

DECLARATION OF COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES

Our company has taken due care in the observation of Corporate Governance Principles published by the Capital Markets Board. All of the obligatory principles defined in the Communiqué on Corporate Governance have been observed by our Company. Most of the non-obligatory Corporate Governance Principles have also been complied with, while those that could not be complied with have been explained in the annual report in Corporate Governance Compliance Report (CRF), Corporate Governance Information

Form ("CGIF") and other relevant sections. Please find the details on the issue in the following sections. The Corporate Governance Committee continues to perform its activities.

CORPORATE GOVERNANCE COMPLIANCE REPORT

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 is no action within the scope of this article.
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					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
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					

CORPORATE GOVERNANCE COMPLIANCE REPORT

Corporate Governance Compliance Report	Company Compliance Status				Explanation
	Yes	Partial	No	Exempted	
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				
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 articles of association stipulate that minority rights are not less than one-twentieth of the capital.
1.6. DIVIDEND RIGHT					
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X				
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 Dividend distribution made.
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				
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				
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				

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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					The stakeholders policy is explained in PDP and presented to the shareholders on the Alarko Holding corporate website.
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					
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		No special model is designed for employee participation in management.
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					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised 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					
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					

CORPORATE GOVERNANCE COMPLIANCE REPORT

Corporate Governance Compliance Report	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					
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					

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
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 insurance to cover the potential damages resulted from the actions of the members of the BoD was not covered.
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 are 3 female members on the Board of Directors, and the nomination process is based on the criteria of inclusiveness and competence. Alarko Holding's Women in the Board of Directors Policy is presented on the corporate website.
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			Some of our Board meetings for 2022 have been held through video conference, and a Board Member who is abroad with a valid excuse was granted the chance to attend the meetings through this means. The working principles of our Board of Directors provide that each Member of the Board is obliged to attend the Board meetings either physically or electronically.
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					

CORPORATE GOVERNANCE COMPLIANCE REPORT

Corporate Governance Compliance Report	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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					
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					
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		No rules or restrictions have been laid down for preventing members of the board of directors from serving outside the company, and their services in this scope were not presented to the shareholders in the general assembly meeting for information.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.				X		The chairmen of the Committees and all members of the Audit Committee must be independent members. Some independent members serve in several committees.
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 have not procured consulting services.
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					
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 paid to members of the board of directors and managers with administrative responsibilities are explained in the annual report; however, no explanation has been provided 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 91 physical, 68 virtual meetings

1.2. Right to Obtain and Examine Information

The number of special audit request(s) Request for appointment of special auditor is not governed by our Articles of Association separately, and pursuant to Article 438 of the Turkish Commercial Code, even if it is not included in the agenda, any shareholder may request the general assembly to clarify certain events with a special audit, if it is necessary for the exercise of shareholder rights and the right to receive information or review has already been exercised. No such request has been received in 2022.

The number of special audit requests that were accepted at the General Shareholders' Meeting Shareholders have not had a request to this effect

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/1014145>

Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time Yes

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 -

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) -

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) -

The name of the section on the corporate website that demonstrates the donation policy of the company <https://www.alarko.com.tr/en/investor-relations/corporate-governance/donations-and-aids-policy>

The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved

The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting Articles No: 48 - 49 - 50 - 51 - 52 - 53 and 54

Identified stakeholder groups that participated in the General Shareholders' Meeting, if any -

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. -

The percentage of ownership of the largest shareholder 17.68%

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. -

1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy <https://www.alarko.com.tr/en/investor-relations/corporate-governance/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. Dividend distribution made

PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends Dividend distribution made

CORPORATE GOVERNANCE INFORMATION FORM

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
27.04.2022	0	72.61%	67.65%	4.96%	https://www.alarko.com.tr/en/investor-relations/corporate-governance/general-assembly-participation-and-minutes	https://www.alarko.com.tr/en/investor-relations/corporate-governance/general-assembly-participation-and-minutes	-	0	https://www.kap.org.tr/tr/Bildirim/1024416

