



Corporate Governance Compliance Rating Report



Lila Kağıt Sanayi ve Ticaret A.Ş.

17 December 2025

Validity Period 17.12.2025-17.12.2026

LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Lila Kağıt Sanayi ve Ticaret 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 13.02.2025 by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. regarding the 2024 operating results, 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 BRSB 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. KOBIRATE A.Ş. may not be held liable for any losses incurred or investments made by the company referring to this report.

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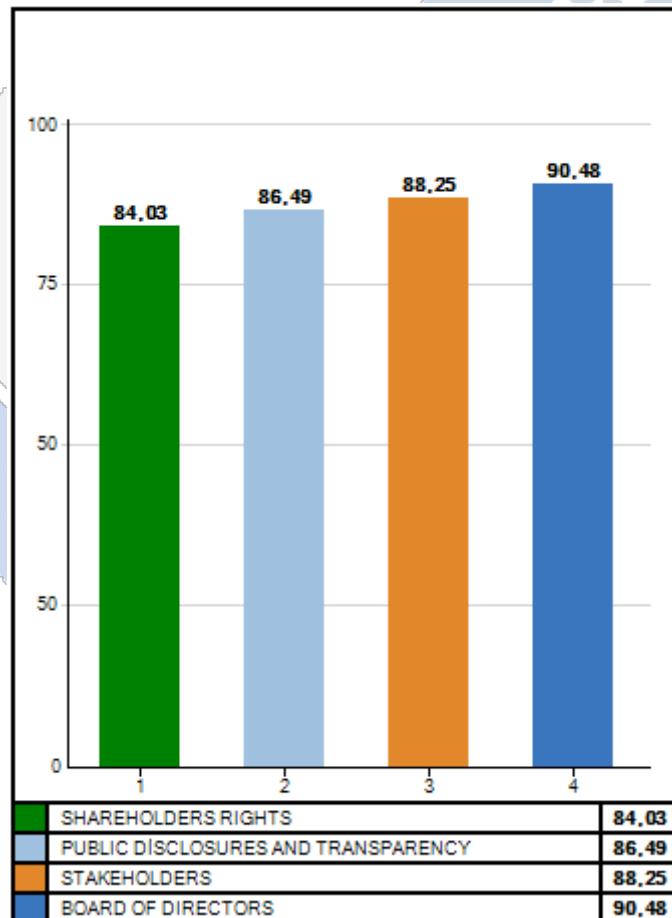
**LILA KAĞIT SANAYİ VE TİCARET
ANONİM ŞİRKETİ**

1. RATING RESULT

BIST SECOND GROUP COMPANY

**CMB CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE**

8.75





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(License Number: 702999)

2. RATING SUMMARY

This report of the rating of compliance of Lila Kağıt Sanayi ve Ticaret A.Ş. with the Corporate Governance Principles is concluded through onsite examinations of the documents and information open to the public, interviews held with executives and persons involved, and 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 of Directors dated 16.01.2025 and numbered 3/76, Lila Kağıt Sanayi ve Ticaret A.Ş. is listed on the BİST 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 "BİST 2nd 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 Lila Kağıt Sanayi ve Ticaret A.Ş. (Lila Kağıt) has been determined as **8.75**.

This result signifies that the company has achieved a significant level of compliance with CMB's Corporate Governance Principles and deserves to be on the BİST corporate governance index.

The level of public disclosure and transparency is at a good level. The rights of the shareholders and stakeholders are treated fairly. Composition and operational conditions of the Board highly comply with the Corporate Governance Principles. However, some improvements are expected to be made by the company within the framework of corporate governance principles.

In view of the rating process under the main headings in brief;

It has been seen that the Company has obtained a grade of **84,03** in the ***Shareholders*** Section and has achieved a very good level of compliance with CMB Corporate Governance Principles. The existence of the Investor Relations Department, which conducts a healthy relationship with shareholders, duly convention and invitation of general assemblies, preparation of dividend policy, and having no restrictions on the transfer of shares are among positive policies.

The company has achieved a grade of **86,49** 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's content is sufficient and information is given in an easy-to-understand format. As a result of the studies conducted, it has been determined that the company has achieved a good level of compliance with the principles in the field of public disclosure and transparency.

The Company has obtained **88,25** in the section of ***Stakeholders***. In this section, the company has significantly complied with the CMB's Corporate Governance Principles. Human resources policy has been prepared. Issues concerning employees, such as recruitment, job descriptions, performance

evaluation, promotion, rewards, 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 are informed about these processes.

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

The company has established its compensation policy for its employees, and it has been disclosed to the public.

The company has made significant progress in its sustainability efforts and continues to work in this area.

As for the **Board of Directors** Section, the Company's grade is **90,48**, 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 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.

The Board of Directors has been seen to be convening regularly. The processes regarding the meetings are indicated in the articles of association.

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

II. Pursuant to the Capital Markets Board Communiqué No. 17-1, the Investor Relations Department Manager has been appointed as a Member of the Corporate Governance Committee.

There are two female members on the Board of Directors.

On the other hand, having 3 (three) independent members on the board of directors, determining the remuneration principles of senior executives and publishing them on the corporate website of the company were considered important practices in terms of compliance with the principles.

Board Members have been included in the "Manager Liability Insurance Policy", against defects in their carrying out their duties, and this matter was disclosed on the Public Disclosure Platform with a Material Disclosure.

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 that 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 to make the disclosures in the following order: Disclosure of the Compliance Report Format ("URF") to report compliance with voluntary principles, and Disclosure of the Corporate Governance Information Form ("CIBF") 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.

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 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 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 the 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

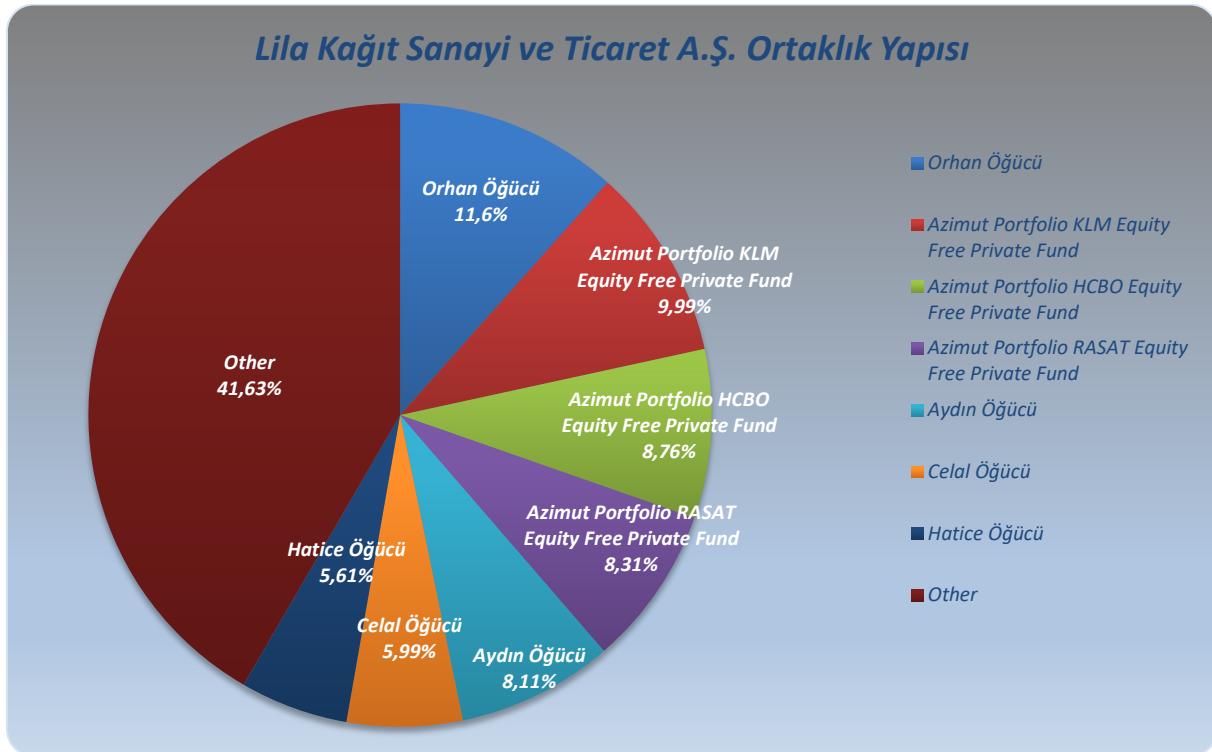


Company Name:	Lila Kağıt Sanayi ve Ticaret A.Ş.
Company Address	Business İstanbul Merdivenköy Mahallesi Nür Sokak A-Blok No: 1A Kat: 16-17 Göztepe/ Kadıköy 34732 İstanbul Türkiye
Company Phone:	(0212) 4382919
Company Fax:	(0212) 4382928
Company's Web Address:	www.lilakagit.com
Date of Incorporation:	17.01.1984
Company Trade Registry Number:	İstanbul-200088
Paid-in Capital	590,000,000,-TL
Line of Business	Production of roll paper and converting products in the field of sanitary paper, and sales to domestic and export markets
Company's Sector	Paper and Paper Products Manufacturing

