



Corporate Governance Compliance Rating Report



Kayseri Şeker Fabrikası A.Ş.

20 January 2026

Validity Period 20.01.2026-20.01.2027

LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for **KAYSERİ ŞEKER FABRİKASI 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 prepared by KOBIRATE Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. has been issued by considering the documents and information contained within 106 files submitted electronically by the relevant company, data publicly disclosed via the company's official website, the Independent Audit Report dated 30.04.2025 by KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş. and examinations and interviews conducted about the relevant company through our experts.

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 are shared with the public through its Internet website (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 according 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. KOBİRATE 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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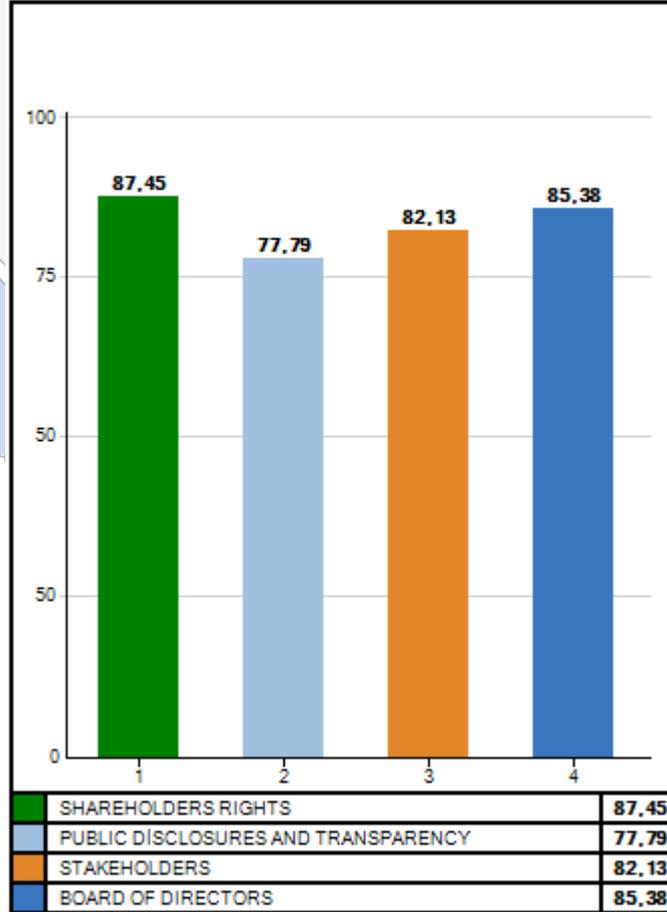
KAYSERİ ŞEKER FABRİKASI A.Ş.

1- RATING RESULT

BIST FIRST GROUP COMPANY

CMB CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE

8.35





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2- RATING SUMMARY

This report, prepared concerning the rating of **KAYSERİ ŞEKER FABRİKASI A.Ş.**'s compliance with Corporate Governance Principles, has been prepared based on documents and information contained within 106 files submitted electronically by the relevant company, examinations performed on these documents, interviews conducted with managers and relevant individuals, publicly available information, as well as other detailed reviews 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 16.01.2025 and numbered 3/76, **KAYSERİ ŞEKER FABRİKASI A.Ş.** is included in the **BIST 1st Group Companies** list. The Company has been evaluated through examination of **456** criteria described in Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.'s methodology of "BIST 1st Group Companies".

At the end of the examination of the criteria under the main headings of Shareholders, Public Disclosure and Transparency, the Stakeholders and the Board of Directors, the Corporate Governance Compliance Rating Grade of **KAYSERİ ŞEKER FABRİKASI A.Ş.** has been determined as **8.35**.

This result signifies that **KAYSERİ ŞEKER FABRİKASI A.Ş.** has achieved a significant level of compliance with CMB's Corporate Governance Principles and deserves to be on the BIST corporate governance index.

The Company achieved substantial compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Potential risks, which the Company may be exposed to, are identified and can be managed. The rights of the shareholders are impartially taken care of. Public disclosure transparency activities are conducted at a good level. The interests of the stakeholders are fairly considered. Composition and operational conditions of the Board mostly 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 summary evaluations of the main sections are given below.

It has been seen that the Company has obtained the grade of **87.45** in the **Shareholders** Section and achieved a good level of compliance with CMB Corporate Governance Principles. Existence of Investor Relations Department to conduct a healthy relationship with shareholders, duly convention of general assemblies, preparation of dividend policy and having no restrictions on transfer of public shares are among positive policies.

KAYSERİ ŞEKER has achieved a grade of **77,79** 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 the information they require and is described by Principles.

The annual report has been considered adequate in terms of content despite certain deficiencies, and it has been observed that the information provided is presented in tabular form and is clear and understandable. It has been determined that the Company is in substantially compliance with the principles in the field of public disclosure and transparency.

The Company has obtained **82,13** in the section of **Stakeholders**.

It has been determined that the Company is in substantially compliance with the principles in the field of public disclosure and transparency.

The Company has established its Human Resources Policy, Compensation Policy and Social Responsibility Policies and has disclosed them to the public through its corporate website.

The Company has also formulated its Sustainability Policy together with the sustainability principles and has shared it with the public. The Company's Code of Ethics has been established and disclosed to the public.

As for the **Board of Directors** Section, the Company's grade is **85,38**, representing a significantly good compliance with CMB's Corporate Governance Principles.

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

It has been determined that the Board of Directors has not set out the Company's strategic objectives in writing and does not supervise the performance of the Company's management.

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

written documents. There are no separate committees established under the names of the Remuneration Committee and the Nomination Committee; instead, the duties of these committees are carried out by the Corporate Governance Committee.

Determining the remuneration principles for the Board of Directors and senior executives and publishing these on the company's corporate website will be positive practices in terms of compliance with corporate governance principles.

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, and a PDP disclosure was made.

The board includes three independent members, and it does not include any female members.

3- RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system that 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 over time was also accepted in this work. Although at first these principles were focused on the companies whose shares were quoted on the stock exchange, it was emphasized by OECD that it would also be useful to implement these principles in public enterprises and companies whose shares were not quoted on the 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 have become 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, and 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 in 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 workflow and analysis technique with Kobirate A.Ş.'s Ethical Rules is considered.

456 criteria are used in the rating process for BIST 1st 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.S.'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 follows:

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 the 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.

