

Corporate Governance Rating

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

Publication Date: 31/12/2024
Sector: Insurance

Türkiye Sigorta A.Ş.

Ratings

Overall Score	9.65	AAA(Trk)/aaa (Positive)
Shareholders	9.66	AAA(Trk)/aaa (Stable)
Public Disclosure & Transparency	9.85	AAA(Trk)/aaa (Stable)
Stakeholders	9.85	AAA(Trk)/aaa (Positive)
Board of Directors	9.41	AAA(Trk)/aa (Stable)

Company Profile

Trade Name	Türkiye Sigorta A.Ş.
Address	Büyükdere Cad. No:110 34394 Esentepe Şişli / İSTANBUL
Chairman	Mr. Aziz Murat ULUĞ
General Manager	Mr. Taha ÇAKMAK
Investor Contact	Phone: 90 212 800 86 89 investor.relations@turkiyesigorta.com.tr
Web	www.turkiyesigorta.com.tr
Investor Relations Director	Mrs. Şahika BALBAY DEMİROĞLU

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Company Overview

Türkiye Sigorta A.Ş. ('Türkiye Sigorta' 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) formerly named Güneş Sigorta, was established on September 17, 1957. Halk Sigorta and Ziraat Sigorta, providing non-life insurance services, were merged under Güneş Sigorta in 2020 and the name of the Company was changed to Türkiye Sigorta. The Company serves in Fire and Natural Disasters, Marine, Watercraft, Watercraft Liability, Motor Vehicles, Motor Vehicles Liability, Accident, Aircraft, Aircraft Liability, General Losses, General Liability, Legal Protection, Credit, Health and Financial Losses branches in the non-life insurance business. Türkiye Sigorta has been continuing to grow by successfully performing with its vast distribution channels including 12 regional directorates, 11 bancassurance regional directorates, 3,850 agencies, 4,827 bank branches, besides high insurance capacity, digital competencies and 1,589 employees as of December 9, 2024.

The Company's shares have been listed on the Borsa İstanbul (BIST) index under the ticker symbol of 'TURG' since January 1995. The paid-in capital of Türkiye Sigorta is TRY 5.00bn and Türkiye Varlık Fonu (TVF) Finansal Yatırımlar A.Ş. is the controlling shareholder with 81.10% of the shares, while the free float rate is 18.90%.

The Company's Board of Directors consists of seven members, three of whom are independent, and only the General Manager, who is recognized as a natural member of the Board in accordance with the articles of association, holds an executive position. The Company is traded on the BIST Star Market and is included in the BIST 500 / BIST 100-30 / BIST Stars / BIST All Shares / BIST 100 / BIST Insurance / BIST Dividend / BIST Financials / BIST Dividend 25 / and BIST Corporate Governance indices.

Strengths

- The investor relations department consisting of seven professionals facilitating the exercise of shareholders' rights,
- Absence of privileged shares and rights,
- The functional and regularly updated website offering comprehensive information to all stakeholders
- Detailed integrated annual report including non-financial performance information in addition to financial metrics
- Existence of numerous policies established for stakeholders,
- Collaboration with the labor union concerning employee-related matters,
- Commitment to net zero carbon emissions by 2053 as well as adhering to international standards and principles within the scope of ESG activities,
- Presence of various policies regarding the Board of Directors and three independent members,
- Presence of a comprehensive and effective risk management, internal control system and internal audit activities structured in accordance with principles and organizational framework.

Constraints

- Lack of internal provisions to extend the exercise of minority rights beyond the scope of legislations,
- The value of D&O insurance for damages caused by the Board Members during the execution of their duties remaining below 25% of the Company's capital,
- Absence of a target ratio and time frame for the participation of female members on the Board of Directors,
- Non-disclosure of compensation for Board Member and Senior Executives on an individual basis

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 Sigorta's level of compliance with Corporate Governance Principles as of December 2024.

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 **9.65**
- Convergence Level **AAA(Trk)** representing the category of "**Distinctive Compliance**"
- Notch degree **(aaa)** representing the category of "**Exceptional**"
- Outlook **(Positive)**

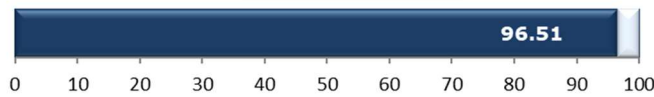
December 31, 2024				
Fields	Numerical Value	Convergence Level	Notch Degree	Outlook
Shareholders	96.63	AAA (Trk) (Distinctive)	(aaa) (Exceptional)	Stable
Public Disclosure and Transparency	98.50	AAA (Trk) (Distinctive)	(aaa) (Exceptional)	Stable
Stakeholders	98.50	AAA (Trk) (Distinctive)	(aaa) (Exceptional)	Positive
Board of Directors	94.14	AAA (Trk) (Distinctive)	(aa) (Superior)	Stable
Overall	96.51	AAA(Trk) (Distinctive)	(aaa) (Exceptional)	Positive

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

9.65

**AAA (Trk) / aaa
Positive**

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 on an overall basis. In addition, the outlook for the Stakeholders main section has been determined as **"Positive"**, taking into account the contribution expected by ongoing comprehensive ESG studies and net zero carbon target by 2053.

