provisions of the Capital Markets Board Communiqué Serial: II, No: 14.1, the profit for the period amounts to 2,092,525,630 TL. After allocating 335,253,540 TL to non-controlling interests pursuant to the Capital Markets Legislation, the Company’s Articles of Association, and other applicable regulations, the remaining net profit for the period is 1,757,272,090 TL.”

- Since the first series general legal reserve fund allocated in previous years has reached the legal ceiling, no first series general legal reserve fund should be allocated,
- - 1.131.000.000 TL (Gross), corresponding to 64.24% of the 1.760.478.975 TL, resulting from the addition of donations amounting to 3.206.885 TL to the net profit for the period, will be distributed in cash to the shareholders as dividends,
- The necessary tax withholding will be applied to the portion of the dividends subject to withholding tax.
- The remaining amount will be added to extraordinary reserves.
- The dividend distribution will commence on 17.04.2025,

This proposal will be submitted to the General Assembly for approval, and it was unanimously decided. The relevant dividend distribution proposal was discussed and approved as item 10 on the agenda at the Ordinary General Assembly held on 14.04.2025.

- Alarko Holding A.Ş. Board of Directors resolved in its meetings dated 10.05.2025 and 18.08.2025, within the authority granted to the Board under item 11 of the agenda at the Company’s Ordinary General Assembly held on 14.04.2025, and in accordance with the Company’s Articles of Association and the relevant provisions of the Capital Markets Board’s Dividend Communiqué No. II-19.1, not to distribute any interim dividends for the periods 01.01.2025 – 31.03.2025 and 01.01.2025 – 30.06.2025.

iii. Policies:

The Company’s Dividend Distribution Policy was revised and approved at the Board of Directors meeting dated 14.03.2025. The revised policy was then submitted to the shareholders for approval as item 9 on the agenda of the Ordinary General Assembly held on 14.04.2025, where it was approved.

During the reviewing period, there were no changes to the company's Remuneration Policy, Information Policy, Compensation Policy, Donation and Aid Policy, or other policies.

All policies were disclosed to the public on the corporate website of the company.

iv. Management and Organization:

Changes in the Company's senior management:

- Independent Board Members Ms. Lale ERGİN, Ms. Nihal Mashaki SEÇKİN and Mr. İzzet Cemal KİŞMİR were re-nominated to serve for one year, and upon the approval of the Capital Markets Board, it was submitted to the shareholders for approval at the Ordinary General Assembly held on 14.04.2025 and was accepted.

- The Group Executive Board Member Ms. Melike KOÇOĞLU (General Manager-Agriculture) resigned from her position as of November 2024.

No other changes were made in the board of directors and senior management during the review period.

v. Changes in Group Companies, Subsidiaries and Affiliates:

- A new company, Alfor Havacılık ve Teknik Hizmetler Anonim Şirketi, with a capital of 18,000,000 TL, was established by the Holding's subsidiary Alfor Aviation and Technical Services Limited to operate in the aviation sector. The company was registered by the Istanbul Trade Registry Office and announced in the Turkish Trade Registry Gazette on 24.02.2025.

- A new company, Seraverde Jeotermal Tarım Gıda Sanayi ve Ticaret Anonim Şirketi, with a capital of 250,000 TL, was established by the Holding's subsidiary Alarko Tarım Sanayi ve Ticaret A.Ş. to operate in the agriculture and greenhouse sectors. The company was registered by the Istanbul Trade Registry Office and announced in the Turkish Trade Registry Gazette on 24.02.2025.

- An offer was submitted to Carrier for the purchase of the shares in Alarko Carrier Sanayi ve Ticaret A.Ş. ("Alarko Carrier") owned by the Company's jointly controlled entity, representing 20% of Alarko Carrier's share capital. If Carrier does not accept the offer, the Company will evaluate other alternatives, including selling the shares on the stock exchange. Whether the shares are sold to Carrier or to another party, such a transaction will not result in any change in the control structure of Alarko Carrier, pursuant to the shareholders' agreement executed between the Company and Carrier.