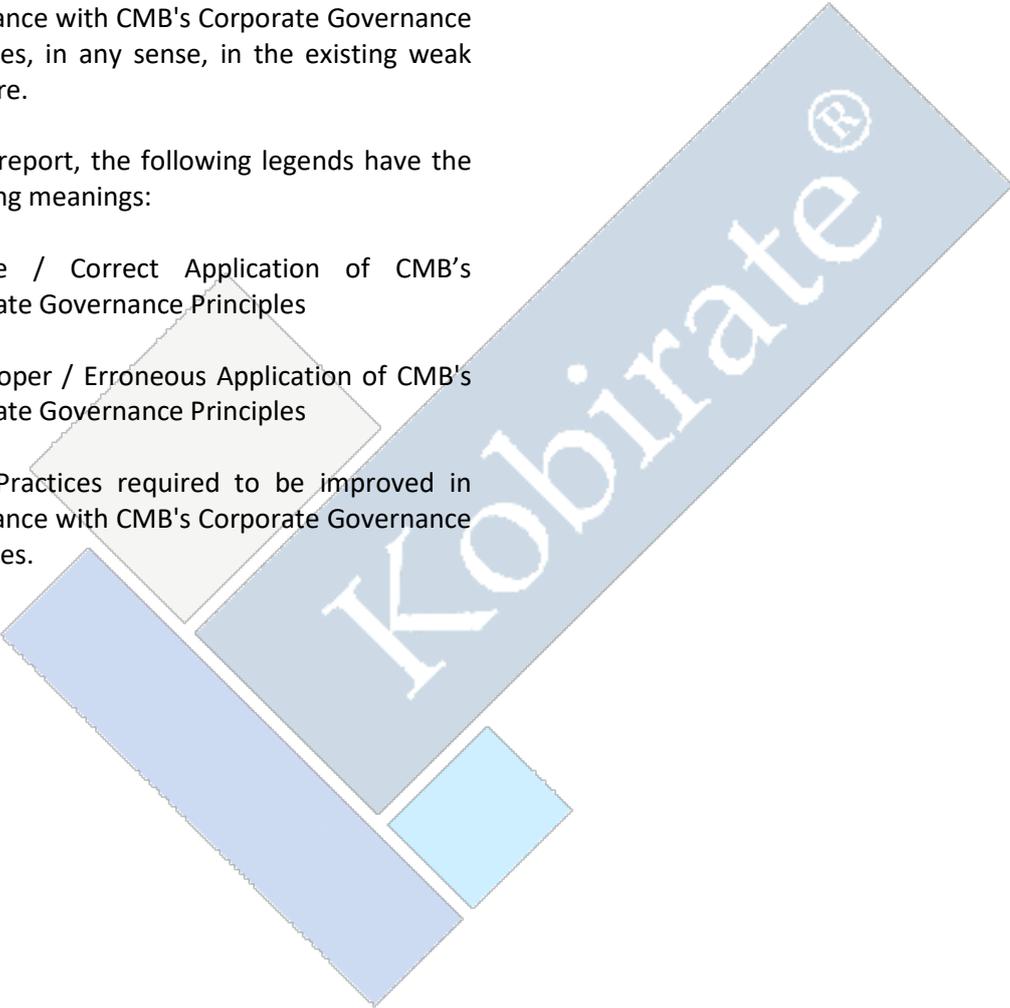
A rating is made with a system that completes the section grades up to 100 based on the

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 and 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.



4- COMPANY PROFILE



Company Name	: KAYSERİ ŞEKER FABRİKASI A.Ş.
Company Address (Headquarters)	: Şeker Mahallesi Osman Kavuncu Bulvarı, No:314 Kocasinan/KAYSERİ
Company Phone	: 0 352 331 24 00
Company Fax Number	: 0 352 331 24 06
Company's Web Address	: https://www.kayseriseker.com.tr
E-mail	: yatirimci.iliskileri@kayseriseker.com.tr
Date of Incorporation	: 02.10.1955
Trade Registry Number	: Kayseri-20818
Paid-in Capital	: 3,000,000,000,-TL
Line of Business	: The Company's main line of business is the production of crystal sugar from sugar beet. Through its subsidiaries, the Company invests in entities operating in fields such as livestock farming, trade of fuel products and transportation, woven sack manufacturing, electricity generation, insurance, and licensed warehousing, and ensures the administration and coordination of these companies. Kayseri Şeker's subsidiaries (all together referred to as the "Group") are incorporated in Türkiye.

Kayseri Şeker Fabrikası Anonim Şirketi ("Kayseri Şeker" or the "Company") was established and commenced operations as a wholly private company under the name Kayseri Şeker Fabrikası Anonim Şirketi in accordance with the provisions of the Turkish Commercial Code by virtue of the Council of Ministers' decision dated 26 November 1954 and numbered 4/4019, and continues its activities within the framework of the supervision and oversight of the Ministry of Agriculture and Forestry.

Company's Sector MANUFACTURING / FOOD, BEVERAGE AND TOBACCO

Company's Representative in Charge of Rating:

Hasan DİKER

Investor Relations Manager

yatirimci.iliskileri@kayseriseker.com.tr

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KAYSERİ ŞEKER FABRİKASI A.Ş.
Quality of Shareholder Structure

Shareholder Name	Share(TL)	Share(%)	Share in Voting Rights %
S.S. KAYSERİ PANCAR EKİCİLERİ KOOPERATİFİ	1,494,146,737.82	49.8	49.8
TURKEY WEALTH FUND	282,315,475.31	9.41	9.41
OTHER SHAREHOLDERS' RESTRICTED SHARES (21 LEGAL ENTITIES)	409,917,323.70	13.67	13.65
SHARES TRADED ON THE STOCK EXCHANGE	813,620,463.17	27.12	27.14
TOTAL	3,000,000,000	100.00	100

Source: www.kap.org.tr

The Company's issued capital amounts to 3,000,000,000 TL (three billion) TL. This capital is divided into a total of 3,000,000,000 shares, each with a nominal value of 1 (one) TL. The entire existing share capital has been fully paid, free from collusion. The previous share capital amounting to 706,000,000 TL (Seven Hundred Six Million TL) has been fully paid, and the increased share capital amounting to 2,294,000,000 TL (Two Billion Two Hundred Ninety Four Million TL) has been covered entirely through the addition of internal resources to the capital, specifically from the Capital Adjustment Differences account, and has been distributed to the shareholders as bonus shares. The Company's Subsidiaries, Affiliates, and Financial Investments are presented in the table below.

Trade Title	Company's Line of Business	Paid in/Issued Capital	Company's Share in Capital	Company's Share in Capital (%)	The Nature of the Relationship with the Company
Panpet Petrol Taşımacılık San. ve Tic. A.Ş.	Petrol	71,500,000	71,500,000	100	Affiliated Company
Pan Pazarlama Dah. Tic. İth. İhr. San. Tic. A.Ş.	Marketing	65,000,000	65,000,000	100	Affiliated Company
Pankent San. Ve Tic. A.Ş.	Manufacture of packaging materials	89,000,000	88,998,813	99.99	Affiliated Company
Kayseri Şeker Tarım Ürünleri Lisanslı Depoculuk A.Ş.	Grain storage and warehousing activities	30,000,000	30,000,000	100	Affiliated Company
Pan Doğa San. ve Tic. A.Ş.	Dairy cattle farming	240,000,000	240,000,000	100	Affiliated Company
Kayseri Şeker Pan Enerji A.Ş.	Energy	15,000,000	15,000,000	100	Affiliated Company
Kayseri Şeker Sigorta Aracılık Hizmetleri A.Ş.	Insurance Agency and Brokerage Services	6,000,000	3,000,000	50	Subsidiary
BETA ZİRAAT VE TİC. A.Ş.	Sugar Beet Seed Production	75,000,000	6,696,914.61	8.92	Financial Investment
Pancar Motor San. ve Tic. A.Ş.	Manufacture of all types of engines and spare parts	8,000,000	128,534	1.61	Financial Investment
OVİS Ortak Vezne İşletim Sistemleri Hiz. Tur. Taşıma Tem. Araştırma Rekl. Paz. Müş. Tarım Mümessillik İnş. San. ve Tic. A.Ş.	Shared Cash Desk Operating Systems	4,000,000	232,650	5.816	Financial Investment
Şeker International Banking Unit Ltd.	Banking services in Türkiye and abroad	5,000,000	70,000	1.4	Financial Investment
S.S.Kayseri Pancar Ekicileri Kooperatifi	Procurement, distribution, supervision, and coordination of all types of agricultural inputs used by its partners in their agricultural activities	31,863,671.62	700	0.002197	Financial Investment

The Company's Board of Directors as of the Date of the Report

Name/ Surname	Title	Executive/ Non - Executive	Date of Inauguration
Hurşit DEDE	Chairman	Non - Executive	26.08.2025
Gökhan GÜZAR	Deputy Chairman	Non - Executive	26.08.2025
A. Murat ULUĞ	Member of Board of Directors	Non - Executive	26.08.2025
Tolga DEMİRHAN	Member of Board of Directors	Non - Executive	26.08.2025
Harun HALICI	Member of Board of Directors	Non - Executive	26.08.2025
Serdar TURAN	Member of Board of Directors	Non - Executive	26.08.2025
Ender BATUKAN	Independent Member of Board of Directors	Non - Executive	26.08.2025
Anfer YILMAZ	Independent Member of Board of Directors	Non - Executive	26.08.2025
Mustafa ÇEÇEN	Independent Member of Board of Directors	Non - Executive	26.08.2025