Company's Representatives in Charge of Rating:
Doruk SAZER
Investor Relations Leader
investorrelations@lilakagit.com yatirimciiliskileri@lilakagit.com
(0216) 2512700

Company Shareholder Structure

(As of 04.12.2025)



Source: www.kap.org.tr

Shareholder Name	Share (TL)	%
Orhan ÖĞÜCÜ	68,462,043.00	11.60
Azimut Portfolio KLM Equity Free Private Fund	58,966,758.00	9.99
Azimut Portfolio HCBO Equity Free Private Fund	51,666,333.00	8.76
Azimut Portfolio RASAT Equity Free Private Fund	49,037,479.00	8.31
Aydın ÖĞÜCÜ	47,831,479.00	8.11
Celal ÖĞÜCÜ	35,351,997.00	5.99
Hatrice ÖĞÜCÜ	33,100,770.00	5.61
Other	245,583,000.00	41.63
TOTAL	590,000,000.00	100.00

Source : www.kap.org.tr

Board of Directors

Name/ Surname	Title	Executive/ Non - Executive
Orhan ÖĞÜCÜ	Chairman	EXECUTIVE
Celal ÖĞÜCÜ	Deputy Chairman	EXECUTIVE
Aydın ÖĞÜCÜ	Member of Board of Directors	EXECUTIVE
Cengiz SOLAKOĞLU	Member of Board of Directors	NON - EXECUTIVE
Fatma Füsün AKKAL BOZOK	Member of the Board of Directors-Independent Member	NON - EXECUTIVE
Mehmet Fatih KERSTECİ	Member of the Board of Directors-Independent Member	NON - EXECUTIVE
Özgür Gökşen TÖRE SANCAK	Member of the Board of Directors-Independent Member	NON - EXECUTIVE

Senior Management of the Company

Name/ Surname	Title
Alp ÖĞÜCÜ	General Manager
Gökben KAYA	Deputy General Manager of Production Investment and Projects
Kenan TELLİ	Director of Purchasing and Planning
İşıl TİRELİ	Director of Financial Affairs and Strategic Planning
Songül ÖNCEL	Human Resources Director
Ali SADAK	Turkey Sales Director
Ziya KARADENİZ	Erzurum Paper Production Project Director
Burcu ÖĞÜCÜ GİRİTLİ	Marketing Group Manager
Çetin KARACA	Fast-Moving Consumer Goods Category Planning and Operations Group Manager
Hikmet Can ALTIOK	Product Export and Out-of-Home Channel Group Manager
Tarkan ATEŞOĞLU	Information Technologies Group Manager
Bekir Emre KARAGÖZLÜ	Paper and Energy Group Manager
Yasin AZAKLI	Converting Production Group Manager

Committees Formed Within Board of Directors

AUDIT COMMITTEE

Member Name / Surname	Title
Fatma Füsün AKKAL BOZOK	Chairman / Independent Member of Board of Directors
Özgür Gökşen TÖRE SANCAK	Member / Independent Member of Board of Directors

CORPORATE GOVERNANCE COMMITTEE

Member Name / Surname	Title
Fatma Füsün AKKAL BOZOK	Chairman / Independent Member of Board of Directors
Özgür Gökşen TÖRE SANCAK	Member / Independent Member of Board of Directors
Cengiz SOLAKOĞLU	Member / Member of Board of Directors
İşıl TİRELİ	Member / Financial Affairs and Strategic Planning Director
Doruk SAZER	Member / Investor Relations Leader

EARLY DETECTION OF RISK COMMITTEE

Member Name / Surname	Title
Mehmet Fatih KERESTECİ	Chairman / Independent Member of Board of Directors
Fatma Füsün AKKAL BOZOK	Member / Independent Member of Board of Directors
Cengiz SOLAKOĞLU	Member / Member of Board of Directors
İşil TİRELİ	Member / Financial Affairs and Strategic Planning Director

REMUNERATION COMMITTEE

Member Name / Surname	Title
Mehmet Fatih KERESTECİ	Chairman / Independent Member of Board of Directors
Özgür Göksen TÖRE SANCAK	Member / Independent Member of Board of Directors
Cengiz SOLAKOĞLU	Member / Member of Board of Directors

Investor Relations Unit

Name Surname	Title	Contact
Doruk SAZER	Investor Relations Leader	0216 251 27 00 yatirimciiliskileri@lilakagit.com
Beste KURUÇ	Financial Reporting Manager	0216 251 27 00 yatirimciiliskileri@lilakagit.com

Balance Sheet comparison of the Company and its Subsidiaries in some selected items

	2023/12(Thousands TL)	2024/12(Thousands TL)	Change %
<i>Total Assets</i>	12,323,090	15,622,241	26.77
<i>Total Current Assets</i>	6,652,529	9,882,477	48.55
<i>Total Fixed Assets</i>	5,670,561	5,739,764	1.22
<i>Short-Term Liabilities</i>	4,037,161	2,790,603	-30.88
<i>Long-Term Liabilities</i>	940,658	941,338	0.072
<i>Paid Capital</i>	500,000	590,000	18.00
<i>Equity</i>	7,345,271	11,890,300	61.88

Source: Lila Kağıt Sanayi ve Ticaret A.Ş. Annual Report for the period 01.01.2024-31.12.2024

Profit/Loss Statement Comparison in Selected Items of the Company and its Subsidiaries

	2023/12(Thousands TL)	2024/12(Thousands TL)	Change %
Revenue	13,507,106	12,518,157	-7.32
Gross Profit/Loss	4,070,444	3,518,334	-13.56
Main Operational Profit / Loss	2,646,833	2,014,802	-23.88
Profit/(Loss) Before Taxes	589,627	2,511,128	325.88
Net Profit/(Loss)	324,079	1,175,380	262.68

Source: *Lila Kağıt Sanayi ve Ticaret A.Ş. Annual Report for the period 01.01.2024-31.12.2024*

Company's Subsidiaries (04.12.2025)

Subsidiaries	Company's Line of Business	Currency	Owned Capital Ratio (%)
Lila Paper Swiss AG	Roll Paper Cellulose Trading Activities	CHF	100.00

Source: www.kap.org.tr

Peak and Bottom Closing Values of Company shares traded at BIST between 08.12.2024 and 08.12.2025

Bottom (TL)	Peak (TL)
19.30 (19.06.2025)	31.60 (04.09.2025)

Source: *Lila Kağıt Investor Relations Unit*

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

Market in which the Company's Capital Market Instrument is Traded

BIST STAR

Indices in Which the Company Is Included

BIST 500 / BIST INDUSTRIALS / BIST WOOD, PAPER, PRINTING / BIST IPO / BIST TEKIRDAG / BIST STARS / BIST DIVIDEND / BIST ALL SHARES-100 / BIST ALL SHARES

Source: www.kap.gov.tr

Company History

The origins of Lila Kağıt trace back to the production journey initiated by the Öğücü Family in 1930 in the field of carding and weaving. One of Turkey's first automated yarn facilities, established in the 1960s, shaped the company's engineering and production culture. The yarn production facility opened in Çorlu in 1984, reinforcing the integrated production experience that formed the infrastructure for subsequent major investments.

With a strategic decision made in the 2000s, the company transitioned to a structure that produces its own energy in line with its long-term sustainability goals. With the power plant commissioned in 2005, the needs for electricity, steam, and hot water began to be met within the campus. Following this transition, Lila Kağıt was established on August 2, 2006, entering the sanitary paper industry.

A fully integrated production facility spread over an area of 300,000 m² was established in the Tekirdağ Ergene 2 Organized Industrial Zone. With a capacity of 271,000 tons/year, it has become one of the largest sanitary paper production facilities in Europe and the Middle East, operating on the same campus.

During this period, a strong brand portfolio was created with the brands Sofia, Maylo, UltraBerrak, Nua, and Nua Professional. Lila Kağıt has transformed into a global player exporting to 81 countries across 5 continents. The supply chain, modernization investments, and process efficiency have made significant contributions to the company's growth.

After 2020, sustainability has become central to the company's strategy. A 12.5 MW rooftop solar power plant has been commissioned, and significant improvements have been made in carbon and water management. In 2024, the first TSRS-compliant sustainability report was published.

With the public offering that took place on May 9, 2024, Lila Kağıt has achieved one of the largest public offerings of the year and has started trading on the Borsa İstanbul Yıldız Pazar. A public offering size of 4.5 billion TL and 3.5 million investor applications were reached. Public offering revenues have been directed towards Erzurum factory investments, Ergene factory investments, and renewable energy investments.

The Erzurum facility, of which foundation was laid on May 17, 2024, will be the first sanitary paper production facility in the Eastern Anatolia and Black Sea regions. It stands out for providing a logistical advantage to nearby markets and its contribution to regional development.

Today, Lila Kağıt is one of the largest sanitary paper manufacturers in Türkiye and the region with its:

- 271,000 tons/year production capacity,
- 300,000 m² integrated production campus,
- 80,000+ sales points,
- Export to 81 countries on 5 continents.

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Information about Company Activities

1. Main Activities

The main activity of Lila Kağıt is the production of roll paper and converting sanitary paper. In addition, energy sector activities are also being carried out. The company produces for its core brands (Sofia, Maylo, UltraBerrak, Nua, Nua Professional) and private label products.