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.	https://www.alarko.com.tr/en/investor-relations/overview
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.	https://www.alarko.com.tr/en/investor-relations/corporate-governance/shareholder-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	Board of Directors/Additional Information Regarding Our Activities/ The Structure and Composition of the Board of Directors
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	Additional Information Regarding Our Activities/ Assessment on the Operating Principles of the Board of Directors' Committees and their Effectiveness
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	Additional Information Regarding Our Activities/Board of Directors/Principles of Conduct of the Board of Directors
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	Additional Information Regarding Our Activities - Page no: 71 Article no: 3
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	Annual Report of the Board of Directors - Page no: 25 Article no: 9
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	Additional Information Regarding Our Activities - Page no: 67 Article no: 7

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%	Additional Information Regarding Our Activities/ Shares of Entities Subject to Consolidation in the Parent Capital
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	Additional Information Regarding Our Activities/ Social and Industrial Activities

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	https://www.alarko.com.tr/en/investor-relations/corporate-governance/compensation-policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	-
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Investor Relations and Corporate Communications Department Director
The contact detail of the company alert mechanism	Özgür Kalyoncu - 0212 310 33 00 - ozgur.kalyoncu@alarko.com.tr

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	-
Corporate bodies where employees are actually represented	-

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	Succession plan is being conducted by the Board of Directors
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.	Annual Report/Additional Information Regarding Our Activities/ Human Resources Policy
Whether the company provides an employee stock ownership programme	There is no plan for stock ownership
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.	Annual Report/Additional Information Regarding Our Activities/ Human Resources Policy
The number of definitive convictions the company is subject to in relation to health and safety measures	-

3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations/Corporate Governance / Code of Ethics and Standards of Professional Conduct
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.	Annual Report/Additional Information Regarding Our Activities / Rules of Ethic and Social Accountability
Any measures combating any kind of corruption including embezzlement and bribery	Annual Report/Additional Information Regarding Our Activities/ Risk Management and Internal Control Mechanism

CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-I

4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	27.04.2022
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	-
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	2
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	Additional Information Regarding Our Activities / Risk Management and Internal Control Mechanism
Name of the Chairman	İzzet GARİH
Name of the CEO/General Manager	President of the Executive Board - Ümit Nuri YILDIZ
If the CEO and Chair functions are combined; provide the link to the relevant PDP announcement providing the rationale for such combined roles	-
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	-
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	https://www.alarko.com.tr/en/investor-relations/corporate-governance/policy-on-female-members-of-the-board-of-directors
The number and ratio of female directors within the Board of Directors	3 - 33,33%

Board Members

Name-Surname	Whether Executive Director or not	Independent Board Member 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' Experience on Audit, Accounting and/ or Finance or not
İzzet GARİH	Non- executive	Not independent	07.04.2000	-	-	-	-
Vedat AkseI ALATON	Non- executive	Not independent	07.04.2000	-	-	-	-
Ayhan YAVRUCU	Executive	Not independent	31.03.1986	-	-	-	-
Leyla ALATON	Non- executive	Not independent	29.03.2002	-	-	-	-
Niv GARİH	Non- executive	Not independent	30.04.2014	-	-	-	-
Ümit Nuri YILDIZ	Executive	Not independent	14.07.2020	-	-	-	-
Neslihan TONBUL	Non- executive	Independent	05.06.2018	https://www.kap.org.tr/tr/Bildirim/1014145	Considered	No	Yes
Mehmet Tayfun ANIK	Non- executive	Independent	05.06.2018	https://www.kap.org.tr/tr/Bildirim/1014145	Considered	No	Yes
Nihal Mashaki Seçkin	Non- executive	Independent	11.01.2023		Considered	No	No

* Dr. Burak KOÇER resigned voluntarily on 28.11.2022, and Nihal Mashaki SEÇKİN was nominated by the Board of Directors on 01.12.2022 as a candidate for Independent Director. Nihal Mashaki SEÇKİN will serve as a candidate for Independent Director as of 11.01.2023 with the approval of the Capital Markets Board, and her candidacy will be submitted for approval at the 2022 General Meeting of Shareholders.

