

CORPORATE GOVERNANCE

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Corporate governance activities were initiated at Vestel Elektronik Sanayi ve Ticaret AŞ (“Company” or “Vestel Elektronik”), which takes utmost care to comply with the “Corporate Governance Principles” of the Capital Markets Board (“CMB”) in late 2004. In order to have an independent evaluation of the Company’s corporate governance practices and share the results with the public, the Company has been obtaining corporate governance rating services for the past twelve years. Vestel Elektronik’s Corporate Governance Rating has been improving steadily since its inclusion in the BIST Corporate Governance Index in 2007. Based on the corporate governance rating study conducted by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri AŞ (SAHA Corporate Governance and Credit Rating Services Inc.), which has been certified by the Capital Markets Board to perform corporate governance rating assessment in accordance with the Corporate Governance Principles in Turkey, Vestel Elektronik’s corporate governance rating was revised up to 9.59 (95.87%) out of a scale of 10 as of 21 February 2019. This high score yet again confirms the importance, which Vestel Elektronik attaches to corporate governance and its commitment to achieve further progress in this area.

The breakdown of the Company’s Corporate Governance Rating by sub-categories is as follows:

Sub-categories	Weight	Rating in 2019 (%)
Shareholders	0.25	94.89
Public Disclosure and Transparency	0.25	97.93
Stakeholders	0.15	98.09
Board of Directors	0.35	94.14
Total	1.00	95.87

The Company’s Corporate Governance Rating Reports can be accessed on the Company’s website at www.vestelinvestorrelations.com.

Vestel Elektronik carries out its activities in compliance with the applicable legislation and the Capital Markets Board’s “Corporate Governance Principles”. The Company fully complies with all the compulsory principles in the Corporate Governance Principles appended to the CMB’s Communiqué on Corporate Governance (II-17.1), and has also adopted the majority of the non-compulsory principles. No conflict of interest has been noted between the stakeholders in relation to the principles that have not yet been fully complied with.

Aware of the positive contributions that adoption of the Corporate Governance Principles brings to the Company, Vestel Elektronik Sanayi ve Ticaret AŞ continues its efforts to further improve its compliance with the Corporate Governance Principles and to comply with the non-mandatory principles that are not yet implemented.

For the period ended on 31 December 2019, the compliance with the Corporate Governance Principles that are appended to the Corporate Governance Communiqué and the explanations with regard to the principles that have not yet been complied with are included in the Corporate Governance Compliance Report, the Corporate Governance Information Form and in the other relevant sections of the annual report.

In case of a change in the Corporate Governance Compliance Report or the Corporate Governance Information Form during the reporting period, a material event disclosure will be made and the changes will also be included in the interim activity reports.

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	There were no transactions in this scope in 2019.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				A separate item on donations was included in the agenda of the Annual General Meeting. Information on the amount of donations and the beneficiaries is provided to shareholders at the Annual General Meeting.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					There is no restriction on the participation of the media in the Company's General Shareholder Meetings. No such request was received from the media in 2019.
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	The Company has no cross-shareholding relationship which brings a controlling relationship.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			The scope of minority rights was not expanded in the Articles of Association. Within the framework of the CMB legislation, minority rights are granted to those who own one-twentieth of the share capital.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					