2. Türkiye Sigorta Overview

Türkiye Sigorta, formerly Güneş Sigorta, (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 on 17 September 1957 in Istanbul. With the merger of Halk Sigorta and Ziraat Sigorta under Güneş Sigorta on August 31, 2020, Türkiye Sigorta continues its operations under its current title.

The principal shareholder of Türkiye Sigorta is Türkiye Varlık Fonu (TVF) Finansal Yatırımlar A.Ş. with a share of 81.10%. The remaining 18.90% of the shares are traded on Borsa Istanbul.

The Company serves in fire and natural disasters, marine, watercraft, watercraft liability, motor vehicles, motor vehicles liability, accident, aircraft, aircraft liability, general losses, general liability, legal protection, credit, health and financial losses branches in the non-life insurance business.

Türkiye Sigorta is the sector leader in the main insurance branches of motor vehicles liability, general losses, aircraft, aircraft liability and accident; and in the sub-branches of traffic, TCIP (DASK), state subsidized agriculture insurance, state subsidized receivables, emergency health, housing, construction, personal accident, insufficient income and unexpected commercial expenses as of FYE2023.

The Company is a member of the Insurance Association of Türkiye (TSB), Tarım Sigortaları Havuz İşletmesi A.Ş. (Agricultural Insurance Pool Management) (TARSİM), Turkish Investor Relations Society (TUYİD), Business Council for Sustainable Development Türkiye (BCSD Türkiye), Corporate Communicators Association (KİD), TEGEP Education and Development Platform Association (TEGEP), Call Centers Association and Regulations Compliance Association.

The Company holds the ISO 9001 Quality Management System, ISO 10002 Customer Satisfaction Management System, ISO 18295 Customer Relations Management System, ISO/IEC 22301 Business Continuity Management System and ISO/IEC 27001 Information Security Management System quality certificates.

Türkiye Sigorta has been continuing to grow by successfully performing with its vast distribution channels including 12 regional directorates, 11 bancassurance regional directorates, 3,850 agencies, 4,827 bank branches, besides high insurance capacity, digital competencies and 1,589 employees as of December 9, 2024. The Company's mobile application, which allows customers to manage all insurance products and individual pension system products through a single application, reached 4 million downloads in 2023. Besides, Türkiye Sigorta reached 6.9 million customers as of 2023.

The Company's Board of Directors consists of seven members, three of whom are independent and only the General Manager, who is recognized as a natural member of the Board in accordance with the articles of

association, holds an executive position. The Company is traded on the BIST Star Market and is included in the BIST 500 / BIST 100-30 / BIST Stars / BIST All Shares / BIST 100 / BIST Insurance / BIST Dividend / BIST Financials / BIST Dividend 25 / and BIST Corporate Governance indices. The Company 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.

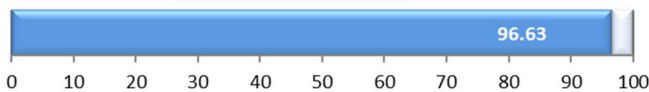
Türkiye Hayat ve Emeklilik A.Ş., OSEM Sertifikasyon A.Ş., Türk P ve I Sigorta A.Ş. and Tarım Sigortaları Havuz İşletmesi A.Ş. are the affiliates of the Company. Details are shared in the annex of the report.

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 **9.66**,
- Convergence Level **AAA(Trk)** representing the category of **"Distinctive Compliance"**,
- Notch degree **(aaa)** representing the category of **"Exceptional"**,
- Outlook **(Stable)**,

Shareholders Score %



Shareholders Result

9.66

AAA (Trk) / aaa
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	A well-established Investor Relations Department that plays an active role in facilitating the exercise of shareholders' rights
2	High compliance with the Code practices before, during and after the general assembly meetings
3	Disclosed and approved donation policy
4	Presence of a provision in the articles of association inviting stakeholders and media to the general assembly without the right to speak
5	One share one vote principle
6	No privileged shareholders in any matter
7	Publicly available dividend policy allowing shareholders to anticipate the allocation of future dividends
8	No internal restriction on share transfers

Not Compatible

1	Lack of any provision in the articles of association extending the exercise of minority rights beyond the current legislation
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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

An investor relations department reporting directly to the Board of Directors has been established to ensure communication between the Company and shareholders. The department consists of 7 professionals; a director, a manager, an administrator, two specialists and two assistant specialists. Mrs. Şahika BALBAY DEMİROĞLU, the director of the unit, holds Capital Market Activities Advanced Level License and a Corporate Governance Rating Specialist License, and works full time at the Company and serves as a member of the Corporate Governance and Sustainability Committee.