The process with Carrier HVACR Investments B.V. is ongoing, and no decision has yet been made regarding the sale of the shares. At this stage, the share sale information form prepared for the conversion of a total of 1,080,000 TL nominal value (108,000,000 shares), representing 10% of Alarko Carrier's capital and owned by the Company, into exchange-traded shares and their sale on the stock exchange has been submitted to the Capital Markets Board for approval.

- A new company, Alarko Gotion Green Energy Enerji Depolama Sistemleri Üretim A.Ş., with a capital of 250,000 TL, was established by the Holding's subsidiary Altek Alarko Elektrik Santralleri Tesis İşletme ve Ticaret A.Ş. ("Altek Alarko") to operate in the energy storage systems sector. The company was registered by the Istanbul Trade Registry Office on 23.05.2025. Altek Alarko has joined the company with 150,000 TL.

- Among the Holding's subsidiaries:

(i) Jedi Tarım Üretim ve Ticaret Anonim Şirketi,

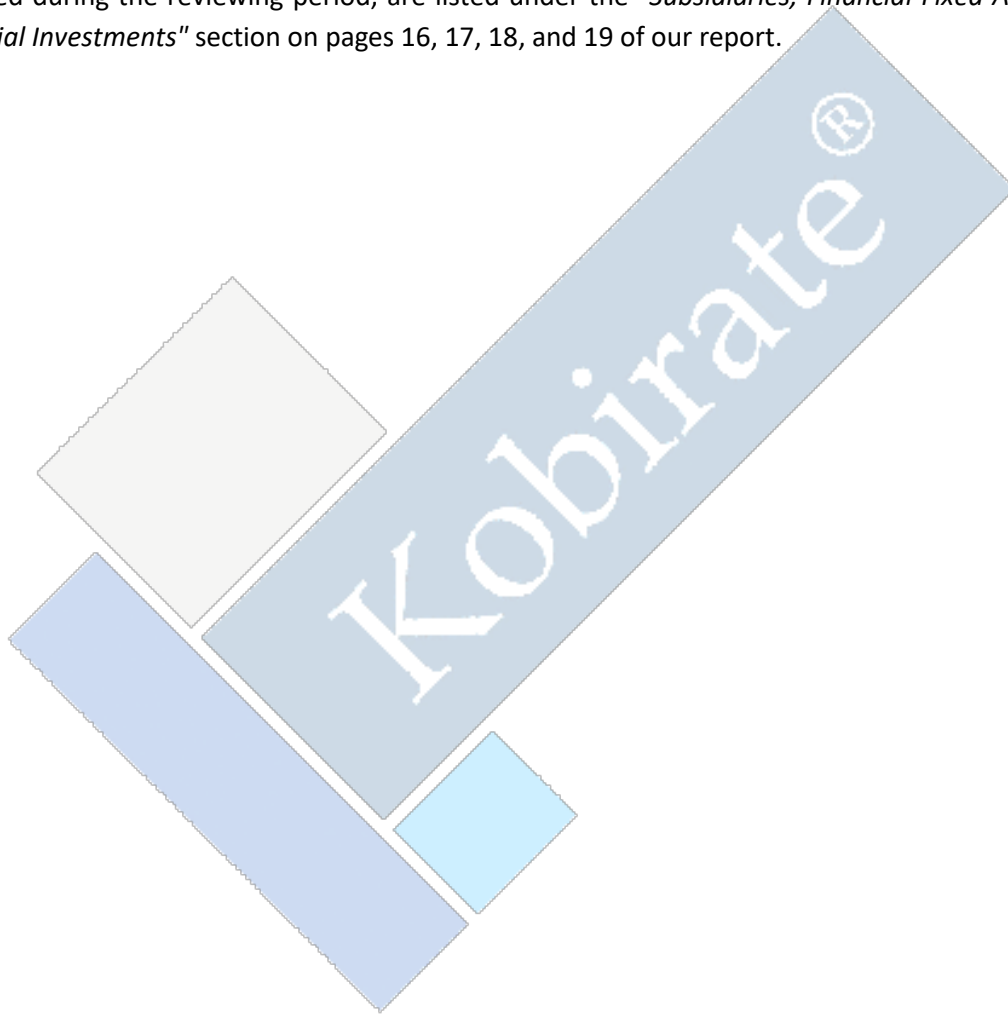
(ii) Mekredi Tarım Üretim ve Ticaret Anonim Şirketi, and