2. Production Facilities and Capacity

Lila Kağıt's production activities are carried out in its fully integrated facility located in the Tekirdağ Ergene 2 Organized Industrial Zone, spread over an area of 300,000 m². It has a gross paper production capacity of 271,000 tons/year, 24 converting lines, and a gross converting capacity of 120,000 tons/year. The production process consists of roll paper production and converting stages.

3. Marketing, Sales, and Export

Lila Kağıt is a global player in the sanitary paper category, exporting to 81 countries. Approximately 95% of roll paper sales are made to export markets, with the export ratio in total sales at 72%. Core and private label products are delivered to retail, out-of-home consumption, and converting customers.

4. Product Structure and Brand Portfolio

Core brands: Sofia, Maylo, UltraBerrak, Nua, and Nua Professional.

Private labels: Private Label products produced under the customer's brand.

Product groups: Toilet paper, paper towels, tissues, napkins, and examination table covers.

5. Energy Production and Sustainability

The company has a power plant that meets a significant portion of its energy needs. With the 12.5 MW solar power investment commissioned in 2024, the share of renewable energy has increased. The use of certified cellulose, water and energy efficiency, carbon emission reduction, and circular economy practices form the basis of sustainability activities.

6. Strategic Investments and Growth Areas

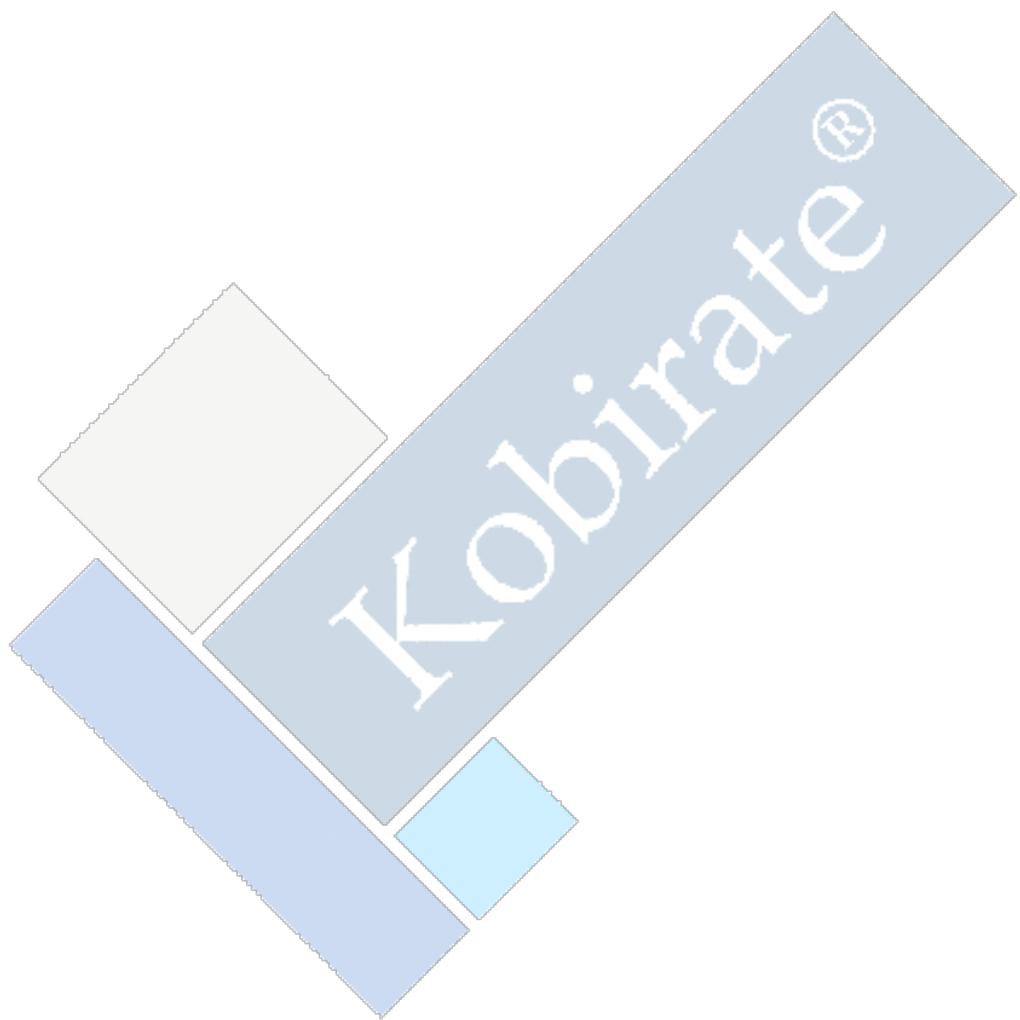
A sanitary paper factory investment with a budget of 3 billion TL has been initiated in Erzurum. This facility will be the first sanitary paper production facility in Eastern Anatolia and the Black Sea region. Additionally, capacity increase, digitalization, smart warehouse investments, and modernization projects are ongoing at the Ergene facility.

7. Operational Excellence and Risk Management

Lila Kağıt has established a TSRS-compliant risk management system by modeling climate risks in the short, medium, and long term.

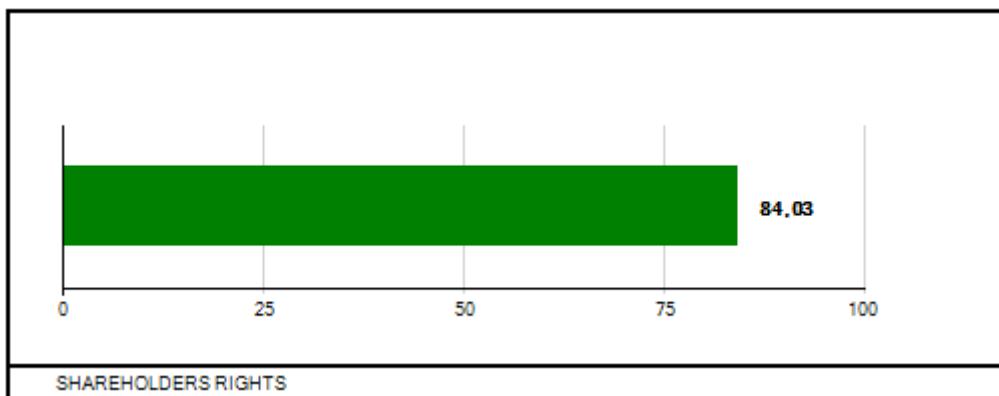
Water stress, carbon pricing, and energy efficiency investments are integral parts of the business model. Efficiency, automation, and supply chain management form the foundation of the operational structure.

With its fully integrated production structure, strong export performance, and high brand recognition, Lila Kağıt is one of the largest sanitary paper manufacturers in Turkey and the region. The company continues its sustainable growth journey with strategic investments, renewable energy projects, and capacity increase.



5. RATING SECTIONS

A. SHAREHOLDERS



Overview

- ✓ There is an Investor Relations Department to conduct relations with Shareholders.
- ✓ The general meetings were held in accordance with the relevant laws, regulations and articles of association.
- ✓ The donation and aid policy of the company was created, submitted to the approval of the general assembly and disclosed to the public.
- ✓ There are no arrangements that make the exercise of voting rights difficult.
- ✓ The dividend distribution policy has been prepared, presented for approval of the General Assembly and disclosed to the public.
- ✓ There is no restriction on the transfer of shares.

- ✓/✗ Minority rights must be extended to those shareholders with less than 1 / 20 of the capital.
- ✓/✗ It would be appropriate to inform the shareholders about the beneficiaries of all donations and aids made during the period at the general assembly meetings.
- ✓/✗ It would be appropriate for general assembly meetings to be held publicly, including stakeholders and the media, without the right to

✓ speak, and for this to be regulated in the company's articles of association.

✗ / There is a privilege to nominate candidates for the Board of Directors.

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 **84.03** points.

a. *Facilitating the Exercise of Shareholders' Rights*

The company started trading on BIST on 09.05.2024.

The Investor Relations Department operates under the supervision of the Director of Financial Affairs and Strategic Planning, Ms. İşil TİRELİ. The department includes Mr. Doruk SAZER (Investor Relations Leader) and the Investor Relations Officer, Ms. Beste KURUÇ (Financial Reporting Manager). Mr. Doruk

SAZER holds Capital Markets Activities Level 3, Corporate Governance Rating Expertise, and Derivatives licenses. In accordance with CMB Corporate Governance Directive No. II.17-1, Mr. Doruk SAZER was appointed as a Member of the Corporate Governance Committee, and this appointment was disclosed to the public through a Material Disclosure dated 01.10.2025. It would be appropriate to observe the time periods specified in the principles regarding changes in authorized personnel and appointments related to the department.

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 Investor Relations Department reports regularly to the Board of Directors and Corporate Governance Committee about its activities and the performance of shares. Reports are currently prepared once a year.

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

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 website www.lilakagit.com is used as an efficient platform.

The "Disclosure Policy" prepared 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. It is understood that in accordance with the company's disclosure policy, all shareholders, potential investors and analysts are treated equally in the exercise of the right to receive and review information, and care is taken to deliver the disclosures with the same content to everyone at the same time. Within the framework of information sharing, all kinds of information that may be of interest to shareholders and market players are announced to the public through material disclosures, and material disclosures are also published on the corporate website of the company.

