

Corporate Governance Principles Declaration

İstanbul, 14.02.2022

To Board of Directors of İş Finansal Kiralama A.Ş.

CORPORATE GOVERNANCE PRINCIPLES DECLARATION

Pursuant to the "Corporate Governance Communiqué" no. II-17.1 of the Capital Markets Board of Turkey (CMB), which went into force upon its publication in the Official Gazette issue 28871 dated 03 January 2014, it has been deemed appropriate for companies traded on Borsa İstanbul (BİST) to incorporate their declaration of compliance with Corporate Governance Principles and their compliance reports in their annual reports and to post the same on their websites. Under the Capital Market legislation, our Company's corporate governance principles reports for each year have been published on our corporate website (www.isleasing.com.tr) and in our respective annual reports since 2005.

Our Company sees great benefit in enforcing and implementing the corporate governance principles across our Company both with respect to the development of national and international capital markets, and with respect to our Company's interests. Implementation of corporate governance principles at our Company is a continuous and dynamic process, and hence, corporate governance notion is maintained with an expanding scope.

Under this context, being listed under the corporate governance index of Borsa İstanbul, as a result of the rating process performed by Saha Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. in 2021, considering the emphasis on corporate governance rules, the willingness to perform this process consistently and dynamically and the improvement realized in the process since the previous rating score, corporate governance rating score of our company has been rated as 9.29 (92.91) and the rating report has been announced to public. This rating report has also been shared with the public under our company website (www.isleasing.com.tr), concerning to increase this corporate governance rating score, the protection of rights of shareholders, informing the public and maintaining transparency, Sustainability Strategy and the adjustment to the said rules in decisions and transactions concerning stakeholders and Board of Directors are aimed and in this context, effort for corporate governance compliance is maintained under the supervision of our committee.

It is targeted to achieve maximum compliance with these principles in the protection of our shareholders' rights, public disclosures, ensuring transparency, and decisions and transactions concerning stakeholders and the Board of Directors.

To this end, activities for ensuring compliance with corporate governance principles are carried on under the supervision of our Committee. Within this framework, Corporate Governance Principles Compliance Report and Corporate Governance Information Form for 2021 fiscal year, which incorporates the aspects of those principles that can and cannot be implemented, has been prepared in line with our Company's priorities in this respect, and attached hereto.

We have reviewed the **Corporate Governance Principles Compliance Report** and **Corporate Governance Information Form**, which has been prepared in accordance with the Corporate Governance Principles and the Company's Corporate governance practices and which will be included in the Company's annual report. As a result of our assessment, the said Report has been deemed in conformity with our declaration above, and presented for your information.

Sincerely,

İş Finansal Kiralama A.Ş.

Corporate Governance Committee

Neslihan Oruç
Member

Doruk Yurtkuran
Member

M. Coşkun Cangöz
Member

Prof. Dr. Selim Yazıcı
Chairman

Corporate Governance Principles Compliance Report

PART I – STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

İş Finansal Kiralama Anonim Şirketi (the Company or İş Leasing) is governed by the Corporate Governance Principles set forth in the Capital Markets legislation, and this statement describes the Company's responsibilities and the degree of compliance within the frame of the Capital Markets Board of Turkey (CMB) Corporate Governance Communiqué.

İş Leasing addresses its rights and responsibilities primarily towards its shareholders and its employees, customers and other relevant parties within the frame of efficient governance and oversight based on the principles of accountability, equality, transparency and responsibility that make up the universal elements of the corporate governance concept. The Company pursues its operations in compliance with all the compulsory articles of Corporate Governance Principles, putting all necessary policies and measures into practice.

As per the Capital Market Board's decision 2/49 dated 10 January 2019, Corporate Governance Compliance Report numbered II-17.1 will be done on KAP platform using Corporate Compliance Report (URF) and Corporate Governance Information Form (KYBF) templates. Related reports may be found at www.kap.org.tr/tr/sirket-bilgileri/ozet/988-is-finansal-kiralama-a-s

Information explaining reporting through templates is presented below.

Further details regarding the level of compliance with the Corporate Governance Principles are presented in the relevant sections of this report.

PART II - SHAREHOLDERS

1. Investor Relations Unit

There is an Investor Relations Department at the Company, which is responsible for maintaining relationships with shareholders.

Name and Surname	Position	Telephone Number	E-Mail Address
Neslihan Oruç	Assistant General Manager	+90 212 350 74 70	neslihanoruc@isleasing.com.tr
Mustafa Çilli	Financial Management Manager	+90 212 350 74 73	mustafacilli@isleasing.com.tr
Firuze Kutlu	Supervisor	+90 212 350 74 72	firuzekutlu@isleasing.com.tr

The Investor Relations Department reports directly to Mr. Şafak Öğün, General Manager. Ms. Neslihan Oruç holds Capital Market Activities Advanced Level License and Corporate Governance Rating Expertise License.

The activities of the Investor Relations Department are regularly reported to the Board of Directors and the Corporate Governance Committee. The Investor Relations Department basically carries out the following duties:

- Ensure that the records in relation to shareholders are kept in a healthy, secure and up-to-date manner,
- Respond to shareholders' written inquiries about the Company, save for those that are not publicly disclosed, are confidential and/or trade secrets,
- Ensure that General Assembly Meetings are convened in accordance with the applicable legislation, the Company's Articles of Association and other internal regulations; prepare the documents that may be useful to shareholders; ensure that the records of voting results are kept and reports covering the results are sent to shareholders,
- Oversee and monitor any and all matters related to public disclosure under the legislation and the Company's Information Policy,

Prepare informative reports for investors; organize presentations and meetings as and when necessary.

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The Investor Relations Department responded to 87 verbal and 36 written inquiry received from the shareholders during the reporting period, and records on shareholders were kept up-to-date.

2. Exercise of Shareholders' Right to Information

All inquiries of shareholders, save for trade secrets or undisclosed information, are being satisfied by the Investor Relations Department within the frame of applicable legislation. The inquiries are first addressed by someone no lower than a Department Manager in the hierarchy, and are responded to in the fastest and the most efficient manner.

All explanations in relation to capital increases, profit distribution, General Assembly meetings, and other matters frequently required under the public disclosure regulations and any information concerning the occurrences with a potential impact on the exercise of shareholders' rights are made public on the Company website, and individual inquiries are fulfilled by the Investor Relations Department.

Pursuant to legislation, minority shareholders are entitled to request appointment of a special auditor from the General Assembly of Shareholders for inspecting some specific events. The Company's shareholders did not request appointment of a special auditor from the General Assembly during 2021. Nevertheless, the request for appointment of a special auditor has not been set forth as an individual right in the Company's Articles of Association.

3. General Assembly Meetings

The arrangements related to the Company's General Assembly meetings are covered in the "Articles of Association" and "General Assembly Guidelines", which are also posted on the Company website.

