



SASA Governance Code Approach



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Purpose

SASA aims to protect the rights of all stakeholders and create sustainable value by implementing high standards of corporate governance principles. Corporate sustainability processes have been created within the company by involving all stakeholders in areas such as environmental awareness, ethical behavior, corporate strategy, compensation, and risk management in line with the fundamental principles of accountability, transparency, fairness, and responsibility that are the basic principles of corporate governance. The Governance Structure of the company plays a umbrella role in making corporate governance processes more sustainable. Corporate governance processes and operations are presented with SASA Corporate Governance Approach.

Scope

SASA Polyester Sanayi A.Ş. adopts compliance with the Corporate Governance Principles (Principles) disclosed to the public by the Capital Markets Board (CMB) as one of its main management principles. All activities of the Company are carried out in compliance with the relevant legal regulations as well as the Principles. The Company complies with the mandatory principles within the scope of the "Corporate Governance Communiqué" published in the Official Gazette numbered 28871, dated January 3, 2014, by the CMB, and implements these principles. [Click here](#) for the 2021 SASA Sustainability Principles Compliance Framework. [Click here](#) for the Company's Corporate Governance Principles Compliance Report.

The principles of corporate governance are used as a basis for mainstreaming the Sustainable Development Goals throughout all of the company's units. Long-term environmental, social, and economic solutions that benefit key stakeholders, including customers and suppliers, are created by involving the entire value chain.

SASA



About the Company

SASA is one of the world's leading manufacturers of polyester fiber, filament yarn, polyester-based polymers, special polymers, and intermediate products. With a responsibility for leadership in its industry, SASA successfully manages the entire process from design to production and distribution by combining its strong technical heritage and culture of innovation with high production capacity.

Capital and Shareholder Structure

SASA started to manufacture polyester in 1966 and has achieved continuous growth with its ongoing investments since it was founded. SASA formed a joint venture with DuPont, the world giant in chemistry in 2000 to continue to be the leader in the polyester industry and reinforce its position, and had a new name: DupontSA.

Sabancı Holding'in, 2004 yılında Dupont hisselerini satın almasıyla DupontSA ismi ADVANSA olarak değiştirildi. Grubun Türkiye organizasyonunun adı da 2005 yılında ADVANSA SASA Polyester Sanayi A.Ş. oldu.

In 2011, Sabancı Holding bought all shares of ADVANSA BV and in September 2011 changed the name from ADVANSA SASA to SASA. ERDEMOĞLU Holding bought the shares of Sabancı Holding on the 30th of April 2015 and 51% of the shares belonged to ERDEMOĞLU and 49% of the shares were publicly traded. ERDEMOĞLU Holding A.Ş. Became the owner of 84.80% of the shares of SASA Polyester Sanayi A.Ş.



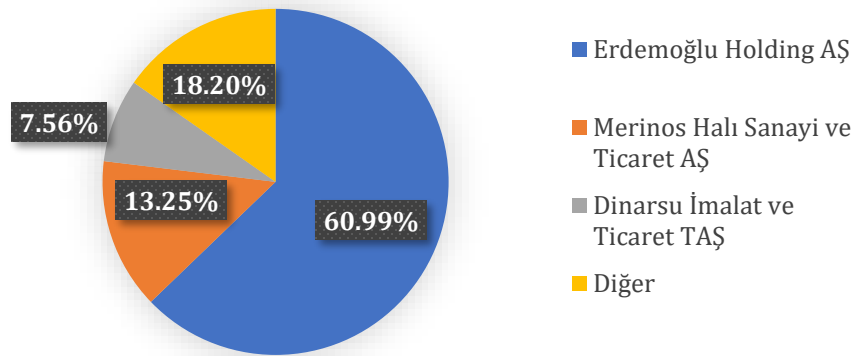
120,350,000 lots which represent 14.50% of the total capital of Sasa Polyester Sanayi A.Ş. of the shares of 51% which were not publicly traded in the stock market of Sasa Polyester Sanayi A.Ş (SASA) with a nominal capital of 830,000,000 TL, of which Erdemoğlu Holding A.Ş. had 84.80% of the shares were sold on 30/09/2019 to Merinos Halı San. Ve Tic. A.Ş. which is a subsidiary company of Erdemoğlu Holding A.Ş., Additionally 62,250,000 lots which represent 7.50% of the total capital were sold on 30/09/2019 to Dinarsu İmalat ve Ticaret T.A.Ş. which is a subsidiary company of Erdemoğlu Holding A.Ş. at a price of 7.20 to per lot. With the acquisitions in July 2021 following the above, the company achieved its current partnership structure.

Authorized Capital Limit: 3.000.000.000 TL

Issued Capital: 2.302.591.217 TL

Current Shareholding Structure

Shareholder	Share in Capital (TL)	Ratio in Capital (%)
Erdemoğlu Holding AŞ ¹	1.404.291.853	60.99%
Merinos Halı Sanayi ve Ticaret AŞ	305.125.978	13.25%
Dinarsu İmalat ve Ticaret TAŞ	174.087.563	7,56%
Other	419.085.823	18.20%
Grand Total	2.302.591.217	100



¹ The share amount in the table includes also the shares with a total nominal value of TRY 104,188,354 le nt by Erdemoğlu Holding A.Ş. within the scope of EUR 200,000,000 Convertible Bonds issued abroad.



Subsidiaries and Share Ratios

On 3 September 2015, Sasa Dış Ticaret A.Ş. was established as a 100% subsidiary of Sasa Polyester Sanayi A.Ş. with a capital of TRY 2,000,000 in order to increase efficiency in SASA's export activities.

In order to provide an effective structure to the Company's access to financial resources, the Company established its subsidiary, Sasa Uluslararası Finansal Yatırım A.Ş., with a capital of TRY 20,000,000 in line with the Board of Directors' decision dated 8 November 2022 and numbered 55. The Company owns 100% of Sasa Uluslararası Finansal Yatırım A.Ş.

The financial statements and footnotes of our corporation and its subsidiaries Sasa Dış Ticaret A.Ş. and Sasa Uluslararası Finansal Yatırım A.Ş. are prepared as consolidated and audited by an independent audit firm.

SASA Shares and Price Performance

Shares of our Company, which were offered to the public on 1 November 1996 and started to be traded on the Stock Exchange, have been traded on Borsa Istanbul BIST Stars Market with the code SASA since 1 February 2017.

SASA shares were included in the BIST 30 Index on 1 April 2021, and in the BIST Liquid 10 Ex Banks Index on 1 July 2021. SASA shares are also included in the BIST Participation Indices.

As of 31 December 2022, the closing price of SASA share is TRY 110.00, with an increase of approximately 316% compared to the 2021 year-end closing price (TRY 26.43).

Shares of the Company

The Company has adopted the Registered Capital System in accordance with the provisions of the Capital Markets Law and has started to implement this system, by the permission of the Capital Markets Board dated 13.04.1999 and no.35/413.

Share Certificate Registration and Transfer of the Shares

Shares which represent the Capital shall be followed in dematerialised form within the framework of principles on dematerialisation. All share certificates which are kept in physical form in the



System of Keeping in the Name of Customer at Takasbank on the date of 28.11.2005, were cancelled, and these account records have been taken over by the Central Securities Depository of the Turkish Capital Markets (the “Central Securities Depository”) and those share certificates, from then on, have been followed only in dematerialised form on the basis of right holder at the Central Securities Depository, and dematerialised system has been started to be implemented thereby. For clearing/settlement of share certificates which shall be traded on Borsa İstanbul A.Ş. after said date, only dematerialised share certificates are accepted. In all paid-up capital increases and bonus issues made after the date of dematerialisation of share certificates, no physical share certificate printing and delivery is made any more, shares are issued in dematerialised form only. Changes are recorded in the Company’s share book and are followed accordingly. In the share book, shareholders who hold a share less than 5%, are shown as “other” cumulatively. The Board of Directors shall be authorised to increase issued capital by issuing new shares up to the registered maximum capital limit, at the times it shall deem necessary, and to take decision regarding limiting the shareholders’ right to acquire new share(s) and regarding issuing shares with premium or below nominal value. Regarding announcements relating to decreasing issued capital, provisions of article 47 of the Turkish Commercial Code; and regarding announcements relating to termination and liquidation, provisions of articles 532 and 541 of the Turkish Commercial Code shall be applicable. The Company’s Capital can be increased or decreased within the framework of the provisions of the legislation.

Since the shares are held electronically, there is no possibility of shares being lost, destroyed, or similar.

Rules on Transfer of Share Certificates, Intermediary Institutions and Share Certificates

On behalf of “SASA”, all transactions are made by the Intermediary Institution, authorised by the Board of Directors before, in accordance with the Capital Markets Board Legislation.

Transfer of shares are made by the Central Securities Depository and registration processes (clearing/settlement) is performed on the second business day following the transaction date (T+2).



Corporate Governance Principles

SASA aims to protect the rights of all stakeholders and create sustainable value by implementing high standards of corporate governance principles. The company's corporate governance approach serves as a guide to ensure transparency, accountability, and fairness in all business activities. The management structure, responsibility, and accountability mechanisms are constantly reviewed and improved to gain and maintain stakeholders' trust. With this goal in mind, the SASA Board of Directors strives to manage all activities and decisions in a transparent manner, taking into account stakeholders' interests and adopting a participatory approach. The company's future success depends not only on financial results but also on ethical and social responsibility values. Therefore, SASA's corporate governance principles determine the way of doing business and decision-making processes, contributing to the company's long-term success.

Board of Directors

This section covers all details related to the board of directors, such as the selection procedures, number, duties, and responsibilities of board members. Additionally, topics such as board meetings, decision-making processes, and the board's performance evaluation process are also included in this section. To access the 2022 Board Activity Report, please [click here](#).

Meetings of the Board of Directors

Members of the Board of Directors shall select among them, every year, a chairperson and a vice chairperson who shall serve as chairperson's substitute in his/her absence.

Meeting dates and the agenda, shall be set by the chairperson or the vice chairperson. The board of directors shall convene, upon call by the chairperson or vice chairperson, when required due to the Company's affairs. Date of meeting may also be set by a decision of the Board of Directors. Upon written request by one of the members; in case the chairperson or vice chairperson fails to call the board of directors for a meeting, the members shall also be authorised to make a call, ex officio.

