

Politeknik Metal Sanayi ve Ticaret A.Ş. 2023 Corporate Governance Principles Compliance Report

Corporate Governance Principles Compliance Declaration

Politeknik Metal Sanayi ve Ticaret A.Ş. (“Politeknik Metal” or the “Company”) is subject to the provisions relevant to Corporate Governance Principles stipulated for banks in the Capital Markets legislation. Within this scope, Politeknik Metal has adopted prudent, stability and trust-based management method.

Politeknik Metal has complied with the mandatory articles of the Corporate Governance Principles included in the Corporate Governance Communiqué ("Communiqué") numbered II-17.1 of the Capital Markets Board ("CMB").

Corporate Governance Compliance Reporting made in accordance with the CMB's decision dated 10.01.2019 and numbered 2/49 and the Corporate Governance Communiqué No. II-17.1; it was decided to do this using the Corporate Governance Compliance Report (“URF”) and Corporate Governance Information Form (“KYBF”) templates via the Public Disclosure Platform (“KAP”). Within the framework of compliance with this decision, the Company disclosed the URF and KYBF forms to the public simultaneously with the annual report through the link www.kap.gov.tr on February 16, 2023 for the year end 2022 Compliance Reports and April 26, 2024 for the 2023 Compliance Reports.

In this context, in accordance with the new Corporate Governance Reporting framework enacted by the CMB's resolution dated 10.01.2019;

With KYBF, to its shareholders; Information is provided about the Company's current corporate governance practices, general assembly, voting rights, minority rights, dividend rights, public disclosure and transparency, stakeholders and board of directors.

Compliance with the Corporate Governance Principles, which are not mandatory and are voluntary, is disclosed through URF within the framework of the "comply or explain" principles. The principles for which full compliance has not yet been achieved are stated below.

There is no conflict of interest arising from failure to comply with the non-mandatory principles mentioned below:

- According to the principle number 1.3.11., Shareholders or their representatives registered in the list of attendees prepared by the Board of Directors, members of the board of directors, auditors, representatives of the Ministry and persons to be elected or assigned to the meeting chairmanship, technical personnel and related Company employees may enter the General Assembly meeting place. It was not made publicly available. No changes regarding this are foreseen in the Articles of Association or the General Assembly Internal Directive.
- According to the principle number 1.4.2., Group A shares with a nominal value of TL 150,000 have the privilege of nominating candidates in the election of the members of the board of directors and the privilege of 15 voting rights in the voting of the agenda items at the general assembly meetings.
- According to the principle number 1.5.2., Minority rights are not granted to those who own less than one twentieth of the capital by the Company's articles of association, and the provisions stipulated within the framework of the general regulations in the legislation are valid.
- According to the principle number 1.7.1., Group A shares are registered shares, and there are restrictions regarding the transfer of these group shares. Information on these restrictions is regulated in Article 7 of the Articles of Association, titled PROCEDURE FOR THE

TRANSFER OF SHARES, and is included in the Articles of Association under the heading Investor Relations/Articles of Association on the Company's website .