During the reporting period, one General Assembly meeting was held, which was the 2020 Ordinary General Assembly Meeting. The said meeting was held both physically and electronically on 26 March 2021. The procedures prior to the General Assembly were handled in accordance with the Corporate Governance Principles, and the decisions concerning the General Assembly have been shared with the public within due time. 2020 Ordinary General Assembly Meeting was convened with a quorum of 61,52% and was not attended by any stakeholders other than shareholders, or by media members.

Since the Company's Articles of Association do not contain a provision setting out the participation of media members and stakeholders other than shareholders in the General Assembly meetings, media members and stakeholders other than shareholders are not admitted to General Assembly meetings.

The announcements for the meeting including the meeting place, date, time, agenda and sample proxy form were made in due time by being placed in the Trade Registry Gazette and Dünya daily, as well as on the Public Disclosure Platform (in Turkish: KAP) and the Company website; the same were also sent by certified mail to shareholders who are recorded in the share ledger within the same period of time. Before the meeting, the annual report, financial statements and reports, profit distribution proposal, informative document on the General Assembly meeting agenda items, other documents forming the basis of agenda items, and the latest version of the Articles of Association have been made available at the Company headquarters and on the Company website for examination by shareholders.

Shareholders were given the opportunity to ask questions and make suggestions at every stage of the meeting. Shareholders exercised their right to ask questions during the meeting, which were responded to forthwith, and this has been covered in the meeting minutes. No agenda item suggestions were received during the General Assembly meeting. General Assembly meeting minutes have been delivered to shareholders upon conclusion of the meeting and were also posted on the Public Disclosure Platform and the Company website.

During the General Assembly meeting held in 2021, information was provided on the donations and aids made during the reporting period under a dedicated agenda item.

4. Voting Rights and Minority Rights

Pursuant to the Articles of Association, each share entitles its holder to one vote. Although the shares making up the Company's capital do not entail any voting privilege, holders of Class A shares have the privilege to nominate the members of the Board of Directors and to have their consent sought for modifications to be made to the Articles of Association.

There are no cross-shareholding relationships with any company.

There are no members on the Board of Directors, who have been elected with minority votes. The Articles of Association grant no minority rights to those who hold less than one twentieth of the capital.

5. Dividend Right and Profit Distribution Policy

No shares entail any privileges in dividend distribution. The full text of the Company's publicly disclosed Profit Distribution Policy is available in the annual report and on the Company website.

Profit for 2020 has been distributed in accordance with the resolution passed in the Ordinary General Assembly Meeting held in 2021.

6. Share Transfer

Shares are transferred subject to the Company's Articles of Association and the provisions of applicable legislation.

PART III – PUBLIC DISCLOSURE AND TRANSPARENCY

7. Information Policy

The Company Information Policy is publicly disclosed and presented for the information of shareholders at the General Assembly Meeting, as and when it is updated. The Information Policy, in English and Turkish languages, is posted on the Company website and in the annual report.

The Investor Relations Department is responsible for executing the Information Policy.

There are no material changes in the Company's planned administration and operations for the future.

8. Company Internet Site (www.isleasing.com.tr) and its Content

Prepared in Turkish and English languages, the corporate website covers all the matters set out by Corporate Governance Principles and regulatory authorities, and care is taken to keep the website up-to-date at all times.

Corporate Governance Principles Compliance Report

9. Annual Report

The Company's annual reports are developed so as to cover the information and data required by applicable legislation.

PART IV - STAKEHOLDERS

10. Keeping Stakeholders Informed

The Company's stakeholders are kept regularly informed through material event disclosures, General Assembly meeting minutes, annual reports, financial reports, Public Disclosure Platform and the Company website.

Employees are informed on the Company's goals and activities through performance appraisal meetings held, and all employees have access to memorandums posted on the corporate portal, which is set up to function as the internal information sharing system.

Any act subject to complaint can be communicated by the relevant stakeholder directly to the addressee, the Internal Audit Unit, the Investor Relations Department and the Company's senior management through internal platforms or the Company website; any such complaints raised are forwarded to the Corporate Governance Committee and the Audit Committee.

11. Stakeholder Participation in Management

The Company's Articles of Association do not contain any provisions setting out stakeholder participation in the Company's management. Within the frame of the provisions of the Articles of Association, shareholders are involved in decision-making regarding the Company's administration by casting votes in the General Assembly meetings.

There is a suggestion system in place whereby employees can convey their suggestions regarding the Company's operations. There is an online communication environment at İş Leasing that facilitates communication of any and all demands and complaints by the employees directly to the senior management.

12. Human Resources Policy

The Company's Human Resources Policy is outlined below:

- The Company espoused the principle of giving equal opportunities to individuals with equal qualifications in recruiting, and the recruitment criteria have been documented in writing.
- No discrimination on the basis of race, religion, language and sex is allowed among employees; respecting human rights is promoted and care is taken to safeguard employees against internal physical and emotional abuse.
- Care is taken to provide a safe working environment and working conditions at high standards, and to further improve them as needed.
- Objective data are taken into consideration in making decisions about training, appointment and promotion.
- Employees are informed of decisions that are of concern to them, along with developments.
- Training plans are made to support employee development, and necessary arrangements are made for participation in training programs.

The Company executives did not receive any complaints from the employees with respect to discrimination during the

reporting period.

The Company's Corporate Portal, which is set up to enhance internal information sharing and to increase the effectiveness of communication with the employees, gives all employees quick access to legislation, the activities of departments, job descriptions and distribution of tasks, performance management practices, current announcements and reference sources.

An orientation program is implemented at the Company that is designed to speed up the adaptation of new hires to the working environment and to help increase their productivity at work.

Job descriptions, individual targets, performance and rewarding criteria are determined by the Company management and announced to employees.

13. Code of Ethics and Social Responsibility

The Company has embraced the Ethical Principles announced by the Association of Financial Institutions, which are posted on the Company website.

The Company takes care to make sure that the projects that it extends financing to are compliant with the relevant legislation on environmental and public health; in addition, the Company extends support to social responsibility projects that it deems appropriate.

PART IV – BOARD OF DIRECTORS

14. Structure and Formation of the Board of Directors

Members of the Board of Directors of İş Leasing are presented below.

First & Last Name	Position	Executive/Non-Executive	Term of Office
Murat Bilgiç	Chairman	Non-Executive	2 years
O. Tufan Kurbanoğlu	Deputy Chairman	Non-Executive	2 years
U. Şafak Öğün	General Manager/Member	Executive	2 years
A. Botan Berker	Independent Member	Non-Executive	2 years
Selim Yazıcı	Independent Member	Non-Executive	2 years
M. Coşkun Cangöz	Member	Non-Executive	2 years
Hasan Hepkaya	Member	Non-Executive	2 years
Necati Çağlar	Member	Non-Executive	2 years
Doruk Yurtkuran	Member	Non-Executive	2 years

The Board of Directors is made up of non-executive members, save for the General Manager.