(iii) Samdi Tarım Üretim ve Ticaret Anonim Şirketi were merged into the Holding's other subsidiary, Nata Tarım Üretim ve Ticaret Anonim Şirketi, through a simplified merger process whereby

all assets and liabilities were transferred as a whole. The merger was announced in the Turkish Trade Registry Gazette dated 24.06.2025 and numbered 11357.

- It had previously been announced to the public that Alarko Tarım Sanayi ve Ticaret A.Ş., one of the Holding's subsidiaries, had acquired 600 shares with a nominal value of 15,000 TL, corresponding to 25% of the share capital of Sanrose Tarım Sanayi ve Ticaret Anonim Şirketi ("Sanrose"), whose main field of activity is agriculture and greenhouse operations, on 15.01.2024. As of 03.07.2025, Alarko Tarım has additionally acquired 1,800 shares with a nominal value of 45,000 TL, corresponding to 75% of Sanrose's share capital, in exchange for a purchase price of USD 4,977,000, payable in Turkish Lira equivalent.

Changes in the existing Group Companies, Associates, and Subsidiaries, as well as financial assets acquired during the reviewing period, are listed under the "*Subsidiaries, Financial Fixed Assets, and Financial Investments*" section on pages 16, 17, 18, and 19 of our report.



4. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system that audits whether or not the firm's management structures and management styles, the arrangements for shareholders and stakeholders and the process of informing in transparency and accuracy are performed in accordance with the modern corporate governance principles and which assigns a grade corresponding to the existing situation.

Organization for Economic Co-operation and Development (OECD) established a working group in 1998 in order to assess member countries' opinions on corporate governance and to prepare some non-binding principles.

The fact that principles are open to change over time was also accepted in this work. Although at first these principles were focused on the companies whose shares were quoted on the stock exchange, it was emphasized by OECD that it would also be useful to implement these principles in public enterprises and companies whose shares were not quoted on the stock exchange.

In 1999, OECD Corporate Governance Principles were approved at the OECD Meeting of Ministers and published. Since then, these principles have been regarded as international references for the decision-makers, investors, shareholders, companies and stakeholders throughout the world.

Since their approval, these principles have kept the concept of corporate governance on the agenda and have become guidelines for the laws and regulations in OECD members, as well as other countries.

In OECD Corporate Governance Principles, corporate governance is based on four basic principles, which are fairness, transparency, accountability and responsibility.

Turkey has been closely monitoring these developments. A working group established within TUSIAD in 2001 prepared the guide

titled "Corporate Governance: The best implementation code". Then, CMB issued "Capital Market Board Corporate Governance Principles" in 2003 and updated it in 2005, 2010, 2012, 2013 and 2014 according to international developments in this field.

Obligation to comply with CMB's Corporate Governance Principles, based on the principle of "comply or explain", and to declare that it became part of companies' lives in 2004. Putting the Declaration of Compliance to Corporate Governance in the annual reports became obligatory the following year.

The principles are grouped under four main headings, namely: the Shareholders, Public Disclosure and Transparency, Stakeholders and the Board of Directors.

The Corporate Governance Compliance Rating Methodology has been prepared by Kobirate A.Ş. for companies whose shares are traded on BIST, banks, investment partnerships and non-quoted companies.

It has been prepared by taking into account the criteria specified in the Corporate Governance Communiqué of the CMB, numbered II-17.1, published in the Official Gazette dated 03 January 2014 and numbered 28871, as well as the decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105.

In this analysis, the full compliance of workflow and analysis technique with KOBİRATE A.Ş.'s Ethical Rules is considered.

