

Corporate Governance Rating

This report has been prepared by JCR-ER in compliance with the regulations of Capital Markets Board of Türkiye

Publication Date: 31/01/2025
Sector: Insurance

Türkiye Hayat Emeklilik A.Ş.

Ratings

Overall Score	9.61	AAA(Trk)/aaa (Positive)
Shareholders	9.49	AAA(Trk)/aa (Stable)
Public Disclosure & Transparency	9.76	AAA(Trk)/aaa (Stable)
Stakeholders	9.85	AAA(Trk)/aaa (Positive)
Board of Directors	9.48	AAA(Trk)/aa (Stable)

Company Profile

Trade Name	Türkiye Hayat ve Emeklilik A.Ş.
Address	Levent Mahallesi, Çayırçimen Sokağı, No:7, Beşiktaş, İstanbul
Chairman	Mr. Aziz Murat ULUĞ
General Manager	Mr. Taha ÇAKMAK
Investor Contact	Phone: +90 212 800 86 89 investor.relations@turkiyehayatemeklilik.com.tr
Web	www.turkiyehayatemeklilik.com.tr
Investor Relations Director	Mrs. Şahika BALBAY DEMİROĞLU

Senior Analyst

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Company Overview

Türkiye Hayat ve Emeklilik A.Ş. ('Türkiye Hayat Emeklilik or 'the Company'), (credit ratings by JCR Eurasia Rating on September 26, 2024: **"AAA (tr)/Stable"** on the Long-Term National Scale and **"J1+ (tr) Stable"** on the Short-Term National Scale) was established in 2020 with the merger of Ziraat Hayat ve Emeklilik, Halk Hayat ve Emeklilik and Vakıf Emeklilik under the leadership of Türkiye Wealth Fund and named Türkiye Hayat ve Emeklilik. Türkiye's largest and leading life insurance and pension company, Türkiye Hayat Emeklilik continues its activities with drawing its strength from its deep-rooted history and expert staff, the company aims to carry the Turkish life and pension sector to the top in global competition and to provide individuals with access to financial security.

Türkiye Hayat ve Emeklilik has a wide and strong service network, serving over 9 million customers through 18 regional offices, 355 agencies, 4,653 bank branches, 33 brokers, and 551 direct sales teams, with a total of 1,140 employees as of December 2024. The Company has maintained its leading position in the sector with TRY 14.3bn in premium production, corresponding to a 14.3% share of the life insurance market, and also stands out with a fund size of TRY 231.95bn, representing 20.3% of the individual pension system as well as a fund size of TRY 40.50bn, accounting for 46.5% of the Auto Enrollment Pension System (OKS). Türkiye Hayat Emeklilik's total assets have reached TRY 270.12bn as of December 2024.

The Company's total paid-in capital is TRY 755,752,390, with 92.64% of the shares held by its main shareholder, TVF Finansal Yatırımlar A.Ş., and the remaining 7.36% owned by Türkiye Sigorta A.Ş.

The Company's Board of Directors comprises seven members, three of whom are independent. The only member holding an executive position is the General Manager, who serves as a natural member of the Board in accordance with the articles of association.

Strengths

- Professional investor relations department focused on supporting the exercise and protection of shareholders' rights,
- Non-existence of privileged shares or rights,
- Transparent and frequently updated website providing extensive information to the public,
- Comprehensive integrated annual report featuring both financial metrics and insights into non-financial performance,
- Presence of distinct policies tailored for different stakeholders,
- Engagement with the labor union regarding matters concerning employees,
- Striving to achieve net zero carbon emissions by 2053, alongside adherence to international standards and principles in within the scope of ESG targets,
- Existence of diverse policies concerning the Board of Directors, and three independent members,
- Presence of well-structured risk management system, internal controls, and internal audit activities, designed in line with Code and organizational framework.

Constraints

- Absence of internal mechanisms to broaden the implementation of minority rights,
- Non-existence of a provision in the articles of association inviting all stakeholders to the general assembly,
- Lack of a specified target ratio and timeline for the representation of female members on the Board of Directors,
- Non-disclosure of individual compensation for Senior Executives and Board Members.

1. Rating Methodology and Executive Summary

This report was prepared in light of JCR Eurasia Rating's original methodological procedures in accordance with the Corporate Governance Principles (the Code) set by the Capital Markets Board (CMB) and states Türkiye Hayat Emeklilik's level of compliance with Corporate Governance Principles as of January 2025.

The Capital Markets Board's Corporate Governance Principles were first made public in 2003. Important revisions and changes were made in January 3, 2014 and October 2, 2020 as detailed in the Communiqué II-17.1 (accessible on www.spk.gov.tr).

The CMB pursued a significant change regarding the methodology of calculation of compliance rating scores in the beginning of 2014. Based on the recent CMB legislation, the new scoring methodology consists of two stages in which companies are allocated a base and a full score. In the new system, companies are first assigned a base score with a maximum of 85 points determining their compliance with the rules and practices outlined in the Code. In the second stage, an additional 15 points may be awarded depending on the efficient implementation and value creation achieved through practices exceeding those specified in the principles. Practices not stated in the Code but determined by JCR Eurasia Rating as best governance practices are also taken into account in the assignment of additional points. With these changes, emphasizing the functional compliance along with structural compliance with the Code and making the calculations in two levels had an effect on the grades in mathematical terms.

The Code consists of four main sections: Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors. These main sections' coefficients, which were determined by the CMB, have been recently changed with the latest weight composition outlined below;

- Shareholders: 25%
- Public Disclosure and Transparency: 25%
- Stakeholders: 15%
- Board of Directors: 35%

These coefficients were 25%, 35%, 15% and 25%, respectively, in the previous years.

Subject to the preservation of the integrity of CMB regulations and regulations related to the Borsa İstanbul Corporate Governance Index and compliance with the limitations thereof, this report also covers "**Outlook**" determinations which exists in JCR Eurasia Rating's original methodological structure.

Findings and assessments within the content of the report are based on information and documents disclosed by the Company to the public through various channels and also submitted to JCR Eurasia Rating in writing and verbally, as well as reports and statistics disclosed on Public Disclosure Platform (PDP).

Distinct levels of the 4 main categories regarding compliance with the CMB Corporate Governance Principles are exhibited in the following table. The overall score has been calculated based on weightings determined for these 4 categories in line with CMB regulations.