Three independent members, who satisfy the independence criteria set out in the Corporate Governance Principles serve on

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the Board of Directors; no circumstances arose that would prejudice the independence of the members during the reporting period. Declarations of independence by the relevant members are quoted below:

INDEPENDENCE STATEMENT

I, the undersigned, hereby declare, state and warrant:

- That I have not served as a director to İş Finansal Kiralama A.Ş. for more than six years in total during the recent ten years;
- That no direct or indirect employment, capital or other material commercial relations have been established in the recent five years between the Company, or any one of the related parties of the Company, or other legal entities connected in management and capital terms to the shareholders directly or indirectly holding 5% or more shares in the capital of the Company on one hand, and me and my spouse and my blood relatives and relatives by marriage up to third degree on the other hand;
- That during the recent five years I have not worked in or served as a director to service providers managing the operations and organization of the Company as a whole or in part within the frame of contracts, and particularly, the firms engaged in audit, rating and consultancy services for the Company;
- That during the recent five years I have not worked as partner, employee or director in any one of the firms supplying material services and products to the Company;
- That if I hold shares due to my office in the Board of Directors, I hold less than 1% of shares, and my shares are not preferential or privileged;
- That I have the required professional training, knowledge and experience as required for performance of my duties assumed by me as an independent member of the Board of Directors; and
- That I am deemed a resident of Turkey according to the Income Tax Law; and
- That I have strong ethical standards, professional reputation and experience which enable me to make positive contributions to operations and activities of the Company, and to protect my neutrality in conflicts of interests among the partners of the Company, and to give decisions freely in consideration of the rights of stakeholders;

therefore, I am going to perform my duties and functions as a director of the Company as an independent member of the Board of Directors.

Name & Surname: Dr. A. Botan Berker

Date: 26.03.2021

Signature:



INDEPENDENCE STATEMENT

I, the undersigned, hereby declare, state and warrant:

- That I have not served as a director to İş Finansal Kiralama A.Ş. for more than six years in total during the recent ten years;
- That no direct or indirect employment, capital or other material commercial relations have been established in the recent five years between the Company, or any one of the related parties of the Company, or other legal entities connected in management and capital terms to the shareholders directly or indirectly holding 5% or more shares in the capital of the Company on one hand, and me and my spouse and my blood relatives and relatives by marriage up to third degree on the other hand;
- That during the recent five years I have not worked in or served as a director to service providers managing the operations and organization of the Company as a whole or in part within the frame of contracts, and particularly, the firms engaged in audit, rating and consultancy services for the Company;
- That during the recent five years I have not worked as partner, employee or director in any one of the firms supplying material services and products to the Company;
- That if I hold shares due to my office in the Board of Directors, I hold less than 1% of shares, and my shares are not preferential or privileged;
- That I have the required professional training, knowledge and experience as required for performance of my duties assumed by me as an independent member of the Board of Directors;
- That I am deemed a resident of Turkey according to the Income Tax Law;
- That I have strong ethical standards, professional reputation and experience which enable me to make positive contributions to operations and activities of the Company, and to protect my neutrality in conflicts of interests among the partners of the Company, and to give decisions freely in consideration of the rights of stakeholders;

therefore, I am going to perform my duties and functions as a director of the Company as an independent member of the Board of Directors.

Name & Surname: Prof. Dr. Selim Yazıcı

Date: 26.03.2021

Signature



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INDEPENDENCE STATEMENT

I, the undersigned, hereby declare, state and warrant:

- That I have not served as a director to İş Finansal Kiralama A.Ş. for more than six years in total during the recent ten years;
- That no direct or indirect employment, capital or other material commercial relations have been established in the recent five years between the Company, or any one of the related parties of the Company, or other legal entities connected in management and capital terms to the shareholders directly or indirectly holding 5% or more shares in the capital of the Company on one hand, and me and my spouse and my blood relatives and relatives by marriage up to third degree on the other hand;
- That during the recent five years I have not worked in or served as a director to service providers managing the operations and organization of the Company as a whole or in part within the frame of contracts, and particularly, the firms engaged in audit, rating and consultancy services for the Company;
- That during the recent five years I have not worked as partner, employee or director in any one of the firms supplying material services and products to the Company;
- That if I hold shares due to my office in the Board of Directors, I hold less than 1% of shares, and my shares are not preferential or privileged;
- That I have the required professional training, knowledge and experience as required for performance of my duties assumed by me as an independent member of the Board of Directors;
- That I am deemed a resident of Turkey according to the Income Tax Law;

vThat I have strong ethical standards, professional reputation and experience which enable me to make positive contributions to operations and activities of the Company, and to protect my neutrality in conflicts of interests among the partners of the Company, and to give decisions freely in consideration of the rights of stakeholders;

therefore, I am going to perform my duties and functions as a director of the Company as an independent member of the Board of Directors.

Name & Surname: M. Coşkun Cangöz

Date: 21.10.2021

Signature



The Company did not impose any specific rules governing outside positions to be held by the members of the Board of Directors. The arrangements set forth in the Corporate Governance Principles are followed in this respect. Outside positions held by the members of the Board of Directors are presented below:

First & Last Name	Entity	Position
Murat Bilgiç	Türkiye İş Bankası A.Ş. / Group company	Deputy Chief Executive
	İş Faktoring A.Ş. / Group company	Chairman of the Board of Directors
O. Tufan Kurbanoğlu	Türkiye İş Bankası A.Ş. / Group company	Division Manager, Commercial and Corporate Loans Monitoring and Recovery Division
U. Şafak Öğün	Association of Financial Institutions	Member of the Board of Directors
A. Botan Berker	Merit Risk Yönetimi ve Danışmanlık Ltd. / Out-group	Executive Partner
	Odeabank/ Out-group	Member of the Board of Directors
Selim Yazıcı	İş Girişim Sermayesi A.Ş. /Group company	Independent Member of the Board of Directors
M. Coşkun Cangöz	Türkiye Ekonomi Politikaları Araştırma Vakfı/ Out-group	Director
Hasan Hepkaya	Türkiye Sınai Kalkınma Bankası A.Ş. / Group company	Deputy Chief Executive
	Türkiye İş Bankası A.Ş. / Group company	Manager, Subsidiaries Division
Doruk Yurtkuran	Topkapı Danışmanlık Elektronik Hizmetler Pazarlama ve Ticaret A.Ş./ Out-group	Member of the Board of Directors
	Softtech Yazılım Teknolojileri Araştırma Geliştirme Ve Pazarlama Ticaret A.Ş./ Out-group	Member of the Board of Directors
	Softtech Ventures Teknoloji A.Ş./ Out-group	Member of the Board of Directors
	Kasaba Gayrimenkul İnşaat Taahhüt ve Ticaret A.Ş./ Out-group	Member of the Board of Directors
	İş Faktoring A.Ş. / Group company	Member of the Board of Directors

Members of the Board of Directors have been elected as per the motion given by the holders of Class A privileged shares at the Ordinary General Assembly Meeting. There is one woman member.

15. Operating Principles of the Board of Directors

The Board of Directors meets at a frequency that will guarantee effective fulfillment of its duties. Agendas for the Board of Directors meetings are prepared by the Chairman of the Board, who seeks proposals from the other members and the General Manager, as well. Information and documents related to the matters covered in the Board of Directors meeting agenda are presented for consideration by the members in advance of the meeting.

