



## ***Corporate Governance Compliance Rating Report***



***Garanti Emeklilik ve Hayat A.Ş.***

26<sup>th</sup> December 2022

Validity Period 26.12.2022-26.12.2023

## LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for **Garanti BBVA Emeklilik ve Hayat Anonim Şirketi**;

has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published in the Official Gazette No. 31262 on 02 October 2020 by the Board, as well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871

The criteria, established for the companies whose shares are traded at BIST, are organized separately as First Group, Second Group, Third Group and **non-quoted companies** and investment partnerships, taking into consideration the group distinctions stated by CMB's Corporate Governance Principles in Item 2 - Article 5 of communiqué no II-17.1, published in the Official Gazette on 03.01.2014.

The Corporate Governance Compliance Rating Report prepared by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. has been concluded based on the documents and information contained in 74 files electronically sent by the relevant company, the data publicly disclosed by the company on its official website, the Independent Audit Report dated February 1, 2022 covering the company's activities in 2021 by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş, the Limited Scope Independent Audit Report dated October 26, 2022 for the period January 1, 2022- September 30, 2022 prepared by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi Bağımsız Denetim, and the reviews and interviews conducted by our experts on the company.

Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. has formulated its Ethical Rules according to the Banking Act, the CMB and BRSA Directives on the Operations of Rating Companies, generally accepted ethical rules of the IOSCO and OECD including generally accepted ethical customs, which is shared with the public through its Internet website ([www.kobirate.com.tr](http://www.kobirate.com.tr)).

Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. formed accordingly to the methodology disclosed.

The rating grade does not constitute a recommendation to purchase, to hold or to dispose of any kind of borrowing instrument. KOBIRATE A.Ş. may not be held liable for any losses incurred or investments made to the company referring to this report.

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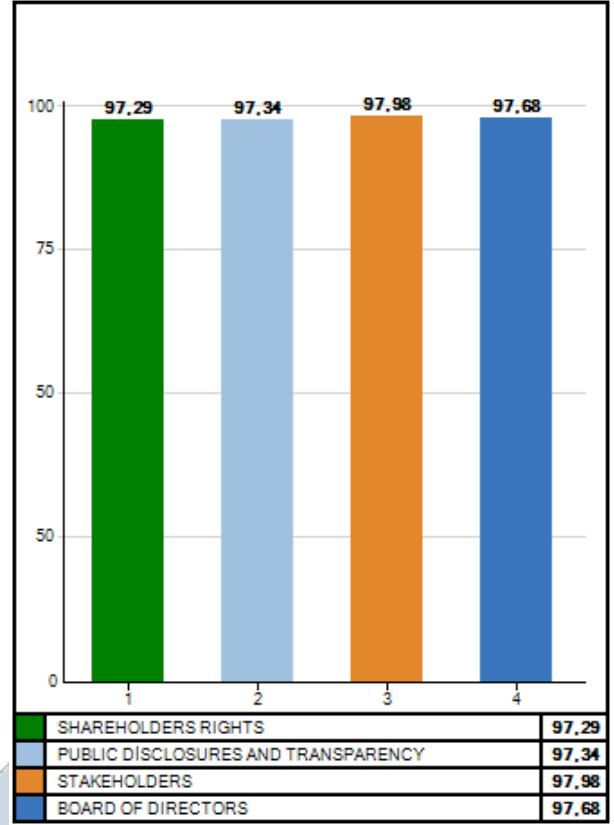
**GARANTİ BBVA EMEKLİLİK VE  
HAYAT A.Ş.  
NON-LISTED COMPANY**

**CMB CORPORATE GOVERNANCE  
PRINCIPLES COMPLIANCE GRADE**

**9.75**

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**CORPORATE GOVERNANCE COMPLIANCE RATING SUMMARY**

Corporate Governance Compliance Rating Report prepared by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş regarding the rating of the compliance of Garantibbva Emeklilik ve Hayat A.Ş. with Corporate Governance Principles, has been prepared based on the documents, information, data disclosed to the public, interviews with the executives and relevant persons, and other detailed examinations and observations under 74 files sent by the relevant company electronically.

The study has been held in accordance with the year 2022 Non-Listed Companies Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Yönetim Hizmetleri A.Ş. Methodology has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published in the Official Gazette No. 31262 on 02 October 2020 by the Board, as

well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871

Garantibbva Emeklilik ve Hayat A.Ş. has been operating as a **non-listed company on BIST**. The Company has been evaluated through examination of **360** criteria described in Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.'s methodology of "BIST Non-Listed Companies".

At the end of the examination of criteria under the main headings of Shareholders, Public Disclosure and Transparency, the Stakeholders and the Board of Directors, Corporate Governance Compliance Rating Grade of

Garantibbva Emeklilik ve Hayat A.Ş. has been revised as **9.75**.

According to this result, the Company achieved a substantial compliance with to the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the Company might be exposed are recognized and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency are high. Interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles.

In view of rating process under main headings in brief;

It has been seen that the Company has obtained the grade of **97.29** in the **Shareholders** Section.

It has been considered positive practices that the relationships with shareholders are maintained in a healthy manner, the duties of the Investor Relations Unit are carried out by the Legal Unit under the Deputy General Manager, the General Assemblies are held in accordance with the rules, the Distribution of Profits Policy is prepared, presented to the General Assembly for approval, and publicly disclosed, there are no restrictions on the transfer of shares, there are no obstructive practices in the use of voting rights, and provisions are included in the articles of association to protect minority rights.

The score it received from the **Public Disclosure and Transparency** section was confirmed as **97.34**. The fact that the company has created the Disclosure Policy and disclosed it to the public is a practice in line with the principles. In the Independent Audit reports prepared during our review period, no negative opinion or a qualified opinion was included. The corporate website of the company has been designed in such a way that many up-to-date information about the company may be needed by the investors and shareholders

listed in the principles. It has been seen that the 2021 annual report is sufficient in terms of content, and the information provided is reinforced with graphics. With these practices, the company has achieved and maintained a good level of compliance with the principles in the field of public disclosure and transparency. The grade achieved by the company in the **Stakeholders** section has been confirmed as **97.98**.

In this section, the company has significantly complied with the CMB's Corporate Governance Principles.

Garantibbva Emeklilik Human resources policy has been prepared. Issues concerning employees, such as recruitment, job descriptions, performance evaluation, promotion, rewarding, leaves, and social rights have been regulated and disclosed to the employees.

Training policies were created, annual training programs were prepared and employees were informed about them.

The company has facilitated to use mechanisms such as compensation provided to stakeholders by legislation.

It has been observed that the Company takes all kinds of measures to ensure customer satisfaction in the marketing and sales of its goods and services.

Ethical Principles, which have been comprehensively announced, have been approved by Garantibbva Emeklilik Board of Directors on 30.09.2022. Necessary information has been provided for the employees to act in accordance with these rules and shared with the public.

A Corporate Social Responsibility Policy has been established and shared with the public, and its activities within this scope are disclosed to the public through both its corporate website and annual activity reports.

Garantibbva Emeklilik ve Hayat A.Ş. has determined the basic principles based on sustainability activities and practices and shared them with the public. It has declared on 14 July 2015 that it will attempt to cooperate for the Global Compact developed by the United Nations (UN). Garanti BBVA Emeklilik became the first private pension and life company to have the ISO 14001 Environmental Management System Certificate in all its locations in order to systematically manage its direct and indirect environmental impacts.

In the **Board of Directors** section, the company's rating was **revised** as **97.68**.

It has been confirmed that the Board of Directors has set Company's strategic goals, audits the performance of company management, and pays further attention to company affairs to be in compliance with the legislation, the Articles of Association, and internal regulations.

Formed of 9 (nine) members, the Board of Directors consists of 1 (one) executive and 8 (Eight) non-executive members. No person in the Company has the authority to decide solely and in an unrestricted fashion. Positions of Chairman of the Board and CEO are hold by different individuals. The fact that the Board of Directors is composed of non-executive members other than the General Manager, that there are five female members in the Board of Directors with a rate of 55.5%, this rate is well above the BIST average of 17.31 was evaluated positively.

Board of Directors Meeting procedures is written in the Articles of Association and internal regulations.

The Audit, Corporate Governance, Early Risk Detection and Remuneration Committees, referred to by the Principles, have been established, their working principles have been prepared as written documents.

Garanti Emeklilik ve Hayat A.Ş. has determined a remuneration policy that

determines the remuneration principles and rules applicable to all employees, including the Members of the Board of Directors, General Manager and Assistant General Managers, and has shared it with the public.

There is no General Assembly resolution that the company management has not fulfilled. There is no administrative or judicial sanction imposed on the company and the members of the management body due to practices contrary to the provisions of the legislation during the operating period of the company.

The structure of the Board of Directors, the improvements made by the Company in the field of corporate governance, and the support provided by the Board of Directors for the acceptance of sustainability studies within the company have been seen as important practices in terms of compliance with the principles. These constituted the reasons for the grade increase in the section.