The investor relations department which plays an active role in protecting and facilitating the exercise of shareholders' rights, particularly the right to obtain and review information, is responsible for responding to written information requests from shareholders,

ensuring that shareholders' records are kept securely and updated, maintaining relationships with current and prospective investors, institutional investors, rating agencies and analysts, preparing annual reports, corporate and financial presentations and carrying out sustainability and governance activities. According to the information provided by the Company, in 2024 the Investor Relations Department successfully addressed over 400 questions and information requests from more than 150 domestic and foreign investors. The department also periodically informs the Board of Directors about its activities.

In addition, the roles and responsibilities of the department and officers are documented in written form. The department is tasked with the responsibility of announcing material disclosures and information that may affect the exercise of shareholders' rights, and is also responsible for maintaining the Company's investor relations page, ensuring it is kept up-to-date.

3.2- Rights to Information and Examination

Shareholders are entitled to request the appointment of an independent auditor to investigate a particular situation under the provisions of the Turkish Commercial Code. The articles of association cannot abolish or restrict this right. However, provisions that facilitate the exercise of the special audit right may be included in the articles of association, especially for minority shareholders. With regard to the appointment of a special auditor, the Company complies with the provisions of the Turkish Commercial Code; however, this matter is not dealt with in a separate item in the Articles of Association. On the other hand, there is no evidence that the Company has taken any action that would make it difficult to conduct a special audit, and there has been no request from the 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, PDP, telephone or e-mail. No evidence of discrimination between shareholders was found in this information flow.

In addition, in accordance with the Communiqué on Public Disclosure of Material Events (II-15.1), the Company's Disclosure Policy, which sets out the methods to be followed in order to provide all stakeholders with the necessary information and

explanations in a timely, accurate, fair, complete, understandable, comparable and cost-effective manner, has been made available to the public.

3.3- Right of Access to General Shareholders Meeting

The general assembly meeting for the 2023 accounting period was held on 6 June 2024 at 10:00 am. The meeting date, time and address, total number of shares, voting rights, solo and consolidated financial statements, annual report, audit reports and dividend distribution proposal were announced on the Company's website and Public Disclosure Platform three weeks prior to the day of the meeting.

Mr. Atilla Benli, Mr. Mehmet Aydoğdu and Ms. Fatma Özkul resigned from their positions on the Board of Directors in 2023. The departure of these members was announced, but no information was given regarding the reasons. Mrs. Ayşe TÜRKMENÖĞLU, Mr. Bilal BEDİR and Mr. Enver Alper GÜVEL were elected to the Board by the General Meeting in 2024. However, information about the new members to be elected to the Board of Directors was not included in the information document.

Each proposal was submitted under a separate topic on the agenda of the General Assembly. Agenda items were discussed individually, and all shareholders had the opportunity to speak while their proposals and queries were answered by the relevant parties.

The meeting took place at the Company's premises in Levent Mahallesi, Çayırçimen Sokak No:7 Beşiktaş / Istanbul. The Company has provided the necessary infrastructure and preparations for shareholders to participate in the general assembly meeting remotely via e-GEM (Electronic General Meeting). The Chairperson of the meeting and the relevant departments prepared in advance regarding the conduct of the general assembly meeting in accordance with the relevant legislations.

In line with the Code, all shareholders were treated equally during the meeting. The Company's 2023 activities were outlined, all shareholders were given the right to address each agenda item and voting was done by an open show of hands. Following the meeting, the list of attendees, meeting minutes showing the quorums of approval and rejection votes for the agenda

items, and other relevant documents were disclosed to investors on the Public Disclosure Platform.

The meeting was attended by most of the members of the Board of Directors, other relevant persons and the officers and auditors responsible for the preparation of the financial statements.

The Company has a policy on donations and aids, which has been approved by the general shareholders' meeting. Information on all donations and grants made during the reporting period is presented for the information of shareholders with a separate agenda item. Furthermore, the upper limit of the total donations and grants to be made in the following accounting period has been determined and submitted for shareholder approval.