In case none of the members makes request for holding a meeting, decisions of the board of directors may also be taken by having written consents of, at least, majority of the full number of members, for a proposal made in writing by one of the members of the board of directors, to all



members, regarding a certain issue, in accordance with article 390 (4) of the Turkish Commercial Code. It is a condition for effectiveness of a decision which shall be taken by this way, that the same proposal should have been made to all members of the board of directors. The Board of Directors shall convene by majority of the full number of its members, and shall take its decisions by the majority of the members who are present at a meeting.

The Board of Directors shall be authorised to transfer its managerial powers and responsibilities, partially or completely, to one member or more than one members of the board of directors or to a third person. In such case, the board of directors shall issue a directive in accordance with article 367/1 of the Turkish Commercial Code.

The Board of Directors, by a decision it shall take, may transfer the power to represent the Company by a sole signature, to one of the members of the Board of Directors or to one executive member or more than one executive members or to third persons who it shall select as director. At least one member of the board of directors should have the power to represent. Unless and until copy, certified by notary public, of the decision which shows the persons authorised to represent and the manner how they shall exercise representative powers, is registered with the trade registry and is promulgated accordingly, transfer of representative powers shall not be effective. Limitation of representative powers shall not be valid against third persons who act with good faith; however, limitations registered and promulgated, indicating that representative power is allocated only for the affairs of the headquarters or a branch, or that such powers shall be exercised jointly, shall be valid. Provisions of the articles 371, 374 and 375 of the Turkish Commercial Code, are reserved.

The Board of Directors shall be authorised to make, directly on behalf of the Company, all kinds of ordinary and extraordinary transactions and disposals in order to realise objective and subject of operations of the Company, and may appointed commercial agent and commercial representative (proxy) and may discharge them. Furthermore, the Board of Directors may open branches, agencies, representatives, offices and correspondences for realisation of the Company's objective and subject of its operations, and shall be authorised to take decision regarding all affairs and transactions required to be taken, including but not limited to acquiring and constructing immovable property on behalf of the Company, acquiring various movable assets, acquiring, transferring, and conveying possession of, acquired immovable properties and movable assets and



securities and other rights subject to ownership, and restricting them by a real right, or disposing on them in a different way, or taking all kinds of personal or real collateral and giving collateral in favour of the Company; except for those left to the authority of the General Assembly, by the Turkish Commercial Code or by these Bylaws.

The Board of Directors shall be authorised to borrow, lend with or without collateral in favour of the Company, to represent the Company before judicial and administrative authorities, to settle, go for arbitration, settle, waive, accept and discharge as well.

Meeting Notice

The Board of Directors shall convene, upon call by the chairperson or vice chairperson, when required due to the Company's affairs. Date of meeting may also be set by a decision of the Board of Directors. Upon written request by one of the members; in case the chairperson or vice chairperson fails to call the board of directors for a meeting, the members shall also be authorised to make a call, ex officio. In case none of the members makes request for holding a meeting, decisions of the board of directors may also be taken by having written consents of, at least, majority of the full number of members, for a proposal made in writing by one of the members of the board of directors, to all members, regarding a certain issue, in accordance with article 390 (4) of the Turkish Commercial Code. It is a condition for effectiveness of a decision which shall be taken by this way, that the same proposal should have been made to all members of the board of directors.

As a principle, every member should attend every meeting. Board of directors meeting may be attended by all kinds of technological means which provide remote access.

Meeting Quorum

The Board of Directors shall convene by majority of the full number of the members, and shall take its decisions by majority of the members who are present at the meeting. At the board of directors, each member shall have one voting right. Members shall not be given any weighted voting right or any positive/negative veto right.



Organisation

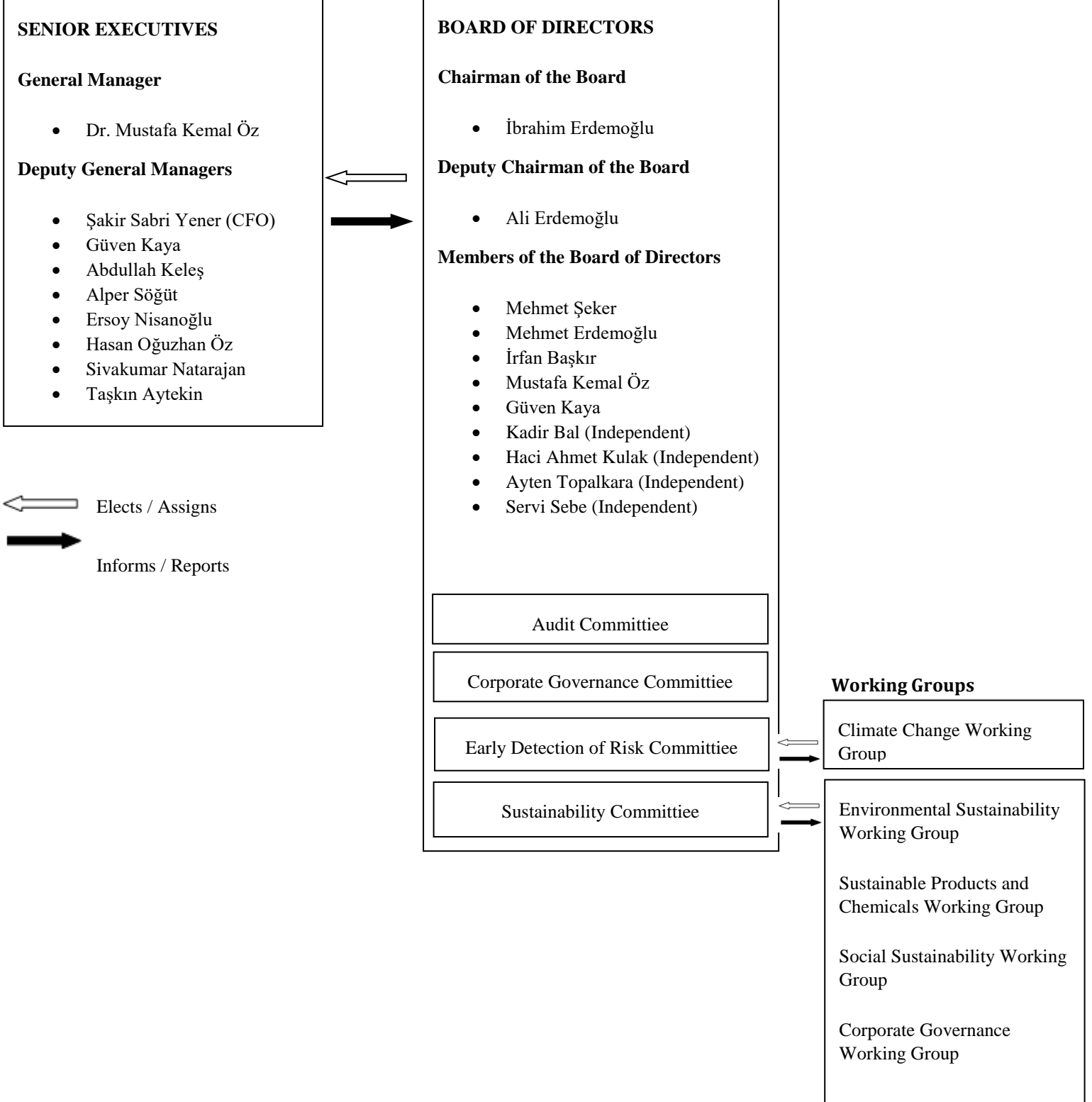
Meetings of the Board of Directors shall be presided by the Chairperson selected by the Board of Directors; in case the chairperson cannot attend, vice chairperson, who shall also be selected by the Board of Directors before, shall preside the meetings.

General Assembly Meetings

To ensure the achievement of corporate goals, information transfer through reporting and discussions is provided between senior management, the board of directors, and stakeholders, as in the SASA governance structure. In this way, consultative processes are established between stakeholders and the highest governance body on economic, environmental, and social issues.

Throughout 2022, no opposing views have been expressed against decisions made by the Board of Directors during meetings. Additionally, the company regularly updates relevant corporate events on its website. For detailed information about the General Assembly, please [click here](#).

GENERAL MEETING ASSEMBLY





Annual Ordinary Meetings

The General Assembly shall convene ordinarily and extraordinarily, Ordinary general assembly meeting shall be held within three months following the end of Company's relevant operating period and at least once a year. The Company's General Assembly shall convene in accordance with the provisions of the Company's Bylaws and the Turkish Commercial Code and shall represent all shareholders. Decisions taken at the General Assembly shall be binding for all shareholders of the Company, including those who cast dissenting vote and who are not present.

Ordinary and Extraordinary Meetings

Extraordinary general assembly meeting shall be held at the times when it is required for the Company to make meeting. At an ordinary general assembly meeting, shareholders shall discuss and decide for the issues set forth in article 409 of the Turkish Commercial Code. Extraordinary general assembly meeting shall be held at the times when required by the Company's affairs. Provision of article 29/4 of the Capital Markets Law, is reserved. Announcements for calling the General Assembly for a meeting, shall be made at least three weeks in advance, excluding the dates of announcement and meeting. In an announcement for calling a meeting; place of meeting should be specified correctly, understandably and in details.

No extraordinary general meeting was held in 2022.

Process of Calling for Meetings

Announcements regarding calling the General Assembly for a meeting, shall be made at least three weeks in advance, excluding the dates of announcement and meeting. Regarding announcements relating to decreasing issued capital, provisions of article 474 of the Turkish Commercial Code, and regarding announcements relating to termination and liquidation, provisions of articles 532 and 541 of the Turkish Commercial Code shall be applicable. With regards to announcements which shall be made in accordance with the Capital Markets Legislation, provisions of relevant legislation shall be complied with. General Assembly Meetings may be held at the Company's headquarters or, if deemed appropriate by the Board of Directors, at any other place in the city where the Company's headquarters is located, or in another city.



List of Shareholders and Voting

All shareholders included in the list of persons who can attend general assembly meeting, prepared by the board of directors; shall have the right to attend a general assembly meeting. Such shareholders may attend the general assembly meetings personally or may send a third person as their representative, to the general assembly.

Real person shareholders shall present their identity certificates and shall, accordingly, sign the list of persons who can attend the general assembly meeting; and for legal entity shareholders, persons who are authorised to represent and make binding transaction on behalf of related legal entity, shall present their identity cards together with their authorisation certificates, and shall, accordingly, sign the list of persons who can attend the general assembly meeting. Persons who shall attend general assembly as representative of real person or legal entity shareholders, should also present their representation certificates.