Source: www.kap.gov.tr

The Company's Senior Management as of the Date of the Report

Name/ Surname	Duty Title
İsmail GEDİK	General Manager
Kazım DUYGULU	Deputy General Manager (Agriculture)
Oğuzhan ULU	Deputy General Manager (R&D)
Cem MURAT	Deputy General Manager (Operations)
Ümüt ÖZKARA	Deputy General Manager (Boğazlıyan)
Serkan Korkmaz	Deputy General Manager(Turhal)

Source: www.kap.gov.tr

The members of the Company's Audit, Corporate Governance and Early Detection of Risk Committees are listed below. The company has not established Nomination and Remuneration Committees; instead, the duties of these committees are carried out by the Corporate Governance Committee in accordance with its Duties and Working Principles.

Committee	Committee Members	Position within Committee	Position in Company
Audit Committee	Anfer YILMAZ	Chairman	Independent Member of Board of Directors
	Ender BATUKAN	Member	Independent Member of Board of Directors
	Mustafa ÇEÇEN	Member	Independent Member of Board of Directors
Corporate Governance Committee	Anfer YILMAZ	Chairman	Independent Member of Board of Directors
	Harun HALICI	Member	Member of Board of Directors
	Hasan DİKER	Member	Investor Relations Manager

Early Detection of Risk Committee	Mustafa ÇEÇEN	Chairman	Independent Member of Board of Directors
	Harun HALICI	Member	Member of Board of Directors
	Serdar TURAN	Member	Member of Board of Directors
Sustainability Committee	Anfer YILMAZ	Chairman	Independent Member of Board of Directors
	Mustafa ÇEÇEN	Member	Independent Member of Board of Directors
	Serdar TURAN	Member	Member of Board of Directors

Comparison of the Balance Sheets (TL) for the last two periods of certain selected items of Kayseri Şeker Fabrikası Anonim Şirketi for the special accounting period ended 30 April 2025

	2024/04	2025/04	Change %
Current Assets	27,492,908,811	19,469,610,393	-29,18
Fixed Assets	32,861,870,238	34,788,428,398	5.86
Total Assets	60,354,779,049	54,258,038,791	-10,10
Short-Term Liabilities	18,043,378,884	11,895,748,696	-34,07
Long-Term Liabilities	4,944,195,572	5,267,880,113	6.55
Total Liabilities	22,987,574,456	17,163,628,809	-25,34
Paid-in capital	706,000,000	706,000,000	0.00
Shareholders' Equity	37,367,204,593	37,094,409,982	-0,73
Total Liabilities	60,354,779,049	54,258,038,791	-10,10

Source: Independent Audit Report of Kayseri Şeker Fabrikası Anonim Şirketi for the special accounting period ending April 30, 2025.

Income Comparison of the Company's Certain Selected Items for the last two periods (TL)

	2024/04	2025/04	Change %
Revenue	25,202,146,407	29,901,734,604	18.65
Cost of Sales	(23,707,743,507)	(27,614,696,510)	16.48
Main Operational Profit / Loss	388,913,767	1,067,980,473	174.61
Net Profit/Loss	272,673,178	(883,045,994)	-423,85

Source: Independent Audit Report of Kayseri Şeker Fabrikası Anonim Şirketi for the special accounting period ending April 30, 2025.

The Market where the Capital Market Instrument is Traded and the Indexes in which the Company is Included

BIST Code : KAYSE

Market where the Capital Market Instrument is Traded : BIST STAR

Indices in which it is included : BIST ALL SHARES / BIST ALL SHARES-100 / BIST KAYSERİ / BIST FOOD, BEVERAGE / BIST STARS / BIST BUYBACK / BIST INDUSTRIALS / BIST CORPORATE GOVERNANCE / BIST 500

Source: www.kap.org.tr

Brief History of the Company and Information About Its Operations

Kayseri Şeker Fabrikası was established and commenced operations as a wholly private company under the name Kayseri Şeker Fabrikası Anonim Şirketi, pursuant to the Council of Ministers' Decision dated 26 November 1954 and numbered 4/4019, in accordance with the provisions of the Turkish Commercial Code. A trial production campaign commenced on 2 October 1955, and the factory officially became operational on 6 November 1955.

The Company's principal activities include the production and trade of granulated sugar, powdered sugar, and cube sugar, as well as the production and sale of by-products of the sugar industry, such as wet pulp, dried pulp, molasses, molasses-based dried pulp, limestone, electricity generation, and the trade of seeds and fertilizers.

In 2006, the Boğazlıyan Sugar and Integrated Products Facility commenced operations. Pan Pazarlama İthalat ve İhracat San. ve Tic. A.Ş. was incorporated on 13 March 2007 and registered with the Kayseri Trade Registry Directorate under registry number 30585. The Company's principal line of business is the marketing and sale of all types of sugar and by-products of the sugar industry, including wet and dried pulp, molasses and molasses-based dried pulp, yeast, alcohol, ethanol, organic acids, feed, fertilizers, sugary substances, and other food products.

Pankent Sanayi ve Ticaret A.Ş. was incorporated on 1 June 2010 and registered with the Gaziantep Trade Registry Directorate under registry number 34659. Pankent manufactures PP woven sacks, PP laminated sacks, PP sacks, inner liners, and PP raffia yarn.

Pan Doğa Sanayi ve Ticaret A.Ş., operating in the dairy and livestock sector, was incorporated on 4 November 2010 and registered with the Kayseri Trade Registry Directorate under registry number 470.

Panpet Petrol Sanayi ve Ticaret A.Ş. was incorporated on 16 February 2010 and registered with the Kayseri Trade Registry Directorate under registry number 34718. The Company engages in road transportation services; retail and wholesale sales of fuel products; the sale of granulated sugar produced from sugar beet; the production of molasses-based pelleted dried pulp used as animal feed; and excavation, loading, transportation, and unloading activities.

In 2014, with the approval of the Ministry of Science, Industry and Technology of the Republic of Türkiye, an R&D Center Certificate was obtained, and the Kayseri Şeker R&D Center commenced operations.

In 2015, Kayseri Şeker Tarım Ürünleri Lisanslı Depoculuk A.Ş., operating in the field of licensed warehousing, was incorporated on 18 June 2015 and registered with the Kayseri Trade Registry Directorate under registry number 43755.

In 2017, the portion of Kayseri Şeker's shares owned by the Privatization Administration, representing 10% of the Company's share capital, was transferred to the Türkiye Wealth Fund. In the same year, the Company became the first in the food sector to receive the TSE Double Star Conformity Certificate for good agricultural practices. The Company has also ranked among the top corporate taxpayers and has been listed within the top 100 companies in the ISO 500 ranking. In the same year, the Pan Enerji trademark was officially registered.

As a farmers' organization, Kayseri Şeker acquired the Turhal Şeker Fabrikası, which had served the sugar industry for 84 years and was one of the first four sugar factories established in Türkiye, pursuant to the decision of the High Council of Privatization dated 4 May 2018 and numbered 2018/45. Under the asset sale agreement executed with the Privatization Administration on 7 June 2018, the factory was purchased for 569,000,000.00 TL, thereby increasing the number of sugar production facilities to three, together with Kayseri and Boğazlıyan, and raising the total production quota to 429,550 tons.

