

# Corporate Governance Compliance Report

shareholder is provided with the opportunity to exercise his/her voting right in the easiest and most appropriate way. The voting procedure is announced to the shareholders before and at the beginning of the meeting.

The company does not have shares that carry privileged voting rights. The Company does not have any cross ownership subsidiaries that result in controlling ownership.

## 1.5 Minority Rights

The company pays utmost attention to the exercise of minority rights. The company avoids practices that make it complicated for shareholders to freely transfer their shares. Minority rights were not described in the Company's Articles of Association.

## 1.6 Dividend Rights

Article 22 of the Company's Articles of Association states how the profit shall be distributed. According to the articles of association; dividend distribution is carried through within the legal deadlines after the enactment of the Board of Directors of the dividend distribution proposal at the General Assembly meeting, which foresees that the delicate balance between the expectations of the shareholders and the growth need of the

Company shall not be disturbed, taking into account the situation, investment needs and financial structure of the Company. There are no privileges in respect of profit sharing of the company.

Furthermore, dividend distribution policy of the Company was approved by the General Assembly and announced to the public on the corporate website and in the annual report. The dividend distribution policy contains the minimum information that will allow shareholders to anticipate the procedures and principles of the distribution of the profit the Company will earn in the years ahead.

## 1.7 Transfer of Shares

Appertaining to the transfer of shares, the provisions of the Turkish Commercial Code, Private Pension Savings and Investment System, Insurance Law and relevant legislation are applied. There is no restriction which prevents the transfer of shares.

The share transfer made in accordance with the above-mentioned procedure should be approved by the Board of Directors and recorded in the share register. The transfer of share certificates to real and legal persons or the establishment of usufruct rights is subject to the approval of the Board of Directors.

In order for the company to achieve its purpose, the shareholders of the company should meet the conditions sought in the relevant legislation in the founding partners, and the company should be composed of people who are experienced and knowledgeable in the field of activity. Should one of the partners wish to transfer their shares to third parties who do not have the qualifications specified in this paragraph or to establish usufruct rights, is an important reason which shall cause the common environment to change. In the case that this significant reason occurs, the Board of Directors of the Company may reject the request for approval. Article 493/3 and article 493/4 of the Turkish Commercial Code provisions are also reserved.

## SECTION 2 – PUBLIC DISCLOSURE AND TRANSPARENCY

### 2.1. Corporate Website

The website of Türkiye Hayat Emeklilik is www.turkiyehayatemeklilik.com.tr. The company is responsible for providing the information required to be disclosed as per the legislation, on the website, and their actuality and accessibility. The website is actively used for informing and public disclosure. Through sections such as general information about the

Company, members of the board of directors and senior executives, products, online transactions, life clubs, investor relations and addressing to the communication sections are made on the website.

On the website; trade registry information, partnership structure, management structure and organization, articles of association, Corporate Governance Principles Compliance Report with vision and mission, annual reports for the last five years, financial statements and footnotes, independent audit reports, policies and industrial information are included.

Information policy, Ethical Principles policy, Sustainability policy, Human Resources policy, Occupational Health and Safety policy, Quality policy, Salary policy, Compensation policy, Dividend Distribution policy, Donation and Aid policy and Business Continuity policy of our Company can be found on the corporate website.

Up-to-date news about the Company, press releases, addresses of regional directorates and contact information, as well as information about products related to our field of activity are also involved on the website.

Contact information of the headquarter and regional offices of the company is located in the "contact" section. The Customer Communication Center (+90 850) 202 20 20 was introduced to customers and the relevant information is given on the website.

Pursuant to Article 1524 of the Turkish Commercial Code, the content to be announced on the website should be uploaded to the pages of the companies with a secure electronic signature and time stamp, the uploaded content should be kept in a secure environment, the content should be made available for access, and it should be archived securely.

Information about our company can be accessed from the "information" section on the website under the title of information society services (e-Company), and all stakeholders are informed.

English website is arranged in a limited way and is not fully compatible with the Turkish website. In 2022, a project will be conducted to make Turkish and English websites fully compatible with each other.

### 2.2 Information Policy

Approval of the Board of Directors for the information policy prepared by Türkiye Hayat Emeklilik regarding with the aim of public

disclosure was obtained. The policy was provided on the website and will be submitted to approval of the shareholders in General Assembly meeting for 2021.