List of persons who can attend a general assembly meeting, shall be prepared by the board of directors; with regards to shares followed in dematerialised form in accordance with article 13 of the Law no.6362, and bearer shares, according to the list of shareholders taken from the Central Securities Depository; and among other shares, with regards to shares for which certificate is issued or which are in registered form, according to the share book, and said list shall be signed by the chairperson of the board of directors or by one of the members of the board of directors, who shall be authorised by the chairperson.

List of persons who can attend a general assembly meeting, prepared by the board of directors, shall be signed by the shareholders who are present at the meeting or by their representatives, and at the meetings where representative of the Ministry is required to be present, shall be signed by the representative of the Ministry, and it shall be called the list of persons who are present at the meeting (list of participants).

At the general assembly meetings, executive members and at least one member of the board of directors must be present. Other members of the board of directors can also attend a general assembly meeting. At the general assembly meetings of companies subject to audit, auditor shall also be present.



Quorum

At the general assembly meetings, shareholders may be represented by proxy who they shall appoint among them or externally. Representatives who are shareholder of the Company, in addition their own vote, shall also be authorised to cast the votes of shareholders who they represent. Form of authorisation certificate shall be determined by the board of directors within the framework of the regulations of the Capital Markets Board. Authorisation certificate must be in written form. Provided that it is specified in the authorisation certificate of the shareholder who delegates, the representative shall be obliged to vote in accordance with the delegating shareholder's will. With regards to voting by proxy, relevant regulations of the Capital Markets Board shall be complied with. Votes may be cast personally by a shareholder by attending General Assembly or may be cast in electronic environment by attending an Electronic General Assembly via the Central Securities Depository.

Meeting and decision quorums at all General Assembly meetings of the Company, shall be the absolute majority of the capital; provided that special supermajorities (qualified majorities) set forth in the Turkish Commercial Code and the regulations of the Capital Markets Board are reserved. At the General Assembly, shareholders shall cast their votes in proportion to total nominal value of the shares they hold, in accordance with the article 434 of the Turkish Commercial Code.

As a principle, each shareholder shall be represented by one person at the general assembly. However, in cases where representation certificate is given to more than one persons or more than one persons who are authorised to represent legal entity shareholders, attend the general assembly, only one of them shall be entitled to vote. Person who shall be authorised to vote, must be specified in the authorisation certificate. Provision of this paragraph shall not applicable to the representatives of transferor shareholders, each having the right to vote, in case shares are transferred to more than one persons in accordance with article 429 of the Law. Representation of the shareholders by legal representatives at the general assembly, shall be subject to proof of such situation by relevant documents.



Organisation

General Assembly Meetings shall be chaired by the Chairperson of the Board of Directors. In case the Chairperson is not present, the vice chairperson shall chair the meeting, and in case both are not present at a meeting, person who shall preside a meeting, shall be selected by the Board of Directors. President of meeting shall designate the clerk of minutes, and if s/he deems necessary, the vote collecting officer, and shall thereby form the presidency committee.

Procedures and principle regarding general assembly meetings are defined in the “Regulation on Procedures and Principles regarding General Assembly Meetings of Joint Stock Companies and the Representatives of the Ministry who Shall Be Present at Those Meetings”, published in the Official Gazette dated 28.11.2012 and issue no.28481.

Manner of Voting

At the General Assembly, votes shall be cast openly and by raising hand and/or in electronic environment. However, upon demand of shareholders who hold ten percent of the capital represented by those who are present at the meeting, it is compulsory to make written or confidential voting. Shareholders who have the right to attend general assembly meetings of the Company may attend these meetings in electronic environment in accordance with article 1527 of the Turkish Commercial Code. The Company may establish the electronic general assembly system which shall provide the right holders to attend general assembly meetings in electronic environment, to declare their opinions, to make proposals and to vote, in accordance with the provisions of the “Regulation on General Assembly of Joint Stock Companies which Shall Be Held in Electronic Environment”; and may also purchase services from the systems formed for this purpose. In all general assembly meetings to be held, according to this provision of the Bylaws, it shall be ensured that right holders and their representative can exercise their rights set forth in the provisions of said regulation, via the established system.

On the corporate web site of the Company; in addition to the information required to be announced in accordance with relevant legislation; trade registry information, shareholding and management structure as per the latest situation, detailed information regarding privileged shares, date and number of the Turkish Trade Registry Gazettes in which amendments are published and the final form of the Company’s Bylaws, material event disclosures, financial reports, annual (operations)



reports, prospectuses, issue certificates and other documents which intend to inform the public, agendas of the general assembly meetings, lists of participants and minutes of meetings, form of voting by proxy, compulsory information forms and similar forms prepared for share purchase proposal or collecting power of attorney, policy, if any, of the Company on buying back its shares, profit distribution policy, policy on providing information, ethical committees formed by the Company and information requests questions under the heading of frequently asked questions and complaints received by the Company and the answers given to them, shall be posted. In this context, information at least for the last 5 years, shall be published on the corporate web site.

Representative of the Ministry

At the general assembly meetings defined below and at the meetings which shall be made upon postponement thereof, representative of the Ministry must be present:

- a) At all general assembly meetings of the companies, incorporation and Bylaws amendment transactions of which are subject to the permission of the Ministry; and for other companies, at the general assembly meetings, in the agenda of which, issues of amendments to the Bylaws regarding increasing and decreasing the capital, transition to registered capital system and quitting the registered capital system, increasing the upper limit of registered capital or changing the field of activities; or the issues of merger, spin-off or change of type, are included.
- b) At the general assembly meetings of the companies, at which system for attending the general assembly in electronic environment, is applied.
- c) At all general assembly meetings which shall be held abroad.
- d) At special assembly meetings of privileged shareholders which shall be held abroad.

(2) At the general assembly meetings other than those listed in the first paragraph, except for the companies, transactions of incorporation and amendment to the Bylaws of which are subject to the permission of the Ministry, at the general assembly meetings of the company with sole shareholder and at the special assembly of privileged shareholders, presence of the representative of the Ministry is not required. However, if requested by those who call the general assembly for a



meeting and such requests are deemed appropriate by the authority authorised for appointment, representative of the Ministry shall be appointed.

(3) For the meetings at which presence of the representative of the Ministry is not required, applications which shall be made by the persons other than those who call for the meeting, regarding appointment of representative of the Ministry, directly to the authority authorised for appointment, shall not be taken into account. However, a request by shareholders representing at least one tenth of the capital, for appointment of representative of the Ministry, indicating also the reasons of such request, shall be made to the Company, in order to be presented for evaluation by the authority authorised for appointment. Such request by the parties called for a meeting, must be made directly to the authority authorised for appointment.

(4) At the meetings specified in the first paragraph and the meetings, for which representative of the Ministry is appointed in accordance with the second and third paragraphs, decisions taken at the absence of representative of the Ministry, shall not be valid.

(5) Persons who are appointed as representative of the Ministry at the Company's general assembly meetings, shall be declared by the authority making the appointment, to relevant trade registry directorate.

Duties of representative of the Ministry; Fundamental duty of representative of the Ministry, is to observe that the meeting be conducted in compliance with the provisions of the law, regulation and relevant legislation and the Bylaws. Representative of the Ministry shall supervise preparation of the minutes of the general assembly meeting. S/he shall ensure that the minutes be issued in compliance with the provisions of the law and the regulation. Representative of the Ministry shall have any illegalities and irregularities detected by him/her regarding holding a meeting and taking the decisions, indicated also in the minutes of the meeting and shall signed them, together with related persons.

(2) Before a meeting, representative of the Ministry shall show his/her appointment letter and identity certificate, to related persons.



(3) Representative of the Ministry, after a meeting, shall take a copy of the list of participants, agenda and the minutes of general assembly meeting, and shall deliver them, within one week, to the General Directorate, in the jurisdiction where the headquarters of the Ministry is located, and to the provincial directorate, in the provinces. Representative of the Ministry shall issue a report regarding matters which cannot be indicated in the minutes of a meeting for any reason, although there are violations of provisions of the law, Bylaws and the regulations, during a general assembly meeting, and in case there are situations where, such as, a meeting cannot be opened for any reason or a meeting opened cannot be completed, and shall give it, together with other documents, to the Ministry/provincial directorate. Said report shall be kept with the general assembly documents. Before the documents set forth in this paragraphs, are delivered to the General Directorate/provincial directorate, they shall be uploaded in relevant section in MERSIS, by representative of the Ministry.

(4) Duties and powers of representative of the Ministry, set forth in the first paragraph, shall be fulfilled/exercised by the president of the meeting, at the meetings at which representative of the Ministry is not present.

It shall be verified by the representative of the Ministry, at the meetings, at which representative of the Ministry is required to be present; and by president of the meeting at other meetings; that requirements set forth in the company's Bylaws and internal directive and in the law and other relevant legislation, are fulfilled, and that necessary quorum is provided; and the meeting shall be continued thereafter.

Representative of the Ministry and president of the meeting shall be obliged to fulfil his/her duty in compliance with the law, regulation and relevant legislation, impartially, honestly and diligently.

Declaration of the Nominees of the Shareholders

Persons who shall be appointed to the Board of Directors, shall be nominated by the Board of Directors. Members of the Board of Directors and a real person who shall be registered on behalf of a legal entity, must have full legal capacity. The Board of Directors shall be selected to serve for a period of three years at maximum. The same person may be selected again.



According to the Bylaws of our Company, for an independent candidate to be nominated, first of all, s/he should fulfil the independence criteria, and if the candidate fulfils those conditions, application shall be made to the Capital Markets Board and within the framework of the Communiqué on Corporate Governance (II-17.1) and the “Principles on Corporate Governance”, the Board shall be requested to declare opinion. When making application to the Board; decision of the Board of Directors which shows that the nominees are accepted by the Board of Directors, Nominee Evaluation Report of the Corporate Governance Committee, independence declarations and curriculum vitae of the nominees shall be attached to the application letter. If positive opinion is received from the Capital Markets Board, it shall be notified, together with other nominees for Board of Directors membership, to the shareholders, at least 3 weeks before the Meeting, on the corporate web site of the Company, on the Public Disclosure Platform and in the Turkish Trade Registry Gazette.