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

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

During the monitoring period, there was no warning/IPC received from regulatory/supervisory institutions on the grounds that the shareholders and related parties were not adequately informed. In addition, during the same period, it was learned that there were no disputes that were the subject of litigation for reasons such as the fact that the shareholders' requests for information and examination were left unanswered and rejected without justification.

There are no arrangements or policies that make it difficult for shareholders to demand the appointment of a special auditor from the general assembly.

Presenting the company's information policy for the approval of shareholders at the first general assembly will strengthen compliance with the principles.

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

c. Right to Attend the General Assembly

The Company's General Assembly meeting to discuss the operations of 2024 took place on 20.03.2025. The invitation to the meeting was duly made in the Turkish Trade Registry Gazette (TTRG) dated 24.02.2025 and numbered 11278, on the Public Disclosure Platform (KAP), and the Central Registry Agency e-general assembly system (EGAS) on 01.07.2022 and with the Public Disclosure Platform (KAP) Material Disclosure dated 13.02.2025. The date, time, place, agenda and the sending department have been clearly described in the invitation.

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.

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. It is possible for shareholders to attend the meetings physically, through a representative or through the electronic general assembly system (EGKS).

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 and on the Public Disclosure Platform. In this document, it has been determined that information about the total number of shares and privileged shares reflecting the shareholding structure of the company as of the date of disclosure 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, and whether the shareholders have requests to add an item to the agenda and whether there are any changes in the articles of association, is 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", "various" in the agenda.

Executives and auditors who are authorized to brief participants on special subjects and answer their questions have attended the meeting. Attending executives were Mr. Orhan ÖĞÜCÜ (Chairman of the Board of Directors), Mr. Celal ÖĞÜCÜ (Vice Chairman of the Board of Directors), Mr. Aydın ÖĞÜCÜ (Member of the Board of Directors), Mr. Alp ÖĞÜCÜ (General Manager) and Ms. İşıl TİRELİ (Financial Affairs and Strategic Planning Director). In addition, Cem TOVİL, the representative of the independent audit company, also attended the meeting.

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.

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.

In accordance with the provisions of the CMB's Communiqué numbered II-17.1, the general assembly was informed that there were no guarantees, pledges, or liens given in favor of third parties and that no income or benefit was provided in this context.

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

Informing shareholders about all donations and aids made during the period and their beneficiaries at general assembly meetings, organizing these meetings open to the public including stakeholders and the media without the right to speak, including this matter in the meeting invitation and information document, and incorporating a regulation on this matter in the Company's articles of association will strengthen compliance with corporate governance principles.

Due to the practices in the general assembly, the company has achieved a very good compliance with many principles hereunder.

d. Voting Right

Neither the Articles of Association nor the internal procedures contain any difficulties in exercising 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. The members are submitted with the specimen proxies to be used for this purpose at the firm's headquarters and on the corporate internet website.

The Company's Articles of Association state in Article 9 that the Group (A) shares representing the Company's capital are privileged. Article 10 of the Articles of Association stipulates that, if the number corresponding to half of the members of the

Board of Directors does not result in a whole number, the number of members to be elected shall be rounded down to the nearest whole number, and such members shall be elected by the General Assembly from among the Group (A) shareholders or the candidates nominated by them.

In addition, Article 10, paragraph 5 of the Company's Articles of Association, which regulates the Board of Directors' meeting and decision quorums, provides that for transactions of a special nature, a resolution of the Board of Directors must in any case be adopted by a majority of the members present at the meeting, provided that members elected from among the Group (A) shareholders or their nominees are present and that at least two (2) of such members cast affirmative votes. These transactions of a special nature are defined in Article 10 of the Company's Articles of Association, paragraph 5, subparagraphs (a-m).

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

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 observed that care is given to the exercise of minority rights.

However, 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 in profit distribution is regulated under Article 14 of the Company's Articles of Association, titled "***Profit Distribution.***"

In accordance with Capital Markets Board communiqués, the criteria set out in the Turkish Commercial Code, and the relevant provisions of the Company's Articles of Association, the Company has determined its profit distribution policy. This policy was discussed as item 6 on the agenda at the Extraordinary General Assembly meeting held on 01.12.2023, approved by the shareholders, and disclosed to the public electronically.

Dividend Policy 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. 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.

Article 14 of the Company's Articles of Association includes the provision stating that "the Company may distribute advance dividend payments in accordance with the provisions of the Turkish Commercial Code and the Capital Markets Law. Provided that it is limited to the relevant financial accounting period, the General Assembly may authorize the Board of Directors to distribute advance dividends," thereby regulating the payment of advance dividends.

There are no privileges in the distribution of dividends.

For the financial year ended 31 December 2024, according to the consolidated financial statements prepared in accordance with the provisions of the CMB legislation and audited by DRT Bağımsız Denetim ve Serbest Muhasebecilik Mali Müşavirlik A.Ş., a net profit for the period of 1,175,377,330.00 TL was generated, while according to the financial statements prepared in accordance with the relevant provisions of the TPL No. 213, a net profit for the period of 1,510,023,759.54 TL was recorded.

Based on the Board of Directors' proposal dated 13 February 2025 and numbered 738, the following matters were submitted to the approval of the shareholders at the Ordinary

General Assembly Meeting for the 2024 financial year held on 20 March 2025:

"In consideration of the provisions of the Company's Articles of Association and the Profit Distribution Policy, the allocation of a dividend amounting to 885,004,000.00 TL, corresponding to a gross rate of 80.18%, from the net distributable profit for the period calculated in accordance with CMB regulations, including donations added in compliance with such regulations, to the shares representing the issued capital;

- Following the allocation of a dividend amounting to 885,004,000.00 TL and the allocation of 95,056,000.00 TL as general statutory reserves from the gross net distributable profit for the period determined in accordance with TPL regulations, the transfer of the remaining amount of 119,816,142.02 TL to extraordinary reserves;

- Within the framework of CMB and POA regulations, the transfer of the amount of 119,816,142.02 TL that is not subject to distribution, as determined based on the consolidated financial statements prepared in accordance with such regulations after the allocation of legal and special provisions, to the Retained Earnings or Accumulated Losses account;

- The cash payment to shareholders on 1 July 2025 of the gross dividend amounting to 885,004,000.00 TL (corresponding to a gross dividend of 1.5000 TL and a net dividend of 1.2750 TL per share with a nominal value of 1.00 TL)."

These resolutions were approved by a majority vote at the Ordinary General Assembly Meeting for the 2024 financial year.

The profit distribution table was published on the Public Disclosure Platform on the same day as the invitation to the general assembly. Lila Kağıt's practices in this subsection comply with the principles.

g. Transfer of Shares

Article 9 of the Company's Articles of Association stipulates the following provisions: "The transfer of registered privileged Group A shares representing the Company's capital is subject to the approval of the Company's Board of Directors.

In order for the Company to achieve its objectives, the holders of Group A shares are required to meet the qualifications sought in founding shareholders, and the Company must consist of individuals who are experienced and knowledgeable in its field of activity. If one of the shareholders wishes to transfer their shares to third parties who do not possess these qualifications, this constitutes a significant reason that would lead to a change in the shareholder structure within the framework of Article 493 of the Turkish Commercial Code. In the event that such a significant reason arises, the Company's Board of Directors may reject the request for approval of the transfer of Group A shares. The provisions of Articles 493, paragraphs 3 and 4 of the Turkish Commercial Code are reserved.

In the event that the transfer of Group A shares is contemplated for any reason, this matter shall first be notified in writing to the Group A shareholders. If the shareholders addressed by the offer respond positively to the application within twenty business days from the date of receipt of the notification, the shares subject to transfer shall be transferred by the transferring shareholder to the Group A shareholders who have accepted the offer, in proportion to their shareholdings in the capital.

If, despite this allocation, any shares remain, such shares may only be transferred to third parties that are not competitors of the Company or of its shareholders. Such a transfer may be recorded in the share ledger only by a resolution of the Board of Directors adopted with the affirmative vote of all Board members elected from among the candidates nominated by the Group A

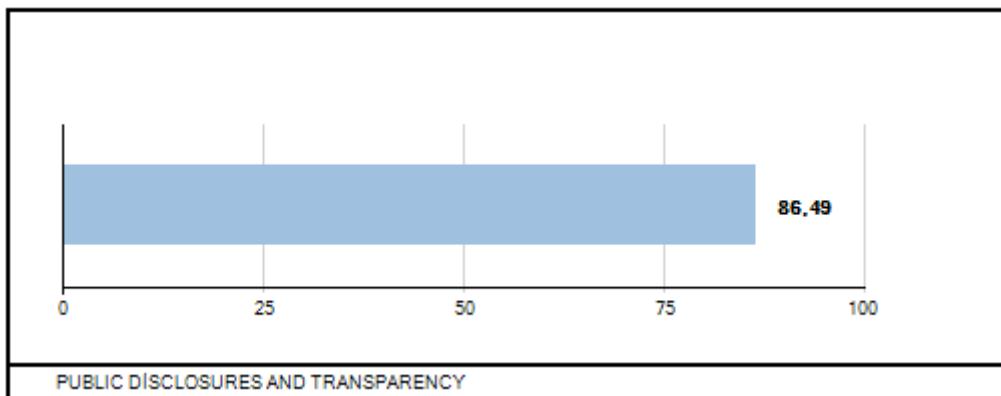
shareholders. If a Board of Directors resolution cannot be adopted with the affirmative vote of all members elected from among the candidates nominated by the Group A shareholders, only the Group A shares subject to transfer that could not be transferred due to the absence of a positive response to the offer may be transferred to third parties, provided that such shares are converted into Group B shares through an amendment to the Articles of Association to be approved by the General Assembly. In this case, the provisions of the Articles of Association regarding the capital structure shall be amended at the first General Assembly meeting to be held by the Company.