## 2. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system which audits whether or not the firm's management structures and management styles, the arrangements for shareholders and stakeholders and the process of informing in transparency and accuracy are performed in accordance with the modern corporate governance principles and which assigns a grade corresponding to the existing situation.

Organization for Economic Co-operation and Development (OECD) established a working group in 1998 in order to assess member countries' opinions on corporate governance and to prepare some non – binding principles.

The fact that principles are open to change in time was also accepted at this work. Although at first these principles were focused on the companies whose shares were quoted in stock exchange, it was emphasized by OECD that it would be also useful to implement these principles in public enterprises and companies whose shares were not quoted in stock exchange.

In 1999, OECD Corporate Governance Principles were approved at the OECD Meeting of Ministers and published. Since then, these principles have been regarded as international references for the decision – makers, investors, shareholders, companies and stakeholders throughout the world.

Since their approval, these principles kept the concept of corporate governance on the agenda and became guidelines for the laws and regulations in OECD members, as well as other countries.

In OECD Corporate Governance Principles, corporate governance is based on four basic principles, which are fairness, transparency, accountability and responsibility.

Turkey has been closely monitoring these developments. A working group, established

within TUSIAD in 2001, prepared the guide, titled, "Corporate governance: The best implementation code". Then CMB issued "Capital Market Board Corporate Governance Principles" in 2003 and updated it in 2005, 2010, 2012, 2013,2014 and 2020 according to international developments in this field.

Obligation to comply with CMB's Corporate Governance Principles, based on the principle of "comply or explain", and to declare it became part of companies' lives in 2004. Putting the Declaration of Compliance to Corporate Governance in the annual reports became obligatory the following year.

The principles are grouped under four main headings, namely: the Shareholders, Public Disclosure and Transparency, Stakeholders, and the Board of Directors.

The Corporate Governance Compliance Rating Methodology has been prepared by Kobirate A.Ş. for companies whose shares are traded on BIST, banks, investment partnerships and **non-quoted companies**.

It has been prepared in accordance with "Corporate Governance Communiqué (II-17.1) and Communiqué Amending this Communiqué (II-17.1.a)" published in the Official Gazette No. 31262 on October 2, 2020 by the Capital Markets Board and regulations on voluntary sustainability principles compliance framework in addition to board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105.

In this analysis, the full compliance of work flow and analysis technique with Kobirate A.Ş.'s Ethical Rules is considered.

**360** criteria are used in the rating process for **BIST Non-Listed** Companies in order to measure the compliance of firms with corporate governance principles. These criteria are transformed into "Corporate Governance

Rating Question Sets” through Kobirate A.Ş.’s software.

The weighting scheme for the four main sections in the new Corporate Governance Compliance Rating, determined by CMB’s memorandum dated 12.04.2013 and numbered 36231672-410.99 (KBRT)-267/3854, is applied completely by Kobirate A.Ş. The weightings are as below:

**Shareholders 25 %**

**Public Disclosure and Transparency 25 %**

**Stakeholders 15 %**

**Board of Directors 35 %**

CMB decision dated 01.02.2013 and numbered 4/105 states that in case the minimum requirements of corporate governance principles are met, 85 % of full points can be given at most for that principle and it is required to add new questions / methods into the methodology in order to ensure that good corporate governance principles, which go beyond meeting the minimum requirements are included in the rating grade. Our company has been informed about this requirement by CMB notification dated 19.07.2013 and numbered 36231672-410.99 (KBRT) 452.

In the year 2022 revised corporate governance compliance rating methodology, created by our company, the grade that can be given to a related criterion in that subsection for meeting minimum requirements of corporate governance principles, stated by CMB Communiqué of Corporate Governance published on 03.01.2014 is restricted to 85 % of the full points. A rating is made with a system that completes the section grades up to 100 by the company's compliance and implementation of the corporate governance practices, which include the good implementation and internalization of the criteria determined in the corporate governance principles, and the different good corporate governance practice criteria determined by our company.

The grade to be assigned by the Corporate Governance Rating Committee to the firm ranges between 0-10. In this scale of grade, “10” points mean excellent, full compliance with CMB’s Corporate Governance Principles while grade “0” means that there is no compliance with CMB’s Corporate Governance Principles, in any sense, in the existing weak structure.

In this report the following legends have the following meanings:

✓ Due / Correct Application of CMB’s Corporate Governance Principles

✗ Improper / Erroneous Application of CMB’s Corporate Governance principles

✓/\* Practices required to be improved in compliance with CMB’s Corporate Governance Principles



### 3. COMPANY PROFILE



<b>Company Name</b>	: Garanti Emeklilik ve Hayat A.Ş.
<b>Company Address</b>	: Nispetiye Mahallesi, Barbaros Bulvarı, No: 96 Çiftçi Towers Kule 1, 34340 Beşiktaş/İstanbul
<b>Company Phone</b>	: (0212) 334 70 00
<b>Company Fax Number</b>	: (0212) 334 63 00
<b>Email</b>	: <a href="mailto:MusteriHizmetleri@garantibbvaemeklilik.com.tr">MusteriHizmetleri@garantibbvaemeklilik.com.tr</a>
<b>Company's Web Address</b>	: <a href="http://www.garantibbvaemeklilik.com.tr">www.garantibbvaemeklilik.com.tr</a>
<b>Trade Registry Number:</b>	: 288647
<b>Date of Incorporation</b>	: 1992
<b>Paid-in Capital</b>	: 500,000,000 TL
<b>Line of Business</b>	: Conducting all kinds of insurance activities within the scope of life insurances and activities defined for pension companies in accordance with the provisions of the Private Pension Savings and Investment System Legislation, and especially individual life, group life, personal accident, health and sickness insurance activities.
<b>Company's Sector</b>	: Insurance and Private Pension
<b>Supervisory Authority</b>	: CMB, Insurance, Private Pensions, Regulatory and Supervisory Board (SEDDK)

#### Company's Representative in Charge of Rating:

**Ahmet KARAMAN**

**Deputy General Manager**

[AhmetKaram@garantibbvaemeklilik.com.tr](mailto:AhmetKaram@garantibbvaemeklilik.com.tr)

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## Brief History of the Company

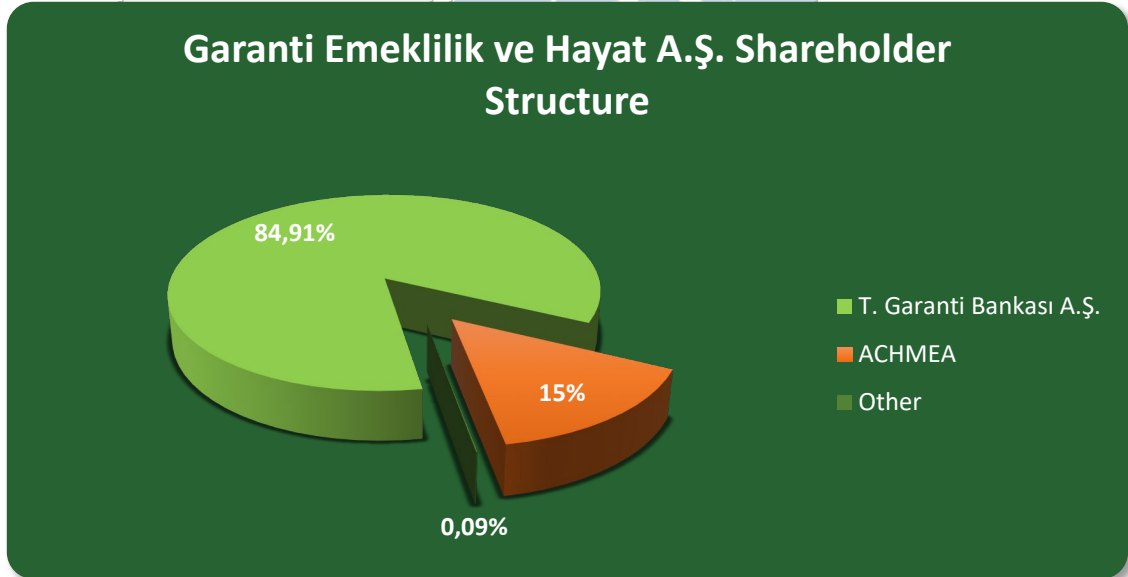
The company was established under the name of "AGF Garanti Hayat Sigorta Anonim Şirketi" on July 24, 1992, with an initial capital of 10,000 TL, and then its title was changed to "Garanti Hayat Sigorta Anonim Şirketi" on May 18, 1999.

The Company's application for conversion from a life insurance company to a pension company on November 14, 2002, in accordance with the second paragraph of the first temporary article of the Individual Retirement Savings and Investment System Law No. 4632 published in the Official Gazette on April 7, 2001, was approved by the Undersecretariat of Treasury of the T.R. Prime Ministry on December 18, 2002, and the company's title was changed to "Garanti Emeklilik Anonim Şirketi" in the Turkish Commercial Registry Gazette dated January 15, 2003, and then to "**Garanti Emeklilik ve Hayat Anonim Şirketi**" in the edition published on March 25, 2003.