Pursuant to the amendment introduced by Article 8 of the Law on Amendments to the Highway Traffic Law and Certain Other Laws, published in the Official Gazette dated 28 December 2018 and numbered 30639, and the amendment made to paragraph 3 of Article 16 of the Capital Markets Law, the Company became subject to the provisions applicable to publicly held companies under the Communiqué on the Principles Regarding Joint Stock Companies in Which Cooperatives and Cooperative Unions Hold the Majority of Shares (II-16.2), published in the Official Gazette dated 18 September 2018 and numbered 30540, and accordingly acquired the status of a publicly held company.

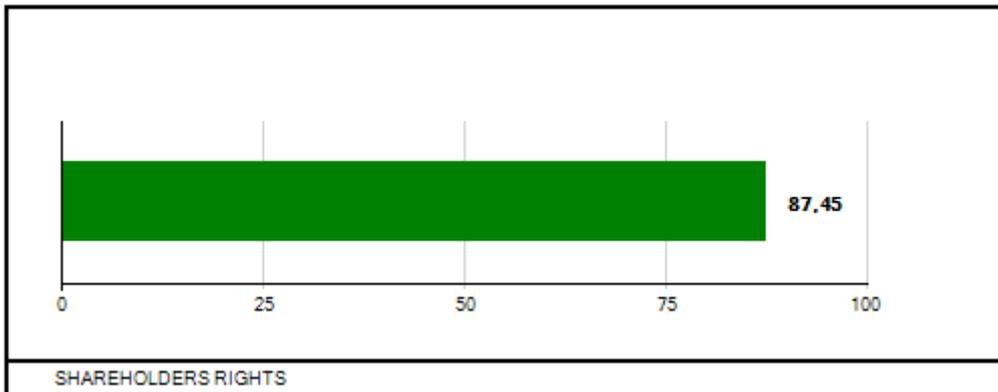
In 2019, the portion of Kayseri Şeker's shares owned by the Privatization Administration, representing 1.07% of the Company's share capital, was transferred to the Türkiye Wealth Fund, increasing the Türkiye Wealth Fund's shareholding in the Company's capital to 11.07%.

In 2020 and 2021, Kayseri Şeker laid the foundations for the Beet Regional Directorate in the Bünyan District, an Agricultural Market, 10 commercial units, and 24 residential units. In Kayseri Province, the Company became the entity paying the highest premiums, providing the highest level of employment, and employing the largest number of disabled individuals.

In 2022, Kayseri Şeker became the first company in the food sector to be awarded the IQ NET SR10 Social Responsibility Management System Certificate by the Turkish Standards Institute (TSE). **Source: Prospectus and Valuation Report for the Initial Public Offering**

5- RATING SECTIONS

A. SHAREHOLDERS



Overview

- ✓ The Investor Relations Unit has been established in order to conduct relations with Shareholders.
- ✓ The Manager of the Investor Relations Department has been employed on a full-time basis.
- ✓ The Investor Relations Department plays an active role in facilitating and safeguarding shareholder rights, particularly the rights to obtain information and perform reviews.
- ✓ At the general assembly meeting, the shareholders were informed about the amount of the donations and aid made during the period.
- ✓ There are no arrangements that make the exercise of voting rights difficult.
- ✓ Profit distribution policy has been established and disclosed to the public.
- ✓ There is a regulation in the Articles of Association regarding the possibility of making advance dividend payments.
- ✓/* It would be appropriate for the articles of association to include a provision stating that General Assembly meetings shall be held open to the public.
- ✓/* It would be appropriate for the articles of association to include a provision granting minority rights to shareholders owning less than one-twentieth of the capital and for the extension of minority rights.
- ✓/* It would be appropriate to include in the General Assembly announcement or information document that General Assembly meetings will be held open to the public, including stakeholders and the media, without the right to speak.
- * If the election of new Board members is included in the agenda of the General Assembly meeting, no separate announcement drawing investors' attention has been made regarding the information about the candidates to be elected.
- * In line with the policy approved by the General Assembly, shareholders are not informed under a separate agenda item at the General Assembly meeting about the beneficiaries of all donations and contributions made during the period.

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 **87.45** points.

a. Facilitating the Exercise of Shareholders' Rights

Although the Investor Relations Department is required, pursuant to Article 11 of the Corporate Governance Principles, to report directly to the General Manager, a Deputy General Manager or another executive with equivalent administrative responsibility, the Investor Relations function of Kayseri Şeker Fabrikası A.Ş. has been structured under the Accounting and Finance Coordination Department. The Department operates under the responsibility of Mr. Hasan DİKER, Investor Relations Manager. In accordance with the Corporate Governance Communiqué, he holds the required Capital Markets Level 3 License and Corporate Governance Rating License and has been appointed to the Corporate Governance Committee.

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

The Company is subject to a special accounting period commencing on 1 May and ending on 30 April. Announcements regarding the financial calendar for the publication of quarterly financial statements are made on the Public Disclosure Platform. Presentations are shared with the public at <https://www.kayseriseker.com.tr/yatirimci-iliskileri>.

Throughout the last year review period, inquiries from shareholders on various matters were answered clearly, precisely, and in detail, both verbally and in writing via telephone and e-mail. Provided the information did not fall under trade secret protection, each question was answered in a manner satisfactory to the investors. Records of e-mail correspondence conducted with shareholders are archived.

The Investor Relations Department submits periodic reports to the Board of Directors.

It has been determined that the Company has achieved 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 is presented to the shareholders, and to this end, the company's corporate website www.kayseriseker.com.tr/ is used as an efficient platform.

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

The "Disclosure Policy" prepared within the framework of the Capital Markets Board's Communiqué on Material Events is published on the Company's corporate website. Shareholders' right to obtain information and the applicable procedures are set out in the said 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.

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 is no provision in the Company's articles of association regarding shareholders' right to request the appointment of a special auditor from the general assembly.

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

c. Right to Attend the General Assembly

The Ordinary General Assembly Meeting of Kayseri Şeker Fabrikası Anonim Şirketi for the Special Accounting Period of 01.05.2024–30.04.2025 was held on 26 August 2025 at 11:00 a.m. at Kayseri Şeker Fabrikası A.Ş. Şeker Mah. Osman Kavuncu Bulvarı No:314, Kocasinan / KAYSERİ.

The invitation to the meeting was duly made within the prescribed time limits, in compliance with the applicable legislation and the Articles of Association and including the agenda,

by publication in the Turkish Trade Registry Gazette dated 04.08.2025 and numbered 11385, on 02.08.2025 on the Public Disclosure Platform (www.kap.gov.tr), on the Electronic General Assembly System (EGKS), on the Information Society Services Page (E-Company), and on the Company's website (www.kayseriseker.com.tr), and additionally by sending registered letters with return receipt on 05.08.2025 via the Kayseri Postal Directorate to the shareholders recorded in the share ledger, thereby notifying them of the meeting date and agenda within the statutory period.

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.

It was concluded that the General Assembly meeting was organized in a manner aimed at maximizing shareholder participation without causing inequality among shareholders and enabling attendance at the lowest possible cost.

Along with the general assembly meeting announcement, the information document prepared in accordance with Article 1.3.1 of the 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 information on the total number of shares and voting rights reflecting the shareholding structure of the company as of the date of disclosure, whether there are privileged shares in the company's capital, is shared with the shareholders. Similarly, it has been seen that information about the changes that will significantly affect the management and activities of the partnership and its subsidiaries, requests of the shareholders to add an item to the agenda, and explanations on the agenda are also included.

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" and "various" in the agenda.

It is stated in the minutes of the General Assembly meeting that the Chairman of the Board of Directors, Mr. Hurşit DEDE, the Vice Chairman of the Board, Mr. " GÜZAR, Board Members Mr. Adem ÖNER, Mr. Şaban GÜNER, Mr. Mehmet ARSLAN and Mr. Anfer YILMAZ, as well as Ms. Elif GÜNAY on behalf of the Independent Audit Firm, were present at the meeting venue.