During the pre-license period and until the production license is obtained, except for inheritance, distribution of inheritance, provisions of the matrimonial property regime between spouses, enforcement proceedings, and the exceptional cases specified in Article 57 of the Electricity Market Licensing Regulation, no direct or indirect change in the Company's shareholding structure, no transfer of shares or share certificates, and no transactions or actions resulting in a transfer may be carried out. This provision does not apply to share transfer transactions executed on the stock exchange.

After the production license is obtained, the acquisition, directly or indirectly, by a real or legal person of shares representing five percent or more of the Company's capital, as well as transfers of shares or share certificates that result in a change of control in the Company's shareholding structure regardless of the capital share changes mentioned above, are subject to the mandatory approval of the Energy Market Regulatory Authority prior to each transaction. This provision does not apply to share transfer transactions executed on the stock exchange."

There are no articles in the Articles of Association that restrict the transfer of (B) Group shares.

B. PUBLIC DISCLOSURE AND TRANSPARENCY



Overview

- ✓ The disclosure policy has been prepared and disclosed to the public through electronic media.
- ✓ The corporate website is used effectively as a current tool for public disclosures within the context, as stated by the principles.
- ✓ Under the Principles, the information and documents required to be disclosed on the corporate website have been published as of the Company's public offering.
- ✓ The latest version of the Company's Articles of Association is available on the Company's website.
- ✓ The agendas, minutes, and lists of attendees of General Assembly meetings are published on the Company's website.
- ✓ The company's annual report is comprehensive, and its content mostly reflects the principles.
- ✓ The Company's annual report includes information on the duties performed by members of the Board of Directors and executives outside the Company.
- ✓/✗ It would be appropriate to disclose on the Company's corporate website the names of real person shareholders holding more than 5% of the shares, free from indirect and cross shareholding relationships, together with their share amounts, shareholding ratios, and the privileges attached to such shares, and to update this information every six months.
- ✓/✗ It would be appropriate to publish on the Company's corporate website the dates and issue numbers of the Trade Registry Gazettes in which amendments to the Articles of Association are announced.
- ✓/✗ It would be appropriate to include in the Company's annual reports information on the terms of office of the chairperson and members of the Board of Directors (with start and end dates), changes in duties, and the scope and limits of their authorities.
- ✓/✗ It would be appropriate to include in the Company's annual reports information on the number of Board of Directors meetings held during the year and the attendance of Board members at such meetings.
- ✓/✗ It would be appropriate to include in the Company's annual reports information on any conflicts of interest arising between the Company and the institutions from which it receives services, such as investment consultancy and rating services, as well as the measures taken by the Company to prevent such conflicts of interest.

✓/✗ **It would be appropriate to include in the Company's annual reports information on changes in senior management during the year, together with the names, surnames, and professional experience of such individuals.**

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 received the grade of **86.49**.

The company carries out public disclosures within the scope of its Public Disclosures Policies, developed by the board and disclosed to the public. This policy highly complies with the CMB's Special Circumstances Communiqué No. II.15-1.

The Board of Directors is responsible for the implementation, development, and monitoring of the Disclosure Policy. The processes regarding the fulfillment of Lila Kağıt's public disclosure obligations are the responsibility of the directors responsible for financial management and reporting, as well as the Investor Relations Department. These officials fulfill their duties in close cooperation with the Corporate Governance Committee and the Board of Directors.

The company's 2024 independent audit was carried out by DRT Bağımsız Denetim ve Serbest Muhasebecilik Mali Müşavirlik A.Ş. In the reports prepared, there has not been any situation where the independent auditor refrained from expressing an opinion, expressed a qualified opinion, or did not sign. 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.

It has been decided to submit the audit for the year 2025 to the General Assembly for approval, with the recommendation of the Audit Committee and the Board of Directors, to be carried out by DRT Bağımsız Denetim ve Serbest Muhasebecilik Mali Müşavirlik A.Ş.

This proposal was discussed as Item 9 on the agenda at the Ordinary General Assembly Meeting for the 2024 Financial Year held on 20.03.2025 and was approved unanimously by the shareholders present.

a. Corporate Website

The corporate website (www.lilakagit.com) 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.

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, the final text of company's Articles of Association, material disclosures, 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, notifications and answers given under frequently-asked questions title and the company's Sustainability works.

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

However, including on the Company's corporate website the dates and issue numbers of the trade registry gazettes in which amendments to the Articles of Association are published, as well as the names of real person shareholders holding more than 5 percent of the shares after eliminating indirect and cross shareholdings, together with their share amounts, shareholding ratios, and the privileges they hold, and updating this information every six months, would strengthen the Company's compliance with the principles.

In this subsection, it has been determined that Lila Kağıt's compliance with corporate governance principles is at a good level.

b. Annual Report

It is seen that the board of directors has prepared the annual report in such a way that the 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 31.12.2024 was disclosed to the public through a KAP Material Disclosure made on 13.02.2025.

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 carried out, and the effectiveness of the committees,

Changes in regulations, which might significantly affect company operations,

The company's profit distribution policy,

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

Information about the Company's subsidiaries and affiliates,

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 sectors that the Company operates in and about its position within these sectors.

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, and contact information,

Developments in investments, the status of benefiting from incentives, and the extent to which they have been realized,

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

Declaration of Compliance with Corporate Governance Principles and compliance reports,

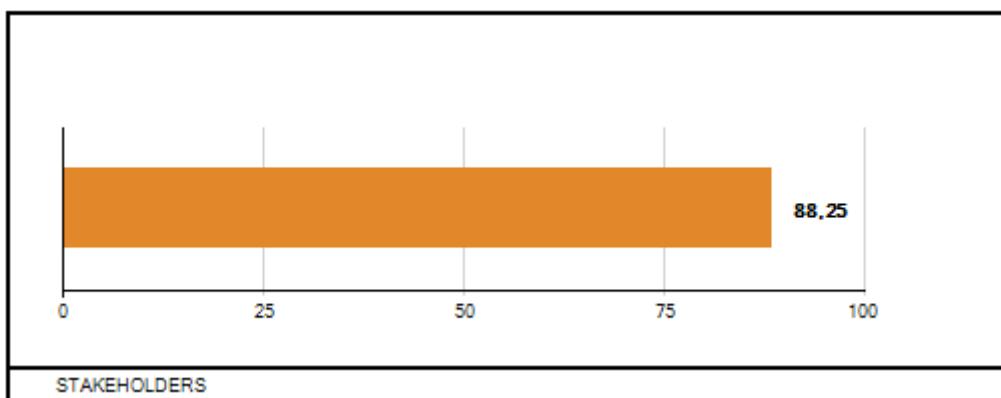
A lot of information, including other matters not included in the financial statements but that would be useful to users.

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.

Including in the annual report information on the beneficiaries of donations and aids made by the Company, disclosing on an individual basis the salaries, bonuses, and similar benefits provided to members of the Board of Directors and senior executives, providing information on the number of Board meetings held during the year and the attendance of Board members at these meetings, disclosing information on any conflicts of interest between the Company and the institutions from which it receives services such as investment consultancy and rating services and the measures taken by the Company to prevent such conflicts of interest, and including information on the terms of office of the Chair and members of the Board of Directors, including start and end dates, changes in duties, and the scope and limits of their authorities, would strengthen compliance with the principles of corporate governance.

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

C. STAKEHOLDERS



Overview

- ✓ Ethics Rules have been prepared and disclosed in an electronic environment.
- ✓ 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.
- ✓ The compensation policy for employees has been prepared and disclosed to the public.
- ✓ Care is given to the confidentiality of information about customers and suppliers on a trade secret basis.
- ✓/✗ Regulations can be developed in the Articles of Association or in company regulations supporting participation in the management of employees and stakeholders.
- ✓/✗ In cases where it is foreseen that the changes in managerial duties may cause disruption in the company management, a succession plan can be made to determine the new managers to be appointed.

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 **88.25**.

a. *Corporate Policies on Stakeholders*

The Corporate Governance Principles describe the Stakeholders as individuals, organizations, or interest groups, such 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 Lila Kağıt 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 the company's reputation. It has been observed that internal regulations were prepared to this end.

Stakeholders are adequately informed on company policies and procedures to protect

their rights, and the company's corporate website is being actively used for this purpose.

The compensation Policy for employees has been prepared and disclosed to the public via the corporate website. The Compensation Policy prepared by the Company has not yet been submitted to the shareholders for information at the General Assembly.

In this subsection, Lila Kağıt has achieved good compliance with corporate governance principles.

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

The articles of association and/or internal regulations do not contain regulations supporting the direct participation of stakeholders in the company management. However, it is seen that the opinions of the stakeholders are taken into account in important decisions that have consequences for the stakeholders.