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	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.					X	There are no individual shareholders in the Company's direct shareholding structure who are subject to the reporting obligation. Information on individual shareholders who own capital indirectly is disclosed in the Corporate Governance/Ownership Structure section of the Company's website.
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X				Apart from the interim activity reports, all information that may affect the investment decisions of foreign investors is available in English on the Company's Investor Relations website.
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.		X				Zorlu Holding AŞ Code of Ethics, which is available on the Company's website, serves to regulate the rights of stakeholders. Efforts are continuing to prepare a specific policy on stakeholder rights.
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.		X				Although there is no provision in the Articles of Association, employees are encouraged to participate in company management through internal practices. Employees may submit their suggestions, requests and opinions directly to the Human Resources Department via the "Vestel Complaint/Wish/Request Evaluation System" on the Company's corporate portal, or to their managers and to those responsible for the evaluation of suggestions through the "Suggestion Module" which is available to all employees. The suggestions received from the employees are evaluated, and those suggestions deemed appropriate are turned into a project and implemented. Employees are rewarded for their contribution.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.		X				In the recruitment practices, equal opportunity is provided to all individuals and a fair and unbiased evaluation is taken as a basis. The recruitment policy for the General Manager and higher level managers is determined by Zorlu Holding AŞ, the controlling shareholder of the Company. In line with the sustainability goals for 2022 set out by Zorlu Holding AŞ, which covers all the Zorlu Group companies, projects are initiated for providing equal opportunities to employees in recruitment, promotion and back-up practices.
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4 - Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.					X	Employees are informed by their managers of any decisions that may affect them. There is no labor union at Vestel Elektronik.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					

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	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.					X	There is no collective bargaining agreement at Vestel Elektronik.
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.		X				It is stated in the annual report that the duties and authorities of the members of the Board of Directors are regulated in the Turkish Commercial Code, however, no detailed description is given in the report.
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.		X				The roles of the Chairman and Chief Executive Officer are separated, however their duties are not defined in writing.
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					The Company's controlling shareholder, Zorlu Holding AŞ, has acquired Directors & Officers Liability Insurance to cover the losses that may be suffered due to the misconduct of Board members in the execution of their duties. The Policy covers all Zorlu Group companies including Vestel Elektronik. The annual insurance limit of the policy exceeds 25% of Vestel Elektronik's share capital.

4.3. STRUCTURE OF THE BOARD OF DIRECTORS

4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.			X			There is no policy or target for the election of female directors to the Board. However, the current ratio of female members in the Board of Directors is 29% and the minimum target rate for female directors stipulated in the corporate governance principles has been achieved.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					

4.4. BOARD MEETING PROCEDURES

4.4.1 - Each board member attended the majority of the board meetings in person.			X			Out of the 7 members of the Board, 6 members attended the majority of the board meetings. One member, who resides abroad, could not participate in the majority of meetings in person.
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	The board members who did not attend the board meetings did not submit a written declaration.
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.		X				There are no working principles of the Board of Directors in writing. However, the manner in which the Board of Directors operates is partly regulated in the Article 16 of the Company's Articles of Association titled the "Board Meetings, Distribution of Duties and Quorums".
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					

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	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				There is no restriction for the board members to assume other duties outside the Company. The duties assumed by the members of the Board of Directors outside the Company are presented for the information of shareholders in the annual report.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Two independent members of the Board of Directors serve on more than one committee due to the number of the board members and the committee formation requirements.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	The committees did not obtain any external consultancy services in 2019.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			There is no performance evaluation practice for the Board of Directors.
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			The remuneration of the board members and senior managers is disclosed in the annual report collectively, while no disclosure is made on an individual basis.

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organized by the company during the year	During the year, a total of 87 meetings were held with investors and analysts either face to face or by phone. The Company attended 1 investor conference and 1 roadshow organized by the brokerage houses.
1.2. Right to Obtain and Examine Information	
The number of special audit request (s)	No requests were made for the appointment of a special auditor in the reporting period.
The number of special audit requests that were accepted at the General Shareholders' Meeting	None.
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/762229
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	It is presented.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no such transaction in 2019.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	There is no such transaction in 2019 within the scope of Article 9.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/764488
The name of the section on the corporate website that demonstrates the donation policy of the company	Corporate Governance / Donation and Charity Policy
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/216237
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	None.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Only shareholders, employees and the representative of the corporate governance rating company participated in the 2018 Annual General Meeting. However, there is no restriction on the participation of stakeholders in the General Shareholders' Meetings.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	None.
The percentage of ownership of the largest shareholder	73.66%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	None.
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Stock Information / Dividend Distribution Policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	Considering the current economic outlook, the long term strategies and the investment, liquidity and financing policies of the Company as well as to protect the long term interests of shareholders, employees and the Company, the decision was taken not to distribute the 2018 distributable profit and to add it to extraordinary reserves after setting aside the required amount for the first legal reserve, in order to strengthen the financial structure of the Company and not to create an additional financing need.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	https://www.kap.org.tr/tr/Bildirim/762229

