



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



***Galata Wind Enerji A.Ş.***

20 December 2022

Validity Period 20.12.2022-20.12.2023

## LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Galata Wind Enerji A.Ş.

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

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

The Corporate Governance Compliance Rating Report issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. is based on 106 copies of documents, data and files transmitted by the concerned firm electronically, including data open to general public and examinations made by our rating experts on site.

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

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

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

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## TABLE OF CONTENTS

1. Rating Summary	3
2. Rating Methodology	6
3. Company Profile	9
4. Sections of Rating Process	
A. Shareholders	14
a. Facilitating the Exercise of Shareholders Rights	14
b. Right to Obtain Information and to Examine	15
c. Right to Attend the General Assembly	15
d. Voting Right	17
e. Minority Rights	17
f. Dividend Right	17
g. Transfer of Shares	18
B. Public Disclosure and Transparency	19
a. Corporate Website	20
b. Annual Report	20
C. Stakeholders	22
a. Corporation's Policy on Stakeholders	22
b. Supporting Participation of Stakeholders in Corporation's Management	23
c. Human Resources Policy of the Corporation	23
d. Relations with Customers and Suppliers	24
e. Ethical Rules, Social Responsibility	25
f. Sustainability	26
D. Board of Directors	27
a. Function of the Board of Directors	27
b. Principles of Activity of the Board of Directors	28
c. Structure of the Board of Directors	28
d. Procedure of Board of Directors Meetings	29
e. Committees Formed within the Structure of the Board of Directors	29
f. Financial Rights Provided for Members of the Board of Directors and Executives	32
5. Corporate Governance Compliance Grades and Descriptions	33

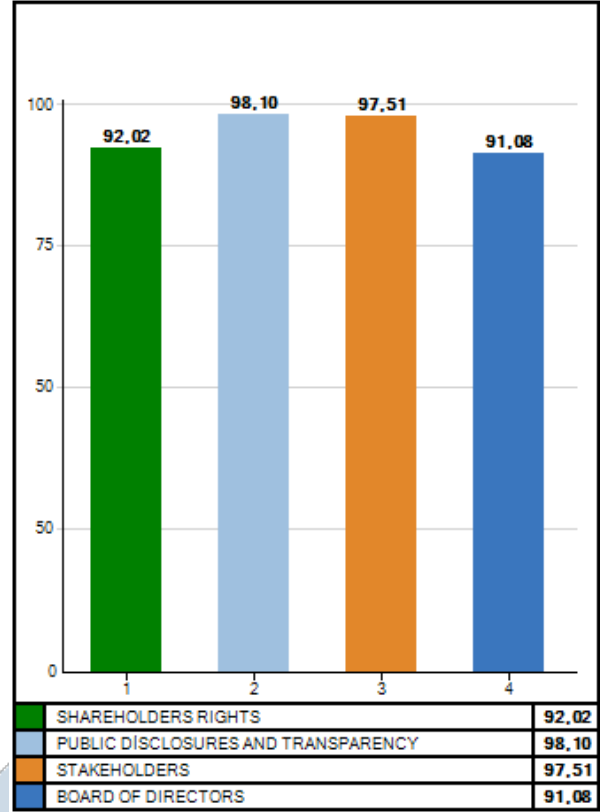
## GALATA WIND ENERJİ A.Ş.

### CMB CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE GRADE

**9.40**

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### RATING SUMMARY

This report of rating of compliance of Galata Wind Enerji A.Ş. with the Corporate Governance Principles is concluded through onsite examinations of the documents and information open to public, interviews held with executives and persons involved, and of other examinations and observations. The study has been held in accordance with the Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.

In the methodology and rating process, in addition to the Capital Markets Board's Corporate Governance Communiqué No. II-17.1, the Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published by the Board has been considered in addition to the regulations regarding the voluntary sustainability principles compliance framework and the

board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105.

According to the decision of the Board decision body dated 13.01.2022 and numbered 2/27, Galata Wind is included in the BIST 2nd Group Companies list. The Company has been evaluated through examination of 448 criteria described in Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.'s methodology of "BIST 2nd Group Companies".

At the end of examination of criteria under the main headings of Shareholders, Public Disclosure and Transparency, the Stakeholders and the Board of Directors, Corporate Governance Compliance Rating Grade of Galata Wind Enerji A.Ş. has been determined as **9,40**. This result signifies that Galata Wind has achieved a significant level of compliance with CMB's Corporate

Governance Principles and deserves to be on the BiST corporate governance index.

Possible risks for the Company are determined to a significant extent. Rights of shareholders and stakeholders are treated fairly. Public disclosure and transparency activities are conducted at a good level. The structure and working conditions of board of directors are compliant with corporate governance principles. However, some improvements are expected to be made within the framework of corporate governance principles.

In view of rating process under main headings in brief;

It has been seen that the Company has obtained the grade of **92.02** in the Shareholders Section and achieved good level of compliance with CMB Corporate Governance Principles. Existence of Investor Relations Department to conduct healthy relationship with shareholders, duly convention of general assemblies, preparation of dividend policy and having no restrictions on transfer of shares are among positive policies.

Galata Wind has achieved a grade of **98.10** for the section of Public Disclosure and Transparency. It has prepared a disclosure policy and revealed it to the public. Its corporate website has been designed to allow investors easy access to information they require and described by Principles.

The annual report's content is sufficient, and information is given in a graphic and easy-to-understand format. It has been determined that the Company is in compliance with the principles in the field of public disclosure and transparency.

The Company has obtained **97.51** in the section of Stakeholders.

The Company has achieved significant compliance with CMB's Corporate Governance Principles in this section. Human resources policy has been prepared. Issues concerning employees, such as recruitment,

job descriptions, performance evaluation, promotion, rewarding, leaves and social rights have been regulated and disclosed to the employees.

Work processes and standards have been established and it has been observed that customers and suppliers are informed about these processes.

Methods to procure products and services from outside have been determined and put into written documents.

Ethical Rules are set forth and introduced to employees to act pursuant to such rules. Annual report gives information about social responsibility projects.

As for the Board of Directors Section, the Company's grade is **91.08**, representing good compliance with CMB's Corporate Governance Principles. However, some improvements are needed.

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

The posts of Chairman of the Board of Directors and General Manager are held by separate individuals. There is no one in the Company with sole, unlimited authority to make decisions.

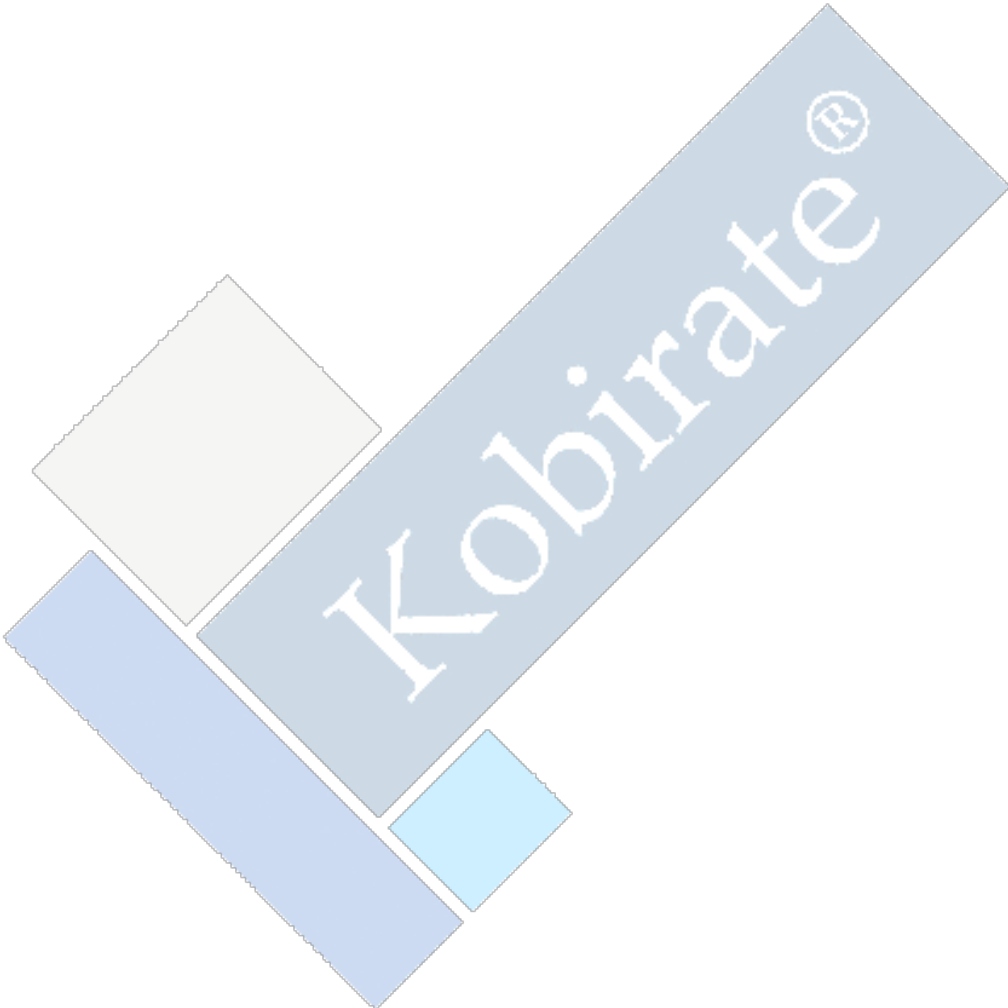
Board of Directors convenes regularly. Meeting procedures are written in Articles of Association and internal regulations.