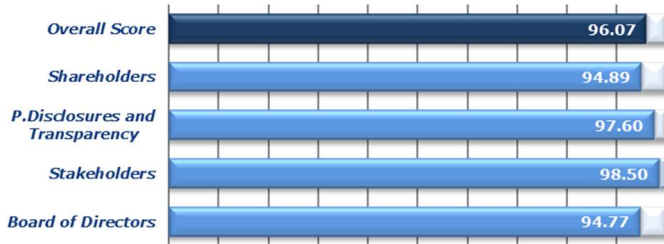
The Company's compliance level and their corresponding notes are outlined below:

- Numerical value of **9.61**
- Convergence Level **AAA(Trk)** representing the category of "**Distinctive Compliance**"
- Notch degree **(aaa)** representing the category of "**Exceptional**"
- Outlook (**Stable**)

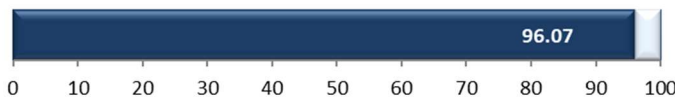
January 31, 2025				
Fields	Numerical Value	Convergence Level	Notch Degree	Outlook
Shareholders	94.89	AAA (Trk) (Distinctive)	(aa) (Superior)	Stable
Public Disclosure and Transparency	97.60	AAA (Trk) (Distinctive)	(aaa) (Exceptional)	Stable
Stakeholders	98.50	AAA (Trk) (Distinctive)	(aaa) (Exceptional)	Stable
Board of Directors	94.77	AAA (Trk) (Distinctive)	(aa) (Superior)	Stable
Overall	96.07	AAA(Trk) (Distinctive)	(aaa) (Exceptional)	Stable

JCR Eurasia Rating's notation system may be viewed at: <https://www.jcrer.com.tr/en/methodology/notation/corporate-governance-rating-notation>

Corporate Governance Score %



Overall Score %



Overall Result

9.61

AAA (Trk) / aaa
Stable

Outlook

JCR-ER is of the opinion that during the upcoming monitoring period following the publication date of this report Türkiye Hayat ve Emeklilik will maintain its high level of compliance, both in the overall compliance rating and in the four main segment ratings. Therefore, the Company's outlook rating has been determined as **"Stable"**.

2. Türkiye Hayat ve Emeklilik Overview

Türkiye Hayat ve Emeklilik A.Ş., (credit ratings by JCR Eurasia Rating on September 26, 2024: "AAA (tr)/Stable" on the Long-Term National Scale and "J1+ (tr) Stable" on the Short-Term National Scale) was established in 2020 with the merger of Ziraat Hayat ve Emeklilik, Halk Hayat ve Emeklilik and Vakıf Emeklilik under the leadership of Türkiye Wealth Fund and named Türkiye Hayat ve Emeklilik. Türkiye's largest and leading life insurance and pension company, Türkiye Hayat Emeklilik continues its activities with drawing its strength from its deep-rooted history and expert staff, the company aims to carry the Turkish life and pension sector to the top in global competition and to provide individuals with access to financial security.

Türkiye Hayat ve Emeklilik has a wide and strong service network, serving over 9 million customers through 18 regional offices, 355 agencies, 4,653 bank branches, 33 brokers, and 551 direct sales teams, with a total of 1,140 employees as of December 2024. The Company has maintained its leading position in the sector with TRY 14.3bn in premium production, corresponding to a 14.3% share of the life insurance market, and also stands out with a fund size of TRY 231.95bn, representing 20.3% of the individual pension system as well as a fund size of TRY 40.50bn, accounting for 46.5% of the Auto Enrollment Pension System (OKS). Türkiye Hayat Emeklilik's total assets have reached TRY 270.12bn as of December 2024. The Company's total paid-in capital is TRY 755,752,390, with 92.64% of the shares held by its main shareholder, TVF Finansal Yatırımlar A.Ş., and the remaining 7.36% owned by Türkiye Sigorta A.Ş.

The Company's Board of Directors comprises seven members, three of whom are independent. The only member holding an executive position is the General Manager, who serves as a natural member of the Board in accordance with the articles of association.

Türkiye Hayat Emeklilik established four committees within the Board of Directors, including the audit committee, the corporate governance and sustainability committee, the early detection of risk committee, and the information technologies steering committee.

The Company, a member of the Insurance Association of Türkiye and the Corporate Communication Association, holds certifications for ISO 9001 Quality Management, ISO 18295-1/2:2017 Customer Relationship Management, ISO 10002:2018 Customer Satisfaction Management System, ISO/IEC 22301 Business Continuity Management System, and ISO 27001 Information Security.

The Enterprise Resource Planning (ERP) System was established for finance, purchasing and human resources management in 2012 and the mobile application covering all kinds of transactions from fund distribution changes to account statement review on the relevant platforms and representing a first in the sector, was launched in 2013.

To promote women's empowerment in the workplace and support gender equality, the Company became a

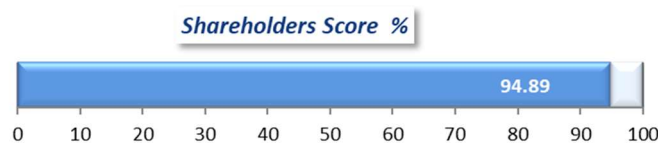
signatory of the United Nations Women's Empowerment Principles (UNWEP) on October 1, 2024.

The Company holds a 6.25% share in Emeklilik Gözetim Merkezi A.Ş. Details are shared in the annex of the report.