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)	31
Director average attendance rate at board meetings	97,5%
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	3
The name of the section on the corporate website that demonstrates information about the board charter	Annual Report/Additional Information Regarding Our Activities/ Board of Directors/Principals of Conduct of the Board of Directors
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	-

4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented	Additional Information Regarding Our Activities/ Assessment on the Operating Principles and Effectiveness of the Committees of the Board of Directors
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/en/Bildirim/198410 https://www.kap.gov.tr/en/Bildirim/229346 https://www.kap.gov.tr/en/Bildirim/890305

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
Corporate Governance Committee	-	Nihal Mashaki Seçkin*	Yes	Board Member
Corporate Governance Committee	-	İzzet Garih	No	Board Member
Corporate Governance Committee	-	Vedat Aksel Alaton	No	Board Member
Corporate Governance Committee	-	Özgür Kalyoncu	No	Not Board Member
Audit Committee	-	Neslihan Tonbul	Yes	Board Member
Audit Committee	-	Nihal Mashaki Seçkin*	No	Board Member
Early Detection of Risk Committee	-	Neslihan Tonbul	Yes	Board Member
Early Detection of Risk Committee	-	İzzet Garih	No	Board Member
Early Detection of Risk Committee	-	Vedat Aksel Alaton	No	Board Member

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CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS - III

4.5. Board Committees-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)	Additional Information Regarding Our Activities/ Assessment on the Operating Principles and Effectiveness of the Committees of the Board of Directors
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)	Additional Information Regarding Our Activities/ Assessment on the Operating Principles and Effectiveness of the Committees of the Board of Directors
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)	Corporate Governance Committee carries out the duties of the Nomination Committee.
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)	Additional Information Regarding Our Activities/ Assessment on the Operating Principles and Effectiveness of the Committees of the Board of Directors
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)	Corporate Governance Committee carries out the duties of the Remuneration Committee.
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)	Annual Report / Board of Directors' Annual Report
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	https://www.alarko.com.tr/en/investor-relations/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)	Additional Information Regarding Our Activities / Remuneration of Board Members and Top Executives

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%	4	8
Corporate Governance Committee	-	75%	25%	3	3
Early Detection of Risk Committee	-	100%	33%	1	6

SUSTAINABILITY PRINCIPLES COMPLIANCE DECLARATION

Alarko Holding A.Ş. and Group Companies closely follow best practices in sustainability, including those specified in the Capital Markets Board (CMB) Sustainability Principles Compliance Framework, and conducts its activities with the goal of ensuring compliance with generally accepted best practices in this field.

Practices regarding the principles within the scope of the CMB Sustainability Principles Compliance Framework are included in the "Sustainability" section of the Annual Report. In addition, information is presented for the evaluation of relevant stakeholders in the Corporate Governance and Social Responsibility sections of Alarko Holding's corporate website. The explanations for the principles for which an improvement is accomplished in accordance with the information that has been shared are provided below.

A. General Principles

Alarko Holding A.Ş. started developing policies for compliance with the sustainability principles at the end of 2020. Primarily, an inventory study was conducted by collecting information on issues, policies, and procedures followed both by the Holding and Group Companies, as well as a list of initiatives to which they were members.

A Sustainability Working Group was established with the approval of the Board of Directors.

Taking into consideration the items in the inventory, it was agreed to begin working on establishing key performance indicators with a specific time schedule, following the start of materiality studies and on the formulation of Short-, Medium-, and Long-term strategies.

Among quality management standards and certifications regarding environmental, social, and corporate governance, the Group companies have obtained and are in compliance with ISO 9001 Quality, ISO 14001 Environmental Management, ISO 18001 and ISO 50001 certificates at all times, and key performance indicators are presented to management on a regular basis. Environmental management systems of our Group companies are regularly reported in the "Management Review Meetings". A quality management system report is issued once a year and presented to the board of directors.

Regarding principles A2.3. and A2.4., Alarko Holding A.Ş. continues to work on key indicators as part of sustainability studies, and studies on performance improvement elements are being conducted. Final studies are expected to be completed by the end of 2023.

Regarding principles A3.1., A3.2., A3.3., A3.4, and A3.5; the preparation of Alarko Holding A.Ş. sustainable first report is in progress. A follow-up mechanism will be put in place following the reporting.

Regarding Principle A4.1; independent third-party verification has not been performed when this report was being drafted.

B. Environmental Principles

Alarko Holding A. adopts and implements core principles aimed at protecting nature and the environment in all of its activities, in collaboration with all of its employees and sub-industry. The core principles are included in the "Ethical Principles and Social Responsibility" section of the Annual Report.

Alarko Holding A.Ş. has TSE-ISO 14001:2015 Environmental Management System as a stakeholder of the Integrated Management Systems of the Group companies. Environmental management and environmental commitments are carried out in accordance with international environmental management systems.