Although these models that support the participation of stakeholders in the company management are currently being implemented, it is recommended to include them in the articles of association and internal regulations and to develop practices according to these regulations.

c. Human Resources Policy of the Company

Procedures on recruitment, working conditions, rewards, disciplinary practices, power and responsibilities of employees, remuneration, health rights, leave rights, career planning, promotions, task alterations, dismissal, death, resignation, retirement, and training have been developed, and practices of acting in accordance with these procedures have been developed. Both during the development of the policies and in practice, we got the impression that equal opportunity is given to individuals under equal conditions.

It has been seen that the Basic Human Resources Policy that the Company has already disclosed to the public aims to create employees who are in line with contemporary norms, focused on performance, successful, loyal, and highly motivated.

Performance and reward criteria have been established and disclosed to employees; in the determination of benefits provided to employees, the mentioned criteria are followed.

It is thought that the company's organizational structure is in line with work conditions.

As a result of the interviews with the relevant people and employees, it was learned that there was no discrimination between the employees on the basis of race, religion, language, or gender. Similarly, it is understood that safe working environments and conditions are provided for employees.

It has been determined that the Company runs training programs to increase the knowledge, talents and experience of its employees and that it has prepared training policies.

In 2024, the Company provided a total of 41,929 hours of training, corresponding to 40.11 hours per employee, while in 2025, as of the end of November 2025, a total of 23,356 hours of training, corresponding to 23.37 hours per employee, was provided.

As of 30.09.2025, 1069 employees are employed in the company.

The 2024 year-end Annual Report states that the Company is an official signatory to the initiative developed jointly by the UN Global Compact and UN Women under the Women's Empowerment Principles (WEPs),

That the Company was awarded the "Happiest Workplace in the Sector Award" (Happy Place to Work) for the second consecutive time,

That the DinamiK Training and Development Academy was established to analyze the

needs of the growing organization, identify areas for development, and offer innovative solutions.

Employee satisfaction measurements are conducted by the Company, with satisfaction levels recorded at 72.7% in 2024 and 73.4% in 2025.

Employee stock option schemes are not developed.

In this subsection, Lila Kağıt's compliance with corporate governance principles is at a very good level.

d. Relations with Customers and Suppliers

Documents and information obtained from customers and suppliers during the activities are kept under protection to ensure that irrelevant persons do not access this information within the scope of the security of trade secrets.

Practices for customers, suppliers and outsourced services have been prepared, and their standards determined.

Lila Kağıt's compliance with the principles in this subsection is at a good level.

e. Ethical Rules, Corporate Social Responsibility

The Code of Ethics and Working Principles, the Anti-Bribery and Anti-Corruption Policy, and the Human Rights Policy contain the expectations, standards, and ethical practices that form the basis for all business relationships and transactions of Lila Kağıt. The Code of Ethics, the Anti-Fraud, and the Anti-Bribery Policy cover Lila Kağıt and all third parties and employees acting on behalf of the company.

Lila Kağıt Code of Ethics and Working Principles are a set of essential rules created to increase the efficiency of service quality, efficient use of resources, prevention of unfair competition, and regulation of relations with employees, which regulates the internal relations of the

Company with all employees, including the Company Board of Directors, and the relations of the Company with all stakeholders.

The Code of Ethics and Working Principles, the Anti-Bribery and Anti-Corruption Policy, and the Human Rights Policy documents are published on the corporate website, accessible to all stakeholders along with the company's other policies.

The company's Ethical Principles and Working Principles have not yet been submitted for the approval of shareholders at the General Assembly.

f. Sustainability

Lila Kağıt aims to be the industry leader in the field of sustainability with its environmentally and human-sensitive approach. To achieve this, it contributes to the preservation of natural forests by using only pulp obtained from industrial forests in its production processes. The company has also established facilities with the most environmentally friendly and lowest carbon footprint machines that technology has reached, with the TM3 and TM4 paper production lines commissioned in 2020 and 2022. By implementing the Zero Waste Management System, it recycles 100% of its waste and prevents plastic pollution by using biodegradable packaging.

At Lila Kağıt, sustainability is regarded not only as the management of environmental and social impacts but also as a fundamental strategic element that enhances the company's corporate resilience and competitiveness. Accordingly, an integrated and participatory corporate mechanism has been established, implemented with the guidance of the Board of Directors and the active contribution of the Corporate Governance Committee, regularly monitored, and continuously developed; this includes the Executive Committee, ESG Process Leaders, and Sustainability Ambassadors. Short-medium-long-term goals linked to the strategy have been defined, and metrics have

been established, initiating the 2030 Sustainability Program efforts. The defined goals have been incorporated into the company's 2025 target cards, ensuring the communication of the sustainability strategy throughout the entire company.

Since 2022, the company has been regularly publishing a Sustainability Report in accordance with GRI standards as part of the prepared ESG program. Additionally, although the company, of which shares began trading on Borsa Istanbul in 2024, is not subject to mandatory sustainability reporting in compliance with the Turkish Sustainability Reporting Standards (TSRS) for at least two more periods, it prepared its report in the first year of its public offering in line with its strategy of "being a pioneer in its sector" and published it along with the 2Q 2025 financial results. In this context, the company aims to integrate the sustainability approach into all business processes through both professional consultations and dissemination within the company, and to advance its sustainability performance each year with the principle of continuous improvement.

The Company, which participated in and was accepted into the Responsible® consultancy support program implemented by the Republic of Türkiye, the Ministry of Trade, to ensure compliance with the Green Deal, successfully completed the "Phase I: Current State Analysis and Development of a Sustainability Roadmap" process in the 2Q of 2025. In this process, the company's environmental, social, and governance (ESG) maturity level was analyzed, sustainability priorities were determined, and a roadmap compatible with the European Green Deal and project cards intended for implementation were created. With the Responsible® Program, it is aimed to achieve significant benefits in areas such as the institutionalization of sustainability management, management of supply chain risks, and access to green finance, and the process of implementing the created project cards has begun.

Since its establishment, the company has not only focused on commercial objectives but also positioned adding value to society, the environment, and humanity among its core priorities. With the aim of leaving a more livable world for future generations, it shapes its activities in line with the United Nations Global Compact and Sustainable Development Goals. To further strengthen this commitment, the company, which has been among the signatories of the United Nations Global Compact since 2023, transparently reports its commitments and progress in the ESG field by publishing an annual Communication on Progress (COPs). Accordingly, it has also published the 2024 Communication on Progress within the 3Q 2025 reporting period.

Additionally, reducing water consumption, recycling waste and reintegrating it into the production process, minimizing the use of natural resources, and reducing the use of plastic packaging are among the company's main goals for 2025.

In line with its sustainability goals, the company regularly measures its carbon footprint and, as of 2025, has included the calculation of Scope 3 indirect emissions in addition to Scope 1 and Scope 2 emission calculations in its work program. Furthermore, to enhance the reliability of all emission data, it has started to receive third-party verification services for the calculations.

The Company, which prioritizes diversity and inclusion, adopts a work environment focused on open communication. Company policies have completely eliminated the gender-based pay gap by ensuring pay equality between female and male employees.

The headquarters building has an environmentally friendly design with a LEED Platinum Certification. This building not only symbolizes environmental responsibility but also offers a productive work environment that supports the creativity and mobility of employees.

It is among the official signatories of the initiative developed in partnership with the UN Global Compact and UN Women under the Women's Empowerment Principles (WEPs). In addition, it published the WEPs Progress Statement for 2024 within the 3Q 2025 reporting period.

The 2023 sustainability report, published with the results of all these activities, was granted awards in 5 different categories at the International Reporting Awards (Vision Awards) organized by the League of American Communications Professionals (LACP).

Occupational health and safety

In the Company, commitments regarding occupational health and safety are prioritized in all operational processes with the support of the management team. The Company holds the ISO 45001:2018 Occupational Health and Safety Management System Certificate, and its primary goal is to create a safe working environment in line with the "zero work accident" approach by increasing awareness of occupational health and safety. Accordingly, annual work plans that include activities to be carried out in the following year are prepared at the end of each year, and the activities of the current year are summarized in annual evaluation reports. OHS processes continue in line with the work plan prepared for the year 2025.

As of the end of the third quarter of 2025, a total of 10,487 hours of OHS training have been completed by 4,202 people, providing an average of 2.5 hours of training per person. The training content covers a wide range from general legislative topics to technical and process-based details. Within the scope of the OHS Committee Process, team members determined from all units hold regular meetings, and decisions are made jointly by taking the opinions of department managers, engineers, and employee representatives (union representatives) in these meetings. OHS developments are regularly reported to the

Board of Directors. As of the nine-month period of 2025, 9 OHS committee meetings have been held.

Work accidents and near-miss incidents are recorded, necessary actions are determined with the relevant units, and results are monitored and reported. Preventive occupational safety measures are taken to prevent the recurrence of similar incidents. As of the end of the nine-month period in 2025, 605 near-miss incidents have been reported. Within the scope of periodic inspections, maintenance and checks of the equipment used are regularly carried out by authorized external companies and factory maintenance teams, and occupational hygiene measurements, tests, and analyses are conducted. These measurements protect employees from physical, chemical, and biological risks.

