



KONTROLMATİK TEKNOLOJİ, ENERJİ VE MÜHENDİSLİK A.Ş.

CORPORATE GOVERNANCE COMMITTEE REGULATION ON WORKING PRINCIPLES AND PROCEDURES	DOCUMENT NO	: KM.2023.001
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1. ESTABLISHMENT

As per the resolution of the Board of Directors of the Company dated May 4, 2023 and numbered 21, within the framework of the Turkish Commercial Code (TCC) and the Corporate Governance Principles of the Capital Markets Board (CMB) and the recommendations of international institutions (WBG, OECD, EU, EBRD); a Corporate Governance Committee (“CGC” or “Committee”) has been updated to make suggestions and recommendations to the Board of Directors in order to establish and improve the Company's Corporate Governance practices.

2. PURPOSE

Under the regulations, provisions and principles set forth in the Turkish Commercial Code (TCC) and the “Corporate Governance Principles” of the Capital Markets Board (CMB) and the recommendations of international institutions (WBG, OECD, EU, EBRD): (i) The Committee determines whether the Corporate Governance Principles are implemented in the Company, and if not, the reason thereof, and the conflicts of interest arising from the failure to fully comply with these principles, and makes recommendations to the Board of Directors to improve corporate governance practices, and oversees the work of the investor relations department; and (ii) this document has been prepared by the Company's Board of Directors in order to determine the formation and Working Principles and Procedures of the Corporate Governance Committee, which will be elected by the Company's Board of Directors from among its members and relevant departments to assist it in monitoring and auditing compliance with the Corporate Governance Principles and to carry out improvement activities in this regard.

3. DUTIES

The duties of the Corporate Governance Committee include, *but are not limited to*, the followings:

3.1 to determine whether the Corporate Governance Principles are being implemented or not, if not, the reason thereof and the conflicts of interest that have arisen/may arise due to not fully complying with these principles, and to make recommendations to the Board of Directors to improve Corporate Governance practices;

3.2 to oversee the work of the Investor Relations Department;



3.3 to review the “Corporate Governance Principles Compliance Report” to be disclosed to the public, to check and correct whether the information contained therein is accurate and consistent with the information available to the Committee;

3.4 to ensure the development, adoption and implementation of the Corporate Governance Principles within the Company, to work on issues where they are not implemented and to make recommendations to the Board of Directors to improve the degree of compliance;

3.5 to follow the International Corporate Governance Principles and make recommendations to the Board of Directors for the implementation of the necessary elements within the Company through information technologies;

The Committee notifies the Board of Directors in writing of its evaluations and recommendations on the above-mentioned issues.

4. MEMBERSHIP CRITERIA

4.1 The Committee members are appointed by the Board of Directors and consist of at least three (3) members. It may consist of two (2) Board member and one (1) Investor Relations Officer. The majority of the members of the Board of Directors serving on the Committee are non-executive members of the Board of Directors. The Chairman of the Committee is elected among the independent members of the Board of Directors. The Chief Executive Officer and the General Manager cannot serve on the Committee. When necessary, people who are not members of the Board of Directors but who are experts in their fields may be assigned to the Committee.

4.2 The Board of Directors shall appoint a person it deems appropriate to act as President of the Committee. In the absence of the President of the Committee and/or an appointed deputy, the other members present shall elect one of their number to chair the meeting.

4.3 When the new Board of Directors is elected at the Ordinary General Assembly meeting, the Board of Directors shall appoint the members of the Committee in parallel with its term of office. The duties of the former Committee members shall continue until their replacements are elected.

4.4 Only Committee members have the right to attend Committee meetings. The Committee may invite any manager it deems necessary to its meetings and receive their opinions. The Chairman of the Board of Directors, Chief Executive Officer/General Manager, Chief Financial Officer, General Secretary, Chief Legal Counsel, Compliance officer, Internal Auditor, representatives from other directors and functions and other relevant persons may be invited to attend all or part of any meeting as appropriate.

4.5 The Board of Directors shall provide the Committee with all necessary resources and support to fulfill its duties. The Committee shall benefit from the opinions of independent experts on the matters it deems necessary in relation to its activities. The cost of the consultancy services required by the Committee shall be covered by the Company.



5. GENERAL SECRETARY

The Company Secretary General or a nominee appointed by the President of the Committee shall act as the Secretary of the Committee.

6. FREQUENCY OF MEETING AND QUORUM

- 6.1 The Committee meets at least four (4) times a year. It may also convene as often as required by the task assigned to it in reporting and audit processes.
- 6.2 The decisions of the Committee are advisory to the Board of Directors, and the Board of Directors is the final decision-making authority on relevant matters.
- 6.3 The quorum necessary for the transaction of business shall be two (2). A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 6.4 Meetings shall be held at the Company headquarters. The Committee may also hold its meetings in person or in electronic media or by conference call without actually coming together. In this case, the minutes shall be signed by the Committee members. In addition, the decisions of the Committee may be taken by circulation, and the minutes signed by all members shall be valid.