When the minutes of the General Assembly are examined, it is determined that the agenda items were voted on 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.

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 Company's Donation and Aid Policy was adopted by a resolution of the Board of Directors, and the donations made during the special accounting period commencing on 01.05.2024 within the scope of the Donation and Aid Policy were submitted for approval at the General Assembly meeting.

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

Regarding this section, it will be appropriate to include a provision in the company's articles of association about holding General Assembly meetings open to the public, including stakeholders and media, without granting them the right to speak.

The company's practices in this subsection are in good compliance with the principles.

d. Voting Right

Neither the Articles of Association nor the internal procedures of Kayseri Şeker Fabrikası A.Ş. contain any difficulties to exercise the voting right, and the 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 rights in person or by proxy, whether a shareholder or not, at the general assembly meetings. However, the members are not provided with the specimen proxies to

be used for this purpose on the corporate internet website.

There is no privilege in the exercise of voting rights at the General Assembly.

Detailed disclosures regarding the distribution of the Company's shares, the voting rights attached to the shares and matters related to voting rights are provided on the corporate website, in the annual reports and in the General Assembly information documents.

The Company's practices under this subheading have been assessed to be at a good level in terms of compliance with the corporate governance principles.

e. Minority Rights

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

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

f. Dividend Right

The method to be applied for profit distribution is regulated by Article 21 of the company's articles of association, and it contains minimum information enabling the investors to foresee the procedure and guidelines for the distribution of profit to be generated by the company in future periods.

According to the relevant article in the Articles of Association, dividends will be distributed equally to all existing shares as of the date of distribution, regardless of their issue and acquisition dates, and the Company may provide advance dividend payments to its shareholders within the framework of capital market regulations.

The Company's Dividend Distribution Policy has been publicly disclosed.

According to the financial statements prepared in accordance with the Capital Markets Board's Communiqué No. II-14.1 on the Principles of Financial Reporting in the Capital Markets and other relevant legislation, the operations of Kayseri Şeker Fabrikası A.Ş. for the accounting period ended 30 April 2025 resulted in a loss of 883,045,994 TL, whereas in the financial statements prepared on the basis of its statutory records maintained in accordance with the Tax Procedure Law for tax declaration purposes, the Company generated a profit of 65,198,531 TL for the same period.

The Company's practices under this subsection have been found to be in compliance with corporate governance principles.

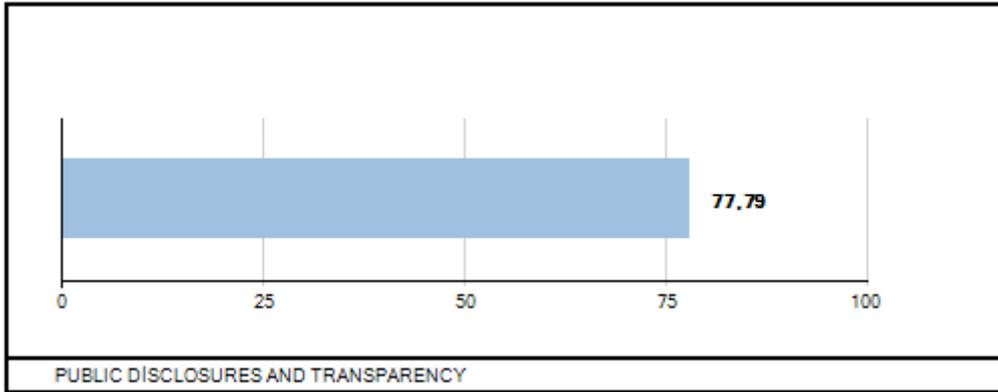
g. Transfer of Shares

No practices restricting the free transferability of shares have been identified, and the conditions governing the transfer of shares are not regulated under the Company's Articles of Association.

However, Article 26 of the Articles of Association stipulates that "following the acquisition of an electricity generation license, prior approval of the Energy Market Regulatory Authority must be obtained for any transaction resulting in the direct or indirect acquisition by a real or legal person of shares representing ten percent of the Company's share capital, or five percent in the case of a public company, or more, as well as for the transfer of shares or share certificates that result in a change of control in the Company's shareholding structure regardless of the aforementioned capital share changes, or for any other transactions producing such effect. If the share transfer is not completed within six months from the date of approval, such approval shall become null and void."

The Company has certain areas for improvement regarding its practices in this subsection.

B. PUBLIC DISCLOSURE AND TRANSPARENCY



Overview

- ✓ An information policy has been established and disclosed to the public.
 - ✓ Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF) were prepared and disclosed to the public in accordance with the provisions of the relevant legislation.
 - ✓ The corporate website is used effectively as a current tool for public disclosures within the context, as stated by the principles.
 - ✓ The content of the 2025 Board of Directors Annual Report meets the minimum required information.
 - ✓ The annual report includes information about the Company's risk management policy against anticipated risks.
 - ✓ In addition to the information required to be disclosed under the applicable legislation, the Company's corporate website includes the share buyback program regarding the Company's own shares.
- ✓/* Including in the annual report the Board of Directors' resolution regarding the approval and submission of the balance sheet and income statement to the General Assembly would be appropriate.
- ✓/* In the annual reports, it would be appropriate to include a detailed analysis and assessment by the board of directors regarding the Company's financial position, operating results and financial performance.
- ✓/* In the annual reports, it would be appropriate to provide information on the extent to which the Company's planned activities have been realized and on the Company's position in light of its established strategic objectives.
- * Annual Report does not contain the Board's decision about approval of the Company's balance sheet and income statement by the Board of Directors and its presentation to the General Assembly for approval.

As for this section, the Company has been assessed by **93** 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 received the grade of **77.79**.

Kayseri Şeker Fabrikası A.Ş. carries out its public disclosures within the framework of the Disclosure Policy adopted by the Company's Board of Directors by its resolution dated 23 May 2023. The Disclosure Policy was announced to the public through a PDP disclosure on 24.05.2023, and its content

complies with the CMB's Communiqué on Material Events (II-15.1).

Disclosure Policy has been prepared by the Board of Directors within the framework of CMC Corporate Governance Principles. The implementation, development and monitoring of the Disclosure Policy fall under the authority and responsibility of the Board of Directors.

All matters related to public disclosure are overseen and monitored by the executives responsible for financial management and reporting, as well as the Investor Relations Department. These officials fulfill their duties in close cooperation with the Audit Committee and the Board of Directors. The Disclosure Policy was submitted for approval to the General Assembly at the meeting held on 28 August 2023.

The Company's Consolidated Financial Statements as of 30 April 2025 and for the year ended on the same date were audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi. There are no cases where the independent audit avoided expressing an opinion, expressed an opinion with conditions or avoided a 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.

At the Ordinary General Assembly held on 26 August 2025, the reappointment of the same company as the independent audit firm was unanimously approved by the participants.

a. Corporate Website

The official corporate website www.kayseriseker.com.tr/ is updated regularly, and the website is being used as an active and effective platform for disclosure to the public.

Information on the corporate website is consistent with the statements made as part of

regulations, and there is no missing or conflicting information.

In addition to the information that must be disclosed pursuant to relevant regulations, the company's website includes trade registry details, current shareholding and management structure, board committees and their working principles, financial reports, annual reports, general assembly meeting agendas, attendee lists and meeting minutes, profit distribution policy, disclosure policy, remuneration policy for board members and senior executives, donation and aid policy, and policies on various matters of interest to all stakeholders.

The aforementioned information is provided to shareholders and potential investors regularly and up to date.

The information available on the Company's corporate website has not been prepared and made available, in addition to Turkish, in selected foreign languages as needed, with content fully identical to the Turkish version, for the benefit of international investors.