Information and data about the company are made available to the public or the requesting institution in a timely, accurate, complete, understandable, up-to-date and easily accessible manner.

### 2.3 Public Disclosure Platform (PDP)

In accordance with the "Regulations on Principles Related to the Establishment and Operations of Pension Investment Funds" published in the Official Gazette dated 13.03.2013 and numbered 28586, the Public Disclosure Platform (PDP) regarding Pension Investment Funds, following notifications are provided:

- Prospectus and Bylaw,
- Amendments to Prospectus and Bylaw,
- Fund Expense Notifications (Once a year, within 6 working days following the accounting period),
- FEN (Fund Expense Notifications) Rate Notifications (Once a year, within 6 working days following the accounting period),
- 6-Month Reports from Periodic Reports (within 6 weeks following the accounting period),
- Annual Report from Periodic Reports (within 90 days following the accounting period),

- Performance Report from Periodic Reports (Twice a year, within 6 working days following the accounting period),
- General Comments about the Fund, if any, are notified.

Within the scope of "Guidelines on Pension Investment Funds," which is adopted as the Principle Decision of the Capital Markets Board (SPK) numbered i-SPK.4632 s.kn.17.3 (dated 03.03.2016 and 7/223 s.k.), regarding Pension Investment Funds, followings are notified to PDP:

- Intermediary Institution Commission Information Report (4 times a year, within 10 working days following the accounting period)
- Fund Management Fee Sharing Rate (Once a year, within 6 working days following the accounting period) are notified.

### 2.4 Activity Report

The Board of Directors ensures that the annual reports represent a true and complete view of the company's activities.

The annual report is prepared in the required format, fully and appropriately in accordance with the Regulation on the Financial Structures of Insurance, Reinsurance and Pension Companies, the Regulation on Determining the Minimum Content of the Annual Report of the

Companies, the Republic of Türkiye Ministry of Treasury and Finance Insurance Companies Circular No. 2011/8 and the CMB Corporate Governance Communiqué.

## SECTION 3 – STAKEHOLDERS

### 3.1 Company Policy Regarding Stakeholders

Stakeholders of the Company are provided with every kind of information in their areas of interest. Conflicts of interest between the stakeholders are discussed in a balanced manner. Our company protects the rights of stakeholders independently of each other. Information is shared in internal meetings, and via the communication channels regarding the applications, and e-mail as well as the bulletins of the Company. Public disclosures are made through press conferences, statements made through the media, information on the website, and information society service. Whistleblowing mechanisms and report lines are in place for reporting legal and ethical issues.

### 3.2 Supporting Participation of Stakeholders in Company Management

Persons/institutions that affect the activities of the Company or are affected by the activities of the Company are considered as the Company's stakeholders. All kinds of opinions and evaluations of stakeholders are taken into account through various communication platforms.

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The rights of the stakeholders are protected independently of each other. On the condition that conflicts of interest arise between stakeholders or should a stakeholder be included in more than one interest group, as far as possible a balanced policy is pursued in terms of protecting the rights owned.

Türkiye Hayat Emeklilik takes every precaution to ensure customer satisfaction in the provision of products and services. Within the context of trade secrets, confidentiality of information about customers and suppliers is watched over. Necessary measures are taken by the company in order to establish good relations between the company and its customers and suppliers, free from unfair advantage, and to comply with the terms of the agreement between the parties.

The methods such as questionnaires, receiving requests, filling in the suggestion forms and consultation were applied to ensure the participation of employees in management and to get the opinions of stakeholders about the important decisions which will bring results for them.

### 3.3 Human Resources Policy of the Company

Human Resources Policy of the Company is published in the annual report and on the corporate website.

### 3.4 Relations with Customers and Suppliers

The Company holds the international ISO 10002:2018 (Customer Satisfaction Management System) and ISO 18295:2017 (Customer Relations Management System) quality certificates.

As part of these quality certificates;

- The processes which will ensure that customer expectations and needs are satisfied incessantly and promptly,
- Abilities to measure customer satisfaction, receive their feedbacks and turn them into actions,
- The business processes for searching and settling the customer complaints and demands and raising customer satisfaction continuously,
- The fact that quality control, reporting, training, performance and estimation systems for call centers are performed in line with the international standards, were certified by the external auditing institution as well.