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

On the other hand, there are other positive practices in terms of compliance with the Corporate Governance Principles, such as

having a majority of non – executive members and having determined remuneration principles for top managers and disclosed them at the corporate website. There are two independent members on the board.

Board Members have been included in “Manager Liability Insurance policy”, against defects of them in performing their duties however this has not been disclosed on Public Disclosure Platform. There is 1 female member appointed in the board.



## 2. RATING METHODOLOGY

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

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

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

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

Since their approval, these principles kept the concept of corporate governance on the agenda and became guidelines for the laws and regulations in OECD members, as well as other countries. The Corporate Governance Principles, first announced by the OECD in 1999, were updated for the first time in 2004 and took their final form in Istanbul on April 10, 2015, during Turkey's G20 Presidency.

There are four basic principles of corporate governance in OECD Corporate Governance

Principles. These are: fairness, transparency, accountability and responsibility.

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

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

The CMB has decided to create a new corporate governance reporting framework, and the new framework has been shared with the public with the Capital Markets Board Bulletin dated 10.01.2019 and numbered 2019/2 and the announcement dated 11.01.2019. Within the scope of the new reporting framework, it has been decided that the explanations will be made in the following order. Disclosure of the Compliance Report Format ("CRF") to report compliance with voluntary principles, and disclosure of the Corporate Governance Information Form ("CGIF") to provide information on current corporate governance practices. In accordance with the Turkish Commercial Code and the CMB's Corporate Governance Communiqué (II-17.1), CRF and CGIF must be announced on the Public Disclosure Platform at least three weeks before the date of the general assembly meeting, on the same date as the annual activity reports, and before the due date of the announcement period of the annual financial reports on the Public Disclosure Platform.

The Communiqué on Amending the "Corporate Governance Communiqué (II-17,1)" published

in the Official Gazette numbered 31262 on October 2, 2020 by the Capital Markets Board (II-17,1.a) and regulations regarding the voluntary sustainability principles compliance framework were included.

The compliance framework has been published on the Capital Markets Board website. The Sustainability Compliance Framework is examined under the Headings A- General Principles B- Environmental Principles C- Social Principles D- Corporate Governance Principles.

The practice has been determined according to the "Comply or Explain" principle. It is anticipated that the annual reports include whether the sustainability principles are applied or not, and if not, a reasoned explanation and an explanation of the effects that have occurred. In case of a significant change during the period, it is anticipated that the relevant change will be included in the interim annual reports.

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

The Corporate Governance Compliance Rating Methodology revised on February 2022, has been prepared by Kobirate A.Ş. for companies whose shares are traded on BIST, banks, investment partnerships and non – quoted companies.

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

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

448 criteria are used in the rating process for BIST 2nd Group Companies in order to measure the compliance of firms with corporate governance principles. These criteria are translated into "Corporate Governance Rating Question Sets" through Kobirate A.Ş.'s unique software PERFECRATE.

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

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

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

In the FEBRUARY 2022 revised corporate governance compliance rating methodology, created by our company, the grade that can be given to a related criterion in that subsection for meeting minimum requirements of corporate governance principles, stated by CMB Communiqué of Corporate Governance published on 03.01.2014 is restricted to 85 % of the full points.

A rating is made with a system that completes the section grades up to 100 by the company's

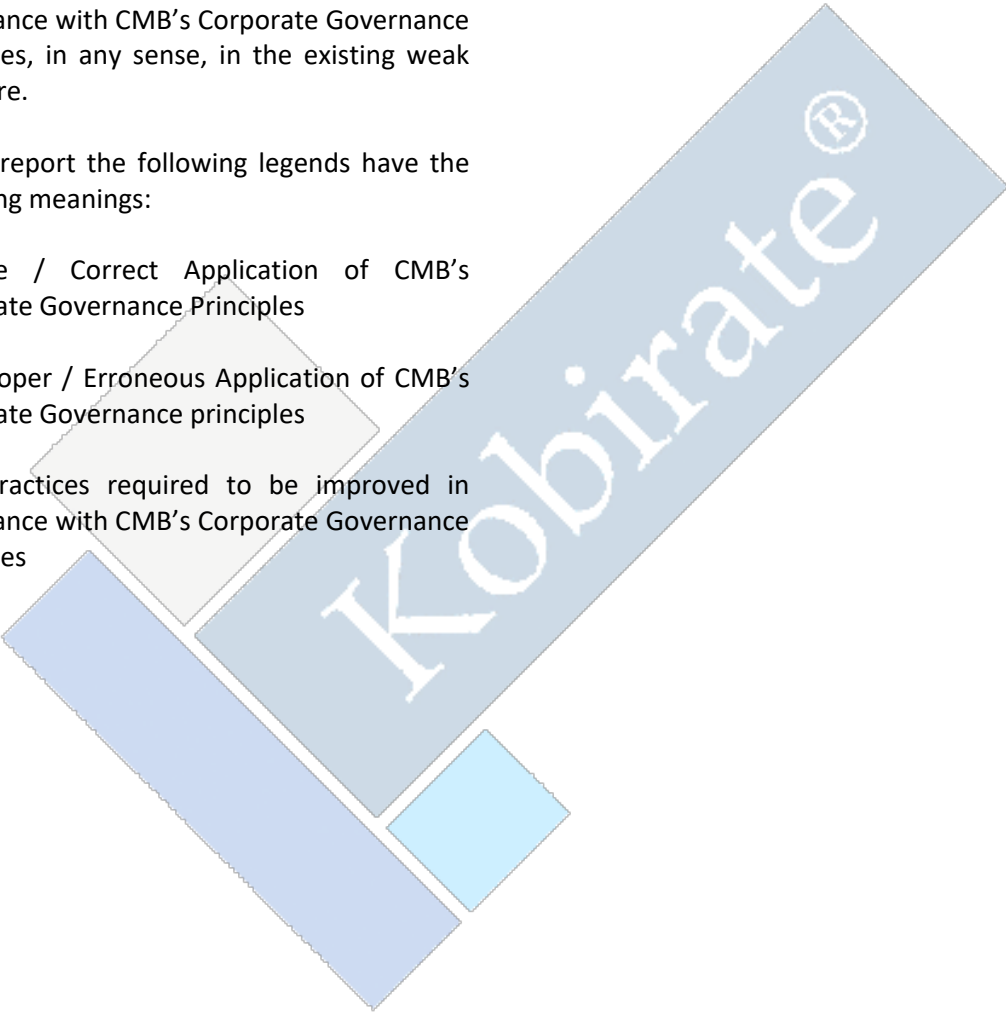


compliance and implementation of the corporate governance practices, which include the good implementation and internalization of the criteria determined in the corporate governance principles, and the different good corporate governance practice criteria determined by our company.

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

In this report the following legends have the following meanings:

- ✓ Due / Correct Application of CMB's Corporate Governance Principles
- ✗ Improper / Erroneous Application of CMB's Corporate Governance principles
- ✓/✗ Practices required to be improved in compliance with CMB's Corporate Governance Principles



### 3. COMPANY PROFILE



**Company Name** : Galata Wind Enerji A.Ş.  
**Company Address** : Burhaniye Mahallesi Kısıklı Caddesi No: 65 34676 Üsküdar / İstanbul  
**Company Phone** : (0216) 556 9000  
**Company Fax Number** : (0216) 556 9327  
**Company's Web Address** : [www.galatawindenerji.com](http://www.galatawindenerji.com)  
**E-mail** : [ir@galatawind.com.tr](mailto:ir@galatawind.com.tr)  
**Date of Incorporation** : 11/04/2006  
**Registered Number** : 648259 – 0  
**Paid-in Capital** : 534,791,457.65 TL

**Line of Business** : Establishment, commissioning, leasing of electrical energy production facility, generation of electrical energy, sale of produced electrical energy and/or capacity to customers.

**Company's Sector** : Electricity, Gas and Water / Electricity, Gas and Vapor

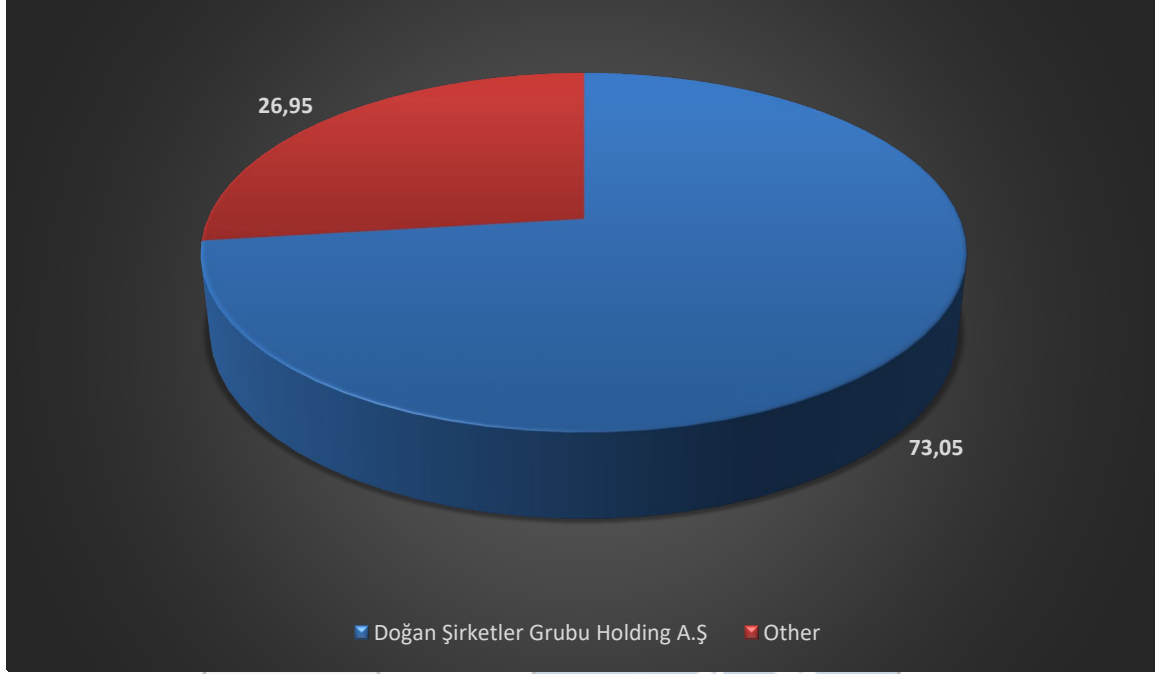
**Company's Representative in Charge of Rating:**