3. Shareholders

Through the analysis of data gathered during the rating process, the compliance level of the Company in the Shareholders main section and the corresponding levels within the JCR Eurasia Rating's notation system have been determined as follows;

- Numerical value is **9.49**,
- Convergence Level **AAA(Trk)** representing the category of **"Distinctive Compliance"**,
- Notch degree **(aa)** representing the category of **"Superior"**,
- Outlook **(Stable)**,



Shareholders Result

9.49

**AAA (Trk) / aa
Stable**

The Company's fields of compliances, non-compliance, and those needing improvement in the Shareholders section are summarized in the table below:

Synopsis Table-(Shareholders)

Plug-Compatible

- | | |
|----------|--|
| 1 | The well-structured Investor Relations Department actively assisting in the exercise of shareholders' rights |
| 2 | General assembly meetings conducted in compliance with relevant regulations |
| 3 | Disclosed and approved donation policy |

- | | |
|----------|--|
| 4 | Equal voting rights for each share |
| 5 | Absence of privileged shareholders in any aspect |
| 6 | Publicly disclosed dividend policy providing clarity on future dividend allocation |
| 7 | No direct restriction on share transfers |

Not Compatible

- | | |
|----------|---|
| 1 | Absence of a provision in the articles of association expanding minority rights beyond legislative requirements |
| 2 | Non-existence of a provision in the articles of association inviting stakeholders and media to the general assembly |

The Shareholders section is composed of 7 sub-sections. The Company's compliance level and activities conducted under these subsections are detailed below:

3.1- Simplifying Exercise of Shareholding Rights

The investor relations department, functioning under the oversight of the Board of Directors, has been established to facilitate effective communication between the Company and its shareholders. The team comprises seven members: a director, a manager, an administrator, two specialists, and two assistant specialists. Mrs. Şahika Balbay Demiroğlu, who heads the department, holds an Advanced Level License in Capital Market Activities and a Corporate Governance Rating Specialist License. She works full-time for the Company and also serves as a member of the Corporate Governance and Sustainability Committee.

The investor relations department plays a vital role in ensuring transparent and objective communication with investors. It is responsible for preparing investor presentations and organizing investor meetings, conducting sector benchmarking studies, and delivering strategic analyses to senior management. The department oversees general assembly processes and leads efforts to systematize the Company's sustainability activities, including setting sustainability goals and preparing and presenting related outputs.

Moreover, the department prepares the annual report and sustainability reports, keeps the corporate investor relations website and e-Company platform updated, and drafts the Corporate Governance Principles Compliance Report and Corporate Governance

Information Form annually. As part of the Corporate Governance Committee, it maintains committee minutes and works to improve the corporate governance rating by engaging rating services and implementing required actions. Additionally, it prepares and announces necessary documents on corporate website and public disclosure platform (PDP). The roles and responsibilities of the department and its staff are also formally documented in writing.

The officials, possessing the necessary knowledge and expertise for their roles, actively ensure the protection and facilitation of shareholder rights, especially the right to access and review information. Any information that could impact shareholder rights has been made accessible and kept up to date on the Company's website. All Company-related information has been provided promptly, comprehensively, and accurately. No penalties or warnings have been issued by any regulatory or supervisory bodies concerning this matter.

The Investor Relations Directorate concurrently carries out the investor relations responsibilities for Türkiye Sigorta A.Ş.

3.2- Rights to Information and Examination

Under the Turkish Commercial Code, shareholders are entitled to request the appointment of an independent auditor to investigate specific matters. This right cannot be restricted or removed by the articles of association. However, the articles of association may include provisions to facilitate the exercise of this right, particularly for minority shareholders.

The Company adheres to the relevant provisions of the Turkish Commercial Code regarding the appointment of a special auditor, although this matter is not explicitly addressed in its Articles of Association. Additionally, there is no evidence suggesting that the Company has obstructed the special audit process, nor have there been any requests from shareholders for the appointment of a special auditor.

The necessary information and documents are provided to shareholders by the Investor Relations Department via the website, telephone, or email. There is no indication of any discrimination among shareholders in the information distribution process.

The Company's Disclosure Policy, outlining the procedures to ensure that all stakeholders are provided with necessary information and explanations in a timely, accurate, fair, complete, understandable, comparable, and cost-effective manner, is available to the public.

3.3- Right of Access to General Shareholders Meeting

The ordinary general assembly meeting for the 2023 accounting period was convened on June 6, 2024, at 12:00 PM at the Company's headquarters, located at Levent Mahallesi Çayır Çimen Sokak No: 7, Beşiktaş/İstanbul. The meeting was conducted physically, with representatives of the shareholders in attendance, achieving a 100% participation quorum. The assembly was not held electronically.

In compliance with Article 437 of the Turkish Commercial Code, the financial statements, the annual report, audit reports, and the Board's profit distribution proposal were made available for shareholder inspection at the Company's headquarters at least fifteen days prior to the meeting.

Pursuant to Article 416 of the Turkish Commercial Code and Article 12 of the Regulation on the Procedures and Principles of General Assembly Meetings of Joint Stock Companies and the Representatives of the Ministry to Be Present at These Meetings, the General Assembly meetings have been held without a call. Additionally, this matter is explained in detail in Article 20 of the Company's articles of association.

Each proposal was listed under a separate heading on the General Assembly agenda. The agenda items were discussed individually, ensuring that all shareholders were given the opportunity to speak.

The Meeting Chairperson and the relevant departments made all necessary preparations beforehand to conduct the general assembly meeting in compliance with the applicable regulations.

A majority of the Board of Directors attended the meeting, along with other relevant individuals and the officers and auditors responsible for preparing the financial statements.

Mr. Aziz Murat Uluğ, Mr. Taha Çakmak, Mr. Muhammed Mahmut Er, Mr. Bilal Bedir, Mrs. Ayşe Türkmenoğlu, Mr. Murat Akbalık, and Mr. Enver Alper Güvel have been elected as members of the Board of Directors for a term of two years in the ordinary general assembly meeting.

Complying with the Code, the meeting ensured equal treatment for all shareholders. The Company's 2023 activities were outlined, all shareholders were granted the right to speak on each agenda item, and voting was carried out by an open show of hands. The agenda of the recent general assembly meeting is published on the Company's website; however, the attendance lists and meeting minutes are not provided.

The Company has an approved donations and aids policy, endorsed by the general shareholders' meeting. Information regarding all donations and grants made during the reporting period is shared with shareholders as a separate agenda item. Furthermore, the maximum limit for donations and grants for the upcoming accounting period has been set and presented for shareholder approval. On the other hand, there is no provision regarding donations and aids in the Company's articles of association.

There is no provision in the articles of association permits general assembly meetings to be open to the public, including stakeholders and the media, without granting them the right to speak.

3.4- Voting Rights

The Company ensures that shareholders can exercise their voting rights without any obstacles and has implemented the necessary infrastructure to make this process seamless. Shareholders may vote at General Meetings either in direct or through their proxies. Furthermore, the procedure for exercising voting rights is clearly explained to shareholders before the general meetings.