On the Company's corporate website, in addition to the information required to be disclosed under the applicable legislation, it would be appropriate to include the dates and issue numbers of the Trade Registry Gazettes in which the amendments to the Articles of Association were published.

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

b. Annual Report

It has been observed that the Board of Directors has prepared the annual report with sufficient content to ensure that the public can access comprehensive information about the company's activities.

In the annual report for the special accounting period ending on 01.05.2024–30.04.2025, the following information has been included:

General information about the Company, information regarding the Board of Directors and senior management, the corporate structure and shareholding structure, details of the members of the Board of Directors,

information on the committees established within the Board and their members, as well as the independence declarations of the Board members, have been included in the annual report.

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

Beyond the requirements set out in legislation and other sections of the Corporate Governance Principles, the annual report provides information on the reporting period; the partnership's trade name, trade registry number, and contact information; general information on the number of employees; the total amount of donations made by the company and its subsidiaries during the period; the profit distribution policy; and the Corporate Governance Principles Compliance Statement.

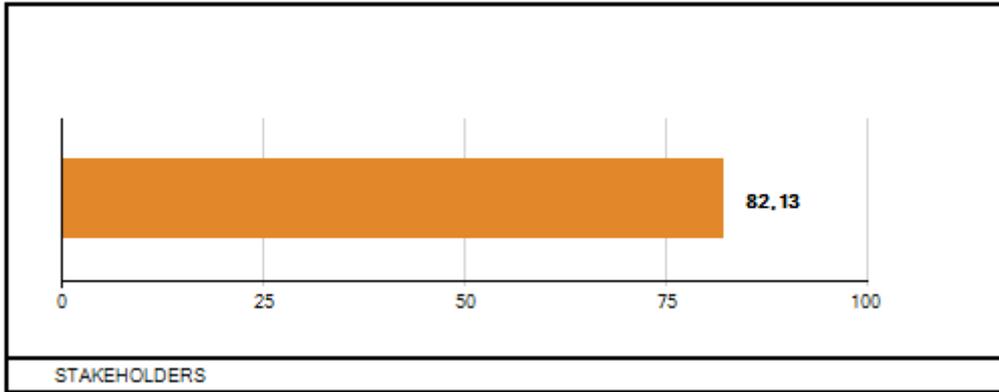
In the annual report, the Company's sustainability approach and a link in accordance with the format of the voluntary Sustainability Principles Compliance Framework introduced by the Communiqué Amending the Corporate Governance Communiqué (II-17.1.a) have been included.

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

In the annual report, it would be appropriate to include, where forward looking statements or forecasts are provided, the underlying justifications and statistical data; information and assessments as to whether previously determined targets have been achieved and, if not, the reasons for such failure; tables indicating the amounts of commercial and financial transactions carried out during the period with direct and indirect subsidiaries; the Board of Directors' resolution regarding the approval of the Company's balance sheet and income statement and their submission to the General Assembly for approval; and information on employees' social benefits and professional training.

This subsection indicates that there are areas in which the company needs improvement.

C. STAKEHOLDERS



Overview

- ✓ There are no regulations that make it difficult for stakeholders to exercise their rights.
- ✓ Many internal regulations concerning customers and other stakeholders have been prepared.
- ✓ Care is given to the confidentiality of information about customers and suppliers on a trade secret basis.
- ✓ Employees are provided with a safe and pleasant working environment.
- ✓ The Sustainability Committee established within Kayseri Şeker implements the Company's sustainability strategy.
- ✓ The company has established its Sustainability Approach and disclosed the compliance report to the public via PDP.

✓/* 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 mechanisms that allow stakeholders to report the company's unlawful or ethically inappropriate practices to the Corporate Governance Committee or the Audit Committee.

✓/*It would be appropriate to establish models that support the participation of stakeholders, primarily Company employees, in the Company's management.

✓/*It would be appropriate to hold information meetings for employees regarding matters such as the Company's financial position, remuneration, career opportunities, training and health, and to facilitate an exchange of views.

✓/* It would be appropriate to announce the performance and reward criteria to the Company's employees.

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 **82.13**.

a. Corporate Policies on Stakeholders

It has been observed that Kayseri Şeker Fabrikası A.Ş. protects stakeholders' rights, which are specified in regulations and mutual contracts.

Stakeholders are adequately informed on company policies and procedures to protect their rights, and the company's corporate website www.kayseriseker.com.tr/ is being actively used for this purpose. In addition, certain important announcements and messages are communicated to all employees via e-mail.

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

There are some areas that need to be improved in relation to this section.

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

Developing models that support the participation of stakeholders, primarily Company employees, in the Company's management in a manner that does not disrupt the Company's operations, and incorporating such models adopted by the Company into its internal regulations or Articles of Association, would strengthen compliance with the principles.

c. Human Resources Policy of the Corporation

Kayseri Şeker Fabrikası A.Ş. Human resources practices are carried out within the scope of the Human Resources Policy published on the corporate website. However, this policy does not appear to be a comprehensive policy that includes the approval of the Board of Directors. The Human Resources Policy applies to the Company and covers all employees within the organization.

Within the scope of this policy, there are provisions regarding recruitment processes; ensuring equal opportunity in employees' career planning; training and development programs aimed at enhancing employees' knowledge, skills and competencies; and informing employees that no discrimination

shall be made on the basis of race, religion, language or gender.

On the other hand, the Human Resources Implementation Regulation, prepared by the Human Resources Coordination Office and entered into force on 1 February 2025, regulates the service conditions, duties, rights and obligations, relocation, financial and social rights, disciplinary provisions, employee satisfaction, working order and other personal rights of the personnel of Kayseri Şeker Fabrikası A.Ş. General Directorate

Similarly, the Social Responsibility Policies disclosed to the public on the Company's corporate website include information aimed at protecting the rights of stakeholders

With respect to Company employees, while there is a union to which the workers are affiliated, namely Şeker-İş Trade Union, there is no union to which civil servants are affiliated. A Collective Bargaining Agreement covering the period between 1 February 2025 and 31 January 2027 is in place for the workers.

As of December 2025, Kayseri Şeker employs 4,020 people. Of the total workforce, 94 percent are male, and 6 percent are female.

Employees' performance evaluations are conducted in accordance with the principles set forth in the Human Resources Implementation Regulation, and the main provisions governing the Implementation of the Performance Evaluation Principles entered into force as of 01.01.2020 pursuant to Board of Directors Resolution No. 8 dated 05.06.2020.

It has been determined that the 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.

It would be appropriate to hold information meetings for employees regarding matters such as the Company's financial position, remuneration, career opportunities, training and health, and to facilitate an exchange of views.

It would be appropriate for the Company to support this by establishing training procedures and a training policy.

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

d. Relations with Customers and Suppliers

In the ethical rules disclosed to the public by the Company, it is stated that the Company operates with a proactive approach focused on customer satisfaction, responding to customers' needs and requests as quickly and accurately as possible; that it acts sensitively toward customers' problems and strives to establish trust-based relationships with its customers; and that it approaches customers within the framework of respect, dignity, fairness, equality, and courtesy. It has been concluded that the Company's relationships with its Customers and Suppliers are conducted within this framework.

Kayseri Şeker is one of the limited number of producers that meet the highest standards in the industry, thanks to its high sugar quality and sustainable production model.

As the first food manufacturing company to comply with the TSE Double Star standards, the highest quality benchmark, Kayseri Şeker has officially certified its superior sugar quality.

By adhering to sustainability standards throughout all stages of sugar production, Kayseri Şeker has become entitled to receive

the FSA 3.0 Gold certificate, thereby enabling it to sell to companies that rank among the largest sugar purchasers in the sector.