**Halide Müge YÜCEL**  
**Investor Relations & Sustainability Director**

[mugey@galatawind.com.tr](mailto:mugey@galatawind.com.tr)

**(0216) 556 9474**

## Galata Wind Enerji A.Ş. Quality of Shareholder Structure



Source: www.kap.org.tr

Shareholder Name	Share(TL)	Share(%)
Doğan Şirketler Grubu Holding A.Ş.	390,654,017.65	73.05
Other	144,137,440.00	26.95
<b>Total</b>	<b>534,791,457.65</b>	<b>100.00</b>

Source: www.kap.org.tr

### *Real and Legal Persons Owning the Capital Indirectly as of the Latest Situation*

Shareholder Name	Share(TL)	Share(%)
Doğan Family	240,082,248.26	44.89
Listed on Borsa İstanbul and Other	294,709,209.39	55.11

Source: www.kap.org.tr

### Board of Directors

Name/ Surname	Title	Executive/ Non - Executive
Çağlar GÖĞÜŞ	Chairman	NON - EXECUTIVE
Bora YALINAY	Deputy Chairman	NON - EXECUTIVE
Burak KUYAN	Member of the Board of Directors & General Manager	EXECUTIVE
Neslihan SADIKOĞLU	Member of Board of Directors	NON - EXECUTIVE
Hüseyin Faik AÇIKALIN	Independent Member of Board of Directors	NON - EXECUTIVE
Ozan KORKMAZ	Independent Member of Board of Directors	NON - EXECUTIVE

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

### Company Executive Board

Name / Surname	Duty
Burak KUYAN	Chief Executive Officer - General Manager
Onur AYTEKİN	Member of the Executive Board - CFO
Mehmet Ali GÜRPINAR	Member of the Executive Board - COO
Özlen ERTUĞRUL CENDERE	Member of the Executive Board - CLO

### Committees Formed Within Board of Directors

THE AUDIT COMMITTEE	
Hüseyin Faik AÇIKALIN	Independent Member of Board of Directors (Chairman)
Ozan KORKMAZ	Independent Member of Board of Directors
CORPORATE GOVERNANCE COMMITTEE	
Ozan KORKMAZ	Independent Member of Board of Directors (Chairman)
Hüseyin Faik AÇIKALIN	Member of the Board of Directors (Not Executive)
Halide Müge YÜCEL	Investor Relations Director
EARLY DETECTION OF RISK COMMITTEE	
Hüseyin Faik AÇIKALIN	Independent Member of Board of Directors (Chairman)
Bora YALINAY	Member of Board of Directors
Neslihan SADIKOĞLU	Member of Board of Directors
SUSTAINABILITY COMMITTEE	
Hüseyin Faik AÇIKALIN	Independent Member of Board of Directors (Chairman)
Neslihan SADIKOĞLU	Member of Board of Directors
Mehmet Ali GÜRPINAR	Member of the Executive Board - COO
Halide Müge YÜCEL	Investor Relations Director

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

INVESTMENT COMMITTEE	
Çağlar GÖĞÜŞ	Chairman of the Board of Directors - Committee Chairman
Bora YALINAY	Member of the Board of Directors – Committee Member
Burak KUYAN	Member of the Board of Directors – Committee Member
Onur AYTEKİN	Member of the Executive Board - CFO
Mehmet Ali GÜRPINAR	Member of the Executive Board - COO

Source: [www.galatawindenerji.com](http://www.galatawindenerji.com)

**Balance-Sheet comparison of Company's certain selected items of last two years (TL)**

	2020/12	2021/12	2022/09	Change % (2020-2021)
Current Assets	171,495,095	389,090,774	1,093,825,274	126.88
Fixed Assets	1,449,123,545	1,378,495,316	1,417,917,909	-4.87
Total Assets	1,620,618,640	1,767,586,090	2,511,743,183	9.04
Short-Term Liabilities	302,493,950	288,047,041	427,267,082	4.77
Long-Term Liabilities	390,887,327	481,852,364	426,496,136	23.27
Issued Capital	534,791,458	534,791,458	534,791,458	-
Equity	927,237,363	997,686,685	1,657,979,965	7.59

Source: Galata Wind Energy A.Ş. Independent Audit Report for the Period 01.01.2021-31.12.2021

**Profit / Loss Comparison of Some Items of Last Two Years (TL)**

	2020/12	2021/12	2022/09	Change % (2020-2021)
Revenue	335,201,954	540,226,277	862,703,961	61.16
Cost Of Sales	(88,705,657)	(145,366,749)	(161,153,943)	63.87
Main Operational Profit / Loss	274,307,199	405,336,167	828,948,912	47.76
Operational Profit or Loss Before Tax	198,714,601	196,351,755	704,504,744	-1.18
Period Profit / Loss	156,356,542	170,912,859	810,293,280	11.86

Source: Galata Wind Energy A.Ş. Independent Audit Report for the Period 01.01.2021-31.12.2021

**The Market where the Capital Market Instrument is Traded and the Indexes that the Company is Included**

**BIST Code**

: GWIND

**Market where the Capital Market Instrument is Traded**

: BIST STAR

**Indexes It is Included**

: BIST BALIKESIR / BIST SERVICES /

BIST 100 / BIST ELECTIRICTY / BIST SUSTAINABILITY PARTICIPATION / BIST STARS / BIST 100-30 / BIST

DIVIDEND / BIST PARTICIPATION 50 / BIST SUSTAINABILITY / BIST PARTICIPATION DIVIDEND / BIST

PARTICIPATION 100 / BIST IPO / BIST ALL SHARES / BIST DIVIDEND 25 / BIST CORPORATE

GOVERNANCE / BIST PARTICIPATION ALL SHARES

Source: www.kap.org.tr

**Peak and Bottom Closing Values of Company shares traded at BIST  
between 12.12.2021 and 12.12.2022**

<b>Bottom (TL)</b>	<b>Peak (TL)</b>
<b>5.08 TL (25.11.2021/28.12.2021)</b>	<b>27.62 TL (25.11.2022)</b>

Source: Galata Wind Enerji A.Ş.

## ***Brief History of the Company and Information About Its Operations***

Galata Wind Enerji A.Ş. produces 100% renewable energy with Gold Standard and VCS certified wind and solar power plants all over Turkey. The company also designs solar energy systems for the roofs of homes, schools, workplaces, gas stations and production centers to generate their own energy.

Continuing its activities as a subsidiary of Doğan Holding since 2012, Galata Wind produces 100% renewable sourced, environmentally friendly electrical energy and reduces carbon emissions by approximately 400,000 tons per year. With a total installed capacity of 269 MW, Galata Wind's objective is to reduce our country's dependence on foreign energy sources by using renewable energy sources correctly, and to become Turkey's clean electricity provider with an environmentally friendly, reliable, and sustainable business model.

Mersin WPP, one of the wind farms licensed by the company, received its production license in 2007 and became operational in 2010. Şah WPP, however, was licensed in 2008 and commissioned in 2011. Galata Wind made an additional capacity investment of 12 MW in Şah WPP and 9 MW in Mersin WPP in 2013. In 2017, it increased the total installed power of the plant to 62.7 MW by investing an additional 20.7 MW in Mersin WPP with the state-of-the-art turbines of that period.

Galata Wind, which invested in the unlicensed solar energy field in the 2017-2018 period and incorporated Çorum SPP, purchased Erzurum SPP in the 2018-2019 period. Galata Wind received the preliminary license for the Taşpınar WPP project, which it developed itself, and started its construction in the same year in 2017 and the license in 2020. Taşpınar Wind Power Plant was commissioned at full capacity at the end of March 2021.

On the other hand, Sunflower Solar, a subsidiary of the Company, works to ensure that each house produces its own clean energy with commercial and industrial rooftop solar projects. The company also continues its studies and research activities on alternative and more niche technologies such as electric vehicle charging stations, battery systems, etc. Investing in the future with green, clean and renewable energy generation plants, Galata Wind is committed to expanding its portfolio only with renewable energy activities in the coming periods.

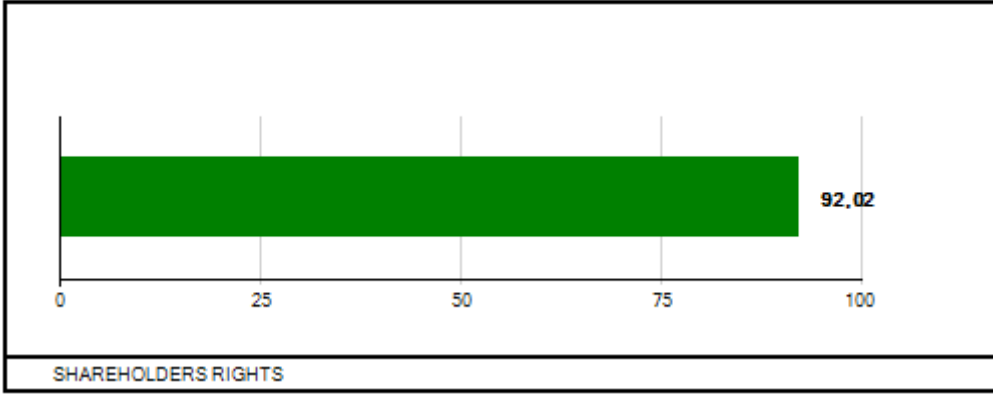
In line with the investment vision of its main shareholder, Doğan Holding, the company continues to contribute to the Turkish economy with its simple, well-equipped and fast-acting staff. Continuing to work for a sustainable future since its establishment, Galata Wind invests in the future with its efficient power plants in its portfolio.