456 criteria are used in the rating process for BIST 1st Group Companies in order to measure the compliance of firms with corporate governance principles. These criteria are transformed into "Corporate Governance Rating Question Sets" through Kobirate A.Ş.'s software.

The weighting scheme for the four main sections in the new Corporate Governance

Compliance Rating, determined by CMB's memorandum dated 12.04.2013 and numbered 36231672-410.99 (KBRT)-267/3854, is applied completely by Kobirate A.Ş. The weightings are as follows:

Shareholders 25 %

Public Disclosure and Transparency 25 %

Stakeholders 15 %

Board of Directors 35 %

CMB decision dated 01.02.2013 and numbered 4/105 states that in case the minimum requirements of corporate governance principles are met, 85 % of full points can be given at most for that principle and it is required to add new questions/methods into the methodology in order to ensure that good corporate governance principles, which go beyond meeting the minimum requirements are included in the rating grade. Our company has been informed about this requirement by the CMB notification dated 19.07.2013 and numbered 36231672-410.99 (KBRT) 452.

In the 2014/2 revised corporate governance compliance rating methodology, created by our company, the grade that can be given to a related criterion in that subsection for meeting minimum requirements of corporate governance principles, stated by the CMB Communiqué of Corporate Governance published on 03.01.2014, is restricted to 85 % of the full points. A rating is made with a system that completes the section grades up to 100 based on the company's compliance and implementation of the corporate governance practices, which include the good implementation and internalization of the criteria determined in the corporate governance principles, and the different good corporate governance practice criteria determined by our company.

The grade to be assigned by the Corporate Governance Rating Committee to the firm ranges between 0 and 10. In this scale of grade, "10" points mean excellent, full compliance with CMB's Corporate Governance Principles, while grade "0" means that there is no

compliance with CMB's Corporate Governance Principles, in any sense, in the existing weak structure.

**5. KOBİRATE ULUSLARARASI KREDİ DERCELENDİRME VE KURUMSAL YÖNETİM
HİZMETLERİ A. Ş. CORPORATE GOVERNANCE RATING GRADES AND
DESCRIPTIONS**

GRADE	DEFINITIONS
9–10	The Company achieved substantial compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and operational. Any risks to which the Company might be exposed are recognized and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency is high. The interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the BIST corporate governance index.
7–8.9	The Company complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place and operational, although some improvements are required. Potential risks to which the Company may be exposed are identified and can be managed. The rights of the shareholders are impartially taken care of. Public Disclosure and transparency are at high levels. The interests of the stakeholders are fairly considered. Composition and operational conditions of the Board comply with the Corporate Governance Principles. Some improvements are needed in compliance with the Corporate Governance Principles, even though they do not constitute serious risks. The company is eligible for inclusion in the BIST Corporate Governance Index.
6–6.9	The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at a moderate level have been established and operated; however, improvement is required. Potential risks that the Company may be exposed to are identified and can be managed. The interests of the shareholders are taken care of, although improvement is needed. Although public disclosure and transparency are taken care of, there is a need for improvement. The benefits of the stakeholders are taken care of, but improvement is needed. Some improvement is required in the structure and working conditions of the Board.

GRADE	DEFINITIONS
4–5.9	The Company has minimal compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level, but are not fully efficient. Potential risks that the company is exposed to are not properly identified and are not under control. Substantial improvements are required to comply with the Corporate Governance Principles in terms of the benefits of both the shareholders and stakeholders, public disclosure, transparency, and the structure and working conditions of the Board. Under the current conditions, the Company is not eligible to be listed in the BIST Corporate Governance Index.
< 4	The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also failed to establish its internal control systems. Potential risks that the company might be exposed to are not identified and cannot be managed. The company is not responsive to the Corporate Governance Principles at all levels. There are major weaknesses in the interest of the shareholders and the stakeholders, public disclosure, transparency, structure and working conditions of the Board, and they are at a level that might cause the investor to incur material losses.