The Production and Management Quality Standards held by the Company are presented below.

- Quality Management and Quality Assurance
- Food Safety Management System
- Occupational Health and Safety Management System
- Energy Management System
- COVID-19 Safe Production
- Customer Satisfaction Management System
- Food Safety System
- Environmental Management System
- Information Security Management System Certificate
- Halal Food Certification

The Company's practices in this subsection have been found to be in compliance with the principles.

e. Ethical Rules, Corporate Social Responsibility

Kayseri Şeker observes adherence and compliance with ethical values in all its activities. The **Code of Ethical Conduct** prepared for the main company, Kayseri Şeker Fabrikası A.Ş., and its subsidiaries, has been drawn up in a broad and comprehensive manner. The Group Code of Ethical Conduct, which is gathered under four main headings, includes:

- Ethical Principles
- Responsibilities of the Company
- Code of Ethics and Working Principles
- Resolution of Non-Compliance

The company prepared and disclosed its **Corporate Social Responsibility Policy** to the public. The following objectives have been established under this policy:

To fulfill and continuously improve social and environmental responsibilities toward society in all areas of operation, in cooperation with farmers, employees, suppliers, public institutions, and non-governmental organizations,

To ensure that employees fully and accurately benefit from their personal rights and entitlements, based on the principle that human resources constitute the most important element of sustainable growth,

To ensure that employees work in harmony within a safe and healthy environment, without discrimination on the basis of language, religion, race, gender, political opinion, sect, age, or physical disability, in line with the principle of respect for human rights,

To ensure that employees, farmers, and suppliers comply with the Company's ethical rules and operate within the framework of commercial integrity,

To comply with applicable legislation and international standards, while upholding the principles of the rule of law, accountability, and transparency, and preserving the culture and traditions of the country,

It has been evaluated that the company is in compliance with the principles in this subsection.

f. Sustainability and Sustainability Management

In the Capital Markets Board (CMB) Sustainability Principles Compliance Framework published in 2020, the basic principles expected to be disclosed within the scope of environmental, social and corporate governance activities of public shareholdings were disclosed.

Kayseri Şeker Fabrikası A.Ş. Pursuant to Article 12 of the Company's Articles of Association, the

Company has established a Sustainability Committee in order to determine, implement, and monitor its sustainability vision and strategies in the areas of environmental, social, and corporate governance ("ESG"), to enhance sustainability performance, to formulate related policies and targets, and to report these activities to the Board of Directors.

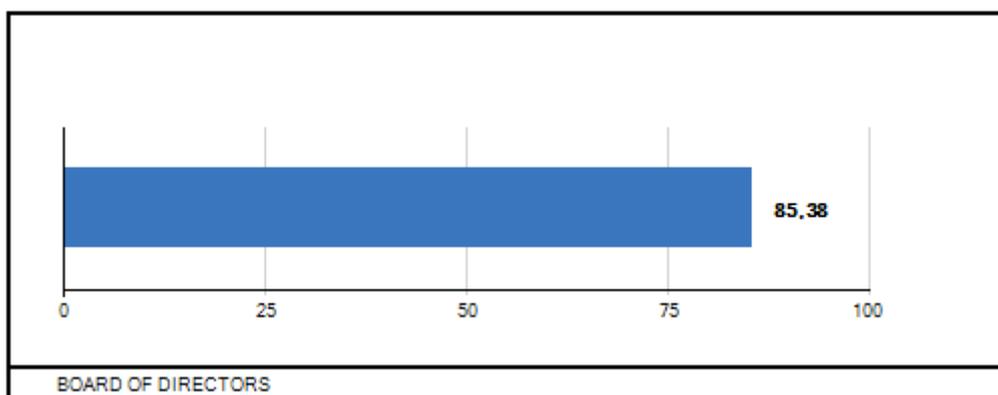
The Company conducts its sustainability activities within the framework of its Sustainability Vision. As of 03.10.2025, the Company has established its Sustainability Policy and disclosed it to the public.

In this context, the Company's sustainability approaches regarding the sustainability activities carried out by the company have been disclosed in the 2024 annual report.

The company's Sustainability Compliance Report was publicly shared on PDP on 02.08.2025. In addition, the 2023 Sustainability Report has been disclosed to the public on the Company's corporate website.

It has been evaluated that the company is in compliance with the principles in this subsection.

D. BOARD OF DIRECTORS



Overview

- ✓ The human and financial resources the company requires are determined by the Board of Directors.
 - ✓ The minimum requirements for the number of board members have been met.
 - ✓ It is adequate for the Board of Directors to work productively and constructively.
 - ✓ The majority of Board Members are non-executives.
 - ✓ Each member has one voting right on the Board of Directors. There are no veto powers for any member.
 - ✓ There is no loan/credit involvement between Board Members and the company.
 - ✓ The Board of Directors Committees mentioned in the Principles were established, and their working principles were determined and disclosed to the public.
 - ✓ The Group has insured the damages that the Members of the Board of Directors may cause as a result of their faults during their duties, and a PDP disclosure was made.
- ✓/* Fees and benefits given to the board of directors and directors with administrative responsibilities are not disclosed on an individual basis.
- ✓/* There are no female members on the Board of Directors. It would be appropriate for the Company to set a target ratio and target timeframe for female representation on the Board of Directors, which is not less than 25%, and to establish a policy to achieve these targets.
- ✓/* It would be appropriate for the Board of Directors to enable the holding of Board meetings in an electronic environment.
- * No performance evaluation is conducted for the Board of Directors.
- * The Company's strategic objectives have not been determined by the Board of Directors.
- * A clear separation of powers between the Chair of the Board of Directors and the Chief Executive Officer, General Manager has not been established, nor has such separation been set out in writing in the Articles of Association.

In this section, the Company has been assessed by 148 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 **85.38**.

a. Function of the Board of Directors

The Board of Directors has determined the human and financial resources the company requires. The Board of Directors has not defined the strategic objectives of the company.

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

The 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 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 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; the Internal Audit Department has been structured and reports to the Board of Directors.

Positions of Chairman of the Board and CEO are held by different individuals. It would be appropriate to express the separation of the powers of the chairman of the Board of Directors and the chief executive

officer/general manager in writing in the articles of association.

The damage caused to the company by the faults of the members of the board of directors during their duties is insured by the group and disclosed on the Public Disclosure Platform on 08.04.2025.

The company's practices in this subsection comply with the principles.

c. Structure of the Board of Directors

According to Article 10 of the Company's Articles of Association, the affairs of the Company are conducted and represented by a Board of Directors consisting of at least 7 (seven) and at most 9 (nine) members to be elected by the General Assembly in accordance with the provisions of the Turkish Commercial Code and the Corporate Governance Principles.

The Company's Board of Directors is composed of a total of 9 (nine) members, including 1 (one) Chairman and 8 (eight) members. In this respect, the minimum requirement of having at least 7 (seven) members in the formation of the Board has been complied with, and the number of members has been considered sufficient and appropriate in terms of enabling the Board members to carry out efficient and constructive work and to effectively organize the establishment and functioning of committees.

The Board of Directors is composed of 9 (nine) non-executive members, with three of the non-executive members meeting the criteria for independence as outlined in the corporate governance principles.

The number of independent board members constitutes one-third of the total number of board members. The principle that independent members of the Board of Directors must possess the professional education, knowledge, and experience necessary to duly perform the duties they

assume by virtue of serving as independent board members has been complied with.

The management and outward representation of the company are under the responsibility of the Board of Directors. In order for all the documents to be given by the Company and the agreements to be made to be valid, they must bear the signatures of at least 2 (two) persons authorized to bind the Company, placed under the name of the Company. Under the Articles of Association, there is no individual within the Company who holds unlimited decision-making authority on their own.