The articles of association include a provision for general assembly meetings to be open to the public, including stakeholders and the media, without the right to speak.

3.4- Voting Rights

The Company avoids any action that may complicate the exercise of voting rights and has put in place the necessary infrastructure to enable each shareholder to easily exercise his or her voting rights. Shareholders' voting rights at General Meetings may be exercised by the shareholders themselves or by their proxies. In addition, the procedure for exercising voting rights is communicated to shareholders before the start of the General Meetings and is published on the Company's website.

The Company's articles of association specify that shareholders and their proxies present at Ordinary and Extraordinary General Meetings have one vote per share. There are no cross-shareholdings between the Company and its subsidiaries and associates.

3.5- Minority Rights

According to the Turkish Commercial Code, minority rights are granted to shareholders who own more than 5% of the publicly traded company's shares. However, the Code suggests granting minority rights for shareholders holding less than one-twentieth of the partnership capital and broadening the scope of minority rights. There are no internal procedures or

statement in the articles of association to extend the exercise of minority rights in this regard. Despite this apparent non-compliance, the Company is dedicated to preserving all minority rights of shareholders within the bounds of the law, and there has been no proof of violation of minority rights to date.

3.6- Dividend Rights

The Company's provisions on dividend distribution are outlined in clause 24 of the Articles of Association. The Company maintains a transparent and consistent dividend policy, which is publicly disclosed on the corporate website. This policy enables shareholders to anticipate the distribution procedures for future periods of profit.

The Company has not granted any dividend privileges to shareholders. The Board of Directors has not engaged in any behavior that disrupts the balance between the interests of the Company and its shareholders in terms of profit distribution.

The Board of Directors' proposal to distribute a gross cash dividend of TRY 1.00bn and bonus dividend of TRY 3.84bn out of the Company's distributable net profit of TRY 6.26bn for the fiscal year 2023 was approved by shareholders at the general assembly. With the capital increase through bonus issue, the Company's paid in capital reached TRY 5.00 billion. The public was informed of the dividend distribution table via PDP. As of November 2024, Türkiye Sigorta, which was already included in the BIST Dividend Index, was also added to the BIST Dividend 25 Index.

3.7- Share Transfer

The transfer of shares is not restricted by any provision in the articles of association, and clause 7 clearly states that any transfer of shares must be executed in accordance with the provisions outlined in the Turkish Commercial Code and Capital Markets Law, along with other relevant legislation.

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

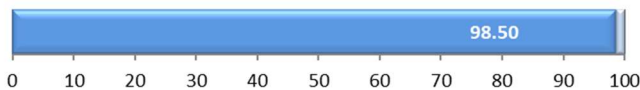
reason, the outlook for this section has been determined as **"Stable"**.

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 **9.85**,
- 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

9.85

**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 | Existence of a written disclosure policy announced to the public |
| 2 | The detailed and comprehensive website which extends over the principles of the Code |
| 3 | Maintaining the detailed ownership structure updated on the website |
| 4 | Disclosure of all financial statements with footnotes and material events disclosure in English in a manner consistent with Turkish |

- 5** Publication of the integrated annual report beyond the legislative requirements

Partially Compatible

- Remuneration and all other benefits provided to
1 Board Members and senior executives are not disclosed on an individual basis

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, **www.turkiyesigorta.com.tr**, offers an excellent platform for openness and is updated frequently to provide investors and other stakeholders with important developments.

In addition to information mandatory to disclose pursuant to relevant legislation, the website of the Company includes the trade registry information, latest shareholder and management structure, the final version of the articles of association together with date and numbers of the Turkish Trade Registry Gazettes in which amendments were published, material information disclosures, financial statements, annual reports, agendas of the general assembly meetings, lists of attendees and meeting minutes, form for proxy voting at the general assembly meeting, buy-back policy of its own shares, dividend distribution policy, disclosure policy, ethical rules as well as frequently asked questions and answers. In this context, the website contains information for the last 5-years.

The Company's shareholder structure is kept up-to-date. There is no individual ultimate beneficial shareholder holding more than 5% of the Company's shares.

Material disclosures, financial statements and footnotes are disclosed on PDP in both English and Turkish. The information contained on the website is also available in English for the benefit of international investors.

Furthermore, the website includes, but is not limited to: the Company's history, sector analysis and its position in the sector, organization chart, ratings information, share information, information on dividend distribution

and capital increase, earnings call presentations, investor presentations, ESG activities and podcasts on developments in the financial sector, macroeconomic indicators and model portfolio.