The Company owns ISO 27001 Information Security certificate that contains the protection of its financial data, intellectual properties and confidential information about customers.

Works on ISO 9001:2015 Quality Certification process commenced. Moreover, basic ISO 9001:2015 training was provided. In 2022, ISO19011:2018 Internal Investigator Training was completed with the participation of employees in the other departments for the purpose of conducting internal audit for all units of the Company. It is planned to obtain ISO 9001:2015 Quality Management System Certificate within 2022. In addition to such activities, regulative and improving activities will be carried out through the quality management system.

### 3.5 Business Continuity Management

Business continuity covers all the work to be carried out to determine the critical processes of our Company, to carry out the necessary efforts for the continuity of these processes, and to make them work again within acceptable interruptions in cases where continuity cannot be ensured.

The Business Continuity Policy and the basic principles of the Business Continuity Management System are outlined and shared with all relevant parties. Within the scope of the Business Continuity Policy Principles, it is as important to provide a good service for our Company as to ensure the continuity of that service. Our company, which attaches

utmost importance to the continuity of all business processes and corporate operations in order to provide the highest possible value to its customers and stakeholders, strives to achieve the world standard in order to provide uninterrupted service even in extraordinary conditions. All employees take an active role in ensuring business continuity.

### 3.6 Ethical Principles Policy

Türkiye Hayat Emeklilik, is sensitive to their social responsibilities; complies with the regulations and ethical rules regarding the environment, consumers and public health. As a company, it acts with the awareness of social responsibility, takes resolutions in this direction and realizes projects. Measures were taken to prevent corruption and bribery. Ethical principles policy of the company was updated. It is planned to submit the policy for the approval in the General Assembly meeting for 2022.

### 3.7 Social Responsibility Activities

Similar to previous years, various projects and activities for social responsibility were carried out in 2021. Details of the projects and activities were announced to the public via various media channels, on the website and in the annual report.

### 3.8 Sustainability Activities

Several activities are performed to the largest extent to provide benefit to our stakeholders and create value with them. For this purpose, sustainability activities commenced in 2021, considering the focal points of stakeholders. These activities will be shared to public this year in 2021 Sustainability Report.

## SECTION 4 – BOARD OF DIRECTORS

### 4.1 Structure of the Board of Directors

Within the scope of the provisions of the Turkish Commercial Code, Insurance and Pension Legislation, and other legislation, the business and administration of the company is executed by the General Assembly per a Board of Directors consisting of at least 6 (six) members in total together with the General Manager of the Company or his deputy, who is the natural member of the Board of Directors. The names, assignment and starting dates of the Chairman and members of the Board of Directors are presented below;

Position	Name	Date of Appointment	Ending Date of Position
Chairman	Aziz Murat ULUĞ	31.03.2021	-
Vice Chairman and CEO	Atilla BENLİ	15.12.2020 General Manager / 16.01.2019 Board member / 02.06.2020 Chairman of the Board / 31.03.2021 Vice Chairman of the Board	-
Member	Muhammed Mahmut ER	10.09.2020	-
Member	Murat AKGÜÇ	31.03.2021	-
Independent Member	Murat AKBALIK	02.06.2020	-
Independent Member	Mehmet AYDOĞDU	02.06.2020	-

The roles of the Chairman and Chief Executive Officer (General Manager) were separated and defined. In the first Board meeting held after the General Assembly dated 31.03.2021, the Chairman of Board of Directors was elected among the Board Members who are not charged with execution. The General Manager of the company is a natural member of the Board of Directors and has the right to vote. Exclusive of the General Manager, who is a natural member, the Members of the Board of Directors are elected for minimum 1 and maximum 3 years. Nevertheless, members whose terms have expired can be re-elected. The General Assembly determines the amount of the remuneration to be given to the Members of the Board of Directors. The General Assembly always has the authority to dismiss the Members of the Board of Directors and replace them with another member.

There is no policy that restricts the election of female Board Members.

### 4.2 Powers and Responsibilities of the Members of the Board of Directors

The powers and responsibilities of the members of the Board of Directors and managers of the company are explicitly stated in the Company's Articles of Association. According to Article 13 of the Articles of Association, the Board of Directors is authorized to take resolutions on all transactions other than those left exclusively to the decisions of the General Assembly.