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GENERAL ASSEMBLY MEETINGS

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
08.05.2019	None.	84.2245%	0.0007%	84.2238%	Corporate Governance / General Meetings of Shareholders	Corporate Governance / General Meetings of Shareholders	None.	None.	https://www.kap.org.tr/tr/Bildirim/762229

2. DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.

The information requested in the corporate governance principle numbered 2.1.1. is available on the Company's Investor Relations website under the sections "About Us, News, Corporate Governance, Financials, Stock Information and Frequently Asked Questions".

If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.

Corporate Governance / Ownership Structure

List of languages for which the website is available

Turkish & English

2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members

It is presented in the Management / Board of Directors and Corporate Governance sections of the annual report.

b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure

It is presented in the Corporate Governance section of the annual report.

c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings

It is presented in the Additional Disclosures as per the Legislation section of the annual report.

ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation

It is presented in the Additional Disclosures as per the Legislation section of the annual report.

d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof

It is presented in the Additional Disclosures as per the Legislation section of the annual report.

e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest

It is presented in the Additional Disclosures as per the Legislation section of the annual report.

f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%

It is presented in Additional Disclosures as per the Legislation section of the annual report.

g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results

It is presented in the Activities / Vestel & Sustainability section of the annual report.

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Corporate Governance / Employee Compensation Policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	7
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Internal Audit General Director on behalf of Zorlu Holding AŞ's Ethics Committee (Billur Demet Atan - billur.atan@zorlu.com)
The contact detail of the company alert mechanism	Code of Ethics Hotlines: etik@zorlu.com 0 212 456 23 23 / 0 850 226 23 23
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	The Complaint/Wish/Request Evaluation System, which was created in order to evaluate the complaints, wishes and requests of employees and to increase employee motivation and satisfaction as well as efficiency, is available on the corporate portal which is only open to the Company employees.
Corporate bodies where employees are actually represented	Occupational Health and Safety Committee, Meal Satisfaction and Menu Selection Committee and committees established within the scope of TPM (Total Productive Maintenance) activities
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The Board of Directors of Zorlu Holding AŞ, the Company's controlling shareholder, initiated efforts to establish a succession plan for the key management positions at Zorlu Group companies.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	The Vestel Group of Companies' Recruitment and Placement Regulation, which includes the criteria for equal opportunities and recruitment of personnel, is available on the Company's corporate portal. The Regulation sets out the general rules regarding the employment of individuals, who are compatible with the vision, mission, work requirements and values of the Vestel Group of Companies, by offering them an equal opportunity and by evaluating them fairly and impartially to meet the human resource needs of the Group companies. The Human Resources Policy is available in the Corporate Governance section on the corporate website.
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	The Human Resources Policy is available in the Corporate Governance / Human Resources Policy section. It is specifically mentioned in all regulations: "No discrimination is permitted in applications on the basis of gender, age, religion, race, sect, social status, physical appearance, ethnic origin, nationality, sexual orientation or any other personal characteristics."
The number of definitive convictions the company is subject to in relation to health and safety measures	1
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Corporate Governance / Code of Ethics
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	It is presented in the Sustainability section under the Social Awareness / Our Values and Ecological Awareness / Environmental Practices headings of the corporate website.
Any measures combating any kind of corruption including embezzlement and bribery	These measures are included in the Code of Ethics of Zorlu Holding AŞ, which is available under the heading of the Code of Ethics in the Corporate Governance section on the Company's corporate website.

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4. BOARD OF DIRECTORS-I

4.2. Activity of the Board of Directors

Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name (s) of the board member (s) with specific delegated duties and authorities, and descriptions of such duties	Chairman: Ahmet Nazif Zorlu, Vice Chairman: Bekir Ağırdir. All members of the Board of Directors have been given first degree signature authority. With the Board resolution dated 09.05.2019 and numbered 2019/24, any member of the Board of Directors who has first degree signature authority is authorized to represent and bind the Company without any monetary limitation in any matter with a joint signature together with Ahmet Nazif Zorlu.