During 2021, four Board meetings took place; full attendance was secured in the meetings held in March, July, October and December. All decisions in the meetings were passed unanimously. The Board of Directors passed 115 decisions, either during the meetings or based on the examination of relevant files.

The questions posed and assessments made by the members, and grounds for dissenting votes, if applicable, are entered into the meeting minutes. No members cast dissenting votes in any of the meetings held in 2021.

Duties and responsibilities of the members of the Board of Directors are expressly stated in the Articles of Association. Pursuant to the Company's Articles of Association, Board members do not have weighted votes or vetoing rights. As per the Articles of Association, the Board of Directors meets with the majority of its full membership and decisions are passed by the majority of those who are present in the meeting. There is not a specific written internal guideline defining how Board of Directors meetings will be made.

During 2021, all related party transactions and transaction basics were laid down for the approval of the Board of Directors. All related decisions were passed unanimously, and there were no related party transactions or transactions of a material nature which had to be submitted to the General Assembly for approval by reason of withdrawal of consent by independent members in 2021. There are no decisions referred to the General Assembly by reason of related party or material transactions.

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“Officers’ Liability Insurance” policy has been purchased for indemnification of losses that the Company and/or third parties may sustain due to the faults of the Company’s Board members or executives committed in the performance of their jobs.

16. Number, Structure and Independence of the Board of Directors Committees

Within the frame of the provisions set out in the applicable legislation, Audit Committee, Early Detection of Risk Committee and Corporate Governance Committee have been set up under the Board of Directors at the Company. The committees present information on their activities and the results of their meetings to the Board of Directors when necessary. The operating principles of the committees are posted on the Company website.

Audit Committee

Formed of three members, the Audit Committee is headed by Ms. A. Botan Berker, a non-executive independent Board member. The other member of the Committee is Mr. Selim Yazıcı and Mr. M. Coşkun Cangöz, a non-executive independent Board member.

The duties and operating principles of the Audit Committee have been approved by the Board of Directors and put into force. The Committee carries out its activities within the frame of these principles.

Duties and Operating Principles of the Audit Committee

Article 1 Purpose and Scope

This Regulation covers the establishment of an Audit Committee, and regulation of the duties and responsibilities of this Committee as well as its operational procedures in order to ensure that the Board of Directors fulfills its supervisory and audit duties and responsibilities in a healthy manner.

Article 2 Justification

This Regulation has been prepared based on the Corporate Governance Communiqué of the Capital Markets Board.

Article 3 Establishment of the Audit Committee

An audit committee is established by at least two members to be selected from among the Board members. The members of the Committee elect a Chairman among themselves.

All of the Committee members are elected from among the independent members of the Board.

If possible, at least one of the members of the Audit Committee should be elected from the Board members having a minimum 5 years of experience in audit/accounting and finance topics.

Committee membership automatically ends upon the termination of the Board membership of the relevant member.

Article 4 Duties and Responsibilities of the Audit Committee

The duties and responsibilities of the Audit Committee have been outlined below.

The Audit Committee supervises the operation and efficiency of the Company’s accounting system, disclosure of its financial information, its independent audit and its internal control and internal audit system.

The selection of the independent audit firm, commencement of the independent audit process after preparing the independent audit contracts, and the subsequent works of the independent audit firm at all times is conducted under the supervision of the Audit Committee.

The Audit Committee determines the name of the independent audit firm and the services to be procured from it, and submits this list to the approval of the Board of Directors.

The Audit Committee determines the methods and criteria to apply to the processing and settling of the complaints sent to the Company regarding the Company's accounting, internal control and audit system, and the independent audit as well as the treatment of the Company's disclosures made by the Company's employees on the subjects of the independent audit within the framework of the confidential principle.

The Audit Company submits in writing to the Board of Directors its assessments on the accuracy and authenticity of the annual and interim financial statements to be disclosed to public and the conformance of these statements with the accounting principles adopted by the Company also by taking the opinions of the Company's managers and independent auditors.

The Audit Committee also performs other works and assignments to be assigned to it by the Board of Directors.

Article 5 The Audit Committee's Operation Principles and Procedures

The Audit Committee meets at least once every three months and at least four times annually.

The Committee meets with the attendance of all its members, and the decision quorum for the Committee is the majority of the present.

The Committee keeps a minute book and all decisions taken by the Committee are recorded in this book under a separate log number.

The results of the Committee's meetings are issued as an official report which includes the assessments and decisions together with their justifications, and submitted to the Board of Directors within at least one month following the relevant meeting.

The decisions of the Committee take effect upon the approval by the Board of Directors.

The Audit Committee immediately sends its determinations, assessments and suggestions regarding the area of its responsibility to the Board of Directors in writing.

The activities and the meeting results of the Committee are announced at the annual activity report. The annual activity report also provides how many times the Audit Committee has submitted written notifications to the Board of Directors during the given fiscal year.

The Audit Committee may invite other people to its meetings as needed to get their opinions on a subject.

Internal Audit Unit determines the agenda of the meetings, makes the calls for the meetings, ensures the communication between the members of the Committee, keeps the minute book, and fulfills other secretarial works of the Committee

The resources and support needed by the Committee during the execution of its duty are provided by the Board of Directors.

Subject to the approval of the Board of Directors, the Committee may benefit from the opinions of the independent experts as may be needed on a subject related with its activities requiring specialization. The charge of such consultancy services needed by the Committee is paid by the Company.

The members of the Audit Committee conduct their duties within the framework of the principles of independence and neutrality.

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Article 6 Validity

The clauses of this Regulation take effect on the date approved by the Board of Directors and are executed by the Board of Directors.

Relevant Decisions of the Board of Directors

Decision	Effective Date	Revision	Relevant Articles
27.05.2014 / 2151	27.05.2014	1.0	All

During 2021, the Audit Committee met 4 times and passed 7 decisions. In the meetings held, the Committee discussed and evaluated the following topics:

- Distribution of duties within the Committee has been decided and the Head of the Committee has been elected.
- The Independent Audit Firm has been designated and presented for approval to the Board of Directors.
- Upon getting the opinions of the responsible Company managers, it has been established that the consolidated financial statements and their notes, and annual reports have been prepared accurately and in accordance with the applicable legislation and generally accepted principles and norms, and they have been presented for approval to the Board of Directors for subsequent disclosure.
- It has been established, as also confirmed by the opinions of responsible managers in the Company, that unconsolidated financial statements and their notes have been drawn up accurately and in accordance with the applicable legislation and generally-accepted principles and standards, and they have been presented for approval to the Board of Directors.
- Information Systems Regulatory Compliance Report that has been prepared by the Internal Audit Department and Internal Control and Risk Management Department has been approved and presented for approval to the Board of Directors.
- It has been established that the Committee did not determine any negative findings with respect to the entry of the Company's commercial transactions into accounting records, to the operation and efficiency of the internal control system, and fulfillment of tax and legal obligations during the reporting period, and that all are in order.
- Findings, opinions and suggestions that resulted from the audit activities carried out by Internal Audit and Internal Control units were first shared with, and evaluated by, those who conducted the relevant activities, and it was ensured that necessary complementary and preventive actions were taken.
- Internal control, file audit and department/unit audit reports drawn up during the reporting period by Internal Audit and Internal Control units have been examined, and presented for the approval of the Board of Directors.
- 2022 audit plan and 2022 Internal Control and Risk Management Activity Plan developed by the Company have been discussed and approved.