It would be appropriate to clearly separate the duties and authorities of the Chair of the Board of Directors and the Chief Executive Officer, General Manager, and to set out such separation in writing in the Articles of Association.

There are no female members on the Board of Directors. It would be appropriate to set a target ratio for female representation on the Board of Directors, provided that it is not less than 25 percent, and to determine a target timeline; to establish a policy to achieve these targets; and for the Board of Directors to annually assess the progress made toward attaining such targets.

are identified as areas for improvement.

d. Procedure of Board of Directors Meetings

The Board of Directors convenes once a month as required by the Company's affairs and transactions. The Board must also convene upon the request of the Chair or one-third of its members. Board meetings may be held at the Company's headquarters or at a suitable location within the city where the headquarters is located; they may also be held in another city upon a Board resolution.

Pursuant to Article 13 of the Company's Articles of Association regarding Board Meetings, it is essential that Board members

attend meetings in person. In accordance with the provisions of the "Communiqué on Meetings to Be Held in Electronic Environment in Joint Stock Company General Assemblies and Other Corporate Bodies of Commercial Companies", the Company may establish an Electronic Meeting System enabling rights holders to attend such meetings and cast votes electronically, or it may procure services from systems established for this purpose. Following the establishment of the electronic Board meeting system infrastructure, this matter is notified to the rights holders. After such notification, those entitled to attend Board meetings may also participate electronically pursuant to Article 1527 of the Turkish Commercial Code.

The Board of Directors convenes with the participation of at least a majority of its members and adopts its resolutions by majority vote of the members present at the meeting.

Regarding the form of the meetings of the Board of Directors, such as the invitation to the meeting and voting procedures, the relevant provisions of the TCC and Capital Markets legislation shall apply.

The provisions of the TCC and Capital Markets legislation are also applicable to Board resolutions and meeting quorums.

As a result of the studies on the documents and the meetings held with the relevant parties, it was observed that the meetings of the Board of Directors were held in accordance with the legislation and the articles of association.

The company's practices in this subsection comply with the principles.

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

In order to ensure the proper fulfillment of the duties and responsibilities of the Board of Directors, the Audit Committee, the Corporate Governance Committee, the Nomination

Committee, the Early Detection of Risk Committee, and the Remuneration Committee are established in accordance with the Communiqué No. II-17.1 on Corporate Governance. However, due to the structure of the Board, a separate Nomination Committee and the Remuneration Committee have not been formed, and the Corporate Governance Committee performs the duties of these committees.

The mandates, working principles, and composition of the committees have been determined by the Board of Directors and disclosed to the public.

All members of the Audit Committee, and the chairmen of the other committees, have been selected from among the independent members of the Board of Directors. The Chief Executive Officer and General Manager do not serve on any of the committees.

The company has stuck with the principle, which requires that all members of the Audit Committee and at least the Chairman of other committees are appointed from independent members, and the Chief Executive Officer 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 the results of their meetings to the board of directors.

- The Audit Committee;

The duties and authorities of the committee, as well as its working principles, have been defined. Independent external audit, internal audit and control, accounting system and

reporting, as well as other responsibilities, have been explained in detail.

The Committee comprises 3 (three) independent members, and it meets the principle of "At least one of the Audit Committee members should have 5 years of experience in audit/accounting and finance."

The committee meets at least 4 (four) times a year. At the beginning of each year, the annual meeting schedule of the Committee is determined by the Committee Chair and communicated to all members. The meeting and decision quorum is the absolute majority of the total number of committee members.

All work carried out by the Committee is documented in writing and recorded by the rapporteur. Reports containing information on the Committee's activities and the outcomes of its meetings are submitted to the Board of Directors following approval by the Committee members.

Within the last year, the Committee convened 8 (eight) times with full attendance and submitted the outcomes of these meetings to the Board of Directors in the form of reports.

- Corporate Governance Committee;

The duties and authorities of the committee and its working principles have been approved by the Board of Directors, and the committee's job descriptions have been set out in the working principles.

A Corporate Governance Committee has been established to assist the Board of Directors in the proper fulfillment of its duties and responsibilities.

The Committee consists of at least two members of the Board of Directors and the Investor Relations Department Manager appointed in accordance with the Corporate Governance Principles. The Chairman of the Committee has been selected from among the independent members of the Board of Directors.

In line with its defined responsibilities, the committee also fulfills the duties of the Remuneration and Nomination Committees.

The Corporate Governance Committee is composed of 3 (three) members, and 1 (one) member is independent, and 1 (one) member is a non-executive board member. The other member serves as the Investor Relations Manager.

The Committee held 7 (seven) meetings over the past year and submits the outcomes of these meetings to the Board of Directors in the form of written reports. Reporting standards are determined in the committee's working principles.

Working closely with the Corporate Governance Committee, Investor Relations Leadership reports to the board about its activities once a year.

- Early Detection of Risk Committee

It was established by the Board of Directors in order to ensure the early identification of any strategic, operational, financial, or other risks that may endanger the existence, development, and continuity of KAYSERİ ŞEKER FABRİKASI A.Ş., to implement the necessary measures and remedies, and to manage such risks effectively.

The duties and responsibilities of the Committee are set out below:

- To carry out studies aimed at identifying risks that may endanger the Company's existence, development, and continuity; establishing crisis prevention models and management systems; ensuring early detection and assessment of risks; implementing necessary measures related to such risks; and managing risk processes effectively,

- To review risk management systems at least twice a year and to oversee whether risk management practices are implemented in compliance with Committee decisions,

- To invite any manager it deems necessary to its meetings and obtain their opinions,

- To benefit from independent expert opinions on matters related to committee activities whenever deemed necessary,

- To submit its evaluations and recommendations on the above matters to the Board of Directors in writing,

To fulfill other duties assigned or to be assigned to the Committee under the regulations of the Capital Markets Board and the Turkish Commercial Code,

The Committee convenes at least six times a year, once every two months. At the beginning of each year, the annual meeting schedule of the Committee is determined by the Committee Chair and communicated to all members. The meeting and decision quorum is the absolute majority of the total number of committee members.

The Early Detection of Risk committee is composed of 3 (three) members. The chairman of the committee is an independent board member, and the other two members are non-executive board members.

Although the Committee's working principles stipulate that it shall convene at least six times a year, once every two months, the Committee held only two meetings in the past year.

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

The remuneration principles of the Board of Directors are set out in Article 16 of the Company's Articles of Association. Pursuant to Article 394 of the Turkish Commercial Code, and subject to the amounts being determined by the General Assembly, members of the Board of Directors are entitled to attendance fees, remuneration, bonuses, and premiums. The provisions of the Capital Markets Law and the relevant legislation regarding the

remuneration of independent board members are reserved.

It has been determined 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 the board. The emoluments of independent directors are sufficient to protect their independence.

It has been learned that the company does not provide any loans or credit to any board member or senior executives, nor does it provide personal loans under the guise of a third party, or offer guarantees such as suretyship in their favor.

The corporate governance principle of disclosing remuneration and all other benefits provided to directors and top executives on an individual basis is not met. This information is disclosed collectively in the annual activity reports.

There is no performance evaluation of the members of the Board of Directors. The implementation of the aforementioned method will strengthen compliance with the principles. The compliance of the company's practices in this sub-section with the principles is at a good level.

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

NOTE	DEFINITIONS
9-10	The Company achieved substantial compliance with 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 is high. The 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.
7-8,9	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 to, are identified and can be managed. The rights of the shareholders are impartially taken care of. Public Disclosure and transparency are at high levels. The 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.
6-6,9	The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at a moderate level have been established and operated; however, improvement is required. Potential risks that the Company may be exposed to 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 a need for improvement. The 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.

NOTE	DEFINITIONS
4-5,9	<p>The Company has minimal 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 fully 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 to 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>