The economic purpose of the Company has been determined as making life insurance contracts and private pension contracts and operating in branches related to these subjects. As of July 1, 2006, the Company started to operate in the personal accident branch in accordance with its articles of association.

The company, which has become one of the leading companies in the sector in a very short time, thanks to the synergetic cooperation it has created with its main partner, Garanti Bank, serves its customers in 13 Regional Directorates and approximately 850 Garanti Bank branches with 676 personnel as of 20.12.2022.

### Shareholder Structure (as of date of this report)



Source: [www.garantibbvaemeklilik.com.tr](http://www.garantibbvaemeklilik.com.tr)

Shareholder Name	Share (TL)	Share (%)
T. Garanti Bankası A.Ş.	424,566,290	84.91
ACHMEA B.V.	75,000,000	15.00
Other (Eureko Sigorta A.Ş.)	433,710	0.09
<b>Total</b>	<b>500,000,000</b>	<b>100.00</b>

## MAIN SHAREHOLDERS OF THE COMPANY

### GARANTİBBVA

Established in Ankara in 1946, Garanti BBVA is the second largest private and most valuable bank in Turkey with its consolidated assets reaching 1.2 trillion TL as of September 30, 2022.

Operating in all business lines of the banking industry, including corporate, commercial, SME, retail, private and investment banking, payment systems, Garanti BBVA is an integrated financial services group with its international subsidiaries in the Netherlands and Romania, as well as financial subsidiaries in the fields of private pension and life insurance, leasing, factoring, investment, and portfolio management.

The personalized solutions and rich product range that Garanti BBVA offers to its customers has an important role in reaching a cash and non-cash loan portfolio worth 873 billion TL.

As of September 30, 2022, it responds to all kinds of financial needs of its nearly 21,507 million customers with a widespread distribution network consisting of 850 branches in Turkey, 1 representative office and 8 branches abroad, 7 of which are in Cyprus and 1 of which is in Malta, and 18,766 employees. With 5,442 ATMs with the latest technological infrastructure, award-winning Call Center, internet, mobile and social banking platforms, it offers an uninterrupted experience and integrated channel convenience in all channels.

For Garanti BBVA, data and technology are the key elements that enable it to realize its "best and most connected team" strategy. Since 2019, Garanti BBVA has increased the number of digital and mobile customers to 13.2 and 12.6 million, respectively, with 4.8 million new digital customers and 4.9 million mobile new customer acquisitions. The share of digital sales in total sales reached 86%.

Garanti's shares are traded in Turkey, and its depositary receipts are traded in the UK and the USA, and its actual free float on Borsa Istanbul is 13.95% as of November 15, 2022.

The controlling shareholder of Garanti Bank is Banco Bilbao Vizcaya Argentaria S.A. (BBVA), which owns 85.97% of its shares. Founded in 1857, BBVA is a customer-focused global financial services group. The Group, the largest financial institution in Spain and Mexico, carries out pioneering banking activities with its subsidiaries in South America and the Sunbelt Region of the USA.

Source: [www.garantibbva.com.tr](http://www.garantibbva.com.tr)

### ACHMEA

Achmea is a leading international insurance group with 200 years of experience. One of the largest insurance partnerships in the world, Netherlands-based Achmea offers transparent, financially accessible, and easy-to-understand products and services to its customers with 18,000 employees in 7 countries.

Operating in all areas of insurance and distribution channels, Achmea is preferred by one out of every two people in its home market, the Netherlands. Achmea, the second largest insurance company in Greece as well as the Netherlands, has a strong market position in Turkey, Slovakia, Ireland and Romania, where it operates. The company, whose gross written premium production is 20 billion euros, has a total equity of 9.7 billion euros. Operating in the category of non-life products in insurance,

Eureko Sigorta is a member of Achmea in Turkey. Thanks to its strong cooperation with Garanti BBVA, Eureko Sigorta is the leader of bancassurance in Turkey.

In March 2007, Achmea signed a partnership agreement with Turkey-based Garanti Bank under the name Eureko B.V. Achmea has acquired 80% of Garanti Insurance's non-life insurance activities and 15% of Garanti Emeklilik's life and pension insurance activities through this agreement. Achmea completed the share transfer process, which began with the first agreement signed in 2007, in May 2011, and as foreseen in the first agreement, it also acquired the 20% Eureko Insurance shares held by Garanti Bank, thus becoming the owner of all Eureko Insurance shares.

Source: [www.garantibbvaemeklilik.com.tr](http://www.garantibbvaemeklilik.com.tr)

#### Shareholding Structure of the Main Shareholder Garanti Bankası A.Ş.

Shareholder Name	Share (TL)	Share (%)
BBVA (BANCO BILBAO VIZCAYA ARGENTARIA, S.A.)	3,610,895,890.19	85.97
OTHER SHAREHOLDERS	589,104,109.81	14.03
<b>GRAND TOTAL</b>	<b>4,200,000,000.00</b>	<b>100</b>

Source: [www.garantibbva.com.tr](http://www.garantibbva.com.tr)

#### Board of Directors

Name/ Surname	Title	Executive/ Non - Executive
Recep BAŞTUĞ	Chairman	Non - Executive
Işıl AKDEMİR EVLİOĞLU	Deputy Chairman	Non - Executive
Maria de la Paloma Piqueras HERNANDEZ	Member of Board of Directors	Non - Executive
Bianca Elisabeth Maria TETTEROO	Member of Board of Directors	Non - Executive
Aydın GÜLER	Member of Board of Directors	Non - Executive
Cemal ONARAN	Member of Board of Directors	Non - Executive
Sibel KAYA	Member of Board of Directors	Non - Executive
Ceren Acer KEZİK	Member of Board of Directors	Non - Executive
Burak Ali GÖÇER	Member of the Board of Directors & General Manager	Executive

The business and administration of the company is conducted by the Board of Directors consisting of at least 9 (nine) and at most 11 (eleven) members to be elected by the General Assembly for a maximum of 3 (three) years in accordance with the provisions of the Turkish Commercial Code. The composition of the company's Board of Directors, the meetings and quorums of the Board of Directors, and the duties and responsibilities of the Board of Directors are clearly specified in Articles 13-14-15 of the company's articles of association . The Board of Directors convenes with the majority of the total number of members and takes its decisions with the majority of the members present at the meeting. However, there is a provision that unanimity of all members of the Board of Directors is sought in the transactions of Profit Distribution, Branch Establishment, Participation in Domestic or Foreign Companies and real estate purchase and sale transactions. Members of the Board of Directors can also attend the meetings electronically in accordance with Article 1527 of the Turkish Commercial Code. The duties and responsibilities of the Board of Directors and the CEO are specifically determined in Article 15 of the company's articles of association. At the meeting of the Board of Directors held on April 27, 2022 with the number 629, Recep BAŞTUĞ was appointed as the Chairman of the Board of Directors and Işıl AKDEMİR EVLİOĞLU was appointed as the Deputy Chairman. With the decision of the Board of Directors dated 22.07.2022 and numbered 634, it was decided to accept the resignations of the Members of the Board of Directors Mahmut AKTEN and Cüneyt SEZGİN and to appoint Ceren ACAR

KEZİK and Cemal ONARAN to complete the remaining terms. Garanti Emeklilik ve Hayat A.Ş. held 26 Board of Directors meetings in 2021. In the letter dated 07.11.2022 received from the Legal Counsel, it was determined that there were no administrative or judicial sanctions imposed on the Company and the members of the management body due to practices contrary to the provisions of the legislation during the activity period.

#### COMMITTEES FORMED WITHIN BOARD OF DIRECTORS

Committee	Committee Members	Position within Committee	Position in Company
<b>Audit Committee</b>	Işıl AKDEMİR EVLİOĞLU	Member	Member of Board of Directors
		Member	Member of Board of Directors
<b>CORPORATE GOVERNANCE COMMITTEE</b>	Cemal ONARAN	Member	Member of Board of Directors
	Işıl AKDEMİR EVLİOĞLU	Member	Member of Board of Directors
<b>Early Detection of Risk Committee</b>	Cemal ONARAN	Member	Member of Board of Directors
	Işıl AKDEMİR EVLİOĞLU	Member	Member of Board of Directors

#### CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee was established in 2011 in accordance with the Circular on Corporate Governance Principles in Insurance Companies, Reinsurance Companies and Pension Companies published by the Undersecretariat of Treasury. The main purpose of the Committee has been defined as putting the necessary efforts to comply with the Corporate Governance Principles and to create a general corporate culture in this direction, to make suggestions to the Board of Directors for this purpose, and to monitor our Company's compliance with these principles.