Moreover, the Company has disclosed its quarterly financial statements to the public within the period stipulated by the CMB legislation. These statements are available on the corporate website. As of the report date, a total of 85 notifications have been made to the Public Disclosure Platform (PDP) in 2024. No additional disclosures have been requested from the Company after these notifications. Also, the Corporate Governance Compliance Report, Corporate Governance Information Form and Sustainability Compliance Report have been disclosed on PDP.

4.2- Annual Report

Having prepared its annual report and sustainability report separately in previous years, Türkiye Sigorta has prepared an integrated annual report and published it on its website and PDP in 2024 in order to ensure that all stakeholders have access to complete and accurate information about the Company's financial and non-financial status.

The integrated report, which was prepared to comprehensively measure and report both the financial results and the economic, environmental, social and corporate values created by the activities carried out within the scope of the sustainable insurance strategy and business targets, was prepared in accordance with the International Integrated Reporting Council (IIRC) Reporting Framework, Borsa Istanbul's Integrated Reporting Guidelines and GRI Sustainability Reporting Standards.

In addition to the information within the scope of the relevant legislation and the Code, the reports also include various topics such as the outlook of the sector and prominent developments, its position in the sector, priority issues in sustainability, value creation model, products and services, digital transformation, customer experience and employee profile.

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 **(Positive)**



Stakeholders Result
9.85
AAA (Trk) / aaa
Positive

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

Synopsis Table-(Stakeholders)	
Plug-Compatible	
1	Maximum attention given to safeguarding the rights of all stakeholders, as outlined in legislation and mutual contracts governing their transactions and operations

2	Numerous policies established to protect the rights of stakeholders
3	In addition to steps to increase employee satisfaction and loyalty, preventing discrimination and adopting the principle of equal opportunity
4	Cooperation with the trade union
5	Provision of a safe working environment and conditions for the employees
6	Measures taken in order to ensure customers satisfaction
7	Having ethical principles and various policies on ESG-related issues
8	International standards and principles to which the Company is a signatory and net zero commitment

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 established policies on many issues of concern to stakeholders and published them on its website. The main policies established are as follows; Board of Directors Diversity Policy, Disclosure Policy, Environment, Occupational Health and Safety Policy, Equal Opportunity and Diversity Policy, ESG Remuneration Policy, Gender Equality Policy, Human Rights and Employee Rights Policy, Independent Board Policy, Nomination Policy, Remuneration Policy, Human Resources Policy, Responsible Procurement Policy, Stakeholder Engagement Policy, Compensation Policy, Complaint Management Policy, Corporate Communication Management Policy, Corporate Social Responsibility and Sponsorship Policy, Dividend Policy, Donation and Aid Policy, Risk Management Policy, Share Buyback Policy, Sustainability Policy. The Company protects stakeholders' rights which are regulated by legislation and mutual contracts.

Effective and prompt compensation is provided in the violation of the rights of stakeholders protected by law and treaty. The Company has also established a compensation policy for its employees and made it available to the public on its website. Stakeholders are adequately informed of the Company's policies and procedures for protecting their rights through the website.

Türkiye Sigorta has adopted the necessary mechanisms for stakeholders to inform the Corporate Governance Committee or the Audit Committee about the Company's transactions that violate the relevant legislation and are not ethically acceptable. Stakeholders may submit any ethical violations, rule violations or suspicious situations to etikts@turkiyesigorta.com.tr.

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

Different committees have been established to encourage the involvement of the Company employees in management decisions.

Stakeholder groups and their material issues were identified and stakeholder engagement methods and frequency of communication were disclosed in the integrated annual report. In ESG dimensions, studies are conducted to determine stakeholder expectations and sustainability priorities against global and sectoral risks. A total of 882,754 stakeholders selected from 21 stakeholder groups, including Türkiye Sigorta employees, customers, sales channels, suppliers and business partners, shareholders, investors, affiliates, brokerage analysts, non-governmental organizations, academics, banks, financial institutions, competitors, media and governmental institutions, were sent a 23-question "Stakeholder Survey" to prioritize among the identified issues.

5.3- The Company's Human Resources Policy

Türkiye Sigorta has established Human Resources Policy, Human Rights and Employee Rights Policy, Compensation Policy, Environment, Occupational Health and Safety Policy, Equal Opportunity and Diversity Policy, Gender Equality Policy for its employees. The recruitment and promotion conditions are set out in writing, and the principle of providing equal opportunities to people with equal conditions has been adopted. Succession planning is carried out by the Corporate Governance and Sustainability Committee.