The central management is located in İstanbul, Galata Wind's Şah Wind Power Plant is in Balıkesir/Bandırma; the Mersin Wind Power Plant is in Mersin/Mut; the Taşpınar Wind Power Plant is in Bursa/Nilüfer; the Çorum Solar Power Plant is in Çorum/Merkez; and the Erzurum Solar Power Plant is in Erzurum - Aziziye, Hınıs, and Karayazı.

The company shares were offered to the public on 22.04.2021 and as of the report date, the free float rate is at the level of 26.95%. As Galata Wind, it is the first company to be offered to the public with its collective portfolio consisting only of wind and solar energy. As a result of the ESG-ESG valuation, the company's public offering is accepted as a "**green public offering**", as a result of receiving 57/100EGS grade and being included in the "Strong/Robust" category and the international sustainability commitments it has made.

## 4. RATING SECTIONS

### A. SHAREHOLDERS



#### Overview

- ✓ Investor Relations Department has been established in order to conduct relations with Shareholders.
- ✓ The donation and aid policy were created, submitted to the approval of the general assembly and disclosed to the public.
- ✓ There are no arrangements making exercise of voting right difficult.
- ✓ Dividend distribution policy has been prepared, presented to the approval of the General Assembly and disclosed to public.
- ✓ There is no restriction on transfer of shares.
- ✓/\* In the General Assembly Information Document, it would be appropriate to provide information on the "Changes that will significantly affect the Management and Operations of the Partnership and its Subsidiaries, and the Requests of the Shareholders for Adding an Item to the Agenda.
- ✓/\* It would be appropriate to include in the articles of association that general assemblies can be held open to the public.
- ✓/\* Minority rights must be extended to those shareholders with less than 1 / 20 of the capital.

In this section, as stated by CMB's Corporate Governance Principles, the company was evaluated on **111** different criteria, under the headings of **Facilitating the Exercise of Shareholders' Rights, Shareholders' Right to Obtain Information and to Examine, Shareholders' Right to Attend the General Assembly, Shareholders' Right to Vote, Rights of Minority Shareholders, Shareholders' Right for Dividend** and **Shareholders' Right to Transfer Their Shares** to whomever they want, whenever they want. The company's grade for this section is **92.02** points.

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

Following the public offering of Galata Wind Enerji A.Ş on April 22, 2021, the Investor Relations function was performed by Doğan Holding's Investor

Relations Department. The investor relations department was established within the company on 20 December 2021 and Ms. Halide Müge YÜCEL was appointed as the Director of the Department and a Member of the Corporate Governance Committee. The aforementioned development was announced to the public with the Material Disclosure of the same date.

. Ms. YÜCEL has Capital Market Activities Level 3 and Corporate Governance Rating Specialist Licenses. The Investor Relations Department reports directly to Mr. Burak KUYAN (Executive

Member of the Board of Directors and Chairman of the Executive Board).

It has been found that the employees of the Investor Relations Directorate have adequate qualifications in terms of knowledge and experience required for the task, that they play an effective role in protection and facilitation of shareholders' rights, starting with the right to obtain and review information.

Job description of Investor Relations Directorate has been made and it includes the duties stated at the 11/5 item of CMB Corporate Governance Directive No II-17.1.

Investors Relations Directorate reports regularly to the Board of Directors and Corporate Governance Committee about its activities and performance of shares.

Any data that might affect the exercise of shareholders' rights are currently at disposal of shareholders on the corporate Internet website.

It has been determined that the Company has achieved rather good compliance with the Corporate Governance Principles in this subsection.

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

The information required for the proper exercise of shareholders' rights are presented to the shareholders and to this end the company's website (<https://www.galatawindenerji.com/>) is used efficiently.

The "Disclosure Policy" approved by the Board of Directors is published on the corporate website of the Company. Shareholders' right to obtain information is explained in detail in the aforementioned policy.

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

It has been seen that inquiries of shareholders have been responded rapidly and care has been given to let shareholders exercise their right to obtain information and to examine.

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

There are no regulations or practices that complicate the shareholders' right to request the appointment of a special auditor from the general assembly, and the annual report provides information on the exercise of this right.

In this subsection, company practices are in accordance with the principles.

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

Due to the practices in the general assembly, Galata Wind has adjusted a good compliance with many principles hereunder.

In 2021, 1 ordinary and 2 extraordinary general meetings were held. The first extraordinary general assembly was held on 04.03.2021 within the framework of the provisions of Article 416 of the Turkish Commercial Code and necessary amendments to the articles of association were made before the public offering.

The company was offered to the public on April 22, 2021 After the public offering, the extraordinary general assembly was held on 21.12.2021.

The invitation to the meeting was duly made in the Turkish Trade Registry Gazette (TTRG) dated 26.11.2021 and numbered 10460, on the Public Disclosure Platform (PDP) and the Central Registry Agency e-general assembly system (EGAS) on 23.11.2021. Many decisions taken at the meeting are for the purpose of complying with the public status of the company. Some of these decisions are;

- The resignation of two board members and the appointment of an independent board member in their place,



- Election of the members of the Board of Directors to serve within the period to be determined by determining the number of members of the Board of Directors and their term of office,

- Discussing the amendment of Article 6 titled "Capital" and Article 9 titled "Financial Rights of the Board of Directors and Members of the Board of Directors" of the Company's Articles of Association with the new versions in the attached amendment text, and submitting it to the approval of the shareholders,

- Reading, discussing and submitting the Internal Directive on Working Principles and Procedures of the General Assembly, which was amended due to the company's status as a publicly traded joint stock company,

- Informing the shareholders about the "Remuneration Policy" in effect for the members of the Board of Directors and senior executives.

The General Assembly meeting to discuss the operations of 2021 took place on 23.03.2022. The invitation to the meeting was duly made in the Turkish Trade Registry Gazette (TTRG) dated 01.03.2022 and numbered 10527 , on the Public Disclosure Platform (PDP) and the Central Registry Agency e-general assembly system (EGAS) on 25.02.2022. The date, time, place, agenda and the sending department have been clearly described in the invitation.

It has been understood that the financial statements, annual report, audit reports, profit distribution proposal of the board of directors, notifications and explanations required by the partnership in accordance with the relevant legislation and Corporate Governance Principles, which should be made available for the examination of the shareholders within the framework of Article 437 of the TCC numbered 6102, were submitted to the information of the shareholders 3 weeks in advance.

In order to increase the participation of the shareholders, the general assembly meetings are held in a way that does not cause inequality among the shareholders and ensures the participation of the shareholders at the lowest possible cost.

Along with the general assembly meeting announcement, the information document prepared in accordance with the Article 1.3.1 General Assembly of the Capital Markets Board's Corporate Governance Communiqué No. II-17.1 was published on the company's website. In this document, it has been determined that the total number of shares and voting rights reflecting the shareholding structure of the company as of the date of disclosure, information on whether there are privileged shares in the company's capital, the nature and scope of the privileges, and the old and new versions of the agreement, if there is a change in the articles of association on the agenda, are shared with the shareholders. However, in the General Assembly Information Document, it would be appropriate to provide information on the "Changes that will significantly affect the Management and Operations of the Partnership and its Subsidiaries, and the Requests of the Shareholders for Adding an Item to the Agenda.

During the preparation of the general assembly agenda, it was determined that the agenda headings were expressed clearly and in a way that would not lead to different interpretations, and care was taken not to include phrases such as "other" "various" in the agenda.

At the general assembly meeting, Mr. Burak KUYAN (Member of the Board of Directors and Chairman of the Executive Board, Mr. Bora YALINAY (Vice Chairman of the Board of Directors), Ms. Neslihan SADIKOĞLU (Member of the Board of Directors), Ms. Özlen ERTUĞRUL CENDERE

(Chief Legal Counsel-Executive Board Member), Mr. Mehmet Ali GÜRPINAR (Business Development and Project Operations Director-Executive Board Member) and Ms. Müge YÜCEL (Investor Relations Director) were present. In addition, the representative of the independent audit firm conducting the company's external audit attended the meeting.

When the minutes of the General Assembly are examined, it is determined that the agenda items were voted separately, the votes were counted and announced to the shareholders before the end of the meeting. It was observed that the

chairman of the meeting took care to convey the topics on the agenda in an impartial and detailed manner, with a clear and understandable method, and the shareholders were given the opportunity to express their thoughts and ask questions under equal conditions.

It is understood from the explanations in the minutes of the general assembly and the interviews made with the relevant parties in the company that the chairman of the meeting ensures that every question asked by the shareholders at the general assembly meeting, which is not within the scope of trade secrets, is answered directly at the general assembly meeting.

At the meeting, the company's "Donation and Aid Policy" and "Disclosure Policy" were submitted for the approval and information of the shareholders.

In accordance with the provisions of the CMB's Communiqué numbered II-17.1, the general assembly was informed about the transactions made with related parties and the guarantees, pledges and mortgages given in favor of third parties.

The shareholders were informed about the donations made during the period and their beneficiaries, and the donation limit was also determined.