In this context, the duties and authorities of the Corporate Governance Committee are defined below. To conduct work for:

- 1- The establishment of Corporate Governance Principles of the company in accordance with the principles of equality, transparency, accountability and responsibility,
- 2- The establishment of an environment necessary for the Board of Directors and executives to carry out their activities in a fair, transparent, accountable, and responsible manner,
- 3- The transparent conduct of business and operations by the company,
- 4- The protection of the rights of stakeholders independently of each other,
- 5- Consideration of the company's ethical values, internal balances, and strategic goals in the determination of the remuneration policy,
- 6- The implementation of measures to ensure the use of rights arising from legislation, the Articles of Association and other internal regulations of the company in the use of the rights of shareholding by the company,
- 7- In accordance with the Corporate Governance Principles Declaration, preparation of a Corporate Governance Compliance Report in March of each year, presentation of the prepared report to the Board of Directors and sharing it with the Treasury.

The Committee held one meeting in 2022 with the participation of all members.

## **AUDIT COMMITTEE**

The Audit Committee consists of two Board Members who do not have executive or operational duties. There is a Board of Directors in the Committee and a member of the Board of Directors is expected to be appointed. The main responsibilities of the Audit Committee, which was established to assist the Board of Directors in the performance of its audit and supervision activities, are;

- 1- Monitoring the efficiency and effectiveness of activities within the scope of internal systems on behalf of the Board of Directors,
- 2- Carrying out pre-evaluations in selecting independent audit firms by the Board of Directors, and obtaining information related to the activities of the relevant firms as deemed necessary. Accordingly, the duties and authorities of the Audit Committee are defined as follows:
- 3- Assisting the Board of Directors in fulfilling its supervision role in matters of internal audit, internal control, and risk management,
- 4- Ensuring that the internal audit system is carried out within the scope and purpose stated in the Regulation on the Internal Systems of Insurance and Reinsurance and Pension Fund Companies,
- 5- Evaluating the Inspection Board Regulations and the annual internal audit plan prepared by the Inspection Board and approved by the Board of Directors,
- 6- Evaluating whether the management of the company has shared the importance of internal control with the company employees and whether a proper internal control culture has been established in the company,
- 7- Obtaining information about the periodic and process-oriented internal audit results of the Inspection Board on errors and deficiencies in the implementation of the internal control system.

The number of meetings held by the Audit Committee in 2022 is 3, and 1 meeting is planned for 2023.

## **REMUNERATION COMMITTEE**

The Remuneration Committee, which reports directly to the Board of Directors, was established in 2013.

Committee Activities; The members of the committee are Recep AKTUĞ, the Chairman of the Board of Directors, and Işıl AKDEMİR EVLİOĞLU, the Vice Chairman of the Board of Directors.

- 1- It is responsible for; monitoring and supervising the implementation of the remuneration policy and practices in accordance with relevant laws, regulations, and risk management principles,
- 2- Determining and approving the remuneration packages for executive and non-executive members of the board, General Manager, and the Deputy General Managers,
- 3- Coordinating with the Human Resources department or other relevant units as needed to fulfill its aforementioned responsibilities. The Committee held 4 meetings in 2022.

## **EARLY DETECTION OF RISK COMMITTEE**

It was formed in accordance with the decision taken at the Board of Directors meeting of the Company dated 07.12.2015. The Committee consists of two Board Members who do not have executive or operational duties. The committee convened twice in 2022.



### Top Management of the Company

Name/ Surname	Title
<b>Burak Ali GÖÇER</b>	<b>General Manager</b>
<b>K. Çağlayan BAKAÇHAN</b>	<b>Deputy General Manager</b> Continues duty as Deputy General Manager responsible for Legal and Shareholder Relations, Human Resources, Customer Services and Communication Center, Operations, Product Development, Legislation and Actuary and Compliance units.
<b>Ahmet KARAMAN</b>	<b>Deputy General Manager</b> Continues duty as Deputy General Manager responsible for Fund Management and Collection, Budget and Management Reporting and Financial Affairs units
<b>Aylin EŞKİNAT</b>	<b>Deputy General Manager</b> Continues duty as Deputy General Manager responsible for Digital Channel Management and Customer Experience, Business Analytics and Customer Solutions, Digital Transformation and Project Management and Organization and Process Management units.

During our monitoring period, Deputy General Manager Behiye Eda SEVKAR resigned from her position on 21.11.2021 due to a change of duty, and Barış UZMAY was appointed to this duty on 10.01.2022. The resignation of Barış UZMAY, who left his duty in September 2022, was accepted as of 30.09.2022 with the decision of the Board of Directors dated 30.09.2022 and numbered 541.

#### Balance-Sheet Comparison of Company's Certain Selected Items for Three Periods

	2019/12	2020/12	2021/12
Current Assets	20,027,063,136	26,461,907,209	36,339,692,720
Non-Current Assets	72,530,824	65,488,209	81,761,914
<b>Total Assets</b>	<b>20,099,593,960</b>	<b>26,527,395,418</b>	<b>36,421,454,634</b>
Short-Term Liabilities	18,249,440,132	24,757,643,790	33,944,525,995
Long-Term Liabilities	505,319,473	659,368,409	1,069,146,897
Equity	1,344,834,355	1,110,383,219	1,407,781,742
<b>Total Liabilities</b>	<b>20,099,593,960</b>	<b>26,527,395,418</b>	<b>36,421,454,634</b>

Source: Garanti Emeklilik ve Hayat A.Ş. 2021 Annual Report

#### Comparison of the Profit/Loss Report for three periods in some items of the company

	2019/12	2020/12	2021/12
General Technical Department Balance	418,686,076	494,770,665	638,019,400
Investment Income	231,946,053	160,991,176	256,339,312
Investment Expenses	(49,939,133)	(44,336,311)	(71,247,121)
<b>Net Profit/Loss</b>	<b>454,553,435</b>	<b>471,509,681</b>	<b>611,554,927</b>

Source: Garanti Emeklilik ve Hayat A.Ş. 2021 Annual Report

### Summary Financial Information of the Company for the Last Four Years\*

Financial Indicators	2018 (Thousand TL)	2019 (Thousand TL)	2020 (Thousand TL)	2021 (Thousand TL)
BES Fund Size	13,309,050	17,793,619	23,494,931	33,089,670
Technical Provisions	467,622	668,605	864,552	1,405,366
Paid-in Capital	53,084	53,084	553,084	553,084
Equity	886,905	1,344,834	1,110,383	1,407,782
Total Assets	14,912,288	20,099,594	26,527,395	36,421,455
Life Premium Production (net)	444,878	774,296	1,025,326	1,330,041
Technical Income Expense Balance	337,218	418,686	494,771	638,019
Non-Technical Income Expense Balance	248,938	169,159	115,438	193,604
Profit/(Loss) Before Taxes	586,156	587,845	610,209	831,623
Net Profit	453,557	454,553	471,509	611,555
Avr. Return on Assets (%)	3.04	2.65	2.03	2.07
Avr. Return on Equity (%)	40.13	40.83	46.55	52.59

Source: Garanti Emeklilik ve Hayat A.Ş. 2021 Annual Report

### Individual Pension Information of the Company for the Last Four Years\*

PENSION	2018/12	2019/12	2020/12	2021/12
Pension Fund Size (Million TL)	12,982,	17,147,	21,766,	36,258
Market Share (%)	14.65	14.39	13.75	13.99
Number of Participants	1,150,199	1,105,191	1,112,594	1,178,946
Market Share in the Number of Participants(%)	16.72	16.08	16.12	16.20
Total Pension Contribution (Million TL)	8,475.	9,664.	11,851.	13,392
Life Premium Production (Million TL)	483.7	837.5	1,111.8	1,456.07
Life Premium Production Market Share (%)	7.08	7.37	7.70	8.40

\*Source: EGM data\*TSB Data

As of the end of 2021, the company has increased its assets by 37.30% compared to the end of 2020. A significant portion of the company's profit is generated by the technical profit obtained from the life insurance and pension sectors in which it operates. Garanti BBVA Emeklilik, continued to strengthen its financial power in the end of 2021, and reached 1,407.8 million TL in equity and 611.6 million TL in profits. As of 2021, Garanti BBVA Emeklilik ve Hayat A.Ş. has become the second most profitable company in the pension sector in terms of technical profit among private companies.

## Information about Company Activities

The company, which conducts its operations within the framework of the Insurance Law No. 5684 ("Insurance Law"), published in the Official Gazette on June 14, 2007, and numbered 26552, and the Individual Pension Savings and Investment System Law No. 4632 ("Individual Pension Law"), which was published in the Official Gazette on April 7, 2001, and numbered 4366 and has been valid since January 1, 2013, and the other regulations and legislation in force, has signed policies/agreements in the life, individual accident health and pension branches as of September 30, 2022.

According to Pension Monitoring Center data as of **09.12.2022**, Garanti Emeklilik's fund size is **45,185,720,373 TL**. The total state contribution funds of the company are at the level of **7,070,682,398 TL** as of the same date. According to the Pension Monitoring Center data, the number of participants of the company reached **1,261,073 people**.