The Company endeavors to provide equal opportunities in the recruitment process, as well as in performance assessment, evaluation, career management, promotion systems, training and development programs and other associated procedures. These

initiatives aim to foster an inclusive and equal environment for all employees, ensuring that all individuals are given the same opportunities for advancement and professional enrichment.

The Company has implemented measures to prevent racial, religious, linguistic, and gender discrimination among employees and to protect employees against physical, mental, and emotional abuse within the Company. In 2023, the Company's female employees represented 52.6% of the total workforce, while the disabled employees accounted for 2.6%. As of December 2024, the number of personnel employed, including top management was 1,589.

Türkiye Sigorta carries out employee development activities to strengthen employee loyalty, increase their knowledge, abilities, work motivation and satisfaction. In the 2023 integrated annual report, it was reported that 42,635 hours of training was provided to 25,476 participants and training expenditures amounted to TRY 11.5 million.

Informative meetings are held for employees, and opinions are received from employees and from trade unions regarding decisions taken regarding employees or developments concerning employees. Supporting the effective recognition of the right to collective bargaining which is a constitutional right, the Company's number of unionized employees increased to 702 in 2023, with a total ratio of 45%. Employees are the members of the Bank and Insurance Employees Union (BASS), and working conditions are defined by the collective bargaining agreements made between the Company and the union.

Employees have ready access to job descriptions that clearly define their responsibilities and duties. A performance system has also been established and performance, and rewarding criteria were announced to employees. There is no share acquisition plan for employees. The Company has created occupational health and safety policy and have ensured safe working environment and conditions for employees.

In the Employee Satisfaction and Engagement Survey conducted with the Great Place to Work (GPTW) institute, the Company increased its score from 68% in 2022 to 70% in 2023. On the other hand, the turnover rate has remained relatively high, standing at 10.4% in 2021, 9.9% in 2022, and 17.2% in 2023.

Within the scope of the Environment, Occupational Health and Safety Policy, an occupational physician is regularly employed and OHS trainings are provided to ensure a safe working environment and conditions for employees. In addition, all employees have private health insurance. In this regard, only three work accidents occurred in 2023, none of them resulted in fatalities.

5.4- Relations with Customers and Suppliers

The Company takes measures to ensure customer satisfaction in the marketing and sales of its services. Accordingly, Quality Policy and Business Continuity Policy have been established. According to the 2023 Integrated Annual Report, the Company has 6.9 million customers and has developed over 170 products to meet the needs of its customers. In 2023, the "Voice of Customer" application, which listens to the voice of customers, receives their feedback and transforms this content into meaningful analysis, was launched in order to improve and enhance the customer experience.

Customer complaints regarding the service purchased are met in accordance with the Complaint Management Policy. Moreover, in the integrated annual report, it was reported that 92% of the total 2.4 million calls received by call center in 2023 were answered and 192 thousand customer requests from various channels were resolved.

Within the scope of customer and quality-oriented strategy, The Company holds the ISO 9001 Quality Management System, ISO 10002 Customer Satisfaction Management System, ISO 18295 Customer Relationship Management and ISO/IEC 22301 Business Continuity Management System quality certificates.

Türkiye Sigorta takes security measures to ensure the collection, preservation, sharing and confidentiality of personal data in accordance with Law No. 6698. Numerous systems including but not limited to firewalls, intrusion detection and prevention system, endpoint malware and anomaly detection, data leakage prevention system, security correlation and log management system, privileged access management solutions are used. The Company also has the ISO/IEC 27001 Information Security Management System certificate.

5.5- Code of Ethics and Corporate Social Responsibility

The Company conducts its activities within the framework of a code of ethics disclosed to the public through the corporate website. Ethical principles approved at the General Assembly meeting in 2022.

The Company is sensitive regarding its social responsibilities and has included the steps it has taken in this direction in its integrated annual report. The Company has established sustainability priorities and has committed to complying with environmental regulations, consumer regulations, public health regulations and ethical standards.

The Company's policies related to ESG issues are as follows; Board of Directors Diversity Policy, Environment, 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, Sustainability Policy.

Türkiye Sigorta also supports internationally recognized standards and practices. In this context, the Company became a signatory to the United Nations Global Compact (UNGC), the United Nations Principles for Responsible Investment (UNPRI) and the United Nations Women's Empowerment Principles (UNWEP) in 2024. In line with its strategy to combat the climate crisis, the Company has committed to becoming net-zero by 2053.

In 2023, the total amount of donations made by the Company under its related policy amounted to TRY 75mn, which was presented to shareholders at the annual general shareholders' meeting.