7. NOTICE OF MEETING

- 7.1 Meetings of the Committee shall be summoned by the Secretary or President of the Committee at the request of any of its members.
- 7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than two (2) working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

8. MEETING MINUTES AND REPORTING PROCEDURE

- 8.1 At the beginning of each meeting, the Secretary General shall determine whether there is any conflict of interest and record the minutes accordingly.
- 8.2 The minutes of the meeting shall include at least the following:
- (i) the date of the meeting;
 - (ii) the names, surnames and titles of those who attended the meeting;
 - (iii) information on the matters considered at the meeting; and
 - (iv) the decisions taken and their nature.



8.3 The decisions of the Committee shall be signed and archived by the members of the Committee after being written down.

8.4 Once approved, the minutes of the decisions of the Committee shall be submitted to the Board of Directors.

8.5 The Secretary General shall be responsible for the preparation and storage of the Committee's reports.

9. ANNUAL GENERAL MEETING (AGM)

The President of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

10. RESPONSIBILITIES

The Committee should fulfill the following responsibilities as appropriate for the Company (*and its subsidiaries and associates, and the Group as a whole*):

10.1 General Responsibilities

It is the Committee's responsibilities to advise on the policies adopted by the Board of Directors and the general operation of the Company's business. In this context, the Committee makes recommendations to the Board of Directors for the management of the Company. The general duties of the Committee include consulting and advising the Board of Directors on the following matters:

- (i) Realization of the Company's operational and financial targets;
- (ii) Corporate strategy recommendations;
- (iii) Risks inherent in business activities;
- (iv) Structure and functioning of internal risk management and control systems;
- (v) Main financial parameters and financial reporting process;
- (vi) Corporate social responsibility issues concerning the Company;
- (vii) Company shareholder relationship.

10.2 Special Responsibilities

- (i) Recommending the election and appointment of the Board members, recommending the remuneration policy and contractual terms and conditions of employment for the Board members;
- (ii) Recommending the selection and appointment of Committee members and proposing their remuneration;



- (iii) Measuring and evaluating the functioning of the Board of Directors and the Committee and their individual members;
- (iv) To develop and implement the Corporate Governance Principles within the Company and to ensure that an efficient and effective "Corporate Governance Culture" is established in the Company;
- (v) Reviewing the annual financial statements and making recommendations.

10.3 Sensible Responsibilities

- (i) In the performance of their duties, the members of the Committee shall act in the best interests of the Company. They shall take into account the relevant interests of shareholders. The members of the Committee shall also show due respect to sustainability issues concerning the Company.
- (ii) The members of the Committee shall act critically and constructively to ensure the continuity of the Company in accordance with the Company's Articles of Association.

10.4 Reporting Responsibilities

- (i) The President of the Committee shall submit a formal report to the Board of Directors after each meeting on all matters within its duties and responsibilities.
- (ii) The Committee makes such recommendations to the Board of Directors as it deems appropriate, *through information technologies*, on any matter requiring action or improvement within its area of responsibility.
- (iii) The Committee shall prepare an information report to shareholders on the Company's activities for inclusion in the Company's Quarterly/Annual Report and Financial Statements.

10.5 Other Matters

The Committee shall:

- (i) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- (ii) be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members;
- (iii) give due consideration to laws and regulations and the requirements of the national (TTK, SPK, BIST) and international (WBG, OECD, EU, EBRD) rules as appropriate;



- (iv) oversee any investigation of activities which are within its Working Principles and Procedures; and
- (v) at least once a year, review its own performance, constitution and Working Principles and Procedures to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

The Committee notifies the Board of Directors in writing of its assessments and recommendations on the above-mentioned issues.

11. AUTHORITY

The powers that the Committee may exercise when necessary are as follows:

- 11.1 To seek any information it requires from any personnel of the Company in order to perform its duties;
- 11.2 to call any employee to be questioned at a meeting of the Committee as and when required.
- 11.3 When necessary, to obtain independent expert opinions on matters deemed necessary in relation to the Committee's activities.

12. . AMENDMENT

The Committee shall review this Working Principles and Procedures every year and recommend to the Board of Directors any changes it deems necessary. The Board of Directors is authorized to review and update the working principles.

13. EFFECTIVE DATE

This Regulation on Working Principles and Procedures of the Corporate Governance Committee have been approved by the Board of Directors' resolution dated May 4, 2023 and numbered 21 and are in force.

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