4.2. Activity of the Board of Directors

Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	9
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	It is presented in the Corporate Governance section of the annual report.
Name of the Chairman	Ahmet Nazif Zorlu
Name of the CEO	Enis Turan Erdoğan
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	They are different individuals.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/tr/Bildirim/771175
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	There is no such policy.
The number and ratio of female directors within the Board of Directors	Number: 2 Ratio: 29%

COMPOSITION OF BOARD OF DIRECTORS

Name, Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date to Board	Link to PDP Notification that includes the Independency Declaration	Whether the Independent Director considered by the Nomination Committee	Whether She/He is the Director who ceased to satisfy the Independence or Not	Whether the Director has at least 5 years of experience on Audit, Accounting and/or Finance or Not
Ahmet Nazif Zorlu	Non-executive	Not independent director	14.09.1995	-	-	-	-
Bekir Ağırdir	Non-executive	Independent director	09.05.2018	https://www.kap.org.tr/tr/Bildirim/762229	Considered	No	Yes
Selen Zorlu Melik	Non-executive	Not independent director	19.06.2012	-	-	-	-
Mehmet Emre Zorlu	Non-executive	Not independent director	27.05.2009	-	-	-	-
Olgun Zorlu	Non-executive	Not independent director	27.05.2009	-	-	-	-
Ayşegül İldeniz	Non-executive	Independent director	09.05.2018	https://www.kap.org.tr/tr/Bildirim/762229	Considered	No	-
Elmas Melih Araz	Non-executive	Independent director	09.05.2018	https://www.kap.org.tr/tr/Bildirim/762229	Considered	No	Yes

4. BOARD OF DIRECTORS-II**4.4. Meeting Procedures of the Board of Directors**

Number of physical board meetings in the reporting period (meetings in person)	45
Director average attendance rate at board meetings	92.06%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	1 week before the meeting
The name of the section on the corporate website that demonstrates information about the board charter	It is specified in Article 16 of the Articles of Association which is available in the Corporate Governance section of the website.
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None.

4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented	It is presented in the Corporate Governance section of the annual report.
Link (s) to the PDP announcement (s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/220052 https://www.kap.org.tr/tr/Bildirim/267337 https://www.kap.org.tr/tr/Bildirim/348328 https://www.kap.org.tr/tr/Bildirim/348330 https://www.kap.org.tr/tr/Bildirim/348331

COMPOSITION OF BOARD COMMITTEES-I

Names of the Board Committees	Name of Committees Defined As "Other" in the First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Audit Committee	-	Elmas Melih Araz	Yes	Board member
Audit Committee	-	Bekir Ağırdir	No	Board member
Corporate Governance Committee	-	Bekir Ağırdir	Yes	Board member
Corporate Governance Committee	-	Mehmet Emre Zorlu	No	Board member
Corporate Governance Committee	-	Serap Mutlu	No	Not board member
Committee of Early Detection of Risk	-	Elmas Melih Araz	Yes	Board member
Committee of Early Detection of Risk	-	Selen Zorlu Melik	No	Board member

CORPORATE GOVERNANCE

4.5. Board Committees-III

4.5. Committees Established Within the Board of Directors-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is presented in the Corporate Governance section of the annual report.
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	It is presented in the Management / Interview with the CEO section of the annual report.
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Corporate Governance / Remuneration Policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	It is presented in the Additional Disclosures as per the Legislation section of the annual report.

COMPOSITION OF BOARD COMMITTEES-II

Names of the Board Committees	Name of Committees defined as "Other" in the First Column	The Percentage of Non-executive Directors	The Percentage of Independent Directors in the Committee	The Number of Meetings Held in Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	-	100%	100%	6	5
Corporate Governance Committee	-	67%	33%	5	3
Committee of Early Detection of Risk	-	100%	50%	6	6