The Company has been publishing sustainability reports since 2022 and began publishing 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. In addition, the outlook for the Stakeholders main section has been determined as **"Positive"**, taking into

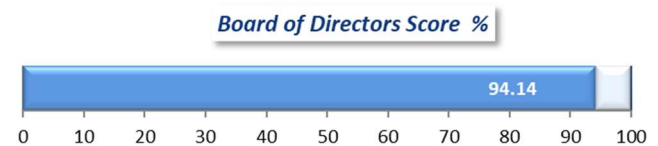
account the contribution expected by ongoing comprehensive ESG studies and net zero carbon target by 2053.

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 **9.41**,
- Convergence Level **AAA(Trk)** representing the category of **"Distinctive Compliance"**,
- Notch degree **(aa)** representing the category of **"Superior"**,
- Outlook **(Stable)**



Board of Directors Result

9.41

**AAA (Trk) / aa
Stable**

Türkiye Sigorta'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 | Clearly outlined strategic goals, vision and mission |
|----------|--|

- | | |
|----------|---|
| 2 | Existence of a thorough and efficient internal control system, risk management program and internal audit operations organized in line with organizational structure and the Code |
| 3 | Strong collaboration with the investor relations department reporting directly to the Board of Directors |
| 4 | Existence of three independent members and only one executive member in the Board |
| 5 | Ensuring the participation of members in meetings via Electronic Board of Directors System |
| 6 | Each member has one vote |
| 7 | Independent status of committee chairs and no role for the CEO in committees |
| 8 | Presence of a Remuneration Policy, Board Policy, Board Diversity Policy, Nomination Policy and Independent Board Policy |

Partially Compatible

- | | |
|----------|--|
| 1 | D&O liabilities insurance remaining below the 25% of capital |
| 2 | Absence of a target ratio and time frame for the participation of female members on the Board of Directors |
| 3 | 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 of Türkiye Sigorta is responsible for strategic management as the highest decision-making body of the Company and is responsible for determining short, medium and long-term strategies, ensuring the implementation of these strategies and regularly monitoring performance.

The Board of Directors effectively carries out its primary responsibilities, which include providing leadership, supervising operations, and resolving disputes. The Board's oversight function is executed through the Audit Committee, while the Corporate Governance and Sustainability Committee ensures that the Board maintains comprehensive oversight of the Company.

6.2- Working Principles of the Board of Directors

The articles of association, the internal directive of the Board of Directors and the Board Policy contain information on the duties and authorities of the Board. The duties and authorities of the members of the Board of Directors has been disclosed in the integrated annual report and corporate website.

To minimize the impact of risks on the Company's stakeholders, the Board of Directors has developed internal control systems that include risk management, information systems, and procedures. The Board of Directors provides information on the operation and efficiency of its internal control and risk management systems and assesses their efficacy at least once a year.

The Company's articles of association distinguish between the Board of Directors and the Executive Board and define their duties and authorities. In practice, the Chairman of the Board of Directors and the General Manager are different persons, and no one in the Company has unlimited decision-making authority alone. However, the articles of association do not explicitly prohibit the chairman of the Board of Directors and the Chief Executive Officer/General Manager from being the same individual.

Working closely with the Corporate Governance and Sustainability Committee and the Investor Relations Department, the Board of Directors plays an essential function in ensuring that the Company and its shareholders are in constant contact and in resolving conflicts. Indeed, the Investor Relations Department reports directly to the Board of Directors in the organization.

Türkiye Sigorta has taken out directors and officers (D&O) liability insurance for damages that may be caused by the members of the Board of Directors due to their negligence during the execution of their duties. However, the value of the insurance remains below 25% of the Company's capital.

6.3- Structure of the Board of Directors

The Board of Directors is composed of seven members, three of whom are independent, and only the General Manager, who is considered a natural member pursuant

to the articles of association, carries out executive activities. The number of members is sufficient to carry out productive and constructive activities, make quick and rational decisions and efficiently arrange the formation of the committees.

Independent members satisfy the requirements outlined in the Code and their term of office is up to three years.

There is currently one female member on the Board of Directors. Regarding the representation of women on the Board of Directors, the Company has established a Board of Directors Diversity Policy, but has not set a target ratio or target time in the policy to increase the share of female members to the 25% threshold.

6.4- Rules of the Board Meetings

Pursuant to clause 11 of the articles of association, the Board of Directors convenes upon the invitation of the Chairman or upon the written request of one or more members, and not less than once a month, depending on the necessity. The Company's internal regulations had written procedures for the Board of Directors meeting. In 2024, 17 Board meetings were held, with an attendance rate of 89%. Members were provided with the facility to attend the Board meetings remotely via the Electronic Board of Directors System (e-YKS). There is no negative voting power or weighted voting for any member of the Board; instead, each member has one vote. Prior to the meeting, the agenda and relevant files are presented to the members. Human Resources Department conducts the Board's meeting processes.