As stated in the Company's articles of association, each share entitles its holder or their proxy to one vote at both ordinary and extraordinary general meetings. The Company does not have any privileged shares, and there are no cross-shareholdings between the Company, its subsidiaries or parent company.

3.5- Minority Rights

Under the Turkish Commercial Code, minority rights are granted to shareholders who own more than 10% of the shares in non-publicly traded companies. There is no shareholding structure within the Company's ownership that constitutes minority shareholding. However, the Code encourages extending minority rights to shareholders holding less than one-tenth of the partnership capital and broadening the scope of these rights. The Company's articles of association and internal procedures do not include any provisions to expand the exercise of minority rights in this regard. Despite this formal non-compliance, the Company remains committed to protecting all minority rights of shareholders within the framework of the law, and no evidence of any violation of minority rights has been reported to date.

3.6- Dividend Rights

The Company has established a clear and consistent profit distribution policy, which has been approved by the general assembly in 2022 and publicly disclosed on its website.

According to the Company's profit distribution policy, the profit distribution process is conducted in accordance with the provisions of the Turkish Commercial Code, insurance regulations, other relevant legislation, and Article 22 of the Company's Articles of Association. The Company aims to distribute at least 10% of its distributable net profit in the form of bonus shares and/or cash. However, when preparing a profit distribution proposal at the end of each financial period, the Board of Directors considers the Company's cash flow projections, investment plans, financial structure, and market conditions to maintain a balance between shareholder expectations and the Company's growth needs. The proposal specifies the amount, method, and timing of profit distribution, including any profit to be allocated to individuals other than shareholders, in line with the articles of association.

The Board of Directors also has the authority to propose withholding profit distribution. In such cases, the reasons for not distributing the profit and the intended use of the retained earnings are explained to shareholders during the general assembly. The Company does not have any privileges regarding participation in its profits. Although there is no specific

provision regarding advanced dividend in the articles of association, the profit distribution policy states that such distributions are subject to the approval of the general assembly.

The Board of Directors has acted in a manner that maintains a fair balance between the interests of the Company and its shareholders regarding profit distribution.

Shareholders at the general assembly approved the Board of Directors' proposal to distribute a gross cash dividend of TRY 2.25bn from the Company's distributable net profit for the fiscal year 2023.

3.7- Share Transfer

The article 25 of the Company's Articles of Association stipulates that the transfer of shares is subject to the provisions of the Turkish Commercial Code, the Individual Pension Savings and Investment System Law, the Insurance Law, and other applicable regulations. Furthermore, it is specified that the transfer of share certificates to natural or legal persons, as well as the establishment of usufruct rights over such shares, requires the approval of the Board of Directors. It is also emphasized that, to achieve the Company's objectives, shareholders must meet the qualifications stipulated for founding partners under the relevant legislation and consist of individuals who are experienced and knowledgeable in the Company's field of activity. There is no direct restriction on share transfers.

Outlook

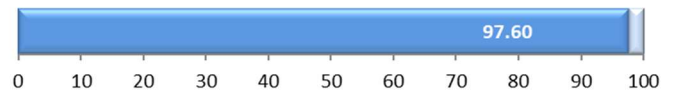
JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report the Company will maintain its level of compliance in the Shareholders main section. For this reason, the outlook for this section has been determined as **"Stable"**.

4. Public Disclosure and Transparency

This section focuses on the disclosure of information and documents needed by shareholders and stakeholders while protecting trade secrets. The Company's level of compliance in this field and their corresponding notes are outlined below;

- Numerical value of **9.76**,
- Convergence Level of **AAA(Trk)** representing the category of **"Distinctive Compliance"**,
- Notch degree (**aaa**) representing the category of **"Exceptional"**,
- Outlook (**Stable**)

Public Disclosures and Transparency Score %



Public Disclosure and Transparency Result

9.76

AAA (Trk) / aaa
Stable

The Company's fields of compliance, non-compliance, and those needing improvement in the Public Disclosure and Transparency section are summarized in the table below:

Synopsis Table - (Public Disclosure & Transparency)

Plug-Compatible

1	Presence of a publicly announced written disclosure policy
2	An extensive website offering information well beyond the scope of regulatory requirements, despite being a redirected platform
3	Multilingual website effectively serving the needs of international stakeholders
4	Ensuring transparency through regular PDP disclosures regarding pension mutual funds
5	Preparation of a comprehensive integrated annual report exceeding regulatory obligations and the Code

Partially Compatible

1	Remuneration and other benefits for Board Members and senior executives are not individually disclosed
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The Public Disclosure & Transparency section is composed of 2 subsections. The compliance level of the Company and the activities conducted for the standards under these subsections are detailed below:

4.1- Web Site

The Company's website acts as a robust platform for transparency, with www.turkiyehayatemeklilik.com.tr consistently updated to deliver comprehensive information to investors and other stakeholders. The Company's corporate website has been redirected to www.turkiyesigorta.com.tr. It contains information that goes far beyond the requirements set forth by the Turkish Commercial Code and Regulation on Websites to Be Established by Capital Companies.

The Company's website provides trade registry details, the latest shareholder and management structure, the most recent version of the articles of association, financial statements, annual reports, dividend distribution policy, disclosure policy, ethical guidelines, and a section of frequently asked questions with answers. In this regard, the website includes information covering the past five years. On the other hand, while only the agenda of the last general assembly meeting is available on the website, the lists of attendees and meeting minutes have not been disclosed. The Company ensures public disclosure within the framework of its disclosure policy, which is designed to provide its shareholders, employees, stakeholders, and public institutions with complete, equal, transparent, accurate, timely, and understandable information about the Company.

In addition to the information required to be disclosed under the Code, the website provides a wide range of information, including general details about the Company, its history, Board members, senior management, organizational structure, the committees under the Board, their working principles, and the policies. It also features sector analysis, ratings information and ESG activities. Additionally, users can access fund performance, model portfolios, podcasts covering developments in the financial sector and macroeconomic trends, also details about affiliated agencies and healthcare institutions, and online transaction services.

The Company's shareholder structure is kept updated. No individual ultimate beneficial owner possesses more than 5% of the Company's shares.

The majority of the information on the website is provided in English to support international stakeholders. Additionally, the Company has published its quarterly financial statements in Turkish for public access on its corporate website, despite having no obligation to provide any disclosure.