Corporate Governance Committee

Formed of four members, the Corporate Governance Committee also functions as the Nomination Committee and the Remuneration Committee. Mr. Selim Yazıcı, non-executive independent Board member, serves as the head of the Committee, whereas the other members are Mr. Coşkun Cangöz and Mr. Doruk Yurtkuran, non-executive Board members, and Ms. Neslihan Oruç, Investor Relations Department Manager.

The duties and operating principles of the Corporate Governance Committee have been approved by the Board of Directors and put into force. The Committee carries out its activities within the frame of these principles.

Duties and Operating Principles of the Corporate Governance Committee

Article 1 Purpose and Scope

This Regulation covers the establishment of a Corporate Governance Committee and regulation of the duties and responsibilities of this Committee as well as its operational principles and procedures in order to ensure that the Board of Directors fulfills its duties and responsibilities on corporate governance in a healthy manner.

The duties of the Nominating Committee and Compensation Committee will be fulfilled by the Corporate Governance Committee until their establishment.

Article 2 Justification

This Regulation has been prepared based on the Corporate Governance Communiqué of the Capital Markets Board.

Article 3 Establishment of the Corporate Governance Communiqué

Corporate governance Committee is established by appointment of at least two members from among the Board members and the Manager of the Investor Relations Unit/Department.

The members of the Committee elect a Chairman among themselves. The Chairman of the Committee is elected from among the independent members of the Board. Persons who are not Board members but having specialization on their subjects can also become members to the Corporate Governance Committee.

If the Corporate Governance Committee has two members elected from the Board of Directors, both of these members are required to be from the independent members of the Board; and if the Committee has more than two board members, then majority of these members should be independent members. General Manager cannot become a member of the Committee.

The Manager of the Investors Relations Unit/Department is required to work full-time in the company and be positioned as a member of the Corporate Governance Committee.

Corporate Governance Committee membership automatically ends upon the termination of the Board membership.

Article 4 Duties and Responsibilities of the Corporate Governance Committee

The duties and responsibilities of the Corporate Governance Committee have been outlined below.

The Corporate Governance Committee establishes whether or not the corporate governance principles are duly applied in the Company, and determines the reasons if they are not applied and lay down the conflicts of interest emerging due to the non-application of these principles in the Company, and advises the Board of Directors for the improvement of the corporate governance applications.

The Corporate Governance Committee supervises the activities of the Company's Investment Relations Department.

The Committee lays down the fundamental principles regarding the communication of the Company with the investors, and reviews these principles on a regular basis.

The Corporate Governance Committee, together with the Investors Relations Department, further submits to the Board of Directors its advice for the improvement of the communication between the Company and the shareholders, and the elimination and settlement of the possible disputes in between.

The Corporate Governance Committee reviews the Corporate Governance Principles Compliance Report of the Company prior to its being published in the Company's annual activity report, and submits its opinions to the Board of Directors.

Corporate Governance Principles Compliance Report

The Corporate Governance Committee prepares its advice and assessments for the identification or amendment of the Company's Disclosure Policy and submits it to the Board of Directors. It also oversees to ensure that the Disclosure Policy covers at least the minimum obligatory content laid down by the laws and regulations regarding the communication of the Company with the stakeholders, and it reviews the content, quality, consistency and accuracy of the documents, presentations and explanations to ensure that they are prepared in accordance with the Disclosure Policy.

The Corporate Governance Committee works for infusing the corporate governance culture into the Company and its adoption by the managers and employees at all levels. It follows the domestic and international developments on corporate governance front and monitors their possible effects for the Company.

The duties and responsibilities of the Corporate Governance Committee on nominations have been outlined below.

The Corporate Governance Committee works for setting up a transparent system for the identification, assessment and training of the candidates for board membership and the managerial positions with administrative responsibility and for adoption of proper policies and strategies on this subject.

The Corporate Governance Committee makes regular assessments on the structure and productivity of the Board of Directors and submits its advice on possible changes to the Board of Directors.

The Corporate Governance Committee is responsible for performing the jobs regarding the nomination of the independent member candidates for the Board which are stipulated by the laws and regulations and which are compulsory for the Group including the Company as announced by the Board each year.

The duties and responsibilities of the Corporate Governance Committee on the salaries and remunerations have been outlined below:

The Corporate Governance Committee lays down and oversees the principles, criteria and practices to apply to the compensations of the members of the Board of Directors and executives with administrative responsibility in view of the Company's long term targets.

It submits to the Board of Directors its suggestions about the wages to be offered to the Board members and executives with administrative responsibility as set forth, also in consideration with the degree of realization of the criteria applicable to such compensation.

It provides its assessments and suggestions on the creation and amendment of the Company's compensation policy which sets the compensation principles for the members of the Board of Directors and the managers with administrative responsibility, and submits its opinions to the Board of Directors.

The Corporate Governance Committee also fulfills other duties and responsibilities within its area of responsibility as may be delegated to it by the Board of Directors.

Article 5 The Corporate Governance Committee's Operation Principles and Procedures

The Corporate Governance Committee meets at least once every three months and four times annually.

The Committee meets with the attendance of all its members and takes its decisions by majority vote.

The Committee keeps a decision book and the decisions taken by the Committee are recorded in this book with a log number.

The results of the Committee's meetings are issued as an official report and the assessments and decisions of the Committee are submitted to the Board of Directors within at least one month following the relevant meeting of the Committee.

The decisions of the Committee take effect upon the approval of the Board of Directors.

The Corporate Governance Committee immediately submits its findings, assessments and suggestions on the area of its work and responsibility to the Board of Directors in writing.

The Corporate Governance Committee may invite other people to its meetings as needed to get their opinions on a subject.

The Investor Relations Unit/Department determines the agenda of the meetings, makes the calls for the meetings, ensures the communication within the members of the Committee, keeps the minute book, and fulfills other secretarial works of the Committee.

The resources and support needed by the Committee during the execution of its duty are provided by the Board of Directors.

Subject to the approval of the Board of Directors, the Committee may benefit from the opinions of the independent experts as may be needed on a subject related with its activities requiring specialization. The charge of such consultancy services needed by the Committee is provided by the Company.

The members of the Corporate Governance Committee conduct their duties within the framework of the principles of independence and neutrality.

Article 6 Validity

The clauses of this Regulation take effect on the date approved by the Board of Directors and are executed by the Board of Directors.