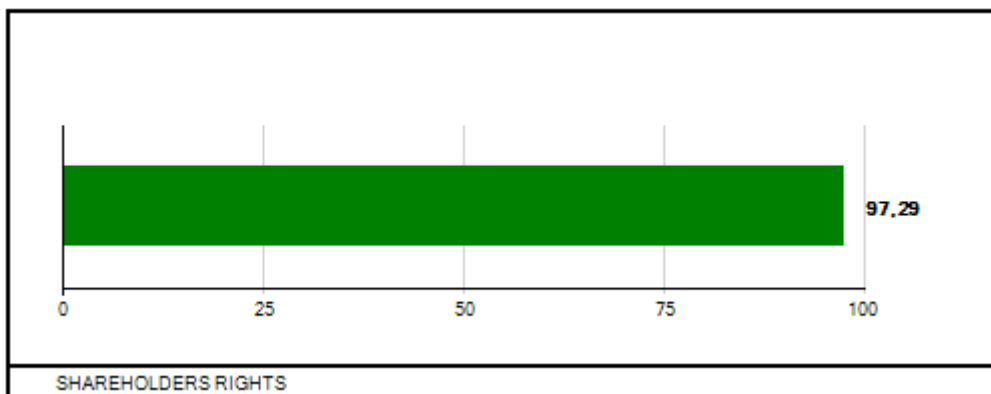
As of **09.12.2022**, according to the Pension Monitoring Center data, Garanti Emeklilik **ranks third** in the sector with a market share of **16.09%** in the number of participants. As for fund size (excluding State contribution funds), it **ranks fifth** with a market share of **13.51%**.

As of 09.11.2022, Garanti Emeklilik ve Hayat A.Ş. is among the top three companies in the Auto Participant System in terms of number of employees and employee fund size. The total fund size of APS in the sector reached **29.3 billion TL** as of 08.11.2022. In terms of the number of contracts entered into force, Garanti BBVA Emeklilik ranks third in the sector with a market share of **11.54%**.

Garanti BBVA Emeklilik is a member of the Global Compact Turkey, which works to promote the concept of responsible corporate citizenship and sustainable institutions and plays a leading role in determining the corporate sustainability agenda in Turkey. Garanti BBVA Emeklilik is a member of SKD Turkey, which has been working for 16 years to make sustainability one of the main strategies of the business world and to increase awareness of the concept of sustainable development. In 2021, Garanti BBVA Emeklilik supported many projects on the protection of natural life, climate change and education. Garanti BBVA Emeklilik donated saplings to the Forestry Development and Combating Forest Fires Services Support Foundation in order to revive the trees destroyed in the fire in Hatay in October and to make the forests green again.

## 4.RATING SECTIONS

### A. SHAREHOLDERS



#### Overview

- ✓ Relations with Shareholders are conducted by the Legal Department.
  - ✓ The general meetings were held in accordance with the relevant laws, regulations and articles of association.
  - ✓ The General Assembly was informed about the donations made in 2021.
  - ✓ There is no privilege for voting.
  - ✓ There are no arrangements making exercise of voting right difficult.
  - ✓ Profit distribution policy has been established and disclosed to the public.
  - ✓ There is no restriction on transfer of shares.
- ✓/\* The fact that the General Assembly meetings will be open to the public, including the stakeholders and the media, without the right to speak, will strengthen compliance with the Corporate Governance Principles if it is included in the general assembly announcement or information document.

In this section, as stated by CMB's Corporate Governance Principles, the company was evaluated on **94** different criteria, under the headings of **Facilitating the Exercise of Shareholders' Rights**, **Shareholders' Right to Obtain Information and to Examine**, **Shareholders' Right to Attend the General Assembly**, **Shareholders' Right to Vote**, **Rights**

**of Minority Shareholders**, **Shareholders' Right for Dividend** and **Shareholders' Right to Transfer Their Shares to whomever they want, whenever they want**. The company's grade for this section is **97.29** points. The sub-headings of the main section of shareholders are given below in detail.

#### a. Facilitating the Exercise of Shareholders' Rights

Activities regarding relations with shareholders and the General Assembly are conducted by the Legal Department and it reports to the Deputy General Manager.

It has been seen that the aforementioned executives are at a sufficient level with the knowledge and experience required by the task, and play an active role in protecting and facilitating the use of shareholders' rights, especially the right to obtain and review information.

Correspondence between the investors and the partnership and records of other information documents are kept in a healthy, secure and up-to-date manner. Written information requests of the shareholders regarding the partnership are answered.

Any data that might affect the exercise of shareholders' rights are currently at disposal of shareholders on the corporate Internet website. It has been determined that the Company has achieved rather good

compliance with the Corporate Governance Principles in this subsection.

**b. Right to Obtain Information and to Examine**

The information and documents required for the proper exercise of shareholders' rights are presented to the shareholders, and to this end, the company's website [www.garantibbvaemeklilik.com.tr](http://www.garantibbvaemeklilik.com.tr) is used as an efficient platform.

All information concerning the company has been given on time, truthfully and completely. There have been no warnings or penalties on this issue given by Regulatory authorities.

Shareholders' right to obtain information and to examine is not cancelled or restricted by the Articles of Association or any department of the Company.

Although there is no regulation in the articles of association regarding the shareholders' right to request the appointment of a special auditor from the general assembly, there are no internal regulations or practices that make it difficult to exercise this right. In relation to this subsection, the company is in full compliance with the principles.

**c. Right to Attend the General Assembly**

The company's general assembly practices, which are examined within the scope of this section, have achieved a good level of compliance with the principles.

The General Assembly Decision of the Board of Directors of the Company was taken on February 16, 2022, and the ordinary general assembly meeting, where the activities for the year 2021 were discussed, was held on 31.03.2022 at the company headquarters located at the address of Mete Caddesi No:30 Taksim-Istanbul, in accordance with Article 416 of the TCC. Shareholders participated in the general assembly meeting in full by proxy.

Likewise, it has been understood that the financial statements, annual report, audit reports, profit distribution proposal of the board of directors, notifications and explanations required by the shareholding in

accordance with the relevant legislation and Corporate Governance Principles, which should be made available for the examination of the shareholders within the framework of Article 437 of the TCC numbered 6102, were submitted to the information of the shareholders.

Executives and auditors who are authorized to brief participants on special subjects and answer their questions have attended to the meeting.

As the result of the review of General Assembly minutes, it is determined that the agenda items were voted separately, the votes were counted and announced to the shareholders before the end of the meeting.

The shareholders were informed about the amount of all donations and aids made during the period with a separate agenda item. The upper limit of donations and aids to be made in 2022 has been determined.

There is no general assembly resolution that has not been implemented in our rating period.

The company's articles of association stipulating that the general assembly meetings will be held open to the public, including the stakeholders and the media, without the right to speak, will take the principles to a higher level.

**d. Voting Right**

Neither the Articles of Association nor the internal procedures contain any difficulties to exercise the voting right and opportunity to exercise the voting right in the easiest and most convenient manner is given to each shareholder.

Pursuant to Article 20 of the Articles of Association of the Company, each share has 1 (one) voting right.

It is possible for the shareholders to exercise their voting right in person or by proxies, whether a shareholder or not, at the general assembly meetings. The members are



submitted with the specimen proxies to be used for this purpose.

The Company doesn't have a mutual subsidiary which brings a relationship of sovereignty.

In relation to this subsection, the company is in full compliance with the principles.

#### **e. Minority Rights**

There is no structure that will create minority shareholding in the partnership structure of the company.

No violation of rights was observed in the exercise of basic shareholder rights such as participation in the general assembly, representation by proxy, and use of voting rights.

There is a provision in Article 9 of the company's articles of association on expanding the scope of minority rights with the articles of association and granting these rights to those holding less than one twentieth of the capital. In relation to this subsection, the company is in full compliance with the principles.

#### **f. Dividend Right**

The matters regarding the profit distribution of Garantibbva Emeklilik ve Hayat A.Ş. are specified in Articles 23 and 24 of the Articles of Association. The General Assembly is authorized to decide on the payment of the dividend to be distributed in cash or adding it to the capital, taking into account the growth of the company in line with its targets in the sector and its financing needs and the distribution of the shares to be issued in this way to the partners free of charge or in the form of using both methods together at certain rates, and the completion of the distribution transactions within the legal periods stipulated in the legislation.

The dividend distribution policy of the company is to distribute up to 80% of the distributable profit to the shareholders in cash

and in full, following the compliance of the effective authorities provided that there are no adverse national or international economic conditions and the protective provisions in the Turkish Commercial Code No. 6102, the Insurance Law No. 5684 and the Private Pension Savings and Investment System Law No. 4632 and the rules determined by the relevant sub-regulations are at the targeted level.

The dividend will be distributed equally to all existing shares as of the distribution date, regardless of their issue and acquisition dates.

The distribution method and time of the profit that is decided to be distributed will be decided by the general assembly upon the proposal of the board of directors on this matter,

The distributable profit of 394 million TL, which consists of the activities for the year 2021, was discussed and accepted in the 6th article of the general assembly held on 31.03.2022 and it was decided to be paid to the shareholders as of 28.04.2022.