In the interviews with the officials, it was stated that there are no obstacles in front of the participation of the stakeholders and the media without the right to speak in the general assembly meetings. However, including the information that the meeting is open to the public in the general assembly invitations and adding this issue in the articles of association will strengthen compliance with corporate governance principles.

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

#### ***d. Voting Right***

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

It is possible for the shareholders to exercise their voting right in person or by proxies, whether a shareholder or not, at the general assembly meetings. The members are submitted with the specimen proxies to be used for this purpose at firm's headquarters and on corporate internet website.

In the articles of association, it is stipulated that each share has one voting right at the General Assembly meetings.

Detailed explanations on the distribution of company shares, voting rights granted by the shares, privileges regarding voting and other issues are provided in the corporate website, annual activity reports and general assembly information documents.

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

Galata Wind's practices in this subsection fully comply with corporate governance principles.

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

There has been no violation of exercising basic minority shareholders' rights like attendance to the general assembly meeting, representation by proxy and imposition of no upper limit for voting rights. In this manner it has been observed that care is given to the exercise of minority rights.

However, there is no adjustments made to extend minority rights with Articles of Association and covering those shareholders who have less than 1 / 20 of the capital.

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

The method to be applied in profit distribution is regulated in Article 15 of the articles of

association. In the same article, a regulation has been made that the company can distribute dividend advances to the shareholders in accordance with the Capital Market Legislation.

Dividend Policy contains minimum information enabling the investors to foresee the procedure and guidelines for distribution of profit to be generated by the company in future periods. It has been emphasized that this policy was prepared taking into consideration the delicate balance between the expectations of shareholders and the needs of the company.

Information like dividend distribution ratio, payment method and time have also been disclosed to public in this document. Likewise, the policy also includes the information that dividend advances can be distributed.

The company has earned a net distributable profit of 132,421,792.35 TL, according to the Legal Records, and 163,943,290.98 TL, according to the CMB, from its operations in 2021. The dividend distribution decision of the Board of Directors dated 24.02.2022 was submitted to the approval of the shareholders at the general assembly held on 23.03.2022. According to this;

After leaving legal provisions, it is decided to be made cash profit distribution in the amount of 150,000,000 TL gross and 135,000,000 TL net at the rate of 28.05% of the "Issued Capital" totally being I. dividend in the amount of 26,739,572.88 TL, II. dividend in the amount of 96,074,744.97 TL, 27,185,682.15 TL from the amount in the "Extraordinary Reserves" account and to start the dividend distribution on 31st of August 2022 at the latest . .

The profit distribution decision of the board of directors and the profit distribution table were published on the Public Disclosure Platform on the same day as the invitation to the general assembly.

The company's practices in this subsection are very well in accordance with the corporate governance principles.

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

According to the Article 7th of the company's articles of association;

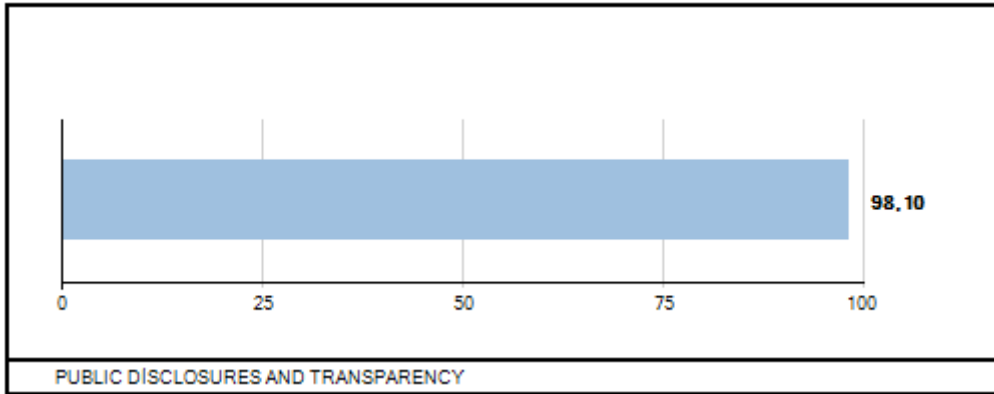
"Within the pre-license period and until the generation license is obtained, except for the exceptions specified in the Energy Market Regulatory Authority Legislation and Electricity Market License Regulation, to be valid for the shares other than the shares of the company traded on the Stock Exchange, direct or indirect change in the shareholding structure of the company, the transfer of shares or share certificates, or any business or transaction that will result in the transfer shall not be carried out.

After obtaining the production license, the acquisition of shares representing 5% or more of the company's capital, directly or indirectly, by a natural or legal person, regardless of the changes in the share capital mentioned above, results in a change in the control of the partnership structure of the company, and the transfer of shares or share certificates or other transactions resulting in this outcome must be approved by the Energy Market Regulation Authority before each transaction is carried out. If the share transfer is not completed within six months from the date of approval, the approval will be invalid.

The aforementioned provision of this article shall not be applied to the changes in the shareholding structure arising from the shares open to the public, to the share transfer transactions carried out on the stock exchange."

There are no other articles in the Articles of Association that restrict transfer of shares. We have seen no practices that make it difficult to freely transfer shares.

## B. PUBLIC DISCLOSURE AND TRANSPARENCY



### Overview

- ✓ Disclosure policy has been prepared and disclosed to public through electronic media.
- ✓ The disclosure policy was presented to the information of the shareholders at the general assembly.
- ✓ Corporate website is used effectively as a current tool for public disclosures within the context as stated by the principles.
- ✓ The annual report is comprehensive, and its content mostly reflects the principles.
- ✓ Annual Report contains the Board decision and state of responsibility about approval of Company's balance sheet and income statement by the Board of Directors and its presentation to the General Assembly for approval.

✓/\* It would be appropriate to include mandatory information forms on the corporate website in addition to the information that is required to be disclosed in accordance with the legislation, as well as the mandatory information forms prepared during the takeover bid or proxy collection.

✓/\* In the Annual Report, it would be appropriate to include explanations on whether there is a plan to make

changes in the management practices of the shareholding in the future within the framework of corporate governance principles.

As for this section, the Company has been assessed by 92 different criteria under the headings of **Corporate Website** and **Annual Report** as laid down in the Corporate Governance Principles of the Capital Market Board, for which the Company has deserved the grade of **98.10**.

Galata Wind carries out public disclosures within the scope of its Public Disclosures Policies developed by the board and disclosed to the public. This policy complies with the CMB's Special Circumstances Communiqué No. II.15-1. The disclosure policy was presented to the information of the shareholders at the general assembly held on 23.03.2022.

The officials in the Company who are charged with disclosures and have the authority for signature are: Mr. Burak KUYAN (Executive Member of the Board of Directors and Chief Executive Officer), Mr. Zeki Onur AYTEKİN (CFO, Deputy General Manager for Financial Affairs and Finance), Ms. Özlen ERTUĞRUL CENDERE (CLO, Chief Legal Counsel) and Ms. Halide Müge YÜCEL (Investor Relations Director and Department Manager).

The company's independent audit for 2021 was carried out by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. There are no cases where the independent audit avoided expressing opinion, expressed opinion with conditions or avoided signature in the reports. It has been learned from company officials that no event took place with the independent audit company or with its auditors that could damage this company's independence and there was no legal conflict with it.

With the suggestion of Audit Committee and Board of Directors and approval of the General Assembly, it has been decided that 2022 audit to be conducted by the same company.

#### **a. Corporate Website**

The corporate website (<https://www.galatawindenerji.com>) is updated regularly and the website is being used as an active and effective platform for disclosure to public. Information in corporate website is consistent with the statements made as part of regulations and there is no missing or conflicting information.

On the company's website, alongside with information bound to be disclosed by regulations, there is commercial registry info, information on latest shareholder and management structure, committees of board of directors and their working principles, information on whether there are privileged shares or not in the capital, dates and numbers of commercial registry newspapers where changes were published along with the final text of company's Articles of Association, registration statement and circular, material disclosures, important board decisions, financial reports, annual reports, agendas of general assembly meetings, the lists of attendees, the proceedings of the assemblies, the specimen Proxy, dividend policy, disclosure policy, remuneration policy, compensation policy, donation policy, business ethics rules and information requests, questions and notifications and answers given under frequently-asked questions title.

The aforementioned information is provided to shareholders and potential investors regularly and up to date since the public offering.

This information on the website is also published in English for international investors.

On the other hand, financial statement statements, which are required to be disclosed to the public in accordance with the capital market legislation, are tried to be disclosed simultaneously in English as well as Turkish on the Public Disclosure Platform.

The real person ultimate controlling shareholders of the company are disclosed both on the corporate website and on the Public Disclosure Platform.

In this subsection, the Company has achieved rather good compliance with corporate governance principles.

#### **b. Annual Report**

It is seen that board of directors has prepared the annual report in such a way that public can access comprehensive, complete and correct information on company activities. The report also clearly points out the development of the company and the risks it is likely to face, and includes the evaluation of the board of directors on these issues.

The annual report for the accounting period ended on 31.12.2021 was approved and disclosed to the public by the decision of the Board of Directors dated 24 February 2022 and numbered 2022/03.

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

Board members' and managers' ongoing jobs outside the company,

Independence declaration of the board members,

Evaluation of the board of directors regarding the members of the committees formed within the body of the board of directors, the

frequency of their meetings, the working principles including the activities conducted, and the effectiveness of the committees,

Number of Board meetings in that year and attendance of Board Members,

Changes of regulations, which might significantly affect company operations,

Information about important lawsuits filed against the company and their possible consequences,

Information about conflicts of interest between the Company and other enterprises that provide services like investment consultancy or rating and these measures taken by the Company to prevent conflicts of interest,

Information about subsidiaries where direct participation ratio is over 5 %,

Social rights and professional training of employees, as well as other company activities that have social and environmental impacts and corporate social responsibility activities,

Information about the sector that company operates in and about its position within the sector.