Pursuant to the Regulation on the Principles Regarding the Establishment and Operations of Pension Investment Funds, the Company discloses information on its funds, including prospectuses, bylaws, expense notifications, performance reports, and any applicable general statements, through the Public Disclosure Platform.

4.2- Annual Report

In 2024, Türkiye Hayat ve Emeklilik shifted from preparing separate annual and sustainability reports in previous years to publishing an integrated annual report. This report, accessible on the Company's website, is designed to offer stakeholders detailed and reliable insights into the Company's financial and non-financial performance.

The integrated annual report, prepared to holistically assess and disclose both financial outcomes and the economic, environmental, social, and corporate values generated through activities aligned with the sustainable insurance strategy and business objectives, was prepared in compliance with the International Integrated Reporting Council (IIRC) Reporting Framework, Borsa Istanbul's Integrated Reporting Guidelines, and GRI Sustainability Reporting Standards.

The report outlines the specific areas where Türkiye Hayat Emeklilik supports the United Nations Sustainable Development Goals (SDGs) and their associated targets. During the preparation of the report, the United Nations Global Compact (UNGC) Progress Declaration and the Women's Empowerment Principles (WEPs) were used as key guiding frameworks.

Furthermore, the report incorporates technical and financial performance metrics that are broadly accepted across the pension and insurance industries in which

Türkiye Hayat Emeklilik operates. Adherence to the principles detailed in the Corporate Governance Compliance Report is also discussed in the report.

The integrated annual report includes information on the roles held by Board members outside the Company, the members, meeting frequency, and working principles of the committees established under the Board of Directors, the number of Board meetings held throughout the year, and the attendance of Board members at these meetings. It also provides details on legislative changes that could significantly impact the Company's operations, significant lawsuits filed against the Company and their potential outcomes, confirmation that there are no conflicts of interest with institutions providing services such as investment consultancy and credit rating, and information on the Company's corporate social responsibility activities. In addition to the details mandated by relevant legislation and the Code, the reports explore various subjects such as industry trends and notable advancements, the Company's standing in the sector, core sustainability priorities, its approach to value creation, portfolio of products and services, advancements in digital transformation, customer engagement strategies, and employee profiles.

The total remuneration provided to the Board members and executives with administrative responsibilities has been disclosed to the public through the annual activity report; however, individual disclosures have not been made.

The independent audit for 2023 was conducted by PwC Bağımsız Denetim ve SMMM A.Ş. The independent auditor neither refrained from expressing an opinion nor issued a qualified or adverse opinion. For the 2024 fiscal year, to fulfill its obligations under the relevant legislation, the appointment of DRT Bağımsız Denetim Ve Serbest Muhasebeci Mali Müşavirlik A.Ş. for independent audit services, as recommended by the Audit Committee, was approved by the General Assembly.

Outlook

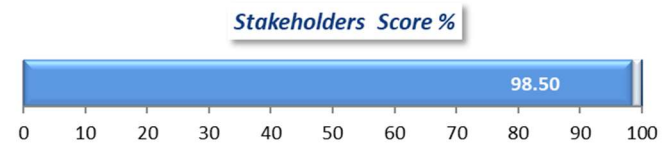
JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report, the Company will maintain its level of compliance in the Public Disclosure and Transparency field. For this reason, the outlook for this section has been determined as **"Stable"**.

5. Stakeholders

With the exception of senior-level managers, a Company's employees, customers, suppliers, creditors, public authorities and the public in general are considered to be stakeholders. The rules and practices in this main section primarily aim to secure the rights of stakeholders and facilitate the exercise of their rights, thus maximizing their contribution to the institution.

Through the analyses of JCR Eurasia Rating's original methodology, the compliance level of the Company's practices with the corporate governance principles in the field of stakeholders has been determined as below:

- Numerical value is **9.85**,
- Convergence Level **AAA(Trk)** representing the category of **"Distinctive Compliance"**,
- Notch degree **(aaa)** representing the category of **"Exceptional"**,
- Outlook **(Stable)**



Stakeholders Result
9.85
AAA (Trk) / aaa
Stable

The Company's areas of compliance, non-compliance and improvement needs in the Stakeholders section are summarized in the table below:

Synopsis Table-(Stakeholders)	
Plug-Compatible	
1	Utmost care taken to protect the rights of all stakeholders, in accordance with legislation and mutual agreements governing their transactions and operations
2	Various policies implemented to ensure the protection of stakeholders' rights

- | | |
|---|--|
| 3 | Efforts focused on enhancing employee satisfaction and loyalty, while preventing discrimination and upholding the principle of equal opportunity |
| 4 | Collaboration with the trade union |
| 5 | Ensuring a safe working environment and conditions for employees |
| 6 | Measures taken in order to ensure customers satisfaction |
| 7 | Adoption of ethical principles and diverse policies addressing on environmental, social, and governance matters |
| 8 | Adherence to international standards and principles as a signatory, along with a commitment to achieving net zero |

The stakeholders' main section is composed of 5 subsections. The compliance level of the Company with and the activities conducted for the standards under these subsections are detailed below:

5.1- Company's Stakeholders Policy

The Company has developed policies addressing various issues relevant to stakeholders and made them publicly available on its website. The key policies established are as follows; Board of Directors Diversity Policy, Board of Directors Policy, Compensation Policy, Complaint Management Policy, Corporate Communication Management Policy, Corporate Social Responsibility and Sponsorship Policy, Disclosure Policy, Dividend Policy, Donation and Aid Policy, Environment, Occupational Health and Safety Policy, Equal Opportunity and Diversity Policy, ESG Remuneration Policy, Gender Equality Policy, Human Resources Policy, Human Rights and Employee Rights Policy, Independent Board Policy, Nomination Policy, Remuneration Policy, Responsible Procurement Policy, Risk Management Policy, Stakeholder Engagement Policy, Sustainability Policy, Business Continuity Policy, Quality Policy and Supplier Management Class Policy. The Company safeguards the rights of stakeholders as outlined in applicable legislation and mutual agreements.

The Company provides timely and effective compensation in instances of violations of stakeholder rights protected by laws and agreements. It has also introduced a compensation policy for its employees, which is made publicly available on its website.

Stakeholders are kept well-informed about the Company's rights protection policies and procedures via the website.