There are no specific rules or restrictions on the Board Members taking on other duties outside the Company. The website and integrated annual report disclose the external duties performed by members. However, the reasons for the external duties of the Board Members were not submitted for the information of the shareholders in the agenda item regarding the election at the general shareholders' meeting.

6.5- Committees within the Scope of the Board

Türkiye Sigorta has 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. A nomination committee and a remuneration committee have not been formed and the duties of these committees are performed by the corporate governance and sustainability committee.

Duties, working principles and members of the committees have been determined and disclosed on PDP. All of the committees required to be established within the scope of the Code are composed of three non-executive members and the chairman of the committees is Mr. Murat Akbalık, the independent Board member. The Company's audit committee includes a member outside the Board of Directors. The chief executive officer/general manager does not have any duties in committees. Some members serve on more than one committee.

The resources and support the committees need to fulfill their duties are provided by the Board of Directors. To date, no external expert opinion has been solicited. Committees are responsible for maintaining a written record of their activities and for submitting information regarding their work and meeting outcomes to the Board of Directors.

Article 14 of the Articles of Association stipulates that the audit committee will oversee the Company's accounting system, public disclosure of financial information, independent auditing and the functioning and effectiveness of the Company's internal control system, and will receive the opinions of the Company's responsible managers and independent auditors on the accuracy and compliance of the annual and interim financial statements to be disclosed to the public with the accounting principles followed by the Company, and will report to the Board of Directors in writing together with its own assessments. In addition, it is also stated that the Audit Committee shall convene at least four times a year, at least once every three months, and that the results of the meetings shall be recorded and submitted to the Board of Directors, and that it shall immediately notify the Board of Directors in writing of its findings and suggestions regarding its duties and responsibilities. The audit committee consists of two non-executive members of the Board of Directors and the head of internal systems, who has no hierarchical link with the general manager in the organizational structure, reports directly to the Board of Directors and is equivalent to the assistant general manager in terms of authority. According to the Regulation on Internal

Systems in The Insurance and Private Pension Sectors, in addition to the member of the Board of Directors, it is also possible to appoint a person with the above-mentioned qualifications as a member of audit committee.

Article 14 of the articles of association stipulates that the Corporate Governance Committee (current name Corporate Governance and Sustainability Committee) shall identify conflicts of interest arising from the failure to fully comply with the principles other than those that are mandatory to be complied with, make recommendations to the Board of Directors to improve corporate governance practices, and oversee the activities of the Investor Relations Department. The activities of the Corporate Governance and Sustainability Committee regarding nomination and remuneration are also explained in the relevant article.

6.6- Financial Rights Provided to the Board Members and Executives

The Board of Directors carries out self-criticism and performance evaluation on the basis of both the Board, members and executives with administrative responsibilities through OKR Management Platform and the corporate governance and sustainability committee. However, members are not rewarded or dismissed based on these evaluations.

Türkiye Sigorta has a written remuneration policy, which is disclosed to the public via the corporate website. The remuneration provided to the members of the Board of Directors is submitted to the information of the shareholders at the general assembly meeting on an annual basis. The Company does not utilize stock options or other payment plans based on the performance of the Company in order to remunerate independent members. There is no borrowing relationship between the Company and the Board of Directors or senior executives.

On the other hand, remuneration of Board members and senior executives is disclosed in aggregate in the annual report, but not on an individual basis.

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	Q3'2024
Paid Capital (000 TRY)	1,161,523	1,161,523	1,161,523	1,161,523	5,000,000
Shareholders					
TVF Finansal Yatırımlar A.Ş.	81.10	81.10	81.10	81.10	81.10
Listed	18.90	18.90	18.90	18.90	18.90

TABLE: 2

Subsidiaries	Paid-in Capital (TRY)	Share (%)
Türk P ve I Sigorta A.Ş.	120,00,000	50.00
Türkiye Hayat ve Emeklilik A.Ş.	755,752,390	7.36
OSEM Sertifikasyon A.Ş.	8,000,000	100.00
Tarım Sigortaları Havuz İşletmesi A.Ş.	48,414,096	3.70

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	03.08.2023	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 TÜRKMEÑOĞLU	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 Sigorta A.Ş. Büyükdere Cad. No:110 34394 Esentepe Şişli, İSTANBUL Telephone: +90 850 202 20 20
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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>), K.F. Özüdoğru (<i>Manager</i>), B. Pakyürek (<i>Manager</i>)