Relevant Decisions of the Board of Directors

Decision	Effective Date	Revision	Relevant Articles
27.05.2014 / 2151	27.05.2014	1.0	All

During 2021, the Corporate Governance Committee met 4 times and passed 8 decisions. In the meetings held, the Committee discussed and evaluated the following topics:

- Corporate governance principles compliance report, which was prepared by the Company and covers the 2021 operating period, has been studied and presented for the approval of the Board of Directors.
- Salary rises for 2021 for Company employees have been determined and presented for the approval of the Board of Directors.
- Distribution of duties within the Committee has been decided and the Head of the Committee has been elected.
- Proposed nominees for the independent member seats on the Board of Directors have been evaluated, giving due consideration to whether they satisfy the independence criteria, and the report thereon has been presented to the Board of Directors.
- The operation and efficiency of the Investor Relations Department has been discussed, and it has been established that activities were carried out duly with respect to informing the investors and public disclosure.
- It has been established that activities were carried out duly across the Company with respect to implementation of Corporate Governance Principles, and that there are no material complaints that the Company received from stakeholders.

Early Detection of Risk Committee

Formed of two members, Early Detection of Risk Committee is headed by Ms. A. Botan Berker, non-executive independent Board member. Mr. Doruk Yurtkuran, non-executive Board members, is the other member of the Committee.

The duties and operating principles of the Early Detection of Risk Committee have been approved by the Board of Directors and put into force. The Committee carries out its activities within the frame of these principles.

Corporate Governance Principles Compliance Report

Duties and Operating Principles of the Early Detection of Risk Committee

Article 1 Purpose and Scope

This Regulation covers the establishment of the Early Detection of Risk Committee and regulation of the duties and responsibilities as well as the operation procedures and principles of this Committee in order to ensure the Board of Directors fulfills its duties and responsibilities in the area of risk management in a well manner.

Article 2 Justification

This Regulation has been prepared based on the Article 378 of the Turkish Commercial Code and the Corporate Governance Communiqué published by the Capital Markets Board.

Article 3 Establishment of the Early Detection of Risk Committee

Early Detection of Risk Committee is established comprising at least two members to be elected from among the members of the Board of Directors.

Committee members elect a Chairman from among them. The Committee's Chairman should be elected from among the independent members of the Board of Directors. Persons who are not members of the Board of Directors but specialized on their areas can become members of the Committee.

Both members of the Committee have to be independent members of the Board of Directors if the Committee is consisted of two members, and majority of the Committee members should be independent if the Committee is consisted of more than two members. General Manager cannot be a member of the Committee.

The membership to the Early Detection of Risk Committee ends upon the termination of the Board membership of the relevant member, if applicable.

Article 4 Duties and Responsibilities of the Early Detection of Risk Committee

Early Detection of Risk Committee conducts works aimed at early perception of risks that may imperil the existence, development and sustenance of the Company; taking the required measures regarding the identified risks; and management of such risks.

It submits in writing to the Board of Directors its suggestions and opinions regarding the establishment and development of the Company's risk management system capable of minimizing the effects of the risks for all stakeholders including mainly the shareholders.

It reviews the Company's risk management system at least once a year.

It supervises the realization of the risk management applications in accordance with the decisions of the Board of Directors and the Committee.

It reviews the determinations and assessments regarding the risk management that will be included to the Company's annual activity report.

Early Detection of Risk Committee also fulfills other duties and responsibilities in its area of responsibility as may be assigned to it by the Board of Managers.

Article 5 Operation Principles and Procedures of Early Detection of Risk Committee

Early Detection of Risk Committee meets at least every three months and at least four times a year.

The Committee meets with the attendance of all its members, and the decision quorum for the Committee is the majority of the present.

The Committee keeps a minute book where the decisions taken are recorded with a separate log number.

The results of the Committee's meetings are issued as an official report which includes the assessments and decisions together with their justifications, and submitted to the Board of Directors within at least one month following the relevant meeting.

The Committee's decisions take effect upon the approval of the Board of Directors.

The Early Detection of Risk Committee immediately sends its determinations, assessments and suggestions regarding the area of its responsibility to the Board of Directors in writing.

Early Detection of Risk Committee may invite other persons to its meetings and take their opinions as it may deem necessary.

Setting the agenda of the Committee's meeting, making calls for the meeting, ensuring the communication with the Committee members, keeping the minute book and other secretarial works of the Committee are performed by the unit in charge of the risk management.

All kinds of resources and support needed during the Committee's fulfillment of its duty are provided by the Board of Directors.

The Committee may benefit from the opinions of the independent experts as it may need regarding its activities subject to the approval of the Board of Directors. The fee of the consultancy service needed by the Committee is paid by the Company.

The members of the Early Detection of Risk Committee fulfill their duties in compliance with the principles of independence and neutrality.

Article 6 Validity

The provisions of this Regulation take effect on the date of their approval by the Board of Directors and are executed by the Board of Directors.

Relevant Board Decisions

Decision	Effective Date	Revision	Relevant Articles
27.05.2014 / 2151	27.05.2014	1.0	All

- During 2021, the Corporate Governance Committee met four times and passed thirteen decisions. In the meetings held, the Committee discussed and evaluated the following topics:
- Distribution of duties within the Committee has been decided and the Head of the Committee has been elected.
- Periodic risk reports prepared by the Risk Management Unit has been evaluated by the Committee; it has been established that the risks specified in the reports remain within the limits set by the Board of Directors for individual risks to be carried and for total risk exposure. The reports have been presented for the information of the Board of Directors.
- Risk management systems have been reviewed, necessary activities were carried out to update the risk management strategy and policies to be pursued by the Company for taking necessary action and managing the risks, and the same have been presented for the information of the Board of Directors.

Corporate Governance Principles Compliance Report

17. Risk Management and Internal Control Mechanism

Potential risks that the Company may be exposed to are defined in the Risk Catalogue. Risk policies have been prepared for risk categories that are critical for the Company's operations, and internal control processes have been established for all practices, procedures and workflows. Internal implementation controls and audits are being carried out by Internal Audit, Internal Control and Risk Management units.

The Early Detection of Risk Committee regularly reviews the processes for risk measurement, assessment and management, and reports its activities to the Board of Directors on a monthly basis. Moreover, the Audit Committee monitors the efficiency of the Company's risk management and internal control activities through internal audit activities, and reports the same to the Board of Directors.

18. Strategic Goals of the Company

Strategic goals of the Company are set by the Board of Directors, taking into consideration competitive conditions, overall economic conjuncture, general projections regarding national and international financial markets, and the Company's medium and long-term targets. The members of the Board of Directors and the Company executives discuss and evaluate the strategies and goals set in a detailed and thorough manner. The office of the General Manager of the Company is responsible for implementing the defined strategy and goals.

Actualizations with respect to the approved strategy and goals are reported to the Board of Directors on a monthly basis. The topics reviewed in the Board meetings include the Company's position in the sector, its activities, the actualization levels of the annual budget and targets, financial structure and performance, the alignment level of reporting and operations to international standards, and the reasons and possible actions that can be taken in case of non-achievement of the goals.