The Company does not have any privileges in the distribution of dividends and the provision regarding the distribution of advance dividends is not included in the Articles of Association.

It has been determined that Garantibbva Emeklilik ve Hayat A.Ş. has achieved very good compliance with the Corporate Governance Principles in this subsection.

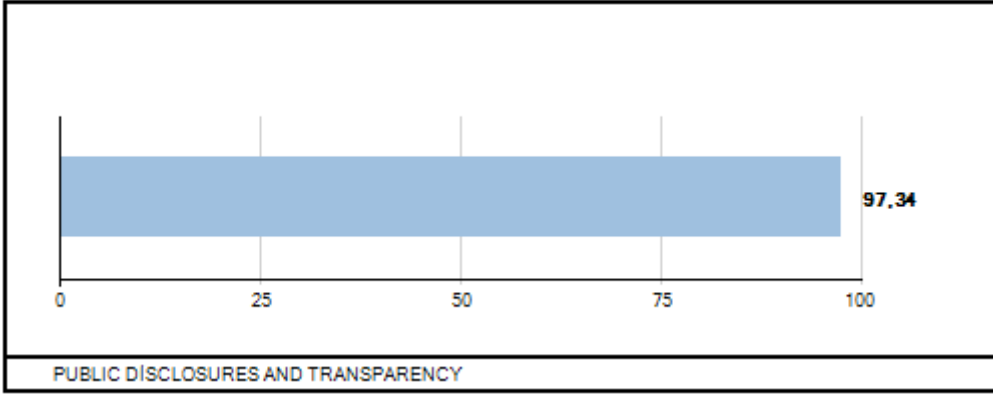
#### **g. Transfer of Shares**

There is no regulation in the articles of association that restricts the transfer of company shares.

The transfer of company shares is subject to the provisions of the Turkish Commercial Code, Private Pension Savings and Investment System, Insurance Law, and relevant legislation. Company practices related to this subsection have been determined to be in compliance with the principles.



## B. PUBLIC DISCLOSURE AND TRANSPARENCY



### Overview

- ✓ Disclosure policy has been prepared and disclosed to public through electronic media.
- ✓ Although there is no obligation, the company prepares a Corporate Governance Compliance Report (URF) and discloses it to the public annually through the annual report.
- ✓ The annual report includes the evaluations of the Board of Directors regarding the activities of the Committees, including the activities carried out, and the activities of the committees.
- ✓ The annual report includes information on the risk management and Internal Audit policies that the company will implement against the foreseen risks.
- ✓ Corporate website is used effectively as a current tool for public disclosures within the context as stated by the principles.
- ✓ The corporate website is used as an effective platform for announcements within the scope of the Regulation on the Principles Regarding the Establishment and Operations of Pension Mutual Funds.
- ✓ The annual report includes the analysis and evaluation of the board of directors regarding the company's financial situation, operating results and financial performance.

As for this section, the Company has been assessed by **78** different criteria under the headings of **Corporate Website** and **Annual Report** as laid down in the Corporate Governance Principles of the Capital Market Board, for which the Company's grade was confirmed as **97.34**.

Disclosures of Garantibbva Emeklilik ve Hayat A.Ş. are carried out within the framework of the Information Policy prepared by the board of directors and shared with the public.

The disclosure policy includes information on how, how often and in what ways the information to be disclosed to the shareholders, current and potential investors and the public will be announced, and the method to be followed in answering the questions directed to the company.

The 2021 external audit was carried out by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi. In the reports prepared on 01.02.2022, there has not been any situation where the independent auditor refrained from expressing an opinion, expressed a qualified opinion, or did not sign. It has been learned from company officials that no event took place with the independent audit company or with its auditors that could damage this company's independence and there was no legal conflict with it.

For the audit of the accounts and transactions of the 2022 operating year within the framework of the Capital Markets legislation, the Turkish Commercial Code and the relevant legislation, Güney Bağımsız Denetim ve Serbest Muhasebeci ve Mali Müşavirlik A.Ş. was elected as the independent auditor with the recommendation of the audit committee and the approval of the general assembly dated 31.03.2022.

#### a. Corporate Website

The corporate website of the Company, <https://garantibbvaemeklilik.com.tr> is used as an active and effective platform for public disclosure. The information contained here is constantly updated.

It has been determined that the information in the company's corporate website is consistent with the statements made as part of regulations and there is no missing or conflicting information.

In addition to the information required to be disclosed in accordance with the legislation, the company website contains various information such as shareholding and management structure as of the latest status, the committees of the board of directors and the working principles of the committees as well as the final version of the company's articles of association, financial reports, annual reports, Dividend Distribution Policy, Disclosure Policy, other policies implemented by the company, including Remuneration Policy, Donations and Aid Policy, Compensation Policy, Sustainability Policy and Ethical principles, and information requests received by the company under the heading of frequently asked questions.

In this context, the last 5 years' data can be accessed from the website.

In this subsection, it has been seen that Garantibbva Emeklilik A.Ş. has achieved a good level of compliance with corporate governance principles.

#### b. Annual Report

It is seen that board of directors has prepared the annual report in such a way that public can access comprehensive, complete, and correct information on company activities. Annual reports of the last five years are accessible for shareholders and the public in electronic environment.

The 2021 Annual report has been prepared in the required format, fully and appropriately, in accordance with the Regulation on the Financial Structures of Insurance and Reinsurance Provincial Pension Companies, Regulation on Determining the Minimum Content of the Annual Report of the Companies, the Republic of Turkey Ministry of Treasury and Finance Insurance Companies Circular No. 2011/8 and the CMB Corporate Governance Communiqué.

The statement of the company management that the annual report for the accounting period ending on 31.12.2021 has been prepared within the framework of the determined procedures and principles in the Regulation on the Financial Structures of Insurance, Reinsurance and Pension Companies prepared by the

T.R. Ministry of Treasury and Finance and published in the Official Gazette dated 7 August 2007 and numbered 26606is included in the annual report.

It is possible to reach many topics in the annual report, including;

- Curriculum vitae and terms of office of members of the board of directors and senior executives,
- Information about the sector that the company operates in and about its position within the sector.
- Information about the sources of financing of the enterprise,
- Report on Compliance with Corporate Governance Principles
- Independent auditor's report on the annual activity report.

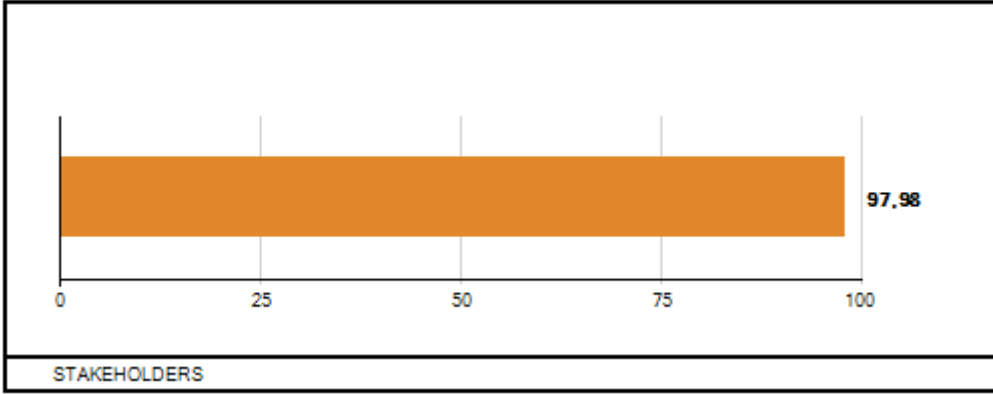
Also, in addition to the issues specified in the legislation and other parts of the corporate governance principles, the annual reports include;

- Board members' and managers' ongoing jobs outside the company,
- Members of subcommittees within the board of directors and meeting frequencies of these committees,
- Changes of regulations, which might significantly affect company operations,
- Information about the social rights of employees, their professional education and
- A lot of information concerning shareholders and the public.

The remuneration and all other benefits provided to the members of the Board of Directors and executives with administrative responsibilities are made in the annual report by including the distinction of the board of directors and senior managers. It would be appropriate to include this information on an individual basis.

In this subsection, it has been seen that Garantibbva Emeklilik ve Hayat A.Ş. has achieved a good level of compliance with corporate governance principles.

## C. STAKEHOLDERS



### Overview

- ✓ There are no regulations that make it difficult for stakeholders to exercise their rights.
  - ✓ Human resources policy and many internal regulations concerning the stakeholders have been prepared.
  - ✓ A remuneration policy for company employees has been created and published on the company's corporate website.
  - ✓ Training procedures for employees have been established.
  - ✓ Compensation policy for company employees has been established.
  - ✓ The ethical principles of the company have been established and shared with the public.
  - ✓ There are no complaints made by employees about discrimination and difficulties in getting their rights.
  - ✓ Within the scope of trade secret, attention is paid to the confidentiality of information about the parties with whom commercial relations are conducted.
  - ✓ Garantibbva Emeklilik's sustainability approach and policies are at the top of its agenda.
- ✓/\* It would be appropriate to include mechanisms and models supporting the participation of employees and stakeholders in the company management and in the Company's

articles of association and internal regulations.