A member of the board of directors who fulfils all of the criteria defined below, shall be considered an “independent member”.

a) There shall not be any employment relation, at a position of manager who shall assume significant duties and responsibilities, in the last 5 years; between such member, his/her spouse, kinship by blood or marriage up to second degree, and the company, partnerships at which the company holds control of management or has impact thereon at significant degree and the shareholders who hold control of the company’s management or have significant impact on the company and legal entities at which such shareholders hold control of the management; s/he should not hold, jointly or individually, more than 5% of the capital or voting rights or privileged shares or has not established any significant commercial relation.

b) In the last five years, s/he should not have been a partner (5% and above), an employee at the position of manager assuming significant duties and responsibilities or member of the board of directors at the companies, from which company purchases service or product at significant level within the framework of the agreements made, mainly the audit (including tax audit, legal audit, internal audit), rating of, and consulting for the company, in the periods during which relevant service or product is purchased or sold.



- c) S/he should have professional training, knowledge and experience required for him/her to duly fulfil the duties s/he shall assume as an independent member of the board of directors.
- d) Provided that it is in compliance with the legislation which they are subject to, except for being an academician at university, s/he should not be working full-time at public authorities and institutions, after s/he is selected as a member.
- e) S/he should be deemed located in Turkey, according to the Income Tax Law (I.T.L.) dated 31/12/1960 and no.193.
- f) S/he should have strong ethical standards, professional reputation and experience, required to enable him/her to contribute positively to the Company's activities, to maintain his/her impartiality in conflicts of interest between the company and the shareholders, to take decision independently taking into account the rights of stakeholders.
- g) S/he should be capable of spearing time for the Company's affairs, to an extent enabling him/her to monitor functioning of the Company's operations and to fulfil completely the requirements of the jobs assumed by him/her.
- h) S/he should not have served as a member at the board of directors of the Company, more than six years in the last ten years.
- i) The same person should not be serving as independent member of the board of directors, at more than three companies, at which company or the shareholders who hold control of the company's management, hold control of management, and totally, at more than five companies, shares of which are traded on the stock exchange.
- j) S/he should have been registered and promulgated on behalf of a legal entity selected as member of the board of directors.

The Corporate Governance Committee, which shall perform the function of nomination committee, shall evaluate the candidacy proposals for independent membership, in which the management and investors shall be included as well, taking into account whether a candidate fulfils



independence criteria, and shall indicate its evaluation in this matter, in a report, and shall present it to the board of directors for approval. A candidate for independent membership of the board of directors, shall give a written declaration that s/he is independent within the framework of relevant legislation, Bylaws and the criteria defined above; to the nomination committee, at the time of hi/her nomination. The board of directors shall prepare the list of candidates for independent memberships, within the framework of the nomination committee's report, and shall send it, together with the nomination committee's report and decision of the board of directors; to the Board, at least 60 days before the general assembly meeting. The Board, as a result of evaluation it shall make within the framework of the independence criteria defined above, shall declare its negative opinion, if any, regarding the list; to the Company, within 30 days. A person regarding whom the Board declares negative opinion, may not be presented, to the general assembly, as candidate for independent membership. The Company shall announce, list of candidates for independent membership, candidates for independent membership of the board of directors, candidacy of whom is not accepted; on the PDP, at the latest together with announcement of the general assembly meeting. Decision of the general assembly for appointment of independent member of the board of directors, shall be announced on the Company's corporate web site.

Other Provisions

In case any of the articles set forth in these Bylaws, contradicts with the "Regulation on Procedures and Principles regarding General Assembly Meetings of Joint Stock Companies and the Representatives of the Ministry who Shall Be Present at Those Meetings", published in the Official Gazette dated 28.11.2012 and issue no.28481; procedure defined in the regulation, shall be applicable.

Material Event Disclosure

In 2022, the Company made 126 disclosures to the Public Disclosure Platform (KAP), including announcements of special circumstances and other notices, in compliance with the regulations set by the Capital Markets Board (SPK). These disclosures were made in a timely manner, and no sanctions were imposed by the SPK or the Istanbul Stock Exchange. To access the disclosures made to the Public Disclosure Platform, please [click here](#).



Legal Disclosures

Major Lawsuits Filed and Continuing Against the Company and Their Possible Consequences

There are no ongoing lawsuits that may significantly affect the activities and financial results of our company.

Important Administrative Sanctions and Penalties Given to the Company and the Members of the Board of Directors due to Practices Contrary to the Provisions of the Legislation

In 2022, there were no significant administrative sanctions or penalties imposed on the Company or the Members of the Board of Directors due to practices contrary to the provisions of the legislation.

Disclosures on Private and Public Audits

Independent audit activities are carried out by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. before our company.

Regular or individual audits can be carried out by authorized institutions regarding company activities. In 2022, there is no significant public audit conducted in this context.

In the Company's Bylaws, the appointment of a Private Auditor is not regulated as a right. In 2022, no request was received from the shareholders in this regard.

Financial Rights Provided to Top Executives

The form and conditions of all kinds of rights, benefits and remunerations granted to the Members of the Board of Directors of the Company are determined by the General Assembly. Rights, benefits and remuneration are included in the balance sheet footnotes in total. The total cost of the remuneration of the members of the Board of Directors and top executives in 2022 is TRY 13,642,000.

In 2022, the Company has not lent money to any Member of the Board of Directors and managers, has not made loans available; the terms of the loans and debts given have not been extended, their conditions have not been improved, no loans have been extended under the name of personal loans through a third party, and no guarantee was given in their favor.



No material salary disputes have arisen within the company. Please [click here](#) to access the remuneration policy.

Structure and Activity Principles of the Board of Directors

The Company is governed and represented by a Board of Directors consisting of at least 5 and at most 11 members, elected by the General Assembly in accordance with the provisions of the Turkish Commercial Code and Capital Market Legislation. Of the 11 members, only 3 are members of the Erdemoğlu family, who are controlling shareholders. The Board of Directors, consisting of 11 members, has 2 female members, and it is targeted to have 4 female members in the Board of Directors by 2025. There are no female members in the Company's senior management. Please [click here](#) for the Company's Diversity and Inclusivity Policy for the Board of Directors.

The company has adopted an employment policy that provides equal opportunities and a succession planning for all key management positions. Developing a succession plan for key management positions, evaluating and assigning executives who contribute to the company's strategic goals, is within the authority of the Board of Directors. The company has a contingency plan for key management positions.

The positions of Chairman and CEO are separate in the company. The Chairman of the Board of Directors is not a founder of the company or a member of the founder's family or affiliates. The controlling shareholder (majority shareholder) of the company is Erdemoglu Holding A.S., and the Chairman of the Board of Directors, Mr. Ibrahim Erdemoglu, is a member of the Erdemoglu family.

The majority of the Board of Directors are non-executive members as defined in the Corporate Governance Principles. 4 of the Board members are independent members and the Board of Directors are elected by the General Assembly in accordance with the Corporate Governance Principles. There are no executives nominated by the controlling shareholder and different classes of executives are not selected by different classes of shares.



The Board of Directors and Top Management members cannot be dismissed without cause. Termination of employment is carried out in accordance with the termination notification prepared in accordance with the provisions of the Labor Law. The size of the Board of Directors cannot be changed without the approval of the shareholders. The decision to change the size of the Board of Directors can be made by the shareholders who attend the General Assembly..

The Board of Directors consists of both executive and non-executive members, and they hold directorships in only a few companies outside the Group.

None of the executives on the Board of Directors have any involvement in governance conflicts in other companies. They have not experienced any failures in their performance on the boards of other companies.

The Board of Directors consists of 11 members, 4 of whom are independent. The level of independence of the Board is based on the provisions of the Capital Markets Board Corporate Governance Communiqué 4.3.4, and the independence standards of the Board meet market standards. The Board has a single-tier structure and includes two senior management members. The Company's controlling shareholder, Erdemoğlu Holding A.Ş., is also the main shareholder. No independent member has any affiliation with the Company/controlling shareholder/CEO or other individuals within the company.

The shareholding information of the Board of Directors or senior management members is disclosed on the Public Disclosure Platform by the shareholders in accordance with the regulations of the Capital Markets Board. There is no information disclosed regarding this matter. The shareholders of the company are legal entities. Information about the shareholding percentages of individual shareholders, including the dominant shareholder who are natural persons, cannot be disclosed due to personal data protection concerns.

The share ownership status of the executives is subject to Article 11 of the Capital Markets Board Special Situations Communiqué, and the transaction limit is determined annually in accordance with this article.



The company does not have the authority to issue dilutive shares. Share buybacks by the company are announced by the Board of Directors with the reason and duration of the buyback, and shareholders are informed at the General Assembly. In the context of convertible bond issuances, existing shareholders' right to purchase new shares has been completely restricted by conditional capital increases based on shareholders' conversion requests. Other capital issuance risks do not create concerns for investors. For detailed information, please [click on the link](#) provided.

The Board of Directors of the company has the powers and authorities determined by the Turkish Commercial Code, the Bylaws, and other relevant legislation. The management rights and representation authorities of the Board of Directors are defined in the Bylaws. The Board of Directors does not have the right to unilaterally change the Bylaws. Changes to the Bylaws are made upon the request of the Board of Directors and with the evaluations of the Capital Markets Board, and are presented to the General Assembly for approval. To access the company's Bylaws, please [click here](#).

Term of Office

The term of office for independent and non-independent members of the Board of Directors is up to three years in accordance with the provisions of the Capital Markets Board Corporate Governance Communiqué 4.3.5. SASA has set the term of office for its Board members as one year. A member whose term has expired can be re-elected. In the event of any vacancy in a membership for any reason, the Board of Directors shall select a new member for the open position and present it to the General Assembly for approval at its first meeting. The new member shall complete the remaining term of their predecessor. There is no mandatory retirement age for Board members.

The Company's Bylaws include provisions regarding the Board of Directors meetings, according to which the days and agenda of the Company Board of Directors meetings are determined by the chairman or vice chairman, and the meetings are held upon the call of the chairman or vice chairman. The agenda items determined and included in the agenda are communicated to the Board of Directors members in advance in order for them to make the necessary preparations.. To access the company's Bylaws, please [click here](#).



