

# STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

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

### **STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES**

**a)** PINAR ENTEGRE ET VE UN SANAYİİ A.Ş. (The "Company") complied with all mandatory articles of Corporate Governance Principles in the annex of Corporate Governance Communiqué numbered II-17.1 published by the Capital Markets Board (CMB) during the operating period that ended on December 31, 2020.

**b)** Our company strives to comply fully with the non-compulsory principles of Corporate Governance Principles. The justifications on the basis of non-mandatory principles that have not been implemented are explained below; as of the current date, these issues are not considered to cause a significant conflict of interest.

The explanations to be made by our Company in accordance with Article 8 of the Corporate Governance Communiqué regarding the non-compulsory corporate governance principles that have not yet been complied with are presented below, per each principle:

- 1.3.11** There is no clause in the articles of association of our company regarding the participation of the beneficiaries and the media in the general assembly. Independent audit firm officials also attend our general assembly meetings, and our company has not received any request from other beneficiaries or members of the media to participate.
- 1.4.2** In accordance with Article 19 of the articles of association, Group A shares in the name of the holder were granted 3 votes and Group B bearer shares were granted 1 vote.
- 1.5.2** In parallel with general practices, rights have been granted to the minority interests within the framework of the provisions in the general regulations. Within the context of our company's capital structure and free float ratio, the practice is foreseen continuing as is at present.
- 4.3.9** A policy has not been established for the proportion of female members on the company's board of directors, but there are currently 2 female members on our board.
- 4.4.7** The members of the board of directors of our company are not restricted from taking other duties outside the company; however, the duties of the board members that they have taken outside the company are presented to the shareholders by including them in the annual report.
- 4.5.5** Since there are two non-affiliated members on the board of directors of our company, it is not possible for a board member to take part in only one committee.
- 4.6.1** There is no performance evaluation system established for the board of directors.
- 4.6.5** In line with general practices, the remuneration of the members of the board of directors and managers with administrative responsibilities are disclosed collectively in the annual report.

Regarding compliance with the principles, our Company will also make the necessary efforts by following the developments and practices in the legislation in future periods, as it does currently.