Environmental

The company aims to maximize its goal of becoming a sustainable brand by monitoring its environmental impacts. In this direction, it uses ISO 14001 Environmental Management System Standards to effectively measure and manage its environmental performance. These standards ensure the adoption of a comprehensive management approach that encompasses all environmental elements such as water, air, and waste. The company aims to implement these standards as part of improving overall environmental performance and combating climate change. The Company has been monitoring its carbon footprint since 2015. While calculations were carried out in accordance with ISO 14064-1 up to 2023, in 2023, calculations additionally began to be performed in line with the GHG Protocol.

Waste Management

The Company has adopted a zero-waste approach and holds a zero-waste certificate. Waste is separated at source by waste type and transferred to licensed companies for recycling. Waste that cannot be recycled is

managed in accordance with environmental legislation. In production processes, a management approach aligned with the goal of zero wastewater generation has been adopted.

Wastewater is treated through the Organized Industrial Zone's shared treatment system. Wastewater quality is monitored through periodic analyses, and prior to discharge, the water undergoes a pretreatment process to minimize environmental impacts. As a result of ZDHC assessments, no hazardous chemicals were detected in the wastewater. The sustainability of water resources and the protection of water security in the basin where operations are located are among the key priorities of Lila Kağıt's production activities.

In line with this approach, water footprint and water risk assessments are conducted. All water used in production is supplied from groundwater wells in the Ergene region. As of the end of the third quarter of 2025, water consumption in paper production amounted to 4.5 m³ per ton of paper.

Projects are being developed for the recovery and reuse of wastewater. In addition, emission reduction measures such as a three-stage electrostatic precipitator system and a desulfurization unit have been implemented in the steam boiler to improve air quality. Emissions are monitored through a continuous emission monitoring system, and emission measurements are carried out every two years.

Raw Material Supply and Management

To support sustainable production practices, the Company uses FSC-certified cellulose raw materials supplied by the Forest Stewardship Council (FSC), a non-profit international organization that promotes responsible management of the world's forests and ensures that forestry practices are environmentally appropriate, socially beneficial, and economically viable. As of the end of the nine-month period of 2025, the share of cellulose raw materials sourced from industrial forests with FSC certification stood at 96%. In the packaging process, as of the end of

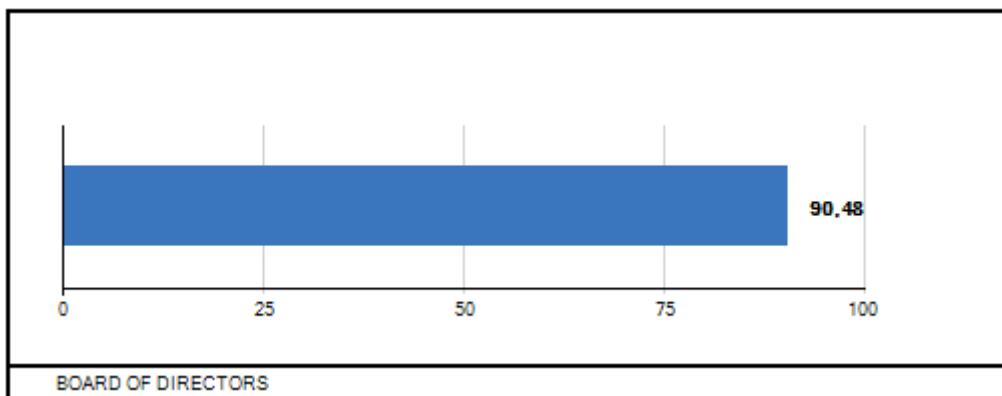
the nine-month period of 2025, 90% biodegradable materials were used for the Sofia brand. For other brands, recyclable plastic and paper packaging materials were preferred. Waste plastic and paper packaging generated as production scrap are transferred to licensed recycling companies for recycling. Lila Kağıt cooperates with suppliers that hold certifications promoting environmentally responsible resource management.

Energy and Water Management

Focusing on the continuous improvement of energy performance, the Company holds ISO 50001 Energy Management System certification. Solar panels with a capacity of 12.5 MW have been installed on the rooftops of the production facilities at the Ergene Factory, and approximately 7.5% of electricity consumption is supplied from renewable energy through this system. As of 2024, renewable energy generation has commenced.

Lila Kağıt plans to reach a total renewable energy generation capacity of 50 MW and intends to use all of this energy for self-consumption purposes. Through these investments, the Company aims to supply 25% of its electricity consumption from renewable sources, reduce energy costs, and decrease greenhouse gas emissions (carbon footprint).

D. BOARD OF DIRECTORS



Overview

<ul style="list-style-type: none"> ✓ The company's strategic targets, human and financial resources it requires, are determined by the Board of Directors. ✓ No person in the Company has the authority to decide solely and in an unrestricted fashion. ✓ The number of Board Members is adequate for them to work productively and constructively. ✓ Three of the Board Members are independent members. ✓ There are two female members on the Board of Directors. ✓ Every Board Member has one vote. ✓ There is no loan/credit involvement between Board Members and the company. ✓ Corporate Governance, Audit, Early Detection of Risk and Remuneration Committees have been established, and working principles are determined. ✓ Remuneration principles for members of the board and top executives have been determined and disclosed to the public. 	<ul style="list-style-type: none"> ✓/✗ Board members serve on more than one committee. ✓/✗ Performance evaluation is not carried out within the board of directors. ✓/✗ The Nomination Committee (Corporate Governance Committee) does not yet conduct regular evaluations of the structure and effectiveness of the Board of Directors, nor does it present its recommendations to the Board regarding potential improvements in these areas. ✓/✗ The number of written notifications submitted by the committee responsible for audit to the Board of Directors during the accounting period has not yet been specified in the annual report.
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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 **90.48**.

a. Function of the Board of Directors

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

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

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

In this subsection, Lila Kağıt has achieved 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, is disclosed to the 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 the 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.

The damages that Board members may cause to the company due to their faults during their duties are covered by insurance, and the disclosure was made via KAP on 30.06.2025.

Clearly separating the powers of the Chairman of the Board of Directors and the Chief Executive Officer/General Manager in the articles of association and expressing this distinction in writing will strengthen the Company's compliance with the principles.

Regarding this subsection, it has been determined that the company has achieved good compliance with the Corporate Governance Principles.

c. Structure of the Board of Directors

The Company's Board of Directors is formed with 7 (seven) members, including 1 (one) Chairman and 6 (six) members. The requirement of having at least 5 (five) members to form the Board has been met, and the number of Board Members is found sufficient to serve effectively and constructively and to form and efficiently organize the activities of committees.

4 (four) Board members are non-executives, while 3 (three) of them are executives. 3 (three) 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 Board of Directors within the framework of the criteria set out in the legislation, articles of association and principles. The Board of Directors approved the proposed nominees and announced the list of independent member candidates to the public.

The fact that there are 4 non-executive members in the Board of Directors, consisting of 7 (seven) people, does not fully comply with the principle of "the majority of the members of the Board of Directors consist of non-executive members" included in the Principles.

Additionally, two female members have taken positions on the Board of Directors. This structure fully complies with the "not less than 25%" criterion determined by the CMB as the rate of female members on the board of directors. This has been evaluated by us as a positive practice.

In this subsection, Lila Kağıt has achieved a very good compliance with corporate governance principles.

d. Procedure of Board of Directors Meetings

The meeting and decision quorum of the Board of Directors is also set out in Article 10, paragraph 5 of the Company's Articles of Association.

In Article 10, paragraph 5 of the meeting and decision quorum is defined as follows:

"Except as otherwise provided below, the meeting and decision quorums of the Board of Directors shall be subject to the Turkish Commercial Code. The regulations and quorums introduced by the Capital Markets Law shall be complied with.

For the specific transactions listed below, in all cases, a resolution of the Board of Directors must be adopted by a majority of the members

present at the meeting, provided that shareholders holding Group (A) shares or members elected from among the candidates nominated by Group (A) shareholders are present, and at least two (2) of such members vote in favor of the resolution.

- (a) Adoption of a resolution regarding the exercise of the powers of the Board of Directors, including the allocation of representation and binding authority among Board members, the issuance of signature circulars, and the preparation of internal directives;
- (b) Submission of proposals to the General Assembly regarding the Company being subject to merger or demerger transactions, changes in the field of activity, issuance of privileged shares, imposition of additional or secondary obligations on shareholders to cover balance sheet losses, restriction of share transfers, and matters related to dissolution and liquidation;
- (c) Opening new branches and workplaces in Türkiye or abroad;
- (d) Obtaining any license or transferring existing licenses, and acquiring or transferring intellectual property rights;
- (e) Appointment of the General Manager, re-appointment or dismissal of the incumbent General Manager, and amendment or termination of related contracts;
- (f) Appointment, dismissal, and determination of remuneration of senior management personnel other than members of the Board of Directors;
- (g) Without prejudice to Article 408/2-f of the Turkish Commercial Code and subject to compliance with Capital Markets Board regulations, leasing of assets exceeding 1% of the Company's total assets as shown in the latest annual financial statements, making investment decisions, pledging shares, providing them as collateral, or imposing any other encumbrance on such shares;

- (h) Filing or approving applications for bankruptcy or restructuring; submission of proposals to the General Assembly regarding the dissolution of the Company for any reason, decisions on liquidation, declaration of concordat, or the sale of all assets ("Liquidation"), as well as approval of the suspension of business or operations;
- (i) Submission of any proposals for amendments to the Articles of Association to the General Assembly;
- (i) Submission of proposals to the General Assembly regarding dividend distribution;
- (j) Nomination of candidates for the selection of the independent auditor;
- (k) Preparation of the annual budget, business plan, and annual financial results and submission thereof to the General Assembly;
- (l) Subject to compliance with Capital Markets Board regulations, execution of agreements exceeding 10% of the Company's total assets as shown in the latest annual financial statements, borrowing or lending of assets, services, or cash, or making any arrangements in relation to such agreements;
- (m) Without prejudice to Article 408/2-f of the Turkish Commercial Code and subject to compliance with Capital Markets Board regulations, issuance of capital market instruments and sale of the Company's fixed assets exceeding 1% of the Company's total assets as shown in the latest annual financial statements.