No different views were expressed against the decisions taken by the Board of Directors in the meetings held throughout the year 2022. The actual attendance of the members whose absence was not excused was ensured in the Board of Directors meetings. Since there were no questions from the Board of Directors members regarding these issues, they were not recorded in the minutes. Weighted voting rights and/or veto rights were not granted to the Board of Directors members regarding the aforementioned decisions. There is no golden share with veto power. The voting rights of the Board of Directors members are equal. In the General Assembly, shareholders use their voting rights in proportion to the total nominal value of their shares in accordance with Article 434 of the Turkish Commercial Code.

The Board of Directors of the Company, in accordance with Turkish Commercial Code Articles 395 and 396, were authorized by the Board throughout the entire year of 2022, however, they did not conduct any transactions with the Company on behalf of themselves or others, and did not engage in any competitive ventures in the same business areas.

Board of Directors

SASA's business partners, customers, and other stakeholders trust the company due to its professional competence and integrity. In this context, SASA strives to maintain its reputation at the highest level.

SASA provides all its services in accordance with company policies, professional standards, commitments made, and ethical rules. The company strives to provide services in areas where it believes it is and will be professionally competent, while adhering to the criteria of accuracy and legitimacy. SASA conducts its activities in cooperation with customers, business partners, and employees who comply with these criteria. The company does not work with individuals and institutions that violate social morality or harm the environment and public health in any way. SASA places great importance on maintaining its reputation at the highest level

In public and in the presence of listeners, the members of the Board of Directors represent the company and express only the views of the company, not their personal opinions.



When faced with complex situations that could put the company at risk, the Board of Directors first follows appropriate technical and administrative consultation procedures with relevant personnel before making decisions.

SASA's experienced and qualified Board of Directors is dedicated to the company's goal of enhancing its values through a governance approach that is active and effective. The SASA Board of Directors sets company strategies by considering the interests of all stakeholders and the company's activities and performance.

The Board of Directors participates in company committees to ensure risk oversight, monitor compliance with laws in the company's activities, and oversee the management and operation of operations in an appropriate manner.

There have been no cases of individual abuse by executives or members of the board of directors, and there have been no failures in business practices. Additionally, there have been no failures in corporate governance, and no conflicts of interest were encountered by the SASA Board of Directors and Committees in 2022. To access the Board Activity Reports, please [click here](#). The Conflict of Interest Policy, Code of Ethics and Policy are included in the policy documents. [Click here](#) for more information.

All biographical details of the Board of Directors members are publicly shared.

Board Members	Executive or Non-executive	Sectoral Experience / Education	Financial Experience / Education	Experience	Title
İbrahim Erdemoğlu	Executive	✓	✓	39 years	Chairman
Ali Erdemoğlu	Non- Executive	✓	✓	51 years	Deputy Chairperson



Mehmet Şeker	Executive	✓	✓	19 years	Board Member
Mehmet Erdemoğlu	Non- Executive	✓	✓	12 years	Board Member
İrfan Başkır	Executive	✓	✓	29 years	Board Member
Mustafa Kemal Öz	Executive	✓	✓	26 years	Board Member
Güven Kaya	Executive	✓	✓	30 years	Board Member
Kadir Bal	Non- Executive	✓	✓	21 years	Independent Board Member
Haci Ahmet Kulak	Non- Executive	✓	✓	26 years	Independent Board Member
Ayten Topalkara	Non- Executive	✓	✓	26 years	Independent Board Member
Servi Sebe	Non- Executive	✓	✓	21 years	Independent Board Member

İbrahim ERDEMOĞLU

Chairman of the Board

Date of First Appointment to the Board of Directors: 30.04.2015

Profession: Business and Management Professional

He was born in 1962 in Adıyaman Besni. He finished primary, secondary and high school in Gaziantep. He completed his university education at Karadeniz Technical University, Department



of Physics. He started carpet weaving, which is his father's profession, in a single loom purchased in 1983. He continued the carpet business, which he started during his university education, after he finished school. Today, he continues his duty as the Chairman of the Board of Erdemoğlu Holding A.Ş., which includes Merinos and Dinarsu brands, which is taking firm steps towards becoming a world brand.

External Positions: Chairman of the Board of Erdemoğlu Holding A.Ş., Vice Chairman of the Board of Merinos Halı San. ve Tic. A.Ş., Chairman of the Board of Merinos Mob. Teks. San. ve Tic. A.Ş., Chairman of the Board of Dinarsu İmalat ve Tic. A.Ş., Chairman of the Board of Merinos Halı Mob. ve Teks. Ürünleri Paz. A.Ş., Chairman of the Board of İlke Yer Kap. Mob. ve Teks. Ür. Paz. A.Ş., Chairman of the Board of Erdemoğlu Proje Mşv. İnş. A.Ş., Chairman of the Board of Erdemoğlu Enerji Elek. Ürt. A.Ş., Chairman of the Board of Bali Rüzgar Elek. Ür. San. Ve Tic. A.Ş., Chairman of the Board of Erdemoğlu Dış Tic. A.Ş., Chairman of the Board of SASA Dış Tic. A.Ş.

Ali ERDEMOĞLU

Deputy Chairman of the Board of Directors

Date of First Appointment to the Board of Directors: 30.04.2015

Profession: Senior Executive

He was born in 1959 in Adıyaman Besni. He finished primary school in Besni. He started to work at the rug and carpet looms, which was his father's profession, at a young age without continuing his education. He took part in all stages of production. Ali Erdemoğlu, who has made great efforts in Merinos' past and present, also carries out his duty as the Chairman of the Board of Merinos Halı San. ve Tic. A.Ş.

External Positions: Vice Chairman of Erdemoğlu Holding Inc., Chairman of Merinos Carpet Ind. and Trade Inc., Vice Chairman of Merinos Furniture Textile Ind. and Trade Inc., Vice Chairman of Dinarsu Manufacturing and Trade Inc., Vice Chairman of Erdemoğlu Project Consultancy Construction Inc., Vice Chairman of Erdemoğlu Energy Electric Production Inc., Vice Chairman



of Bali Wind Electricity Production Industry and Trade Inc., Vice Chairman of SASA Foreign Trade Inc.

Mehmet ŞEKER

Board Member

Date of First Appointment to the Board of Directors: 11.07.2016

Profession: Medical Doctor

Born in Gaziantep, Şeker completed his primary, secondary and high school education in Gaziantep. He graduated from Çukurova University Faculty of Medicine. He has held various positions within Erdemoğlu Holding A.Ş. since 1993. He served as the 24th and 25th term member of The Grand National Assembly of Türkiye. He is still a member of the Board of Directors of Erdemoğlu Holding A.Ş.

External Positions: Board Member at Erdemoğlu Holding A.Ş.

Mehmet ERDEMOĞLU

Board Member

Date of First Appointment to the Board of Directors: 30.04.2015

Profession: Senior Executive

He was born in Gaziantep in 1985. He finished primary, secondary and high school in Gaziantep. He completed his university education in Mechanical Engineering at Koç University, from which he graduated in 2010. He started his career at Merinos Mobilya Tekstil Sanayi ve Ticaret A.Ş. within Erdemoğlu Holding A.Ş. Today, he continues his duty as a Member of the Board of energy companies, one of the business lines within the Holding.

External Positions: Board Member of Erdemoğlu Proje Müşavirlik İnşaat A.Ş., Board Member of Erdemoğlu Enerji Elektrik Üretimi A.Ş., Board Member of Bali Rüzgar Elektrik Üretim Sanayi



ve Ticaret A.Ş., Board Membership at SASA Dış Tic. A.Ş., Vice Chairman of the Board of Erdemoğlu Dış Tic. A.Ş.

İrfan BAŞKIR

Board Member

Date of First Appointment to the Board of Directors: 25.03.2021

Profession: Business and Management Professional

He was born in Pınarbaşı, 1969. He finished primary, secondary and high school in Pınarbaşı, Kayseri. He graduated from the Faculty of Economics and Administrative Sciences of Erciyes University. Since 1993, he has held various positions within Sasa Polyester Sanayi A.Ş., including the General Manager of the company.

External Positions: There is no outside position.

Mustafa Kemal ÖZ

Board Member

Date of First Appointment to the Board of Directors: 31.03.2022

Profession: Chemical Engineer

He was born in Hatay in 1974. He completed his undergraduate and graduate studies in the Department of Chemistry at Middle East Technical University. Having completed his doctorate in Çukurova University, Department of Chemistry, Mustafa Kemal Öz has held various positions within Sasa Polyester Sanayi A.Ş. since 1999. He held various positions within the company. He still works as the General Manager of the company.

External Positions: There is no outside position.

**Güven KAYA**

Board Member

Date of First Appointment to the Board of Directors: 31.03.2022

Profession: Chemical Engineer

He was born in 1970 in Ankara. He completed his undergraduate and graduate studies in the Department of Chemistry at Middle East Technical University. Since 1996, he has held various positions within Sasa Polyester Sanayi A.Ş. He still works as the Deputy General Manager of the company.

External Positions: There is no outside position.

Kadir BAL

Independent Board Member

Date of First Appointment to the Board of Directors: 07.04.2020

Profession: Machine Engineer

Kadir Bal was born in Kayseri in the district of Yahyalı in 1966. He graduated Yahyagazi High School with the first place in 1984. He received his bachelor's degree from the Department of Mechanical Engineering at Middle East Technical University in 1989, and his master's degree in business administration (finance) from the University of Ottawa in 2000. He retired from the public sector (T.R. Ministry of Trade) in March 2020. In addition to his duties as an assistant foreign trade expert and foreign trade expert in the public sector, Bal also served as Head of Department of the General Directorate of Imports and Deputy General Manager, Deputy Trade Counselor in Ottawa, Chief Commercial Counselor in Washington, Deputy General Manager of Agreements, General Manager of Imports and Deputy Undersecretary

Please [click here](#) for the independence declaration.



External Positions: There is no outside position.

Haci Ahmet KULAK

Independent Board Member

Date of First Appointment to the Board of Directors: 29.03.2018

Profession: Certified Public Accountant and Financial Advisor

He was born in 1969 in Adıyaman, Besni. He completed his university education at Anadolu University Faculty of Business Administration and started his career as an Independent Accountant in 1995, and in 2001, he earned the title of Certified Public Accountant. Having nearly 27 years of experience in the field of accounting, Kulak was awarded the title of Independent Auditor in 2014 and Expertise in 2017. He completed his master's degree at Gaziantep University Social Sciences Institute in 2017. Throughout his career, he has provided financial consultancy and independent auditing services to well-established companies.