Türkiye Hayat ve Emeklilik has implemented mechanisms for stakeholders to notify the Corporate Governance Committee or the Audit Committee of any transactions that breach applicable laws or ethical principles. Reports of ethical violations, rule breaches, or suspicious activities can be submitted to etikthe@turkiyehayatemeklilik.com.tr.

5.2- Supporting the Stakeholders for Participation in the Management of the Company

The Company recognizes as stakeholders all individuals and entities with an impact on its operations or affected by them. Their opinions and feedback are considered through a variety of communication channels.

To encourage employee engagement in decision-making and incorporate stakeholder perspectives on significant decisions, the Company employs tools such as surveys, feedback mechanisms, suggestion forms, and consultations.

In the context of sustainability initiatives, the Company conducted a materiality assessment by gathering input from a diverse sample of stakeholder groups. The results of this prioritization process were subsequently shared in the 2023 integrated annual report, highlighting the most critical areas of focus.

5.3- The Company's Human Resources Policy

Türkiye Hayat ve Emeklilik has implemented several policies for its employees, including the Human Resources Policy, Human Rights and Employee Rights Policy, Compensation Policy, Environment and Occupational Health and Safety Policy, Equal Opportunity and Diversity Policy, and Gender Equality Policy.

The criteria for recruitment and promotion are clearly outlined in writing, emphasizing the principle of providing equal opportunities to candidates with similar qualifications. The Corporate Governance and Sustainability Committee is responsible for managing succession planning.

The Company is committed to promoting equality in its recruitment process, performance reviews, career progression, promotion systems, training initiatives, and related practices. These measures are designed to cultivate an inclusive workplace where all employees have equal access to opportunities for growth and career development.

The Company has established measures to prevent discrimination based on race, religion, language, or gender and to safeguard employees from physical, mental, and emotional abuse within the workplace.

In 2023, the Company's female employees represented 59.3% of the total workforce, while the disabled employees accounted for 2.5%. The Company employed a total of 1,140 staff, including top management, as of December 2024.

Türkiye Hayat Emeklilik places a strong emphasis on employee development to enhance loyalty, expand knowledge and skills, and boost motivation and job satisfaction. According to the 2023 integrated annual report, the Company delivered 40,035 hours of training to 13,762 participants, with a total training expenditure of TRY 11.5mn.

Türkiye Hayat Emeklilik actively engages with its employees through informative meetings, ensuring their voices are heard on decisions and developments that affect them. Employees are provided with clear and accessible job descriptions that outline their roles and responsibilities. A comprehensive performance system is in place, with performance evaluation and reward criteria transparently communicated to employees. There is no share acquisition plan for employees. In the Employee Satisfaction and Engagement Survey conducted in collaboration with the Great Place to Work (GPTW) institute, the Company improved its score from 68% in 2022 to 70% in 2023. However, the employee turnover rate remained relatively high, reaching 17.38% in 2023.

The Company has implemented an occupational health and safety policy and ensures a secure and safe working environment for its workforce. Türkiye Hayat ve Emeklilik monitors its occupational health and safety activities through the Occupational Health and Safety Committee, which includes employee representatives among its members. To enhance employee awareness of occupational health and safety, the Company

organized training sessions in 2023, attended by 497 employees, with a total of 3,976 hours of training delivered.

In addition, all employees are covered by private health insurance. In 2023, only one workplace accident occurred, which did not result in fatality.

5.4- Relations with Customers and Suppliers

The Company places a strong emphasis on ensuring customer satisfaction in the marketing and sales of its services, supported by its established Quality Policy and Business Continuity Policy. As stated in the 2023 Integrated Annual Report, the Company caters to 10.7 million customers and has developed a portfolio of over 97 life insurance products and 75 pension branch offerings to address diverse customer needs. In 2023, the "Voice of Customer" application was launched to improve the customer experience by gathering feedback, analyzing input, and converting it into meaningful actions.

Customer complaints related to purchased services are handled in accordance with the Complaint Management Policy. According to the integrated annual report, the call center successfully responded to 96% of the 2.6 million calls received in 2023, while 36,563 customer requests from various channels were effectively addressed.

As part of its customer and quality-focused strategy, the Company has obtained ISO 9001 Quality Management System, ISO 10002 Customer Satisfaction Management System, ISO 18295 Customer Relationship Management, and ISO/IEC 22301 Business Continuity Management System certifications.

Türkiye Hayat ve Emeklilik implements robust security measures to ensure the collection, storage, sharing, and confidentiality of personal data in compliance with Law No. 6698. A range of advanced systems, including firewalls, intrusion detection and prevention systems, endpoint malware and anomaly detection tools, data leakage prevention systems, security correlation and log management systems, and privileged access management solutions, are utilized. Additionally, the Company holds the ISO/IEC 27001 Information Security Management System certification.

5.5- Code of Ethics and Corporate Social Responsibility

The Company operates in accordance with a code of ethics, which is publicly available on its corporate website. These ethical principles were approved at the General Assembly meeting in 2022.

The Company is also highly conscious of its social responsibilities and has detailed the actions taken in this regard within its integrated annual report. It has defined its sustainability priorities and is committed to adhering to environmental, consumer, and public health regulations, as well as ethical standards.

The Company's policies addressing ESG matters include the following: Board of Directors Diversity Policy, Environment and Occupational Health and Safety Policy, Equal Opportunity and Diversity Policy, ESG Remuneration Policy, Gender Equality Policy, Human Rights and Employee Rights Policy, Responsible Procurement Policy, Corporate Social Responsibility and Sponsorship Policy, Donation and Aid Policy, and Sustainability Policy.

Türkiye Hayat ve Emeklilik actively aligns with globally recognized standards and practices. In 2024, the Company solidified its commitment to sustainability and social responsibility by signing the United Nations Women's Empowerment Principles (UNWEP). Reinforcing its dedication to combating the climate crisis, the Company has set an ambitious goal of achieving net-zero emissions by 2053.

The Company resolved to donate TRY 1.95 million to AFAD due to the February 6 earthquakes at the Extraordinary General Assembly Meeting held on February 23, 2023. Additionally, at the Ordinary General Assembly Meeting held on August 3, 2023, it was approved to set the upper limit for donation and aid expenditures at TRY 25mn and in line with this, a donation of TRY 25mn was made for the reconstruction project of Haydarpaşa High School.

The Company has been issuing sustainability reports since 2022 and introduced the publication of an integrated annual report in 2024.

JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report, the Company will maintain its level

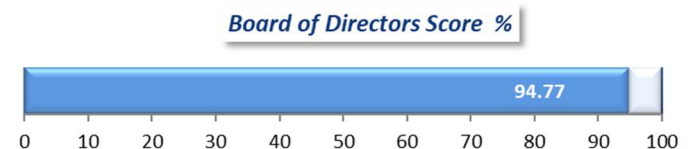
of compliance in the Stakeholders main section. For this reason, the outlook for this section has been determined as **"Stable"**.

6. Board of Directors

The content of this section consists of the Board functions, qualifications, duties, powers and responsibilities of its members and senior management, and rules and practices related to systems are established for effective supervision and control.

Through the analyses of JCR Eurasia Rating's original methodology, the compliance level of the Company's practices in the field of Board of Directors with Corporate Governance Principles has been determined as below:

- Numerical value is **9.48**,
- Convergence Level **AAA(Trk)** representing the category of **"Distinctive Compliance"**,
- Notch degree **(aa)** representing the category of **"Superior"**,
- Outlook **(Stable)**



Board of Directors Result

9.48

**AAA (Trk) / aa
Stable**

Türkiye Hayat Emeklilik's areas of compliance, non-compliance, and aspects to be improved by the Company for full compliance with the rules and implementations of the Board of Directors section are summarized in the table below:

Synopsis Table- (Board of Directors)

Plug-Compatible

- | | |
|----------|---|
| 1 | Well-defined strategic goals, vision, and mission |
|----------|---|

2	Presence of a comprehensive and effective internal control system, risk management program, and internal audit operations aligned with the organizational structure and the Code
3	Effective coordination with the investor relations department, functioning under direct oversight of the Board of Directors
4	Composition of the Board with three independent members and only one executive member
5	Facilitating member participation in meetings through the Electronic Board of Directors System
6	One vote allocated to each Member
7	Committees chaired by independent members with no involvement of the General Manager
8	Existence of a Remuneration Policy, Board Policy, Board Diversity Policy, Nomination Policy and Independent Board Policy

Partially Compatible

1	Lack of a defined target ratio and timeline for female representation on the Board of Directors.
2	Non-disclosure of remuneration on an individual basis for Board Members and Senior Managers

The Board of Directors section is composed of 6 subsections. The Company's compliance level and activities conducted in line with the standards under these subsections are detailed below:

6.1- Basic Functions of the Board

The Board of Directors at Türkiye Hayat Emeklilik, as the highest governing authority, is charged with steering the Company's strategic direction, formulating short, medium, and long-term strategies, ensuring their execution, and continuously evaluating performance to achieve corporate objectives.

In fulfilling its mandate, the Board provides strong leadership, supervises operations, and resolves conflicts when necessary. The Audit Committee supports the Board in maintaining effective oversight of financial and operational matters, while the Corporate Governance and Sustainability Committee ensures a broad and integrated approach to governance and sustainability across all business activities.

6.2- Working Principles of the Board of Directors

The Board of Directors conducts its activities in a transparent, accountable, fair, and responsible manner. The duties and authorities of the Board of Directors are detailed in the articles of association, the internal directive of the Board, and the Board Policy. This information, along with the specific responsibilities of Board members, has been transparently shared with the public through the integrated annual report and the corporate website.

The Board of Directors has implemented internal control systems, incorporating risk management, information systems, and procedural frameworks, to mitigate the impact of risks on the Company's stakeholders. It regularly evaluates the effectiveness and functionality of these systems, sharing updates on their performance and conducting a comprehensive assessment at least once a year.

In practice, the roles of the Chairman of the Board of Directors and the General Manager are held by different individuals, ensuring a separation of power. Additionally, no individual within the Company possesses unlimited decision-making authority. However, the articles of association do not explicitly prevent the Chairman of the Board and the Chief Executive Officer/General Manager from being the same person.

The Board of Directors collaborates closely with the Corporate Governance and Sustainability Committee and the Investor Relations Department to facilitate continuous communication between the Company and its shareholders and to address conflicts effectively. Notably, the Investor Relations Department operates under the direct supervision of the Board of Directors within the organizational structure.

Türkiye Hayat Emeklilik has secured partial directors and officers (D&O) liability insurance to provide coverage for potential damages caused by the negligence of Board members in the performance of their duties.

6.3- Structure of the Board of Directors

The Board of Directors comprises seven members, three of whom are independent. Among them, only the General Manager, recognized as a natural member under the articles of association, engages in executive responsibilities. The Board's structure is well-suited to

foster constructive collaboration, ensure efficient decision-making, and effectively manage the establishment of committees.

Three members meet the independence criteria outlined in the Code, and their tenure is limited to a maximum of two years.

At present, there is one female member serving on the Board of Directors. Although the Company has implemented a Board Diversity Policy to address female representation, it has not specified a target percentage or timeline within the policy to reach the 25% threshold for women members.

6.4- Rules of the Board Meetings

In accordance with clause 11 of the articles of association, the Board of Directors meets as required by the Company's operations, either upon the invitation of the Chairperson or at the written request of one or more members, to ensure the uninterrupted management of affairs. The Company has established written procedures within its internal regulations to govern the conduct of Board meetings.

During 2024, the Board of Directors convened for a total of 21 meetings, achieving an attendance rate of 87%. Members were able to participate remotely through the Electronic Board of Directors System (e-YKS), ensuring flexibility and accessibility. All members have equal voting rights, with no veto rights or weighted voting privileges. Meeting agendas and relevant documents are provided to members beforehand to facilitate informed discussions. The Human Resources Department manages and coordinates all aspects of the Board's meeting processes.

The Company does not impose restrictions on Board Members holding external roles or responsibilities outside their duties within the organization. Information about these external positions is made available through the Company's website and integrated annual report.

6.5- Committees within the Scope of the Board

Türkiye Hayat ve Emeklilik has established four committees under the Board of Directors; the Audit Committee, the Corporate Governance and

Sustainability Committee, the Early Detection of Risk Committee, and the Information Technologies Steering Committee. While a separate Nomination Committee and Remuneration Committee have not been created, their responsibilities are undertaken by the Corporate Governance and Sustainability Committee.