SUSTAINABILITY PRINCIPLES COMPLIANCE DECLARATION

It has established its own environmental management systems in line with the TSE-ISO 14001:2015 Environmental Management System Standard and obtained and maintains a certificate from TSE, which conducts independent audits.

Industry and Trade Group complies with the Social Policy, Environment, and Occupational Health and Safety procedures in accordance with ISO 50001 and ISO 45001 Standards.

The Tourism Group holds ISO 18001, Safe Tourism Certificate, Zero Waste Basic Certificate, Blue Flag Certificate, HACCP Gold Certificate, and Travelife Gold certificates, and is regularly audited and in compliance with these certificates.

Regarding the principles numbered B3, B9, B10, B11, B12, B15, B16, and B17; the sustainability report is being drafted, and compliance with these principles will be ensured with the development of this report.

C. Social Principles

Full compliance with the legal framework and legislation is achieved in the employment contract made with all employees who will work at Alarko Holding A.Ş. and in human resources procedures. Equal opportunity in recruitment is maintained through policies in compliance with the applicable legislation. The requirements of the Labor and Social Security Legislation and Labor Law against discrimination, inequality, human rights violations, and child labor are met.

All Group companies are certified under the TS EN 45001 Occupational Health and Safety Management System. We have an OHS Policy. OHS Unit reports work incidents monthly, OHS risk analyzes are conducted. Monthly OHS committee meetings are also held with the participation of senior management.

Processes and policies on the protection of personal data have been developed, and are regularly updated and controlled.

Customer satisfaction is extremely important to all Group Companies, and we use a Customer Questionnaire Form that is sent to our customers on a regular basis throughout the year to measure their satisfaction and take quick action when necessary.

The ethical rules and principles that are approved by the Company's Board of Directors and Audit, Advisory, and Approval Board, accepted by all Alarko Gayrimenkul Holding A.Ş. Employees and Management, as well as stated in the Philosophy of Alarko Group of Companies, are included in the "Ethical Rules and Social Responsibility" section of the Annual Report.

D. Corporate Governance Principles

Sustainability is at the center of the corporate governance strategy.

All Group companies support and actively take part in sustainability activities. For this purpose, Group companies conduct afforestation projects and support women's cooperatives. EFQM excellence model is adopted within the framework of our KalDer membership. Alarko Carrier, one of our Group companies, obtained the SA 8000 Social Accountability Certificate in 2005 and renewed it in 2014.

Disciplinary procedures are in place in relation to bribery and corruption.

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

	PRINCIPLE	COMPLIANCE STATUS				EXPLANATIONS	PART/LINK
		YES	NO	PARTLY	N/A		
A. General Principles							
A1. Strategies, Policies, and Objectives							
A1.1	Material environmental, social, and corporate governance (ESG) issues, risks, and opportunities have been identified by the Company's board of directors.			X		Process-based risk analyses were conducted. There are regulations regarding relations with shareholders, stakeholders, and the public as part of the Code of Ethics.	Alarko Corporate Website /Investor Relations/Corporate Governance
	ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) have been developed and disclosed to the public by the board of directors.			X		People and Organizational Policy and Stakeholders Policy have been developed	Alarko Corporate Website /Investor Relations/Corporate Governance
A1.2	Short and long-term objectives set within the scope of ESG policies have been disclosed to the public.			X		The Company continues to work on this matter.	Alarko Corporate Website/Investor Relations/Annual Report
A2. Implementation/Monitoring							
A2.1	Committees and/or units responsible for the implementation of ESG policies, as well as the employees in the Company with the top-level responsibility for ESG issues and the duties of these employees, have been identified and made public.	X				Announced on PDP	Alarko Corporate Website /Investor Relations/Material Disclosures
	The activities carried out within the scope of the policies by the responsible committee and/or unit were reported to the board of directors at least once a year.	X				Reported to the Board of Directors	Alarko Corporate Website/Investor Relations/Annual Report
A2.2	Implementation and action plans have been developed and disclosed to the public in line with ESG objectives.			X		The Company continues to work on this matter.	Alarko Corporate Website/Investor Relations/Annual Report
A2.3	ESG Key Performance Indicators (KPIs) and the level of achievement of these indicators on an annual basis have been disclosed to the public.		X			The Company continues to work on this matter.	
A2.4	Activities to improve the sustainability performance of business processes or products and services have been disclosed to the public.		X			The Company continues to work on this matter.	
A3. Reporting							
A3.1	Information on the Company's sustainability performance, objectives, and actions was provided in the annual reports in an understandable, accurate, and sufficient manner.	X					Alarko Corporate Website/Investor Relations/Annual Report
A3.2	The Company has publicly disclosed information on which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.			X		The Company continues to work on this matter.	Alarko Corporate Website /Investor Relations/Corporate Governance
A3.3	Lawsuits filed against and/or finalized on ESG issues, which are important in terms of ESG policies and/or may significantly affect operations, have been disclosed to the public.				X	None	
A4. Verification							
A4.1	ESG Key Performance Measures of the Company have been verified by an independent third party and disclosed to the public.		X			The Company continues to work on this matter.	
B. Environmental Principles							
B1	The Company has publicly disclosed its environmental policies and practices, action plans, environmental management systems (ISO 14001 standard), and programs.	X				The company is equipped with ISO 14001 certificate	Alarko Corporate Website/Investor Relations/Annual Report