Please [click here](#) for the independence declaration.

External Roles: Board Member of Ideal Independent Audit Co. Inc.

Ayten TOPALKARA

Independent Board Member

Date of First Appointment to the Board of Directors: 31.03.2022

Profession: Certified Public Accountant and Financial Advisor

She was born in 1965 in Uşak. After completing Uşak High School, she graduated from Dokuz Eylül University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 1988. Topalkara, who left the company where she worked as an Accounting Manager and Consultant between 1994-1999, opened a Certified Public Accountant Office.



Between 2003-2020, she worked in various companies as Financial Affairs Manager and Financial Affairs Director

Please [click here](#) for the independence declaration.

External Positions: There is no outside position.

Servi SEBE

Independent Board Member

Date of First Appointment to the Board of Directors: 31.03.2022

Profession: Insurance agent

She was born in Iskenderun in 1964. After completing Iskenderun High School, she graduated from Çukurova University, Department of Economics (English) in 1988, which she entered in 1983. She started her business life in 1992 and worked in various positions including Director and Portfolio Manager.

Please [click here](#) for the independence declaration.

External Positions: There is no outside position.

Remuneration of Board Members

The Corporate Governance Committee, which is responsible for remuneration matters, consists entirely of independent board members and does not include a representative of the chairman or CEO. In this sense, it meets market standards.

The principles of remuneration for board members and executives have been documented in writing, and shareholders are given the opportunity to express their views on this matter. The remuneration policy prepared for this purpose is available on the company's website, and the fees of the board members are submitted to the shareholders' vote as a separate item at the ordinary



general assembly meeting and are decided upon. The remuneration policy is based on the regulations of the Capital Markets Board.

All kinds of rights, benefits, and fees granted to the members of the Board of Directors of the company are determined by the General Assembly in terms of their form and conditions. The rights, benefits, and fees are also disclosed in the footnotes of the financial statements in total. The total cost of the salaries and benefits of the Board of Directors and senior executives to the company in 2022 is 13,642,000 TL. In 2022, no Board of Directors member or executive was provided with loans, credit facilities, extensions of the existing loans and credits, improved conditions, personal loans through a third party, or any collateral on their behalf. The financial benefits provided to the Board of Directors members are periodically disclosed in the Board of Directors Activity Reports. [Click here](#) for detailed information.

Each year at the annual ordinary General Assembly, it is determined a fixed salary to be applied for all members of the board of directors.

Payments to be made to the Board members who have executive duties shall be within the scope of policy issued for the senior managers and explained below in details.

The company's performance based payment plans shall not be used for the remuneration of the independent Board members.

Payments to the Board members shall be based on pro-rata principle by taking into consideration their term of office as of the dates of appointment and dismissal. Costs paid by the Board members due to their contributions to the company (transportation, telephone, insurance etc. costs) might be reimbursed by the company.

The The wages of senior managers have two components; fixed and performance based.

The essential goals of our remuneration policy are as follows: applying a salary system that prioritizes work volume, performance, contribution to work, knowledge / skills and competencies, motivating the personnel and improving engagement by assuring in-house and inter-company



wage balance and competitiveness in the market and recruiting the manpower that have competencies capable of achieving our corporate goals.

Our Company's Work Family Method defines the roles in the organization, examples to essential responsibilities, performance indicators, knowledge / skills / experiences and competencies, and our remuneration policy is based on an objective system built on our Work Family Model..

Also, the purpose of Variable Salary management applied by our Company is to support our personnel for achieving our company's budget targets and having business results exceeding these targets and to encourage our personnel to have superior performance by rewarding success and to establish a company-wide target driven performance culture

"Benefits" is addressed as an important element of the total reward management for supporting the salary management system with other benefits. The benefits we offer as a company are based on principles of being at arm's length, competitive and fair.

Board of Advisors

Prof. Dr. İbrahim M. Turhan

- Holder of a Ph.D. in Economics
- Former Deputy Governor of the Central Bank of Turkey, Chairman and CEO of Borsa Istanbul, Chairman of Takasbank
- Member of the Global Agenda Council of the World Economic Forum.

Dr. Ersin Acar

- Holds a PhD in Chemistry
- Previously worked as a researcher for 5 years at General Electric R&D Center (Albany, USA)
- Holds over 12 patents



Top Management Members

The Top Management represents the company in its relationships with third parties and determines sustainable strategies that impact the economy, society, and the environment in line with the company's vision and mission.

The company's top management consists of the Chairman of the Board of Directors, General Manager, Deputy General Managers, Group Managers, Group Presidents, and Managers. The Board of Directors may also appoint, hire, or cause to be hired other executives and designate them as deputies who may advise in the conduct of the company's affairs.

After the annual general meeting, the Board of Directors makes a duty distribution decision among the board members at its first meeting. In cases where the articles of association do not include a provision, the rights, obligations and liabilities of the board members, as well as the circumstances of a member's resignation, death or incapacity to perform their duties and other matters related to the Chairman and members of the Board, shall be subject to the provisions of the Turkish Commercial Code and the Capital Markets Law.

Top Management Members	Title	Sectoral Experience / Education	Roles Undertaken in the Last 5 Years
Mustafa Kemal Öz	General Manager, Board Member	Chemical Engineer	Yatırımlar Grup Başkanı Genel Müdür Yardımcısı
Şakir Sabri Yener	Deputy General Manager, CFO	Business and Management Professional	Finance Manager
Güven Kaya	Deputy General Manager,	Chemical Engineer	Polymer Enterprises Group President



	Board Member		
Abdullah Keleş	Deputy General Manager	Textile Engineer	Group Manager for Domestic Sales of Fiber, Filament, and Chip Products
Alper Söğüt	Deputy General Manager	Machien Engineer	Energy Group President, Polymer Operations Group President
Ersoy Nisanoglu	Deputy General Manager	Chemical Engineer	Factory Manager
Hasan Oğuzhan Öz	Deputy General Manager	Chemical Engineer	PET Cips İşletmeleri Grup Müdürü
Sivakumar Natarajan	Deputy General Manager	Textile Technologies Expert	POY Operations Manager
Taşkın Aytekin	Deputy General Manager	Industrial Engineer	The Group Manager of Procurement & Import

Committees of the Board of Directors

There are the Corporate Governance Committee, Audit Committee, and Early Detection of Risk Committee under the Board of Directors. Since a separate Nomination Committee and Remuneration Committee have not been established in the current structure of the Board of Directors, our company's Corporate Governance Committee also fulfills the duties related to these committees.



The term of office of the members of the Committees formed within the Board of Directors is parallel to the term of office of the members of the Company's Board of Directors. Committees are re-formed following the election of the members of the Board of Directors.

Our company has 4 Independent Board Members. Our Independent Members of the Board of Directors, Servi Sebe and Ayten Topalkara, are in three committees, Hacı Ahmet Kulak is in four committees and Kadir Bal is in one committee.

The committees have been working on a regular basis since the date they were established. The committees act within their own authority and responsibility and make recommendations to the Board of Directors. There were no conflicts of interest in the Committees in 2022.

The Corporate Governance Committee, Audit Committee, and Early Detection of Risk Committee operate under the supervision of the Board of Directors, all of which are compliant with the Capital Markets Board Corporate Governance Principles and meet market standards. As a separate Nomination Committee and Remuneration Committee have not been established in the current structure of the Board of Directors, the Corporate Governance Committee also carries out the duties related to these committees. The Corporate Governance Committee, which performs the tasks related to nomination and remuneration, is entirely composed of independent board members and does not include a chairman, CEO, or representative of the controlling shareholder

All committees under the Board of Directors comply with the Capital Markets Board Corporate Governance Principles and meet market standards.

Corporate Governance Committee

The Corporate Governance Committee consists of four members, three of whom are Independent Board Members in accordance with the Capital Markets Board's "Corporate Governance Principles". The Chairman of the Corporate Governance Committee is appointed by the SASA Board of Directors among the independent members.

The Corporate Governance Committee has been established to assist the Board of Directors in fulfilling its duties and responsibilities in a healthy manner. Corporate Governance is the management process of SASA Polyester A.Ş. based on ethical values, responsible towards internal



and external stakeholders, risk-conscious, transparent and accountable in its decisions, and focused on sustainable success. The committee makes recommendations to the SASA Board of Directors for the determination of Corporate Governance Principles in accordance with the Corporate Governance Principles of the Capital Markets Board and other internationally recognized Corporate Governance Principles and creates suggestions.

Meetings are held at least four times a year at a location deemed appropriate by the Chairman. At the beginning of each year, the annual meeting calendar of the Corporate Governance Committee is determined by the Chairman of the Committee and announced to all members. To access the Corporate Governance Committee's internal regulations, please [click](#).

Duties and Responsibilities Under the Nomination And Remuneration Committee

- It works to establish a transparent system for the identification, evaluation, and training of suitable candidates for the Board of Directors and to determine policies and strategies in this regard.
- It determines the approaches, principles, and practices of the Members of the Board of Directors and Senior Executives regarding performance evaluation and career planning, and supervises them.
- It determines the recommendations of the Members of the Board of Directors and the Senior Executives regarding the principles of remuneration, taking into account the long-term goals of the company
- It determines the criteria that can be used in remuneration, taking into account the performance of the company and the member.
- Considering the degree of achievement of the criteria, it submits its proposals to the Board of Directors regarding the remuneration to be given to the Members of the Board of Directors and Senior Executives.
- It supports studies on compliance with Sasa business ethics values.
- Committee Decisions are advisory to the Board of Directors, and the final decision maker on related matters is the Board of Directors.
- The Committee notifies its evaluations and recommendations on the above issues in writing to the Members of the Board of Directors.



Corporate Governance Committee; evaluates the independent member candidate proposals, including the candidates proposed by the management and shareholders, by taking into account whether the candidate meets the independence criteria, and submits its evaluation to a report for the approval of the Board of Directors.

The Independent Board Member Candidate submits a written statement to the Corporate Governance Committee, at the time of nomination, that he is independent within the framework of the criteria set by the legislation, articles of association, and CMB Legislation.

Name and Surname	Title	Nature of Membership
Servi Sebe	Chairman of the Committee	Independent Board Member
Haci Ahmet Kulak	Member of the Committee	Independent Board Member
Ayten Topalkara	Member of the Committee	Independent Board Member
Ali Bülent Yılmazel	Member of the Committee	Not a Board Member

Audit Committee

The Chairman and members of the Audit Committee are elected among the independent members of the Board of Directors in accordance with the corporate governance principles. The Audit Committee is entirely independent, and its independence meets market standards.