In this section, the Company has been assessed by 62 different criteria under the headings of **Corporate Policies on Stakeholders, Supporting Stakeholders' Participation in Company Management, Company Policy on Human Resources, Relations with Customers and Suppliers, Ethical Rules and Social Responsibility and Sustainability** as laid down in the Corporate Governance Principles of the Capital Market Board, for which the Company has deserved the grade of 97.98.

#### a. Corporate Policies on Stakeholders

The Corporate Governance Principles describe the Stakeholders as an individual, organizations or interest groups as employees, creditors, customers, suppliers, trade unions, and various non-governmental organizations having an interest in the attainment of the company's objectives or in its operations. It is concluded that Garantibbva Emeklilik ve Hayat A.Ş. protects stakeholders' rights, which are specified in regulations and mutual contracts.

The Company shares information with its stakeholders at meetings held within the company, through communication channels regarding practices, via e-mail and through the bulletins issued by the Company.

Necessary mechanisms and whistleblowing lines have been established for stakeholders to report transactions that are against the legislation and are unethical. [GBEtikBildirim@garantibbvaemeklilik.com.tr](mailto:GBEtikBildirim@garantibbvaemeklilik.com.tr)

The Company has publicly disclosed its Remuneration Policy and Compensation Policies for its employees on its corporate website.

It is determined that the stakeholders are adequately informed about the Company's policies and procedures regarding the protection of their rights.

It has been seen that the company's practices in this subsection are in compliance with the principles.

#### **b. Supporting Participation of Stakeholders in Corporation's Management**

The articles of association and/or internal regulations do not contain regulations supporting the direct participation of stakeholders in the company management.

Methods such as surveys, request collection and filling out suggestion forms are applied in order to ensure the participation of the employees in the management and to get the opinions of the stakeholders in important decisions that have results for the stakeholders.

Including these models, which can support employees' participation in company management, in the articles of association and internal regulations will strengthen compliance with the principles.

#### **c. Human Resources Policy of the Company**

With the Human Resources policy, it is aimed to employ the employees needed to achieve the Company's goals and strategic goals, to provide a working environment that will

increase performance and productivity, to reward achievements, to support training and development programs and career plans.

The organizational structure of the company was determined according to the working conditions, the units, and the number of people to be employed in these units were determined. Job descriptions and performance criteria of all positions in the company are transparently announced to all employees through internal communication platforms. As of 20 DECEMBER 2022, 676 people are employed.

In addition to regular online and face-to-face employee interviews, it aims to increase satisfaction and loyalty by constantly checking with the employees with surveys covering different contents in different periods. The feedback received through surveys conducted by international independent research companies is evaluated by Human Resources.

The impression was gained that all employees are treated equally in terms of wages, promotions, rewards, training and other rights. It has been learned that a safe working environment and conditions are provided for the employees, and that no race, religion, language or gender discrimination is made among the employees. Freedom of association and/or membership is not restricted, provided that permission is obtained.

As of **2021**, spouses and children under the age of **18** who do not have any social security and wage income are included in the Private Health Insurance.

At the beginning of **2021**, Garantibbva Emeklilik training activities were positioned under Kampüs Garanti BBVA. During the company monitoring period, orientation training program, online training programs, QuizGame competitions, Individual Coaching studies, and special training programs for the needs of Units and Regional Directorates were designed with the vision of sustaining development for sustainable success. In addition to these, Private Pension



Intermediaries Undergraduate Training, Garanti BBVA Emeklilik Product Trainings, Basic Sales Skills Trainings, On-the-Job Trainings and Catalog Trainings were held.

The company voluntarily signed the United Nations Global Compact in July 2015 and has committed to abide by these principles. It signed the Women's Empowerment Principles, a global initiative carried out to ensure that women can take part in economic life in all sectors and at all levels, in September 2015 and committed to take steps to strengthen the place of women in society in line with these principles.

In this subsection, it has been determined that company practices are compliant with corporate governance principles.

#### **d. Relations with Customers and Suppliers**

**Garantibbva Emeklilik ve Hayat A.Ş.** prioritizes customer satisfaction in its activities.

Services are received from a private company for the development of processes that will ensure that customer expectations and needs are met continuously and promptly, their ability to measure customer satisfaction, receive their feedback and turn them into action, investigate and resolve customer complaints and demands, and continuously increase customer satisfaction. The outputs of this service are being evaluated.

Company practices related to this section are in compliance with corporate governance principles.

#### **e. Ethical Rules, Social Responsibility**

A set of Ethical Rules and Principles that all employees must comply with has been prepared and disclosed to the public on the company's corporate website.

**Garantibbva Emeklilik ve Hayat A.Ş.** Ethical Principles include the general principles that must be maintained while the employees are

performing their duties and the regulations regarding the working order. The purpose of these principles is to prevent all kinds of disputes and conflicts of interest that may arise between employees, customers, and the Company. The ethical principles of the company have been prepared in a way that will include all kinds of information and have been shared with the public. The company has established its policy regarding Corporate Social Responsibility and it is among the priorities of the company to implement sustainable and long-term projects that create added value for the society, especially in the fields of child education and health.

**Garantibbva Emeklilik ve Hayat A.Ş.** continues to carry out many corporate social responsibility projects.

In relation to this subsection, the company is in full compliance with the principles.

#### **f. Sustainability**

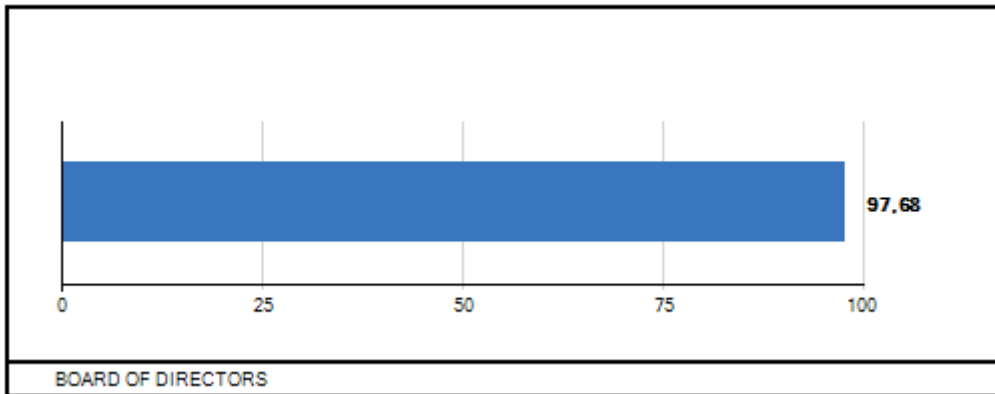
**Garantibbva Emeklilik ve Hayat A.Ş.** has disclosed the Sustainability Principles Compliance Framework to the public in its annual report and in corporate website in accordance with the provisions of the Communiqué (II-17.1.a) Amending the Corporate Governance Communiqué (II-17.1) published in the Official Gazette dated 02 October 2020 and numbered 31262.

Top Management is responsible for the approval of **Garantibbva Emeklilik Sustainability Policy**. The follow-up, modification, development, implementation and execution of the Policy are the direct responsibility of the Sustainability Team. All changes and corrections are approved by the Top Management.

The current position of the Company in accordance with the Sustainability Principles Compliance Framework is disclosed in the annual report and on the website, showing a picture of the current state of the company's sustainability efforts.



## D. BOARD OF DIRECTORS



### Overview

- ✓ The Board of Directors has determined the strategic goals of the company and the human and financial resources it will need.
- ✓ No person in the Company has the authority to decide solely and in an unrestricted fashion.
- ✓ The number of Board Members is adequate for them to work productively and constructively.
- ✓ It has been ensured that the majority of the members of the board of directors are non-executive members.
- ✓ There are five female members among the non-executive board members.
- ✓ Every Board Member has one vote.
- ✓ There is not any loan/credit involvement between Board Members and company.
- ✓ Corporate Governance, Remuneration, Audit and Early Detection of Risk Committees stated in the principles have been established and working principles are determined.
- ✓ Financial liability insurance has been made for the members of the Board of Directors as a group.

✓/\* It would be appropriate to disclose the remunerations and other benefits provided to the members of the board

of directors and executives with administrative responsibility in the annual report on an individual basis.

✓/\* It would be appropriate to ensure that company employees are represented on the board of directors.

In this section, the Company has been assessed by 126 different criteria under the headings of **Function of the Board of Directors, Principles of Activity of the Board of Directors, Structure of the Board of Directors, Procedure of Board of Directors Meetings, Committees Formed within the Structure of the Board of Directors and Financial Rights Provided for the Members of the Board of Directors and Executives** as laid down by the Capital Market Board's Corporate Governance Principles, for which the Company's grade has been revised as **97.68**.