- According to the principle number 2.1.1., Postings on the company website are made pursuant to applicable requirements and within the scope of its Ethical Principles. The questions asked and the answers given at the General Assembly are available on our company's corporate website under the section of General Assembly Meeting Documents If Requests, questions, complaints etc. from investors through various channels. If there are issues that require public disclosure, the necessary disclosures are made on PDP in accordance with our policy of informing all investors equally.
- According to the principle number 2.1.4., Most of the information on the website is prepared in English besides Turkish.
- According to the principle number 3.1.2., A written compensation policy has not been established for company employees. All practices regarding the company's employees are subject to the Labor Law and other relevant legislation, and since there are no contrary provisions in the internal regulations, a separate compensation policy has not been regulated.
- According to the principle number 3.1.3., The company currently has no policies or procedures directly addressing stakeholders' rights posted on its website.
- According to the principle number 3.2.1., Employee participation in management is not regulated by the Articles of Association or internal regulations of the Company. Decisions are currently made through internal meetings among management and relevant employees.
- According to the principle number 3.2.2., A survey method is implemented once a year for suppliers within the scope of customer satisfaction and reported to the top management. Communication channels are kept open for other stakeholders.
- According to the principle number 3.3.5., Decisions that may affect employees are notified as required by the applicable legislation. There is currently no union practice in our company.
- According to the principle number 3.5.1., Our company is subject to the framework of the Group Code of Ethics.
- According to the principle number 4.2.3., Although there is no separate internal control unit, the board has oversight over activities subject to financial audits carried out both within the Group and in accordance with the applicable legislation, established Board Committees and audits of unit managers.
- According to the principle number 4.2.8., Although there is no such insurance policy at this time, the Company may re-evaluate.
- According to the principle number 4.3.9., Although there is no such policy at this time, the Company may re-evaluate.
- According to the principle number 4.4.7., The members of the board of directors are not limited by a written rule to take on other duties outside the company. Our Board of Directors is constituted within the framework of the provisions of the Turkish Commercial Code and CMB

Legislation. Duties assumed by the members of the Board of Directors outside the Company were presented to the information of the shareholders, including in the Annual Report discussed at the General Assembly meeting.

- According to the principle number 4.5.5., Due to the number of independent and non-executive members present within the framework of the provisions of the Legislation regarding the establishment of committees, a member has become obligated to take part in more than one committee, and the Company believes this does not cause any disruption and/or conflict of interest in the work of the committees.
- According to the principle number 4.6.5., Among the members of the board of directors, only the independent members of the board of directors are compensated for their services as directors, and the fees to be paid are determined and announced by the general assembly as required by the applicable legislation. The sum of these wages and the wages paid to executives with administrative responsibility is disclosed in the annual report as required by the applicable legislation.

This Corporate "Compliance Report Format" and "Corporate Governance Information Form" was accepted by the resolution of the Board of Directors dated April 08.

Borsa Istanbul A.Ş. ("Borsa" or "Borsa Istanbul"), in line with the announcements of the Board of Directors dated 17/09/2020 and with the decisions of the CMB dated 14/09/2020, in order to increase the depth of the shares traded in our Stock Exchange Equity Market, 01/10/ Effective as of 2020, some changes have been made in the market structuring, trading principles in the markets, transition criteria between markets and listing conditions in the Equity Market. These changes were announced with the announcement dated 17/09/2020 and numbered 2020/58 and entered into force as of 01/10/2020. Due to the market changes in the announcement published on 29.09.2023 as a result of the evaluation of Borsa Istanbul, our Company's shares have been included in the scope of the "Star Market Index", effective as of 02.10.2023.

In the evaluation made regarding the implementation of the Corporate Governance Communiqué numbered II-17.1, in accordance with the Decision numbered 2/51 of the Capital Markets Board's Board Decision Making Body dated 12/01/2023 and the announcement in the CMB Bulletin numbered 2023/2; Within the scope of the Communiqué, our company's shares were included in the 2nd Group for 2023, under the determination and supervision of the corporate governance principles that will be mandatory. In this context, exceptions/exemptions in the implementation of corporate governance principles of the companies in the second group are also valid for our Company.

According to Article 11 of the Corporate Governance Communiqué, the Investor Relations Department manager is required to have a "Capital Market Activities Advanced Level License" and "Corporate Governance Rating Expertise" license. The Investor Relations Department Manager working in this context holds Capital Market Activities Level 3 and Corporate Governance Rating Licenses. Within the scope of the Capital Markets legislation, the "Audit Committee", "Corporate Governance Committee" and "Early Detection of Risk Committee" were established on 30.06.2021. It has been decided that the "Nomination Committee" will not be formed separately, taking into account the structuring of the Board of Directors and the duties of our independent members in the committees in which they currently serve, and that the duties of this committee will be carried out by the "Corporate Governance Committee".

Best Regards,