Members of the Board of Directors should comply with the qualifications set forth in Article 6 of the "Regulation on Establishment and Working Principles of Insurance Companies and Reinsurance Companies." The documents of the persons appointed to the Board of Directors are prepared and sent to the Insurance and Private Pension Regulation and Supervision Agency

Educational status, professional experience and backgrounds of the members of the Board of Directors and auditors are reported in the annual report of the Company, and additionally the CVs of the chairman and members are available on the website under the heading of the Board of Directors.

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Liabilities of the members of the Board of Directors are covered by professional liability insurance in order to cover the losses that may occur in the company during their duties. Preparation for making professional liability insurance in order to cover the losses that may occur in the company during duties of the Board members continues.

#### 4.3 Form of Board of Directors Meetings

The agendas of the Board of Directors meetings are determined according to the issues and authorities specified in article 11 of the articles of association. The Board of Directors convenes in accordance with the necessity of the business of the Company with the invitation of the Presidency or with the written request of one or more members to ensure that the business is managed without hitch. Each member of the Board of Directors has the right of one vote. In order for the resolutions of the Board of Directors to be valid, the majority of the members must attend the meetings. All of the Board Members participated in all meetings of the Board of Directors.

#### 4.4 Committees Established within the Board of Directors

In order for our Board of Directors to carry out more productive and constructive works and to take quick and rational decisions, the Strategy

Management Committee and the Information Technologies Steering Committee were established with the resolution taken by the Board of Directors, apart from the committees that should be formed as required with the legislation. Committees invited the persons deemed necessary to obtain their views, to the meetings. The committees got consulting service for their activities for 2021. The Committees of the Board of Directors, their members and distribution of their assignments are presented below;

Committees	Committee Members	Position	Duties in the Committee
Corporate Governance Committee	Murat AKBALIK	Board Member	Committee Chairman
	Murat AKGÜÇ	Board Member	Committee Member
	Fulden PEHLİVAN	Investor Relations Manager	Committee Member
Audit Committee	Murat AKBALIK	Independent Board Member	Committee Chairman
	Mehmet AYDOĞDU	Independent Board Member	Committee Member
	Gürdoğan YURTSEVER	Head of Internal Systems	Committee Member
Early Detection of Risk Committee	Murat AKBALIK	Board Member	Committee Chairman
	Mehmet AYDOĞDU	Independent Board Member	Committee Member
	Murat SÜZER	Assistant General Manager	Committee Member
Strategy Management Committee	Atilla BENLİ	Vice Chairman and CEO	Committee Chairman
	Murat AKGÜÇ	Board Member	Committee Member
	Bilal TÜRKMEN	Assistant General Manager	Committee Member
Information Technologies Steering Committee	Muhammed Mahmut ER	Board Member	Committee Chairman
	Bilal TÜRKMEN	Assistant General Manager	Committee Member
	Ali ARAZ*	Assistant General Manager	Committee Member

\* Ali Araz resigned from consulting job, so Sevda Mersin was elected as the member as of January 22, 2022.

Information about running of the committees and their activities for 2021 are given in the annual report.

#### 4.5 Department of Internal Systems

Department of Internal Systems was established in December 2021 as per the Regulation on Internal Systems in Insurance and Private Pension Industries published in the Official Gazette dated November 25, 2021 no. 31670. Head of Internal Systems was appointed as the Audit Committee member. Furthermore, Risk Management, Internal Control and Actuarial functions/units were incorporated in the Department of Internal Systems administratively.

The organization was changed accordingly to ensure performance of the Company's responsibilities for internal systems via the Audit Committee, and to position Risk Management, Internal Control and Actuarial functions administratively under the Audit Committee, and the Internal Audit function directly under the Board of Directors.

#### 4.6 Financial Rights Provided to the Members of the Board of Directors and Managers with Administrative Responsibility

Members of the Board of Directors do not receive any remuneration other than the attendance fee determined at the General Assembly. Salaries of the Members of the Board of Directors determined in the General Assembly every year are notified to the relevant persons in the General Assembly minutes. The financial rights information granted to the Members of the Board of Directors and senior executives is published in the annual report.

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 favor of them.

Salary policy was approved by the Board of Directors at the beginning of 2022. It will be submitted for approval of the General Assembly for 2021.