The aim of the Audit Committee is to inform the Board of Directors of Sasa Polyester Sanayi A.Ş. about the corporation's accounting system, financial reporting, public disclosure of the financial information, independent auditing and the operation and efficiency of internal control system; and support the Group's efforts in compliance with relevant laws and legislation, especially the CMB legislation, corporate governance principles and ethical rules; and to perform the supervisory function regarding compliance with the aforementioned issues. Audit Committee presents its activities, findings and suggestions regarding its duties and responsibilities to the Board of Directors of the company.



The Committee meets up four times in a year at least once every three months. In its meetings, the topics of reviewing the work done by the Internal Audit and the presentation of the Board of Directors, reviewing the work of the Independent Audit firm, reviewing the financial statements, violations, and examinations of the Business Ethics and Code of Conduct are made the agenda items. To access the Internal Regulations of the Audit Committee, please [click the link](#).

Name and Surname	Title	Nature of Membership
Servi Sebe	Chairman of the Committee	Independent Board Member
Haci Ahmet Kulak	Member of the Committee	Independent Board Member
Ayten Topalkara	Member of the Committee	Independent Board Member

The committee members have no relationship with the company or its related parties. There is no dominant shareholder in the committee. All members of the committee, including the chairman, possess financial expertise.

Name and Surname	Title	Previous Work Experience
Servi Sebe	Chairman of the Committee	Director-Technical Service (2005-2013) Portfolio Manager (2003-2005) Deputy Regional Manager at Demir Sigorta Inc. (2002-2003) Deputy Regional Manager at Universal Sigorta Inc. (1995-2001) Damage Expert at Merkez Sigorta Inc.
Haci Ahmet Kulak	Member of the Committee	Expert Witness (2017) Independent Auditor (2014) Certified Public Accountant (2001) Accountant (1995)



Ayten Topalkara	Komite Üyesi	Director of Finance (2005-2020) Finance Manager (2003-2005) Independent Accountant and Financial Advisor (1996-2003) Accounting Manager and Consultant (1994-1999)
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Early Detection of Risk Committee

Based on the decision of our Company's Board of Directors dated 15 August 2013, and in accordance with the provisions of Article 378 of the Turkish Commercial Code No.6102 and the provisions of the CMB Corporate Governance Principles Communiqué, the Early Detection of Risk Committee has been established to be in charge and authorized. The Committee consists of three members, one of whom is the Chairman, appointed by the SASA Board of Directors. The Chairman of the Committee is appointed from among the independent members by the SASA Board of Directors. The chairman and all members of the committee have been selected from independent board members.

The Early Detection of Risk Committee works to identify and early detect all kinds of strategic, operational, and financial risks that may endanger the existence, development, and continuation of the Company, to take the necessary precautions regarding the identified risks, and implement them, and to manage the risks. The Committee reviews the risk management systems at least once a year and monitors the implementation of risk management practices in accordance with the Committee's decisions.

The Climate Change Working Group, one of the Working Groups under the Early Detection of Risk Committee, carries out adaptation studies to the transition to a low-carbon economy, plans for reducing carbon emissions, analysis of risks and opportunities of climate change in terms of our company.

The activities of the Climate Change Working Group are carried out under the leadership of the Early Detection of Risk Committee. The Climate Change Working Group consists of a multidisciplinary structure with members from the Energy, Water, Construction, Finance, Occupational Safety and Environment departments.



The Early Detection of Risk Committee meets at least six times a year. The meetings are held at a time and place deemed appropriate by the Chairman and are held at least six times a year. To access the Internal Regulations of the Early Detection of Risk Committee, please [click the link](#).

Name and Surname	Title	Nature of Membership
Servi Sebe	Chairman of the Committee	Independent Board Member
Haci Ahmet Kulak	Committee Member	Independent Board Member
Ayten Topalkara	Committee Member	Independent Board Member

Sustainability Committee

Within the framework of the “Sustainability Principles Compliance Framework”, published by the amendment dated 2 October 2020, to the Corporate Governance Communiqué of the Capital Markets Board, and the Paris Convention which also been signed by our country within the scope of Climate Change Movement; the Sustainability Committee (the Committee) has been established by the decision, dated 13.12.2021 and no.64, of the Board of Directors of Sasa Polyester Sanayi A.Ş., on the basis of United Nations Sustainable Developments Objectives.

The Committee targets to increase the value generated by the Company’s in environmental, social and corporate governance areas and to compose its sustainability strategy, to set its policies in the field of sustainability, its goals based on science, and to conduct, monitor and supervise its practices in this regard.

The Committee shall be composed and authorised by decision of the Board of Directors. The Committee shall consist of minimum 12 (twelve) and maximum 24 (twenty four) members. It is essential that at least 1 (one) member of the board of directors, should take part in the committee. At the first committee meeting; chairman, vice chairman, working groups coordinator, committee coordinator and a reporter shall be selected by the members of the committee. In cases where the



chairman cannot attend meetings of the Committee, the vice chairman of the committee, and in cases where both of them cannot attend, the General Manager shall chair a meeting. Coordination of the committee shall be provided by the Committee coordinator. Sustainability goals, strategies and policies, etc., determined in line with the decisions taken at a meeting of the Committee, shall be deemed data for sustainability reports of the Company. Implementation of the decisions taken by the Committee shall be performed by Working Groups. Coordination of Working Groups and their communication with the committee, shall be managed by the Working Groups Coordinator. During a period, new member can be accepted for the committee, by decision of current committee, without requiring decision of the Board of Directors.

The Committee shall work on meeting basis. The Committee shall convene at the times deemed necessary, not to be less than 2 (two) times a year. Date of a meeting and articles on the agenda of a meeting, shall be notified to the committee members by the Committee Coordinator, in electronic environment at least 7 (seven) business days before. Meetings of the Committee shall be held by attendance of at least half of the number of members. It is essential that at least one of the chairman, vice chairman of the committee or the General Manager should attend, and in cases where at least one of these persons cannot attend, meeting shall be postponed. Decisions of the committee shall be taken by absolute majority. In case of equilibrium, vote of the Chairman of the Committee, shall be counted as 2 (two) votes.

The reporter shall prepare in writing the report which shall include decisions taken at the committee meetings, including also the place, time of meeting and the information regarding participant members, and shall ensure that it is signed by the participants. S/he shall share said report, after preparing it, with the committee and working groups in electronic environment, and shall archive it accordingly. These decisions shall be taken into consideration, when the sustainability report is prepared.

All kinds of resources and support required for the Committee to fulfil its duties, shall be provided by the Board of Directors. The Committee may invite a person or employee, it shall deem necessary, to the meetings and may take that person's opinions.



The Committee shall be obliged to report the decisions taken, to the Board of Directors, via the Chairman of the Committee / Vice Chairman of the Committee. To access the Internal Regulations of the Sustainability Committee, please [click the link](#).

Name and Surname	Title	Nature of Membership
Kadir Bal	Chairman of the Committee	Independent Board Member
Haci Ahmet Kulak	Deputy Chairman of the Committee	Independent Board Member
Mustafa Kemal Öz	Member of the Committee	Board Member
Ayten Döğür	Coordinator of the Committee	Not a Board Member
Hidayet Gök	Coordinator of the Working Groups	Not a Board Member
Ali Öz	Reporter of the Committee	Not a Board Member
Şakir Sabri Yener	Member of the Committee	Not a Board Member
Alper Söğüt	Member of the Committee	Not a Board Member
Ersoy Nisanoğlu	Member of the Committee	Not a Board Member
Güven Kaya	Member of the Committee	Not a Board Member
Sivakumar Natarajan	Member of the Committee	Not a Board Member
Ali Bülent Yılmazel	Member of the Committee	Not a Board Member
Hasan Oğuzhan Öz	Member of the Committee	Not a Board Member
Levent Özgen	Member of the Committee	Not a Board Member
Mustafa Kemal Yıldırım	Member of the Committee	Not a Board Member



Taşkın Aytekin	Member of the Committee	Not a Board Member
Ahmet Atıcı	Member of the Committee	Not a Board Member

The Committee shall provide information, regarding its activities and outputs, to the Board of Directors, at least once a year. The Company shall ensure that all stakeholders be informed, in line with the sustainability policy and objectives determined by the Committee. It shall conduct activities for the purpose of internalisation of these policies by the employees.

Stakeholder Relations

SASA management is committed to transparent and close communication with its shareholders. It is adopted as a principle to share the implemented strategic plans and their results with the public, shareholders, investors, and capital market professionals (together as capital market participants) equally in a complete, fair, accurate, timely, and understandable manner within the framework of financial reporting standards and Capital Markets Legislation provisions

The company complies with the Capital Markets Legislation, Turkish Commercial Code legislation and regulations of Borsa Istanbul (BIST) regarding public disclosure. It takes maximum care to implement the principles in the Capital Markets Board Corporate Governance Principles. The Disclosure Policy covers all employees and consultants of Sasa Polyester Sanayi A.Ş. and regulates the written and oral communication of Sasa Polyester Sanayi A.Ş. with capital market participants.

Sasa Polyester Sanayi A.Ş.'s Information Policy has been prepared in accordance with the 17th article of the Capital Markets Board's Communiqué II 15.1 on "Material Events Disclosure"; and is announced to all stakeholders through Sasa Polyester Sanayi A.Ş. website (www.sasa.com.tr). Please [click here](#) to access the Information Policy.

Shareholder Relations Unit

- Shareholder relations unit was formed within Accounting Management of our Company. This unit works operates depending on Accounting Manager, Ali Bülent Yılmazel



(bulent.yilmazel@sasa.com.tr). Contact phone number is +90 (322) 441 19 17 and fax +90 (322) 441 01 14 :

Main duties of the unit are:

- to answer information requests of shareholders,
- to ensure General Meeting to be carried out correctly,
- to issue documents devoted to shareholders for General Meeting,
- to ensure voting results to be recorded and reports regarding these results to be delivered to the shareholders,
- to protect and monitor all kinds of issues concerning public disclosure.

Shareholder relations unit is responsible for conducting relations with shareholders within the frame of Corporate Management Principles.

In accordance with the CMB regulations, material disclosures are made on time by the Company on the Public Disclosure Platform and no sanctions have been imposed by the CMB or Borsa Istanbul.