#### a. Function of the Board of Directors

By the strategic decisions it takes, Board of Directors manages and represents the company, keeping the risk, growth and return in balance while paying attention primarily to company's long term interests under a reasonable and prudent risk management approach.

Board of Directors has described the corporate strategic objectives and determined necessary human and financial resources. It

also monitors company activities to be in compliance with regulations, Articles of Association, internal procedures and policies and it supervises management performance.

Board of Directors is authorized to make decisions, to determine strategy and represent the company at the highest level.

Garantibbva Emeklilik ve Hayat A.Ş.'s practices in this subsection comply with the principles.

#### **b. Principles of Activity of the Board of Directors**

It is our impression that the Board of Directors conducts its activities in an open, accountable, fair, and responsible fashion.

The distribution of responsibilities among board members, as well as their duties and powers are disclosed to public in the annual report.

It has been learned that the Board has established internal control systems, including risk management and information systems and processes, that can minimize the effects of risks that may affect the company's stakeholders, especially shareholders, and that it reviews the effectiveness of risk management and internal control systems at least once a year.

No person in the Company has the authority to decide solely and in an unrestricted fashion.

Positions of Chairman of the Board and CEO are hold by different individuals.

It is thought that Board of Directors plays a leading role in the maintenance of effective communication and in easing and resolving disputes that might arise between the company and the shareholders.

Financial liability insurance of the members of the board of directors, together with Garanti Bank's financial subsidiaries and affiliates, are included in the group insurance.

A clear separation of the duties and powers of the chairman of the board of directors and the chief executive officer/general manager has been made and included in the company's articles of association.

Regarding this subsection, it has been determined that the company has complied with the Corporate Governance Principles.

#### **c. Structure of the Board of Directors**

Company's Board of Directors is formed with 9 (nine) members; including one Chairman and 8 (eight) members. As such, it has been observed that the number of members is sufficient for the members of the board of directors to carry out productive and constructive work, to form the committees and to organize their work effectively.

As of the report date, 1 (one) member of the Board of Directors consists of executive members and the other 8 (eight) of non-executive members. With this structure of the Board, it has been ensured that the majority of the members are composed of non-executive members. There are no independent members in the Board of Directors.

There are 5 female members in the Board of Directors and they have a rate of 55.5% in the Board of Directors. This rate was well above the BIST general average of 17.31% and this situation was evaluated positively.

Company's practices in this subsection fully comply with the principles.

#### **d. Procedure of Board of Directors Meetings**

Article 14 of the company's articles of association includes the meeting and decision quorum of the board of directors . Every Board Member has one vote. The Board of Directors convenes whenever the business and transactions of the company necessitate it. Meetings can be held in the country or abroad.

The Board of Directors convenes with the majority of the total number of members and takes its decisions with the majority of the members present at the meeting. However, unanimity of all members of the Board of Directors is sought in the transactions of Profit Distribution, Branch Establishment, Participation in Domestic or Foreign Companies and real estate purchase and sale transactions. The above quorums are also applied in case the board of directors is held electronically.

From the examinations made on the meeting minutes of the board of directors, it was determined that the board convened 26 (twenty six) times as of our rating period.

It has been observed that the meetings of the board of directors are held in accordance with the regulations of the legislation and the articles of association regarding the meetings of the board of directors, and the meeting processes are also written down with the internal regulations of the company.

In this subsection the Company has achieved a very good compliance with corporate governance principles.

#### **e. Committees Formed within the Structure of the Board of Directors**

In order for the Board of Directors to fulfil its duties and responsibilities soundly, Audit Committee, Corporate Governance Committee, Remuneration and Early Detection of Risk Committees have been established. Due to the group structure, a separate Nomination Committee has not been established in the Board of Directors.

The duties, working principles and the members of the committees were determined by the board of directors and approved by the board as written documents and disclosed to the public via the Official website.

All the members of the Audit Committee are elected from among the non-executive members of the board of directors, and the chairmen of the other committees are elected

from among the non-executive board members, and the general manager does not take part in the committees.

All sources and support are provided by the Board to ensure that the committees perform their duties.

**The Audit Committee** is composed of (1) Non-Executive member. It has been stated that the appointment of other members will be made in a short time. The Chairman of the Audit Committee is a non-executive member. This member has been determined in accordance with Article 5 of the Regulation on Internal Control Systems in the Insurance and Private Pension Sectors.

The Committee monitors performance and effectiveness of company's accounting system, public disclosure of financial information, independent audit and internal control system. The selection of independent audit company and supervision of its work at every stage is implemented by the audit committee. The Committee reviews the systems, processes and activities of the company on accounting system, financial reporting, public disclosure, internal control and internal audit system, independent external audit, compliance with laws, regulations and ethical principles.

In our rating period, the Audit Committee held three meetings in 2022 and one meeting is planned.

**The Corporate Governance Committee** is responsible for determining whether the corporate governance principles are applied in the Company, if not, the reason and the conflict of interest arising from not fully complying with these principles, and explaining them to the public with a corporate governance compliance report.

The aforementioned committee is consisting of 2 (two) members. Its chairman is a Non-Executive Member of Board. Another member has no executive duties.

In this way, a structure has been made in accordance with the principle that if the Corporate Governance Committee consists of two members, both of them, and if it has more than two members, the majority of the members are composed of non-executive members.

The committee held 1 (one) meeting during our rating period.

#### Early Detection of Risk Committee

The committee consists of 2 members and the chairman of the committee is a non-executive board member. The other member has no executive duties.

The committee held two meetings during our rating period.

It has been determined that all committees regularly report on their work to the Board of Directors. The committees and their members are listed below.

#### Audit Committee

Name/ Surname	
Işıl AKDEMİR EVLİOĞLU	MEMBER

#### Corporate Governance Committee

Name/ Surname	
Cemal ONARAN	MEMBER
Işıl AKDEMİR EVLİOĞLU	MEMBER

#### Early Detection of Risk Committee

Name/ Surname	
Cemal ONARAN	MEMBER
Işıl AKDEMİR EVLİOĞLU	MEMBER

#### Remuneration Committee

Name/ Surname	
Recep BAŞTUĞ	MEMBER
Işıl AKDEMİR EVLİOĞLU	MEMBER

#### f. Financial Rights Provided for Members of the Board of Directors and Executives

The principles of remuneration of the members of the board of directors and executives with administrative responsibility were put in writing, submitted to the approval of the general assembly, and shared with the public electronically.

It has been learned that the Company has not lent or extended loan to any member of board or top executive or made available any credit under personal loan through any third person or provided securities such as surety in favor of them.

Performance measurements to be used in rewarding and dismissing the members of the board of directors have not been established yet.

On the other hand, in the annual report, it has been seen that the wages given to the Members of the Board of Directors and senior executives and all other benefits provided are not disclosed

It was observed that the disclosures were made on a group basis, but no disclosures could be made on an individual basis.

**5. KOBİRATE ULUSLARARASI KREDİ DERECELENDİRME VE KURUMSAL YÖNETİM HİZMETLERİ**  
**A. Ş. CORPORATE GOVERNANCE RATING GRADES AND DESCRIPTIONS**

<b>GRADE</b>	<b>DEFINITIONS</b>
<b>9-10</b>	The Company achieved substantial compliance with to the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the Company might be exposed are recognized and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency are high. Interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles.
<b>7-8,9</b>	The Company complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place, and operational, although some improvements are required. Potential risks, which the Company may be exposed are identified and can be managed. The rights of the shareholders are impartially taken care of. Public Disclosure and transparency are at high levels. Interests of the stakeholders are fairly considered. Composition and operational conditions of the Board comply with the Corporate Governance Principles. Some improvements are needed in compliance with the Corporate Governance Principles even though they do not constitute serious risks.
<b>6-6,9</b>	The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at moderate level have been established and operated, however, improvement is required. Potential risks that the Company may be exposed are identified and can be managed. The interests of the shareholders are taken care of although improvement is needed. Although public disclosure and transparency are taken care of, there is need for improvement. Benefits of the stakeholders are taken care of, but improvement is needed. Some improvement is required in the structure and working conditions of the Board.

GRADE	DEFINITIONS
4-5,9	<p>The Company has minimum compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level but are not full and efficient. Potential risks that the company is exposed to are not properly identified and are not under control. Substantial improvements are required to comply with the Corporate Governance Principles in terms of the benefits of both the shareholders and stakeholders, public disclosure, transparency, and the structure, and working conditions of the Board.</p>
< 4	<p>The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also failed to establish its internal control systems. Potential risks that the company might be exposed are not identified and cannot be managed. The company is not responsive to the Corporate Governance Principles at all levels. There are major weaknesses in the interest of the shareholders and the stakeholders, public disclosure, transparency, structure and working conditions of the Board and they are at a level that might cause the investor to incur material losses.</p>