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

The period of the report, the title of the partnership, the trade registry number, contact information,

General explanations regarding the characteristics of business units and production volumes,

Sales and the developments seen in them during the year, productivity rates,

Information on developments in investments,

The financial resources of the company and the nature and amount of the capital market instruments, if any,

Changes made to the articles of association during the period and their reasons,

Profit distribution policy,

## Declaration on Compliance with Corporate Governance Principles

Mandatory information to be provided to shareholders regarding related party transactions and balances,

A lot of information, including other matters not included in the financial statements but that would be useful to users.

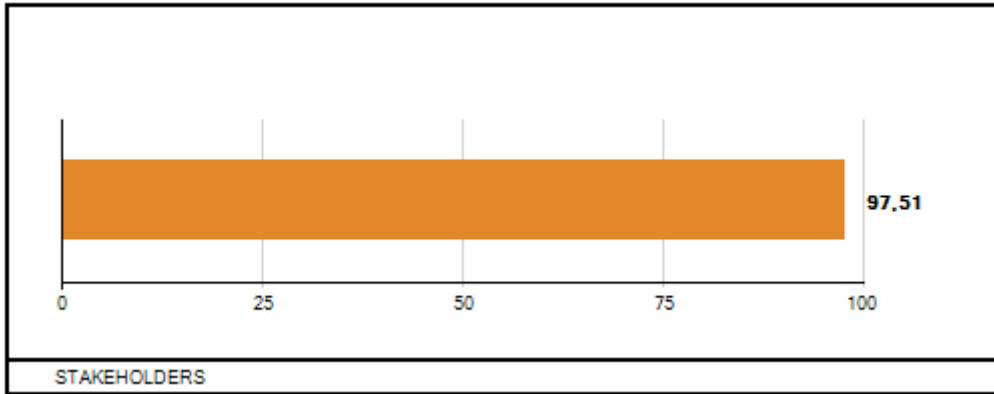
Although the sustainability approach of the company is comprehensively included in the annual report, there is not yet a compliance report in compliance with the "Communiqué Amending the Corporate Governance Communiqué (II-17,1)" (II-17,1.a) and the voluntary sustainability principles compliance framework format.

In the annual report, salaries, bonuses, and similar benefits provided to the members of the board of directors and senior executives are disclosed in total, not on an individual basis.

In the Annual Report, it would be appropriate to include explanations on whether there is a plan to make changes in the management practices of the shareholding in the future within the framework of corporate governance principles.

It has been determined that the Company has achieved very good compliance with the Corporate Governance Principles in this subsection.

## C. STAKEHOLDERS



### Overview

- ✓ Ethical Principles and Rules of Conduct have been established and published electronically.
- ✓ There are no regulations that make it difficult for stakeholders to exercise their rights.
- ✓ Human resources policy and many internal regulations concerning customers and stakeholders have been prepared.
- ✓ Employees are provided with a safe and pleasant working environment.
- ✓ There are no complaints made by employees about discrimination and difficulties in getting their rights.
- ✓ Compensation policy for employees has been prepared and disclosed to public.
- ✓ Care is given to confidentiality of information about customers and suppliers on trade secret basis.
- ✓ The Company has established and publicly disclosed its Corporate Social Responsibility Policies.
- ✓ The company has established its Sustainability Approach and disclosed it to the public.
- ✓/\* It would be appropriate to develop regulations supporting the

participation of stakeholders in the company management and to include them in the articles of association and internal regulations.

- ✓/\* It would be appropriate to establish/develop the necessary mechanisms so that the stakeholders can convey the company's illegal and unethical transactions to the Corporate Governance Committee or the Audit Committee.

In this section, the Company has been assessed by **104** different criteria under the headings of **Corporate Policies on Stakeholders, Supporting Stakeholders' Participation in Company Management, Company Policy on Human Resources, Relations with Customers and Suppliers, Ethical Rules and Social Responsibility .and Sustainability** as laid down in the Corporate Governance Principles of the Capital Market Board, for which the Company has deserved the grade of **97.51**.

#### a. Corporate Policies on Stakeholders

The Corporate Governance Principles describe the Stakeholders as an individual, organizations or interest groups as employees, creditors, customers, suppliers, trade unions, and various non-governmental organizations

having an interest in the attainment of the company's objectives or in its operations. It is concluded that Galata Wind protects stakeholders' rights, which are specified in regulations and mutual contracts. The impression is that in case of lack of any regulation, the company respects stakeholders' rights within goodwill rules and company's reputation. It has been observed that many internal regulations were prepared to this end.

The Compensation Policy for employees has been prepared and disclosed to the public via the corporate website.

"Ethical Principles and Rules of Conduct" that all employees must comply with have been determined and all parties, especially employees, have been notified. The said rules are disclosed to the public in the annual reports and on the corporate website.

Stakeholders are adequately informed on company policies and procedures to protect their rights and company's corporate website (<https://www.galatawindenerji.com/>) is being actively used for this purpose.

Since 2021, the Ethics Helpline ([etik@doganholding.com.tr](mailto:etik@doganholding.com.tr)) has been in operation, where Doğan Group employees, including Galata Wind, can get clarification in uncertain situations and report violations of the rules or practices.

Many of the company's practices related to this subsection comply with the principles.

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

Although there are no regulations in the articles of association that support the direct participation of stakeholders in the company management, there are in-house practices for this purpose. It has been learned that continuous improvements are made within the scope of the Corporate Governance Principles Framework and best practices are

taken into account in order to support the direct participation of stakeholders in the company management.

Online platforms have been created for employees to convey their requests, suggestions and opinions.

Although there is currently no employee representative on the Board of Directors, the company has determined a representative who periodically presents the requests, suggestions and opinions of its employees to the CEO and/or CFO.

Galata Wind has determined its "Customer Satisfaction Policy" and disclosed it to the public. Within the scope of the Customer Satisfaction Management System, it received the ISO 10002:2018 certificate. The certificate certifies the compliance of the Customer Satisfaction Management System implemented by the company with the standard and is valid until 2023.

The other stakeholders are informed about matters concerning the company that concern them, through general assembly meetings, corporate website and Public Disclosure Platform disclosures.

It has been learned that these models that support the participation of stakeholders in the company management are currently being implemented and studies are continuing to develop them.

The practices of Galata Wind in this subsection complies with the Principles.

***c. Human Resources Policy of the Corporation***

Galata Wind has established its "Human Resources Policy" and disclosed it to the public. It has been seen that the Human Resources Policy of the Company aims to create employees who are in line with contemporary norms, focused on performance, successful, loyal, and highly motivated. On the other hand, procedures on



recruitment, rewarding, disciplinary practices, power and responsibilities of employees, remuneration, health rights, leave rights, career planning, promotions, task alterations, and dismissal, death, resignation, retirement, and training have been developed and practices of acting in accordance with these procedures have been established.

Both during the development of the policies and in practice we got the impression that equal opportunity is given to individuals under equal conditions.

Established performance and reward criteria have been disclosed to employees and while determining the benefits provided to employees mentioned criteria are followed. The current employee performance evaluation is implemented on a 90-degree basis, and a 360-degree performance evaluation for the upcoming period is being worked on.

Within the scope of talent management activities, the 9Box system was implemented with performance system results and potential measurement tools, and n-1 level backup plans were created with the committees and development needs were determined.

Training Policies have been established by the company for employees and annual training programs have been made in accordance with these policies.

In 2021, a total of 590.5 hours of training was provided to 232 employees in the Legal Compulsory Trainings, Personal Development Trainings and Technical Training categories, and the average training duration was 13.3 man/hours. As of October 2022, an average of 10.7 man/hours of training was given and it was learned that there were 56 more hours of training planned until the end of the year.

With the public offering process in April 2021 and new investments, new needs were determined, a new organizational structure study was conducted for 2022 and the new structure was integrated into digitally used ERP

systems. It is thought that Company's organizational structure is in line with work conditions.

It has been learned that a safe working environment and conditions are provided for the employees, and that no race, religion, language or gender discrimination is made among the employees. In addition, the company has committed to increase the rate of female employees in the central management staff to over 30% within 2 years during the public offering process.

As of the end of 2021, 50 people were employed at Galata Wind, and 53 people were employed as of the end of September 2022. Employees are not involved in any union organization.

There are no practices that prevent employees from engaging in voluntary activities (legal aid organizations, associations, or non-governmental organizations, etc.) provided that the corporate title and position are not used during the activity, in a way that does not disrupt their duties and responsibilities in the institution.

Employee stock-options schemes have not been developed yet.

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

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

Methods and standards for relations with business partners, customers, suppliers, subcontractors, etc. have been determined. It is thought that care is taken to observe the principles of honesty, trust, consistency, professionalism, long-term relations and respect for mutual interests in relations with the aforementioned groups.

Relationships with customers, suppliers and other persons and institutions with whom the company has business relations are also defined in the Code of Ethics and Code of

Conduct, and precedent conflict of interest scenarios that may be experienced with the company have been created. Firms and business partners outsourced services are required to comply with the Policy principles and other relevant regulations, and work with individuals and/or organizations that do not comply with these are terminated.

The business that the company is engaged in requires ensuring occupational health and safety not only for its own employees but also for its related parties. For this reason, the ISO 45001:2018 standard is supported by outsourced service providers by enabling internal control and audit mechanisms.