19. Financial Rights

The Remuneration Policy, which covers the criteria used for determining any rights, benefits and remunerations provided to the Company employees, is available on the Company website.

Attendance fees paid to the members of the Board of Directors are determined by the General Assembly and disclosed on the Public Disclosure Platform.

During 2021, benefits, allowances, resources in cash and in kind, insurance and similar benefits provided to the members of the Board of Directors and the Company's senior executives amounted to TL 5,965 thousand.

Members of the Board of Directors and senior executives are not disbursed loans or credit, nor are they granted guarantee in their favor.

CORPORATE GOVERNANCE INFORMATION FORM

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
Corporate Governance Compliance Report						
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	No such transaction took place in 2021.
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				Since the Company's Articles of Association do not contain any provisions regarding participation of stakeholders other than shareholders and media in General Shareholders' Meetings, stakeholders other than media, shareholders and employees are not admitted to General Shareholders' Meetings.

Corporate Governance Principles Compliance Report

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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			Pursuant to the Articles of Association, each share entitles its holder to one vote. While the shares constituting the Company's capital do not possess any voting privileges, Class (A) shareholders have the privilege of nominating candidates for the seats on the Board of Directors and pursuance of their consent for amendments to the Articles of Association.
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 Company's Articles of Association do not grant minority rights to those holding less than one twentieth of the Company's 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					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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				Since we do not have access to our shareholders' data, the related update is made by the MKK (Central Securities Depository) on PDP (Public Disclosure Platform).
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					
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					
3.1.4 - A whistleblowing program 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					
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	No surveys/consultations were deemed necessary since there are no material decisions that significantly affect stakeholders. Such studies will naturally be carried out in the event that there is such a decision.

Corporate Governance Principles Compliance Report

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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				The Company has adopted an employment policy ensuring equal opportunities. Under the Company's organizational structure and current practice, the subordinate working under each managerial position is trained for the relevant managerial position and is considered a management trainee; the Board of Directors is authorized to make the appointments to key management positions.
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				Employees are notified of decisions made about them or developments that might impact them. The Company develops mechanisms to involve employees in decision-making processes, and ensures the same through periodic questionnaires administered.
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					
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 are no internal regulations on this topic.
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					

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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					
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				A "Directors and Officers Liability Insurance" has been obtained for indemnification of potential losses that the Company's Board of Directors members and executives might cause to the Company and/or third parties. The sum insured is not more than 25% of the capital.

Corporate Governance Principles Compliance Report

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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				One woman member serves on the Board of Directors. While the Company does not have a specific policy about the matter, the structure of the Board of Directors is reviewed annually and this point is taken into consideration when identifying nominees.
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					
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				Information, documents and presentations relevant to the Board meeting agenda are made available for review by Board of Directors members 3 to 5 days in advance of the meeting date, by ensuring equal information flow.
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	No such situation occurred to date. In the event that a member who is unable to attend the meeting but provides his/her opinions in writing, the same will naturally be presented for the information of other members.
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				While no restrictions are imposed on external commitments of the members of the Board of Directors, the duties assumed by the Board members are shared with the shareholders in General Shareholders' Meetings.

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Three independent members serve on the Company's Board of Directors. Since the Corporate Governance Communiqué mandates the presence of independent members on each committee, Board members necessarily serve on more than one committee.
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	During 2021, the committees did not receive any consultancy services.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.		X				The committee members informed the Board members about the matters discussed and the decisions passed in committee meetings. The Internal Audit Department and Internal Control, Risk Management, Compliance and Regulations Department presented 21 reports to the Audit Committee and 12 to the Early Detection of Risk Committee.
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			Although the Company's annual and medium-term targets are not publicly disclosed, The Board of Directors conducts financial performance evaluations at certain intervals. The Board of Directors members are not individually assessed.
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			Remunerations, benefits and allowances provided to the Board of Directors members and the Company's executives are disclosed collectively.

Corporate Governance Principles Compliance Report

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	The Company neither organized nor attended an investor conference.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
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/1001523
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Not provided.
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 are no transactions that are not approved by the majority of independent Board members 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 Communiqué on Corporate Governance (II-17.1)	There are no related party transactions in the context of Article 9 of the Communiqué on Corporate Governance.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	There are no common and continuous transactions requiring public disclosure in the context of Article 10 of the Communiqué on Corporate Governance.
The name of the section on the corporate website that demonstrates the donation policy of the company	https://www.isleasing.com.tr/investor-relations/corporate-governance/donation-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/269935
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Stakeholder participation in the General Assembly are set out in Article 20 of the Articles of Association and Article 5 of the General Assembly Internal Directive.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Besides shareholders and their proxies, Board of Directors members and the representative of the independent audit firm participated in the 2020 General Assembly meeting. Some stakeholders such as the Company employees attended the meeting as observers within our Company's knowledge.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	Yes
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	Class (A) shareholders have the privilege to nominate candidates for seats on the Board of Directors and pursuance of their consent for amendments to the Articles of Association. Class (A) shareholders have 600,000,000 votes.
The percentage of ownership of the largest shareholder	29.46%
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.isleasing.com.tr/investor-relations/corporate-governance/profit-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.	It was decided not to distribute, but to set it aside as extraordinary reserves, the distributable net profit for the period in the amount of TL 171,605 thousand, which is calculated by deducting prior year losses in the amount of TL 18,264 thousand from the net profit for the period in the amount of TL 197,586 thousand that is the basis of profit distribution that arises pursuant to the CMB legislation and after setting aside first legal reserves in the amount of TL 7,717 thousand which is calculated based on the profit figure of TL 154,330 thousand descended in the Company's legal records. It was also decided to set off the deferred tax expenses in the amount of TL 15,683 thousand, which is included within the Company's net profit for the period according to legal records, from the deferred tax provisions which consist of the Company's deferred tax income in prior periods and which are not allowed to be distributed, and to transfer the same to the extraordinary reserves account.
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/921065

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
26.03.2021	0	61.52%	0.06%	60.92%	https://www.isleasing.com.tr/yatirimci-iliskileri/genel-kurul/genel-kurul-tutanaklari-ve-hazirun-cetveli/	https://www.isleasing.com.tr/yatirimci-iliskileri/genel-kurul	None	0	https://www.kap.org.tr/tr/Bildirim/921065

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.isleasing.com.tr/investor-relations/
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.	The Shareholding Structure is posted at https://www.isleasing.com.tr/investor-relations/company-information/partnership-structure/ Information about Real or Legal Persons Directly or Indirectly Holding 5% or More Shares in the Capital as disclosed by the Central Registry Agency (MKK) is posted at https://www.kap.org.tr/tr/sirket-bilgileri/genel/988-is-finansal-kiralama-a-s
List of languages for which the website is available	Turkish and English

Corporate Governance Principles Compliance Report

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	Corporate Governance Practices/ 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	Corporate Governance Practices/ Number, Structure and Independence of the Board of Directors Committees
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	Corporate Governance Practices/ Board of Directors /Operating Principles 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	Corporate Governance Practices/ Brief Annual Report of the Board of Directors
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	Corporate Governance Practices/ Brief Annual Report of the Board of Directors
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	Corporate Governance Practices/ Brief Annual Report of the Board of Directors
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%	There are no cross ownership relationships.
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	General Assessment/ Human Resources and Training