The roles, operational principles, and memberships of the committees have been clearly defined and published in the integrated annual report and on the corporate website. All committees recommended by the Code are composed of three non-executive members, with Mr. Murat Akbalık, an independent Board member, serving as the chairman in all committees. Notably, the Audit Committee includes an external member who is not part of the Board of Directors. The chief executive officer/general manager does not participate in any committee activities. Additionally, certain members serve on multiple committees.

The Board of Directors ensures that the committees are provided with the necessary resources and support to carry out their responsibilities effectively. To date, no external expert opinions have been sought. The committees are tasked with maintaining written records of their activities and reporting their work and meeting outcomes to the Board of Directors.

The audit committee plays a key role in supporting the Board of Directors in fulfilling its responsibilities related to internal system operations. Its duties include monitoring the adequacy and effectiveness of the Company's internal systems, ensuring that these systems, along with accounting and reporting processes, comply with legal and regulatory requirements. The committee is also responsible for reviewing and recommending the selection of independent audit firms.

The corporate governance and sustainability committee works in coordination with shareholders and the investor relations department to oversee investor relations. It reviews the Corporate Governance Principles Compliance Report prior to its public release to ensure the information is accurate and consistent with the committee's knowledge. The committee also promotes the adoption, enhancement, and improvement of Corporate Governance Principles within the Company, while investigating the independence of Board members and identifying potential conflicts of interest.

In its role as the nomination committee, the committee establishes a transparent system for identifying, assessing, and recommending qualified candidates for the Board of Directors. It also addresses the educational and informational needs of Board members and formulates relevant policies and strategies.

As part of its responsibilities as the remuneration committee, the committee develops proposals for the remuneration policies of Board members and senior management, aligning these with the Company's long-term objectives.

The committee oversees the public disclosure process by reviewing the Company's annual report and website to ensure the accuracy and consistency of the information provided. It also makes recommendations to ensure that all public disclosures comply with Capital Markets Regulations and adhere to the Company's disclosure policy. Sustainability initiatives are managed under the guidance of the corporate governance and sustainability committee. The committee monitors and controls sustainability activities and is responsible for submitting relevant decisions to the Board for approval.

The early detection of risk committee receives full support and resources from the Board of Directors to perform its duties effectively. Its primary role is to identify strategic, operational, financial, legal, and other risks that may threaten the Company's sustainability, growth, or operations. The Committee ensures appropriate measures are implemented to mitigate these risks and oversees their management. It also facilitates the execution of risk measurement, monitoring, evaluation, and reporting activities in accordance with the Company's risk management policies and strategies. The committee regularly updates the Board of Directors on the outcomes of these processes and conducts an annual review of the company's risk management systems to ensure their continued effectiveness and alignment with corporate objectives.

6.6- Financial Rights Provided to the Board Members and Executives

The Board of Directors undertakes self-assessment and performance evaluations for the Board as a whole, its individual members, and executives with administrative responsibilities. These evaluations are conducted using the OKR Management Platform in collaboration with the

corporate governance and sustainability committee. However, the outcomes of these evaluations do not lead to rewards or dismissals for the members.

Türkiye Hayat ve Emeklilik has a documented remuneration policy that is publicly accessible on the corporate website. Details of the remuneration provided to Board members are shared with shareholders annually during the general assembly meeting. The Company does not offer stock options or performance-based payment schemes as part of the remuneration for independent and non-independent members. Furthermore, there are no borrowing relations between the Company and its Board members.

Additionally, the remuneration of Board members and senior executives is disclosed in total within the annual report, without providing individual details.

Outlook

JCR Eurasia Rating is of the opinion that during the upcoming monitoring period following the publication date of this report the Company will maintain its level of compliance in the Board of Directors main section. For this reason, the outlook for this section has been determined as **"Stable"**.

TABLE: 1

Shareholder Structure	2020	2021	2022	2023	2024
Paid Capital (TRY)	755,752,390	755,752,390	755,752,390	755,752,390	755,752,390
Shareholders					
TVF Finansal Yatırımlar A.Ş.	92.64	92.64	92.64	92.64	92.64
Türkiye Sigorta A.Ş.	7.36	7.36	7.36	7.36	7.36

TABLE: 2

Subsidiary	Paid-in Capital of the Subsidiary (TRY)	Share (%)
Emeklilik Gözetim Merkezi A.Ş.	50,000,000	6.25

TABLE: 3

BOARD OF DIRECTORS							
Name	Duty	Expertise	Membership Date	Education	Executive/Non-Executive	Independent/Non-Independent	Committee Membership
Aziz Murat ULUĞ	Chairman	Financial / Investment Adviser	31.03.2021	Master's Degree	Non-Executive	Non-Independent	
Taha ÇAKMAK	Deputy Chairman & CEO	Finance Professional	04.08.2023	Bachelor's Degree	Executive	Non-Independent	
Bilal BEDİR	Member	Manager	06.06.2024	Bachelor's Degree	Non-Executive	Non-Independent	Corporate Governance and Sustainability Committee Member
Muhammed Mahmut ER	Member	Computer Engineer	10.09.2020	Bachelor's Degree	Non-Executive	Non-Independent	Chairman of the Information Technologies Steering Committee
Ayşe TÜRKMENÖĞLU	Member	Lawyer	06.06.2024	Bachelor's Degree	Non-Executive	Independent	-
Enver Alper GÜVEL	Member	Academician	06.06.2024	Doctorate	Non-Executive	Independent	Audit Committee Member and Early Detection of Risk Committee Member
Murat AKBALIK	Member	Academician	02.06.2020	Doctorate	Non-Executive	Independent	Audit Committee Chairman, Corporate Governance and Sustainability Committee Chairman and Early Detection of Risk Committee Chairman

Rating Info

Rated Company	: Türkiye Hayat ve Emeklilik A.Ş. Levent Mah. Çayır Çimen Sokak, No:7 34330 Levent - Beşiktaş, İSTANBUL Telephone: +90 850 202 20 20
Rating Report Preparation Period	: 08.01.2025-29.01.2025
Rating Publishing Date	: 31.01.2025
Rating Expiration Date	: 1 full year after publishing date, unless otherwise stated
Previous Rating Results	: First Report
Rating Committee Members	: M. Hayat (<i>Manager</i>) merve.hayat@jcrer.com.tr , K.F. Özüdoğru (<i>Manager</i>) fatih.ozudogru@jcrer.com.tr , B. Pakyürek (<i>Manager</i>) bora.pakyurek@jcrer.com.tr