All of Galata Wind's head office and power plants have the following certificates:

- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management System
- ISO 45001:2018 Occupational Health and Safety Management System
- ISO 10002:2018 Customer Satisfaction Management System
- ISO 50001:2018 Energy Management System

In addition, the Company's head office and wind power plants have ISO/IEC 27001:2013 Information Security Management System certification.

The certificates, which were first obtained in 2015, are renewed every 3 years and are subject to interim audit every year. All certificates were renewed for 3 years in 2021.

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

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

Employees of Galata Wind, a Doğan Holding company, are obliged to act in accordance with the “DOĞAN Group Code of Ethics and Conduct”, just like the employees of all other

group companies. The Code of Ethics has been determined in great detail and has been disclosed to the public on the corporate website of the company. It is our impression that activities are conducted within the framework of these rules.

Galata Wind has determined its “Corporate Social Responsibility Policy” in order to contribute to the sustainable development of society by trying to fulfill its social and environmental responsibilities.

The company bases its social responsibility activities on the following principles:

- a. To implement environmental solutions by finding development areas that will minimize the environmental impacts that may arise from its activities,
- b. To produce and develop projects that will take the society forward economically and socially or to support such projects,
- c. To contribute to the upbringing of modern generations by working in the field of education,
- d. To train quality human resources by providing the necessary working environment for the individual development of employees,
- e. To contribute to raising awareness among individuals for the solution of social problems through the publications made by media organizations and/or the support they give to valuable projects carried out by other organizations,
- f. To help raise awareness of the society on this issue with effective social responsibility projects carried out in the fields of domestic violence, women's rights and girls' education,
- g. To emphasize human rights and equality, trying to instill the awareness of not discriminating against language, race, color, gender, political opinion, belief, religion, sect, age, physical disability and similar reasons,
- h. To ensure that all social responsibility activities create a measurable and sustainable impact.

Social responsibility projects produced by the company in accordance with the

aforementioned principles can be found in the annual report.

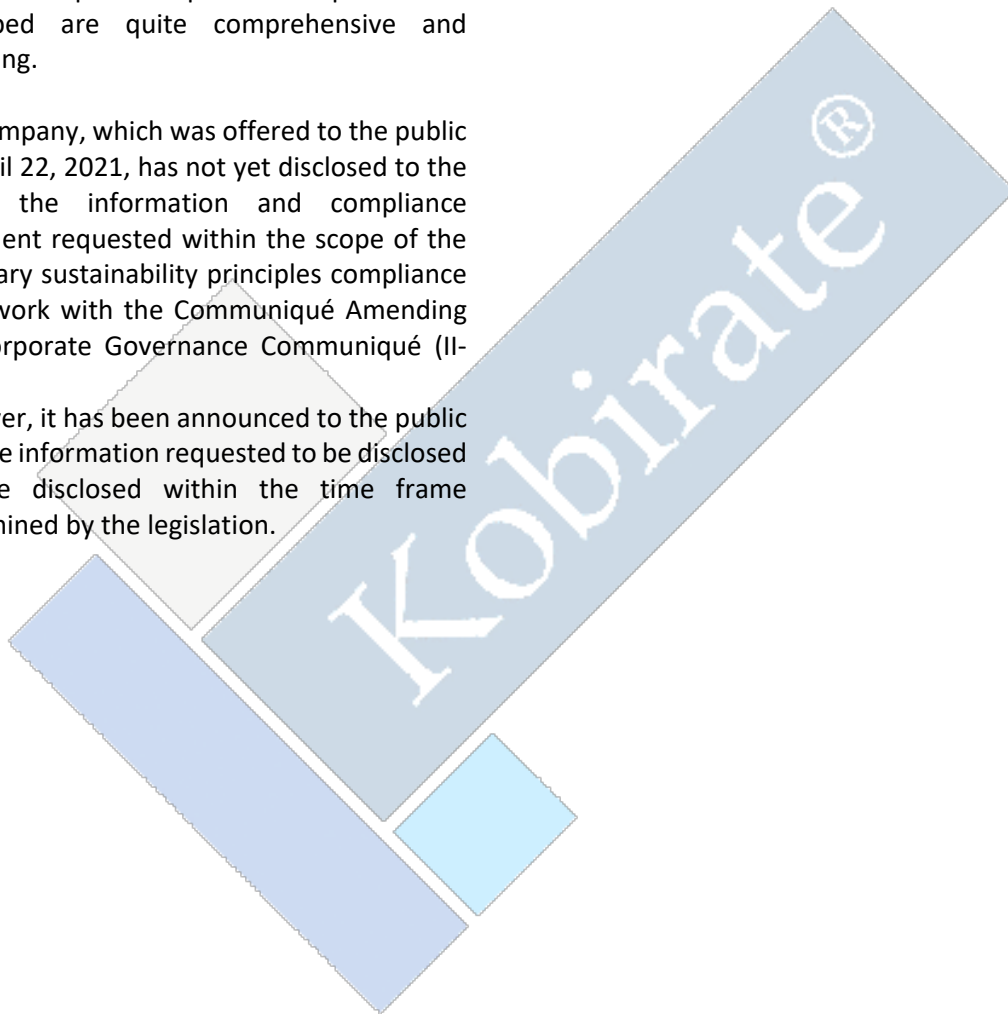
The practices of Galata Wind in this subsection complies with the Principles.

**f. Sustainability**

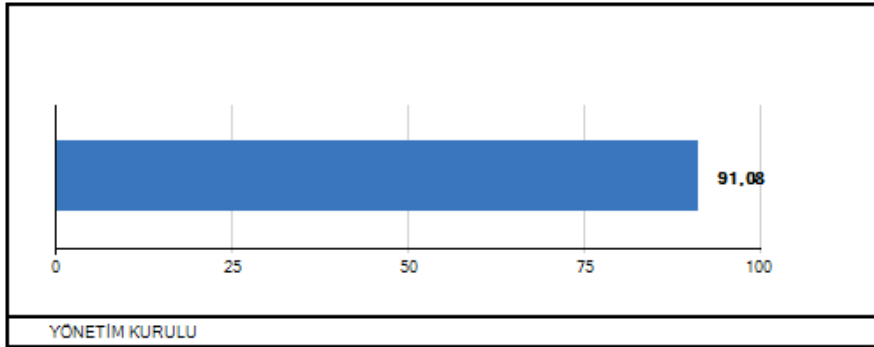
The company has determined the “Sustainability Approach” and the “Sustainability Policies and Procedures” in line with this approach and disclosed it to the public both on the corporate website and in the annual report. The policies and procedures described are quite comprehensive and satisfying.

The company, which was offered to the public on April 22, 2021, has not yet disclosed to the public the information and compliance statement requested within the scope of the voluntary sustainability principles compliance framework with the Communiqué Amending the Corporate Governance Communiqué (II-17,1).

However, it has been announced to the public that the information requested to be disclosed will be disclosed within the time frame determined by the legislation.



## D BOARD OF DIRECTORS



### Overview

- ✓ Company's strategic targets, human and financial sources it requires are determined by the Board of Directors.
  - ✓ The posts of Chairman and CEO are carried out by separate individuals and there isn't any person with solely unlimited authority in the company.
  - ✓ The number of Board Members is adequate for them to work productively and constructively.
  - ✓ Majority of Board Members are non-executives.
  - ✓ Every Board Member has one vote.
  - ✓ There is not any loan/credit involvement between Board Members and company.
  - ✓ The Committees mentioned in the Principles were established and their working principles were determined and disclosed to the public.
  - ✓ Remuneration principles for members of board and top executives have been determined and disclosed to public.
- ✓/✗ The Company has insured the damages that the Members of the Board of Directors may cause as a result of their faults during their duties, but no PDP disclosure has been made.
- ✓/✗ It would be appropriate for the Board of Directors to develop a method for

- performance evaluation of both the Board and members on individual basis
- ✓/✗ Fees and benefits given to directors with administrative responsibilities are not disclosed on individual basis.
  - ✓/✗ It would be appropriate to establish a female member policy in the board of directors.

In this section, the Company has been assessed by **141** different criteria under the headings of **Function of the Board of Directors, Principles of Activity of the Board of Directors, Structure of the Board of Directors, Procedure of Board of Directors Meetings, Committees Formed within the Structure of the Board of Directors and Financial Rights Provided for the Members of the Board of Directors and Executives** as laid down by the Capital Market Board's Corporate Governance Principles, for which the Company has gained the grade of **91.08**.

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

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

and determined necessary human and financial resources.

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

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

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

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

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

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

The Board of Directors has established internal control systems, including risk management and information systems and processes, that can minimize the effects of risks that may affect the company's stakeholders, especially the shareholders. It has been learned that the Board is reviewing the effectiveness of risk management and internal control systems.

No person in the Company has the authority to decide solely and in an unrestricted fashion. Positions of Chairman of the Board and CEO are held by different individuals.

It is thought that Board of Directors plays a leading role in the maintenance of effective communication and in easing and resolving disputes that might arise between the company and the shareholders. To this end, the Board is in close cooperation with the

Corporate Governance Committee and Investor Relations Department.

Manager Liability Insurance against defects of Board Members duties has been made but it does not exceed 25% of the company's capital, therefore it has not been disclosed on Public Disclosure Platform.

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

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

The Board of Directors of the Company consists of a total of 6 (six) persons, including 1 (one) chairman and 5 (five) members. The requirement of having at least 5 (five) members to form the Board has been met and the number of Board Members found sufficient to serve effectively and constructively and to form and efficiently organize activities of committees.

Only 1 (one) member of the Board of Directors is executive and the other 5 (five) members are non-executive members. 2 (two) members are independent members who satisfy the independence criteria laid down by the Corporate Governance Principles.