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.isleasing.com.tr/investor-relations/corporate-governance/compensation-policy-for-employees/
The number of definitive convictions the company was subject to in relation to breach of employee rights	None.
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Audit Committee- Corporate Governance Committee
The contact detail of the company alert mechanism	Any conduct subject to reporting can be directly communicated by the related stakeholder to the respondents, Internal Audit, Investor Relations Department or the Company's Executive Management. Any such reports are forwarded to the Corporate Governance Committee and the Audit Committee. Established within İş Leasing, the Ethics Line aims for stakeholders and other third parties to convey their observations and opinions to the Ethics Line representatives about the issues they think do not comply with the principles, and accordingly, to implement the relevant review procedures. https://www.isleasing.com.tr/Surdurulebilirlik/etik/

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	https://www.isleasing.com.tr/investor-relations/corporate-governance/stakeholders-policy/
Corporate bodies where employees are actually represented	Employee participation in management is provided through annual performance assessment meetings, the internal suggestion system, CEO messaging line, and the internal annual meetings.
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 role of the Board of Directors with respect to developing a succession plan for key managerial positions consists of the Company's organizational structure and existing practices; training the subordinate working under each managerial position for that relevant managerial position and considering each such individual as a management trainee; the Board of Directors is authorized to make the appointments to key management positions.
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.	https://www.isleasing.com.tr/investor-relations/corporate-governance/ethical-principles/ https://www.isleasing.com.tr/investor-relations/corporate-governance/stakeholders-policy/ https://www.isleasing.com.tr/human-resources/human-resources-policy/
Whether the company provides an employee stock ownership program	None
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.	https://www.isleasing.com.tr/investor-relations/corporate-governance/ethical-principles/
The number of definitive convictions the company is subject to in relation to health and safety measures	None.
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	https://www.isleasing.com.tr/investor-relations/corporate-governance/ethical-principles/
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.	The Company does not prepare corporate social responsibility reports. The Company carries out various activities within the frame of its corporate social responsibility understanding with the aim of contributing to social life and the environment; the Company extends support to projects addressing matters falling under social responsibility such as education, health, and environmental protection, etc., in addition to sectoral initiatives conducted along this line.
Any measures combating any kind of corruption including embezzlement and bribery	Within the framework of international norms and national regulatory framework, the Company espouses it as an important principle to combat the laundering of proceeds of crime, corruption and similar crimes, and takes care to cooperate with other Association-member companies, other related organizations, institutions and authorities. To this end, the Company has internally published an "Anti-Bribery and Anti-Corruption Policy". The Company also takes necessary measures related to this matter and organizes training programs for employees.

Corporate Governance Principles Compliance Report

4. BOARD OF DIRECTORS -I

4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	27.12.2021
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	Murat Bilgiç (Chairman), O. Tufan Kurbanoğlu (Vice Chairman)
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	Internal Audit, Internal Control, Risk Management, Compliance and Regulations Department presented 21 reports to the Audit Committee, and 12 to the Committee of Early Detection of Risk.
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	Corporate Governance Practices/ Brief Annual Report of the Board of Directors
Name of the Chairman	Murat Bilgiç
Name of the CEO	U. Şafak Öğün
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	The functions of the Chairman of the Board and the General Manager who is the Chief Executive Officer are fulfilled by 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	This information is provided in the section titled "Operating Principles of the Board of Directors" of the Corporate Governance Compliance Report which is incorporated in the annual report.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	None.
The number and ratio of female directors within the Board of Directors	1 person, 9.09%

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 Independence 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
MURAT BİLGİÇ	Non-executive	Not independent director	09.06.2016				Yes
OLGUN TUFAN KURBANOĞLU	Non-executive	Not independent director	26.03.2014				Yes
UYGAR ŞAFAK ÖĞÜN	Executive	Not independent director	10.05.2021				Yes
AYŞE BOTAN BERKER	Non-executive	Independent director	23.03.2018	Provided in the Annual Report	Considered	No	Yes
SELİM YAZICI	Non-executive	Independent director	23.03.2018	Provided in the Annual Report	Considered	No	Yes
MEHMET COŞKUN CANGÖZ	Non-executive	Independent director	21.10.2021	Provided in the Annual Report	Considered	No	Yes
HASAN HEPKAYA	Non-executive	Not independent director	10.01.2017				Yes
NECATİ ÇAĞLAR	Non-executive	Not independent director	18.08.2020				Yes
DORUK YURTKURAN	Non-executive	Not independent director	17.08.2018				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)	4
Director average attendance rate at board meetings	100.00%
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	Care is taken to provide the information and documents relevant to the Board of Directors meeting to all Board members at least 3 days in advance of the meeting date, as a rule.
The name of the section on the corporate website that demonstrates information about the board charter	The related information is provided in Article 11 of the Company's Articles of Association which is available on the corporate website, under the tab Investor Relations / Company Information.
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	Corporate Governance Compliance Report / Number, Structure and Independence of the Board of Directors Committees
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/363138

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		A. Botan BERKER	Yes	Board member
Audit Committee		Selim YAZICI	No	Board member
Audit Committee		M. Coşkun CANGÖZ	No	Board member
Corporate Governance Committee		Selim YAZICI	Yes	Board member
Corporate Governance Committee		M. Coşkun CANGÖZ	No	Board member
Corporate Governance Committee		Doruk YURTKURAN	No	Board member
Corporate Governance Committee		Neslihan ORUÇ	No	Not a board member
Committee of Early Detection of Risk		A. Botan BERKER	Yes	Board member
Committee of Early Detection of Risk		Doruk YURTKURAN	No	Board member

Corporate Governance Principles Compliance Report

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)	Corporate Governance Practices/Corporate Governance Compliance Report/Audit Committee
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)	Corporate Governance Practices/Corporate Governance Compliance Report/Corporate Governance Committee
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)	The functions of the Nomination Committee are fulfilled by the Corporate Governance Committee. Corporate Governance Practices/Corporate Governance Compliance Report/Corporate Governance 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)	Corporate Governance Practices/Corporate Governance Compliance Report/Committee of Early Detection of Risk
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)	The functions of the Remuneration Committee are fulfilled by the Corporate Governance Committee. Corporate Governance Practices/Corporate Governance Compliance Report/Corporate Governance 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)	Corporate Governance Practices/Brief Annual Report of the Board of Directors
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	https://www.isleasing.com.tr/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)	Corporate Governance Practices/Corporate Governance Compliance Report / Financial Rights

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	Decisions passed by the committee are communicated, and information is provided verbally in BoD meetings.
Corporate Governance Committee		75%	50%	4	Decisions passed by the committee are communicated, and information is provided verbally in BoD meetings.
Committee of Early Detection of Risk		100%	50%	4	Decisions passed by the committee are communicated, and information is provided verbally in BoD meetings.