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

	PRINCIPLE	COMPLIANCE STATUS				EXPLANATIONS	PART/LINK
		YES	NO	PARTLY	N/A		
B2	Regarding the environmental reports in which information on environmental management is provided, the scope of the report, reporting period, reporting date as well as restrictions on reporting conditions have been disclosed to the public.		X			The Company continues to work on this matter.	
B3	Explained in A2.1.						
B4	Environmental objectives included in the rewarding criteria as part of the performance incentive systems have been disclosed to the public on the basis of stakeholders (such as board members, managers, and employees).		X			The Company continues to work on this matter.	
B5	How material environmental issues are integrated into business objectives, and strategies has been disclosed to the public.		X			The Company continues to work on this matter.	
B6	Explained in A2.4.					The Company continues to work on this matter.	
B7	How environmental issues are managed and integrated into business objectives and strategies across the Company's value chain, including its suppliers and customers as well as into the operation process, have been disclosed to the public.		X			The Company continues to work on this matter.	
B8	It has been disclosed to the public whether relevant institutions and non-governmental organizations were involved in environmental policy-making and the nature of collaborations with these institutions and organizations.		X			The Company continues to work on this matter.	
B9	In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts), information on environmental impacts has been disclosed to the public, allowing periodical comparison.		X			The Company continues to work on this matter.	
B10	Details of the standard, protocol, methodology, and base year used to collect and calculate the data have been disclosed to the public.		X			The Company continues to work on this matter.	
B11	The increase or decrease in environmental indicators for the reporting year in comparison with previous years has been disclosed to the public.		X			The Company continues to work on this matter.	
B12	Short and long-term targets have been set to reduce environmental impacts, and these targets and progress against the targets set in previous years have been disclosed to the public.		X			The Company continues to work on this matter.	
B13	A strategy to tackle the climate crisis has been developed and planned actions have been disclosed to the public.		X			The Company continues to work on this matter.	
B14	Programs or procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been developed and disclosed to the public.		X			The Company continues to work on this matter.	
	Actions have been taken to reduce the greenhouse gas emissions of third parties (e.g. suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.		X			The Company continues to work on this matter.	
B15	Environmental benefits/gains and cost savings from initiatives and projects aiming to reduce environmental impacts have been disclosed to the public.		X			The Company continues to work on this matter.	