The independent members of the Board of Directors submitted their written statements regarding their independence to the Corporate Governance Committee within the framework of the criteria set out in the legislation, articles of association and principles. The Committee has submitted its evaluations regarding the candidate's proposals for independent membership and whether the candidate fulfills the independence criteria to the Board of Directors.

There is 1 (one) female member in the Board of Directors, and the rate of female members specified in the principles could not be achieved. "Determining a target rate and target deadline not less than 25% for the rate of female members in the board of directors,

establishing a policy to achieve this target, and annual evaluation of the progress achieved by the board of directors in reaching this target” will be practices that strengthen compliance with the principles.

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

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

According to the company's articles of association, the board of directors convenes as often as they can fulfill their duties effectively. Articles of Association include provisions on necessary majorities for holding meetings and taking decisions.

It has been understood that Board of Directors comes together frequently enough to carry out its duties efficiently. The Board convened 46 (forty-six) times in 2021 and 38 (thirty-eight) times as of October 2022.

The Internal Directive of the Board of Directors, which determines the duties, powers and responsibilities of the Board, was established and approved by the Board of Directors decision dated 09.03.2020 and numbered 2020/10. It was observed that the meetings of the board of directors were held in accordance with the legislation, the articles of association and the aforementioned directive.

The meeting agenda is created by the chairman of the board of directors, and requests from the members of the board of directors and managers regarding the agenda items are also taken into account. Board Members receive equal flow of information and documents related to agenda items are sent to members before meetings, giving them enough time to examine. Each member has one voting right at the Board of Directors. There are no veto powers for any member.

The company's articles of association contain restrictions on the members of the board of

directors taking on other duties or duties outside the company. Except for some duties, it is possible for the members to take any assignment outside the company within the rules and approval of the board of directors.

The secretariat of the board of directors is carried out by Ms. Özlen ERTUĞRUL CENDERE (Chief Legal Counsel-Executive Board Member)

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

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

In order for the Board of Directors to fulfil its duties and responsibilities soundly, Audit Committee, Corporate Governance Committee, Early Detection of Risk Committee and Sustainability Committee have been established. In addition, an Investment Committee was established within the body of the board of directors. Separate Nomination and Remuneration Committees haven't been established because of the Board's structure. These duties are carried out by Corporate Governance Committee. The Corporate Governance Committee Working Regulations also cover the working principles of the other two committees.

The committees' duties, working principles and their members have been determined and approved by the Board of Directors as documents in writing; then they have been disclosed to public via electronic means and Public Disclosure Platform.

The company has stuck with the principle, which requires that all members of the Audit Committee and minimum the Chairmen of other committees are appointed from independent members and the General Manager has not been assigned to any committee.

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

Committees invite appropriate executives to their meetings to benefit from their opinions. All discussions in committees are recorded in writing.

Committees convene with the frequency deemed necessary for the efficiency of their activities. They report information on their activities and results of their meetings to the board of directors.

- **The Audit Committee;** monitors performance and effectiveness of company's accounting system, public disclosure of financial information, independent audit and internal control system. The selection of independent audit company and supervision of its work at every stage is implemented by the audit committee.

The Committee comprises 2 (two) independent members. One of them meets the principle of "At least one of the Audit Committee members should have 5 years of experience in audit / accounting and finance.

The Audit Committee convened 4 (four) times in 2021 and until the end of October 2022 and reported the meeting results to the board of directors.

Committee members were informed about the internal control and risk management processes in 2 meetings in 2021, and the decisions taken were recorded in the committee meeting decision. In the other two meetings, committee members prepared and accepted the realization and evaluation report regarding the assumptions based on the determination of the public offering price, as a result of the evaluations regarding whether the assumptions based on the determination of the public offering price specified in article 29/5 of the Capital Markets Board's Communiqué on Stocks numbered VII/128.1 are realized or not.

Secretarial function of the Board is carried out by Ms. Özlen ERTUĞRUL CENDERE (Chief Legal Counsel-Executive Board Member).

#### **Internal Audit:**

Galata Wind has not yet established an internal audit department. In addition, risk-based assessments and systems and processes are reviewed by an employee of Doğan Holding's Internal Audit Department in order to ensure that information is used and protected in a timely manner, with integrity and consistency. Audits are carried out on the reliability of the financial reporting system, the compliance of the company's activities in the investment and operation process with legal and internal regulations, the effectiveness and efficiency of its activities, the security and reliability of information systems. For this purpose, in addition to internal audits in line with the company's quality management system and relevant ISO standards, the power plant within the facility was also audited in 2021. The employee performing the internal audit reports directly to the Audit Committee.

- **Corporate Governance Committee;** monitors whether the corporate governance principles are applied in the company, if not, the reasons and conflicts of interest arising from not fully complying with these principles. The committee makes recommendations to the board of directors to improve corporate governance practices and oversees the work of the investor relations department. The Committee makes recommendations to the board of directors regarding the healthy functioning of the infrastructure of management practices aimed at increasing the performance of the company, including all subsidiaries, as well as their understanding and adoption by the employees and their support by the management.

The Committee also fulfills the duties and responsibilities of the "Nomination Committee" and "Remuneration Committee". In this case, the Committee works to identify suitable candidates for the board of directors and senior management, to establish a transparent system regarding remuneration policies, and to develop policies and strategies in this direction.

The Committee also carries out works to determine the approach, principles and practices regarding performance evaluation, remuneration and rewarding policy and career planning for the members of the board of directors and senior executives, and develops recommendations on the number of board members and managers. The committee regularly evaluates the structure and efficiency of the board of directors and makes recommendations to the board about changes that can be made in this regard.

The Corporate Governance Committee is composed of 3 (three) members and 2 (two) of them are independent members. In accordance with CMB Corporate Governance Communiqué number II.17-1, the other member is the Investor Relations Department Director. Investor Relations Director Ms. Halide Müge YÜCEL was appointed to this position on 21.12.2021 and it was disclosed on the Public Disclosure Platform on the same date.

The Corporate Governance Committee never convened in 2021. As of November 2022, it convened 3 (three) times and presented the reports containing the meeting results to the Board of Directors. The committee has 1 (one) more meeting planned for 2022.

Working closely with the Corporate Governance Committee, the Investor Relations Department reports to the Board of Directors about its activities once a year.

Secretarial function of the Board is carried out by Ms. Halide Müge YÜCEL (Investor Relations & Sustainability Director).

- **Early Detection of Risk Committee** is charged for early detection of risks that may endanger the existence, development and continuity of the company; it takes necessary measures against determined risks and manages the risk. It reviews the risk management system for at least once a year. Working principles of the committee have been prepared and disclosed to public in electronic environment.

The Committee consists of 3 (three) members. Its chairperson is an independent member. Other 2 (two) members are non – executive members of board.

The Committee meets every two months before the Board of Directors meetings. The Committee may meet whenever it deems necessary for the effectiveness of its work. The Chairman of the Committee presents a written report to the Board of Directors on the activities of the Committee after the Committee meeting and notifies the summary of the committee meeting in writing to the Members of the Board of Directors and the auditor.

The early Detection of Risk Committee held 3 (three) meetings in 2021 and 5 (five) meetings as of October 2022. It reported the meeting results to the Board. The committee has 1 (one) more meeting scheduled until the end of the year.

Secretarial function of the Board is carried out by Mr. Onur AYTEKIN (Deputy General Manager for Finance and Financial Affairs, Member of the Executive Board).

- **The Sustainability Committee** was established on 26.08.2022. The purpose of the committee is to assist and support the board of directors in making decisions while fulfilling its sustainability-related governance and oversight responsibilities. The Committee undertakes the task of guiding the Board of Directors on environmental, social, corporate governance and other issues related to human capital (“ESG Issues”). The committee monitors global developments related to sustainability and/or general changes in ESG issues, key issues, topics, and details that directly concern the company, informs the board of directors on these issues and guides the board.

The Committee convened 2 (two) times since its establishment until the date of the report.

Secretarial function of the Board is carried out by Ms. Halide Müge YÜCEL (Investor Relations & Sustainability Director).



In addition to the aforementioned committees, an **“Investment Committee”** was formed within the Board of Directors. The purpose of the committee is to ensure that the company manages the processes correctly and in accordance with the company's strategies while making investment decisions, the investment policies are determined, the investments are taken by predicting the company's ESG risks, and the necessary risk analyzes are presented to the board of directors and the supervision of the investments. In addition to the opinions of the committee on investments, the committee is obliged to evaluate and present the opinions of other board committees (such as Corporate Governance, Sustainability, Early Detection of Risk Committees) that may affect investment decisions, and to make suggestions.

The Board of Directors of the company performs the duties of the committee exclusively, but the investment decisions belong to the Board of Directors. The Committee is one of the permanent committees of the Board of Directors.

Established on 26.08.2022, the committee convened a total of 4 (four) times as of the report date and a meeting was held jointly with the early detection of risk committee.

Secretarial function of the Board is carried out by Mr. Mehmet Ali GÜRPINAR (Business Development and Project Operations Director, Executive Board Member).

The practices of Galata Wind in this subsection complies with the Principles.

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

Guidelines for the remuneration of board members and top executives have been written, approved by the general assembly, and disclosed to the public in the electronic environment.

It has been seen that actions have been taken in compliance with the principle, which states that stock-options or payment plans based on corporate performance should not be used for remuneration of independent members of board. The emoluments of independent directors are sufficient to protect their independency.

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

Corporate governance principle of disclosing remuneration and all other benefits provided to directors and top executives on individual basis is not met.

On the other hand;

That the Board of Directors makes performance assessments based on Board or individual,

and establishing a practice of rewarding or dismissing the members of the board of directors based on their performance will strengthen compliance with the principles.

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

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

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

