

# STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

## PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.

### STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

**a)** During the operating period ended 31 December 2019, PINAR ENTEGRE ET VE UN SANAYİİ A.Ş. ("the Company") achieved compliance with the entirety of the mandatory articles of the Corporate Governance Principles appended to the "Communiqué No: II.17.1 on Corporate Governance (" the Communiqué ") issued by the Capital Markets Board of Turkey (CMB).

**b)** Our Company spends maximum effort to achieve full compliance also with the non-compulsory Corporate Governance Principles. Justifications for currently non-implemented non-compulsory principles are presented herein below, and it is considered that the said matters do not lead to any major conflicts of interest under the current circumstances.

The explanations to be made by our company in accordance with Article 8 of the Corporate Governance Communiqué on corporate governance principles which have not yet been complied with and which are not mandatory are presented below with required explanations:

- 1.3.11** In the articles of association of our company, there is no article regarding the participation of stakeholders and the media in the General Assembly. Officers of independent auditing firms and officers of corporate governance grading institutions also participate in our General Assembly meetings and no request for participation from the stakeholders or the media has reached to our company.
- 1.4.2** in accordance with Article 19 of the articles of association, Group A registered shares have been granted 3 votes and Group B bearer shares have been granted 1 vote each.
- 1.5.2** In parallel with general practices, rights were granted to the minority within the framework of the provisions of general regulations. The company's capital structure and public disclosure ratio is expected to continue in this manner.
- 4.3.9** There has been no policy for the proportion of female members in the board of directors, but there is currently 2 female member in the board of directors.
- 4.4.7** The board members of our company are not limited for taking other duties outside the company and the duties of the board members are presented to the shareholders for information by including in the annual report.
- 4.5.5** Since there are two independent members in the company's board of directors, it is impossible for a board member to take part in only one Committee.
- 4.6.1** There is no performance evaluation system for the board of directors.
- 4.6.5** In line with general practices, salaries paid to board members and managers with administrative responsibility are disclosed in the annual activity report collectively.

Our company will continue to monitor the changes in legislation and implementations regarding compliance with the principles and to carry out the necessary work also in the future.