	PRINCIPLE	COMPLIANCE STATUS				EXPLANATIONS	PART/LINK
		YES	NO	PARTLY	N/A		
B16	Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data have been disclosed to the public as Scope-1 and Scope-2.		X			The Company continues to work on this matter.	
B17	The amount of electricity, heat, steam, and cooling generated in the reporting year has been disclosed to the public.		X			The Company continues to work on this matter.	
B18	Studies have been conducted to increase the use of renewable energy and transition to zero or low-carbon electricity and publicly disclosed.		X			The Company continues to work on this matter.	
B19	Renewable energy production and consumption figures have been disclosed to the public.		X			The Company continues to work on this matter.	
B20	Energy efficiency projects have been conducted and the amount of energy consumption and emission reductions achieved through energy efficiency projects have been disclosed to the public.		X			The Company continues to work on this matter.	
B21	Water consumption, the amount of water extracted from underground or surface water bodies, and if any, the amount of recycled and discharged water, relevant water sources, and procedures have been disclosed to the public.		X			The Company continues to work on this matter.	
B22	It has been disclosed to the public whether the operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade, or Carbon Tax).		X			The Company continues to work on this matter.	
B23	Information on carbon credits accumulated or purchased during the reporting period has been disclosed to the public.		X			The Company continues to work on this matter.	
B24	If carbon pricing is applied within the Company, the details have been disclosed to the public.		X			The Company continues to work on this matter.	
B25	The platforms where the Company discloses its environmental information have been disclosed to the public.		X			The Company continues to work on this matter.	
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.1	A Corporate Human Rights and Employee Rights Policy has been developed in line with the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey, and other applicable legislation, the parties responsible for the implementation of the policy have been identified and the policy and responsible parties have been disclosed to the public.			X		Included in the People and Organizational Policy and Stakeholders Policy	Alarko Corporate Website /Investor Relations/Corporate Governance
C1.2	Fair labor practices, improvement of labor standards, women's employment, and inclusion (such as non-discrimination based on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, trade union activities, political opinion, disability, social and cultural differences, etc.) are included in the policy on employee rights, taking into account supply and value chain impacts.	X				Included in the People and Organizational Policy and Stakeholders Policy	Alarko Corporate Website /Investor Relations/Corporate Governance
C1.3	Measures taken across the value chain to protect the rights of economically, environmentally, and socially vulnerable groups (low-income segments, women, etc.) or minority rights/equal opportunities have been disclosed to the public.		X			The Company continues to work on this matter.	
C1.4	Progress in preventing and remedying discrimination, inequality, human rights violations, forced labor, and child labor has been disclosed to the public.			X		Included in the Code of Ethics and Standards of Professional Conduct	Alarko Corporate Website /Investor Relations/Corporate Governance

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

	PRINCIPLE	COMPLIANCE STATUS				EXPLANATIONS	PART/LINK
		YES	NO	PARTLY	N/A		
	Investment in employees (training, development policies), compensation, benefits, the right to unionize, solutions for maintaining work/life, and talent management are included in the policy on employee rights.			X		Included in the Code of Ethics and Standards of Professional Conduct	Alarko Corporate Website /Investor Relations/Corporate Governance
C1.5	Mechanisms for resolving employee complaints and disputes have been established and dispute resolution processes have been determined.		X			The Company continues to work on this matter.	
	Activities carried out during the reporting period to ensure employee satisfaction have been disclosed to the public.		X			The Company continues to work on this matter.	
	Occupational health and safety policies have been developed and disclosed to the public.		X			The Company continues to work on this matter.	
C1.6	Measures taken to prevent occupational accidents and protect health, and accident statistics have been disclosed to the public.		X			The Company continues to work on this matter.	
C1.7	Personal data protection and data security policies have been established and disclosed to the public	X				A Personal Data Protection policy has been developed.	Alarko Corporate Website /About Us/Protection of Personal Data
C1.8	Ethics policy has been established and disclosed to the public	X				Included in the Code of Ethics and Standards of Professional Conduct	Alarko Corporate Website /Investor Relations/Corporate Governance
C1.9							
C1.10	Informative meetings and training programs have been organized for employees on ESG policies and practices.		X			The Company continues to work on this matter.	
	C2. Stakeholders, International Standards and Initiatives						
C2.1	A customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed to the public.		X				
C2.2	Information on communication with stakeholders (stakeholder, topic, and frequency) has been disclosed to the public.			X		Disclosed as part of the Investor Relations activities	Alarko Corporate Website/Investor Relations/Annual Report
C2.3	International reporting standards adopted in reporting have been disclosed.		X			The Company continues to work on this matter.	
C2.4	Principles adopted in relation to sustainability, international organizations, committees, and principles of which the Company is a signatory or member have been disclosed to the public.		X			The Company continues to work on this matter.	
C2.5	Developments have been made and studies have been carried out to be included in the sustainability indices of Borsa Istanbul and/or international index providers.		X			The Company continues to work on this matter.	
	D. Corporate Governance Principles						
D1	Stakeholders have been consulted when identifying sustainability measures and strategies.		X			The Company continues to work on this matter.	
D2	Social responsibility projects, awareness-raising events, and training have been conducted to raise awareness of sustainability and its importance.			X			Alarko Corporate Website / Responsibility / Overview