Related Party Transactions

The Company shall not enter into any contract or arrangement with Related Parties without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transactions other than those with Exempted Wholly Owned Subsidiaries in which the Company participates by 100% (whose accounts are consolidated with the Company and submitted to the shareholders at the general meeting for approval).

The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions:

- i. The name/s of the related party / parties, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;



- ii. The indicative base price / current contracted price and the formula for variation in the price, if any; and
- iii. Such other conditions as the Audit Committee may deem appropriate.

The Audit Committee may also, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that cannot be foreseen and for which the aforesaid details are not available, up to the amount to be determined per transaction.

The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

In the event any contract or arrangement with a related party is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Turkish Commercial Code and other relevant legal regulations. The approval of the Board of Directors or shareholders is obtained for contracts and agreements within this scope as applicable.

Except for the exempted subsidiaries, in which the Company participates by 100%, the material ones among all related party transactions are submitted to the approval of the Company shareholders. A transaction / Transactions with a related party is considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ten percent of the annual consolidated turn-over as per the last audited financial statements of the Company.

Information regarding shareholder participation is available in the Corporate Governance Charter. In addition, the Investor Relations Department responds to shareholder inquiries about related party transactions through communication channels such as telephone and email. Related party transactions are periodically disclosed in financial reports and on the company's website. Questions from shareholders who participate in the general assembly either physically or electronically are answered immediately and recorded in the general assembly minutes. Risks and opportunities related to related party transactions are shared with investors in activity reports, sustainability reports, and on the company's website.



The Related Party Transactions Policy may be changed/amended by the Board of Directors when necessary. The company discloses related party transactions in its annual reports. For detailed information, please [click the link](#).

Internal Control & Risk Management of the Company

This section outlines the company's risk management strategies, internal control mechanisms, and transparency practices.

Internal audit and internal controls are carried out to ensure the effective, reliable, and seamless execution of the company's activities, services, and management systems, contribute to the development of the company's risk management, control system, and corporate governance practices, and to ensure the integrity, consistency, and reliability of information provided by the accounting and financial reporting system. Internal audits are conducted at specific intervals with internal audit teams that have completed the necessary training to sustain management system expectations and certification processes. All audit reports are presented and evaluated in management review meetings with top management.

The presence, operation, and effectiveness of internal audit and internal controls are carried out through the Audit Committee established within the Board of Directors. The Audit Committee presents its findings and recommendations regarding its activities, duties, and responsibilities to the Chairman of the Audit Committee. The Audit Committee meets regularly to discuss the adequacy of the internal control system. Every year, processes to be audited are determined by reviewing risks related to all processes. The Audit Axis established within the Company has identified auditable processes, and balance risk scores have been determined based on natural risk factors and the status of internal control systems.

Actions taken by company executives regarding internal control deficiencies identified in audit reports have been tracked later, and the effectiveness of the actions taken has been questioned by observing their impact on the risk level.



Corporate Risk Management

SASA aims to minimize legal, financial, strategic, and operational risks as well as unexpected risks in order to provide the highest value to all stakeholders. The company's Enterprise Risk Management is conducted in accordance with the ISO 31000/Risk Management- Principles and Guidelines Standard and the [Corporate Risk Management Policy](#) developed based on past knowledge and experience. The Board of Directors commits to fulfilling the requirements specified in the corporate risk management policy and expects employees to fulfill the same commitments.

The Risk Identification and Early Warning Committee (RESK), which is affiliated with the Board of Directors, manages the process of identifying, evaluating, and reducing risks, and forms the main structure of the company's risk management and ensures the continuity of the risk management cycle. The committee's aim is to diagnose early any strategic, operational, financial, or other risks that may endanger the company's existence, development, and continuity, and to implement necessary measures and solutions to manage the risks. This committee provides updates and reporting on the annual development and trends of risks and the implementation of risk reduction strategies.

The monitoring of sector-specific risks and opportunities is conducted through sector analyses included in the Board Activity Reports.

Risk Assessment

There is a separate board committee responsible for overseeing industry-specific risks. The company identifies and assesses the main risks facing the business. The company has an existing risk management framework in place. Information regarding risks is regularly communicated to the board of directors.

SASA identify, analyze, and prioritize the risks in line with the risk assessment instructions. The company evaluates the possible risks under four main risk categories: financial, operational, strategic, and environmental. Environmental, social and governance risks, including climate crisis risks, are managed in an integrated manner under these categories. The ESG risk categories addressed by the company are as follows



- Environmental Safety and Climate Crisis
- Technological Innovations
- Occupational Health and Safety
- Corruption
- Business Interruption
- Employee Satisfaction
- International Impact
- Ethics

The impact and probability ranges of risks are defined using a risk impact assessment table created according to categories, and relevant business units responsible for taking actions to minimize these risks are also included in the process. In this way, actions or behaviors that may affect the company's operations and strategies with a corporate business management perspective can be managed by pre-planning.

Corporate Risk Management Process

With the Corporate Risk Management Procedure that created in line with the Corporate Governance Policy, The company ensures that the relevant activities are carried out. SASA creates the risk management process according to the risk management flow defined in the corporate risk management procedure

With the corporate risk management process;

- Risk awareness is ensured in the company, and surprises are minimized by proactive management in line with the determined risk appetite.



- The losses and costs that may arise due to the risks are reduced.
- Sustainable growth with revenue stability is achieved
- The company improves its reputation and trust as part of its social responsibility activities.
- Continuity of compliance with legal regulations is ensured.

Corporate Risk Cycle

The risk management cycle is utilized to ensure the effectiveness of the risk management process. The continuity of risk management and the fulfillment of commitments at every level require strong and sustainable commitments by the company management, in addition to strategic and careful planning.

To ensure the sustainability of commitments, the risk management policy should be in line with the company culture, performance indicators, and compliance with laws and regulations. In order to ensure the adequacy of the risk management framework, stakeholders are kept informed and their views are taken into account through ongoing communication.

As part of the risk management process, the risk management plan established at all relevant levels and applications of the company commits to the implementation of the risk management process. To support the company's performance and demonstrate that risk management is effective and continuous, risk management performance is periodically measured according to relevant indicators for compliance. Periodic observations are made in accordance with the risk management plan, and reports are provided on the monitoring of the risk management policy. This way, the effectiveness of the risk management framework is examined.

Following the results of monitoring and review, decisions are made on how the risk management framework, policy, and plan can be improved, and the framework design is adjusted accordingly.



Accounting, Finance, and Reporting

The Company is audited by an auditor elected by the General Assembly in accordance with the Turkish Commercial Code and Capital Markets Law for each year. The auditor is announced in the Turkish Trade Registry Gazette and on the Company's website. The auditor may be dismissed in accordance with the provisions of the Turkish Commercial Code. The provision of Article 399 (2) of the Turkish Commercial Code is reserved. The remuneration to be paid to the auditor is determined by a contract to be concluded with the auditor every year.

The Board of Directors has selected DRT Independent Audit and Certified Public Accountancy Inc. (Deloitte) located at Eski Büyükdere Cad. Maslak No:1 Plaza 34398 Sarıyer/İstanbul, to audit the financial statements of our company for the 2022 fiscal year and perform other activities within the scope of relevant regulations in accordance with the principles determined under the Turkish Commercial Code numbered 6102 and the Capital Markets Law numbered 6362, taking into account the recommendations of the Audit Committee.

According to the independent audit agreement signed between the Company and DRT Independent Audit and Certified Public Accountancy Inc. (Deloitte) for the year 2022, Deloitte is conducting the audit of the Company's financial statements. The disclosures related to Special and Public Audits are carried out by DRT Independent Audit and Certified Public Accountancy Inc. on behalf of the Company. The Company's activities may be subject to regular or individual audits by authorized bodies. There has been no significant public audit conducted within the scope of this in 2022. The Articles of Association do not provide the appointment of a Special Auditor as a right. No such request has been received from the shareholders in 2022. The independent audit report is submitted to Borsa Istanbul (KAP) within the legal deadlines and published on the Company's website and activity report. To access the auditors' reports published by our Company, please [click here](#).

The audit of the company's compliance with Turkish Commercial Code, capital market regulations, and other relevant legislation is carried out in accordance with the relevant provisions of the Turkish Commercial Code and capital market legislation. The Public Oversight, Accounting



and Auditing Standards Authority, Capital Markets Board, and Turkish Commercial Code regulations are complied with in all matters related to audit authority.

Nature and Level of Risks Arising from Financial Instruments

Financial Risk Management

Due to Group activities, various financial risks are faced including market risk (exchange rate risk, interest rate risk), credit risk, liquidity risk and funding risk. The Group's wholesale risk management program focuses on the unpredictability of financial markets and aims to minimize potential negative effects on the Group's financial performance. Financial Risk Management is carried out by the Group's Finance Unit within the framework of policies approved by Management, excluding receivables. The Finance Unit collaborates closely with other units of the Group to identify and assess financial risks and ensure risk mitigation.

Currency Risk Management

The Group is exposed to foreign exchange risk arising from exchange rate fluctuations due to the conversion of amounts owed or receivable in foreign currency to Turkish Lira. The foreign exchange risk is monitored through the analysis of the foreign exchange position and limited through sales in foreign currency or indexed to foreign currency.

The nature and level of risks arising from financial instruments are regularly disclosed in the financial statements. To access the Periodic Financial Statements and Independent Audit Reports published within our company, please [click the link](#).

Ethics Principles & Compliance

The company has established and implemented a set of business ethics rules. Employees are informed about these rules through the company's internal communication portal, printed booklets distributed to all employees, and training sessions held to provide information.

The company's business ethics rules, responsibilities, and policies that support ethical practices are outlined in the SASA Business Ethics Rules and Policies document. To access it, please [click here](#).



Corporate Social Responsibility

The Company provides support and donations to individuals, non-governmental organizations, associations or foundations, universities, public institutions and organizations operating in the fields of education, culture, arts, environment, and sports in accordance with the principles stated in the Capital Markets Law and related regulations, with its corporate social responsibility approach. For detailed information on SASA Donation and Support Policy, please [click here](#). . For detailed information on SASA Social Responsibility Policy, please [click here](#)

The social responsibility projects carried out by the Company are disclosed in sustainability reports and annual activity reports.

The company made donations of 7,996,000 TL in 2022.