Any decisions taken in violation of the specific matters listed above shall not constitute resolutions of the Board of Directors and shall never give rise to the consequences attached to Board resolutions.

Board of Directors' resolutions may be adopted in accordance with Article 390/4 of the Turkish Commercial Code, provided that they comply with the principles set out above.

Within the framework of the relevant provisions of the Turkish Commercial Code, the rights of Board members to obtain information

and conduct examinations may not be restricted or abolished."

With these regulations, the privileges regarding quorum and decision-making granted to the Company's (A) Group shareholders are secured by the Articles of Association. This does not comply with the removal of privileges stated in the principles.

It is understood from the examinations made on the decision book of the Board of Directors that the Board convenes enough to fulfill its duties effectively. The Board held 41 (forty-one) meetings in 2024, and as of the end of November 2025, it held 57 (fifty-seven) meetings.

It has been observed that the meetings of the Board of Directors are held in accordance with the regulations of the legislation and the articles of association regarding the meetings of the Board of Directors.

There are no restrictions on board members for taking a job or jobs outside the company. However, in view of the number of Board meetings and members' attendance at these meetings, it is fair to say that members take care to allocate the necessary time for company affairs.

Making the Board of Directors meeting processes written with in-house regulations will strengthen the Company's compliance with corporate governance principles.

Lila Kağıt has areas that need improvement to strengthen its compliance with Corporate Governance Principles regarding this subsection.

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

In order for the board of directors to fulfill its duties and responsibilities in a healthy manner, in accordance with the Capital Markets Board's Corporate Governance Communiqué No. II-17.1, the Corporate Governance Committee, Audit Committee, Early Detection of Risk Committee, and Remuneration Committee have been

established. A separate Nomination Committee has not been established, and it has been decided that the duties of this committee will be carried out by the Corporate Governance Committee.

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 the public via electronic means.

The company has stuck with the principle, which requires that all members of the Audit Committee and at least 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.

The committees invite the manager they deem necessary to their meetings and take advantage of his/her opinions. All the work done in the committees is written down and recorded.

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.

Audit Committee:

Monitors performance and effectiveness of the company's accounting system, public disclosure of financial information, independent audit, and internal control system. The selection of an independent audit company and supervision of its work at every stage is implemented by the audit committee. The committee consists of 2 members. Both members are independent members.

Member Name / Sur-name	Title
Fatma Füsun AKKAL BOZOK	Chairman / Independent Member of Board of Directors
Özgür Gökşen TÖRE SANCAK	Member / Independent Member of Board of Directors

The Audit Committee met 5 (five) times in 2024 and 6 (six) times by the end of November 2025. After the meeting, the Committee submitted the results and recommendations of the meeting as a report to the board of directors.

In order to carry out internal audit and control activities, the Internal Audit Unit was established as a separate unit within the company. Internal Audit and Internal Control processes are carried out within the framework of risk-based audit programs created annually by the same unit.

Internal Control System and Internal Audit:

The company's internal audit activities are carried out by the Internal Audit Department, which operates under the Audit Committee.

In internal audit activities, a proactive methodology is followed within the framework of International Internal Audit Standards and Lila Kağıt Ethical Principles, communication with functions is maintained at the highest level, and it is aimed to increase management effectiveness through risk-focused internal audit studies.

The purpose of the company's internal audit activities is to ensure the protection of tangible and intangible assets, compliance with legal regulations, contracts, and internal company legislation, prevention of fraud and irregularities, ensuring the accuracy and integrity of financial and operational information, strengthening internal control processes aimed at increasing effectiveness and efficiency in business processes, and ensuring that corrective measures are taken in a timely manner. Internal audit activities are carried out within the scope of the annual regular audit program approved by the Audit Committee at the beginning of 2025.

The Company's Internal Audit Department conducted 16 audits in 2024, and by the end of November 2025, a total of 21 reports, including continuous audit and review reports, were completed.

Corporate Governance Committee:

It is responsible for determining whether the corporate governance principles are applied in the Company, if not, the reason and the conflict of interest arising from not fully complying with these principles, and explaining them to the public with a corporate governance compliance report. The committee has also assumed the duties of the Nomination Committee. The committee consists of 5 members. There are 3 non-executive members and 2 executive members on the committee. One of the executive members serving as a committee member in accordance with the CMB Corporate Governance Communiqué No. II.17-1 is Mr. Doruk SAZER, Investor Relations Leader.

Member Name / Surname	Title
Fayma Füsün AKKAL BOZOK	Chairman / Independent Member of Board of Directors
Özgür Gökşen TÖRE SANCAK	Member / Independent Member of Board of Directors
Cengiz SOLAKOĞLU	Member/ Member of Board of Directors
İşıl TİRELİ	Member / Financial Affairs and Strategic Planning Director
Doruk SAZER	Member/Investor Relations Leader

The Corporate Governance Committee convened 4 (four) times in 2024. As of the end of November 2025, the Committee has convened 6 (six) times and presented the results to the Board of Directors following the meeting.

The Board of Directors' evaluations regarding the committee members, the frequency of meetings, the activities carried out and the effectiveness of the committees are disclosed to the public through annual activity reports.

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

Early Detection of Risk Committee:

It is charged with the 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 at least once a year. Working principles of the committee have been prepared and disclosed to the public in an electronic environment.

The committee is composed of 4 (four) members. All members of the committee are non-executive members. Two of these members are independent. The Chairman of the Committee is also an independent member.

Member Name / Surname	Title
Mehmet Fatih KERESTECİ	Chairman / Independent Member of Board of Directors
Fatma Füsün AKKAL BOZOK	Member/ Independent Member of Board of Directors
Cengiz SOLAKOĞLU	Member/ Member of Board of Directors
İşıl TİRELİ	Member / Financial Affairs and Strategic Planning Director

The Early Detection of Risk Committee held 6 (six) meetings in 2024 and 6 (six) meetings as of the end of November 2025. It reported the meeting results to the Board.

Remuneration Committee

The Company has established a separate Remuneration Committee for the purpose of reviewing the appropriateness of the Company's currently effective payment and remuneration policies, making recommendations, determining and overseeing the principles, criteria, and practices to be used in the remuneration of members of the Board of Directors and executives with administrative responsibility by taking into account the Company's long-term objectives, monitoring comparable company practices, annually evaluating the Company's payment and remuneration

policies, plans, and practices, submitting to the Board of Directors recommendations regarding the total personal remuneration package to be granted to members of the Board of Directors and executives with administrative responsibility, including fees, fringe benefits, performance-based incentive payments, retirement payments, and any other payments, taking into consideration the level of achievement of the criteria used in remuneration, reviewing performance targets within the framework of the Company's existing remuneration programs and making proposals, reviewing incentive plans, making recommendations on whether to introduce awards and, if so, on the overall amounts of such awards, individual awards for executives with administrative responsibility, and employee share ownership plans, and proposing policies regarding the retirement arrangements of executives with administrative responsibility.

The Committee consists of 3 members. All three members are non-executive members. Two of these members are Independent Board Members.

Member Name / Surname	Title
Mehmet Fatih KERESTECİ	Chairman / Independent Member of Board of Directors
Özgür Gökşen TÖRE SANCAK	Member/Independent Member of Board of Directors
Cengiz SOLAKOĞLU	Member/ Member of Board of Directors

The Remuneration Committee met twice (2) in 2024 and again twice (2) by the end of November 2025, and submitted their reports containing the meeting results to the board of directors.

Due to the structure of the Board of Directors, a single board member may serve on multiple committees.

The Nomination Committee (In the company, this duty has been undertaken by the Corporate Governance Committee) has not yet presented its recommendations to the board of directors regarding possible changes by

conducting regular evaluations on the structure and efficiency of the board.

In this subsection, Lila Kağıt has achieved good compliance with corporate governance principles.

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

The remuneration principles of board members and senior executives have been documented, approved by the Board of Directors' decision dated 23.11.2023 and numbered 677, presented to the shareholders at the extraordinary general meeting held on 01.12.2023, and disclosed to the public in electronic form.

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 the remuneration of independent members of the board. The emoluments of independent directors are sufficient to protect their independence.

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

Remuneration and all other benefits provided to the members of the Board of Directors or executives with administrative responsibility are disclosed together. This practice does not meet the recommendation "it is essential to make a statement on a person-to-person basis" specified in the principles.

Performance evaluation is not carried out by the board of directors. There is no practice of rewarding or dismissing the members of the board of directors based on their performance, either.

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

GRADE	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, to 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. 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.

GRADE	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>

