

# Akfen REIT

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CORPORATE  
GOVERNANCE

## Section I- Statement of Compliance with Corporate Governance Principles

Akfen Real Estate Investment Trust Inc. (“Company” or “Akfen REIT”) conforms to all principles of Obligatory Corporate Governance Principles taking place in the attachment of the “Corporate Governance Communiqué” having the Series: II-17.1 in the period of 2022.

The Company continues to conduct necessary works to conform to the principles that are not obligatory to apply and the approach of our Company with relation to the principles, not complied yet, and the final situation are indicated herein below.

Our Company perpetually takes necessary steps in order to reach the highest standards in the field of corporate governance and continuously maintains the works to put provisions that are arranged in an advisory manner into practice. Akfen REIT sees the principles of ethical rules, transparency, fairness, responsibility and accountability as a part of the Company culture.

The Articles of Association of Akfen REIT has been brought into a status conforming to the arrangements that have to take place at the articles of association pursuant to the Corporate Governance Principles through amendments, made from time to time. The Department for Investor Affairs directly reports to the General Director and prepares report at least once annually with relation to the activities, conducted by it, and submit to the Board of Directors. The Manager for the Investor Affairs Department is appointed as the Corporate Management Committee member. Furthermore, one personnel have been appointed in order to serve duty at Department for Investor Affairs, and all these matters were disclosed at the Public Disclosure Platform.

A Committee Responsible for Audit and Corporate Governance Committee were formed up pursuant to the Decision of the Board of Directors, dated as February 16, 2011 in accordance with the corporate governance principles.

Pursuant to the Decision of the Board of Directors of our Company, dated as March 14, 2013, it has been decided for the duties of the Early Risk Detection Committee that are conducted by the Corporate Governance Committee to be conducted as a separate committee pursuant to Communiqué having the Series: IV and No.: 63 amending the Communiqué having the Series: IV No.56 of the Capital Market Committee.

It has been decided in the resolution of the Board of Directors of our Company bearing the date of May 11, 2017 pursuant to the Corporate Governance Communiqué (“Communiqué”) having the Series: II-17.1:

1. Independent Board Member Bahattin Yücel, Vice Chairwoman of the Board Pelin Akın Özalp, Board Member İbrahim Gündoğan Durak and Investor Relations Manager Mustafa Emre Yılmaz to be appointed in place of Ayşegül Yılmaz to the Corporate Governance Committee until 21.04.2023 and Bahattin Yücel to serve as the Chairman of the Corporate Governance Committee.
2. To designate the Corporate Governance Committee to serve duty as the Nomination Committee and Fee (Salary) Committee as well
3. Independent Board Member Aziz Ahmet Kacar, Independent Board Member Bahattin Yücel and Independent Board Member Oğuz Satıcı to be appointed to the Audit Committee until 21.04.2023, and Aziz Ahmet Kacar to serve as the Chairman of the Audit Committee
4. Independent Board Member Oğuz Satıcı, Board Member Selim Akın and Board Member İrfan Erciyas to be appointed to the Early Risk Detection Committee until 21.04.2023 and Oğuz Satıcı to serve as the Chairman of the Early Risk Detection Committee,

The Board of Directors of Akfen REIT Inc. supports the Executive Management and all employees at every stage so that the Corporate Governance Principles to be placed in the structure of the enterprise.

Following the adaptation of the Corporate Governance Principles within the structure of the Company, the Corporate Governance Principles Compliance Report where it is declared that the activities will be realized within the direction of equality, transparency, accountability and responsibility, has been disclosed in the attachment of the Company’s Operating Report.

Our Corporate Governance Principles Compliance Report has been made available to shareholders and the public on the Public Disclosure Platform(<https://www.kap.org.tr/tr/Bildirim/1116201>) and on our company’s website ([www.akfengyo.com.tr](http://www.akfengyo.com.tr)).

## Section II – Shareholders

### 2.1. Investor’s Relationship Department

The applicable legislation, Articles of Association of the Company and other intra-Company arrangements are conformed thereto in the exercise of shareholding rights, and relevant measures that will allow the exercise of such rights are taken.

- The Investor’s Relationship Department reports to Mrs. Pelin Akın Özalp, Vice Chairwoman of the Board of Akfen REIT.
- The Investor’s Relationship Department is conducted by Mr. Mustafa Emre Yılmaz, IR Director of Akfen REIT holding the Capital Market Committee Level 3 and Corporate Governance Rating License.

The Investor’s Relationship Department operates to present accurate, timely and consistent information on Akfen Real Estate Investment Trust to the current and potential investors; and raise the recognition and credibility of the Company and to bring down the capital cost of the Company by the application of corporate governance principles, and to ensure communication between the Board of Directors and capital market participants. In parallel to this target, our Company attributes great importance to the communication with the shareholders and investors, and maintains active investor’s relationships program.

- The Investor’s Relationship Department reports to the Vice Chairwoman of the Board Affairs at the organization chart and at the same time, makes reporting to the Board of Directors about its activities.

Primary duties of the Investor’s Relationship Department that is a communication bridge between the Board of Directors and financial world are as follows:

- To ensure the correspondences, made by and between the Investors and Company and records pertaining to other information and documentation in a sound, reliable and current manner;
- To answer the written information requests of the partnership shareholders with relation to the partnership;
- To prepare documents that have to be submitted to the information and examination of the shareholders with relation to the General Assembly; and take measures that will ensure the general assembly meeting to be held in accordance with the related regulation, articles of association and other intra-partnership arrangements;
- To observe and follow up the fulfilment of obligations arising from the capital market regulation including all sorts of matters pertaining to the Corporate Governance and public disclosure.

The Investor’s Relationship Department pay necessary attention and care to use electronic communication opportunities and internet site of the Company in its entire activities or works.

The information for access of the Investor’s Relationship Department is published at the internet site: [www.akfengyo.com.tr](http://www.akfengyo.com.tr) and operating reports. It is possible to get in touch with the Investor’s Relationship Department for all sorts of requests and questions through the address of: [gyoyatirimci@akfengyo.com.tr](mailto:gyoyatirimci@akfengyo.com.tr).

Various negotiations were made with the existing and potential investors in 2022. Face-to-face negotiations have been made upon requests coming on the activity results, performance and other developments of our Company with the shareholders and analysts, and furthermore, the questions of our individual investors through telephone calls have been answered.

### 2.2. Exercise of Rights to Information by the Shareholders

It is a principle to behave equally in the exercise of the right to information and examination by and between the shareholders, potential investors and analysts and to convey our explanations to everybody at the same time with the same content. All sorts of information that may interest the shareholders and market players are announced through special status explanations within the scope information sharing and all special status explanations take place at our internet site.

Various numbers of written and verbal information requests coming from the shareholders are answered under the supervision of the Investor’s Relationship Department and within the Capital Market Regulation arrangements without any delay. For the objective to extend the shareholders’ rights to information, all sorts of information that may affect the exercise of rights are presented to the information of the shareholders at our internet site. All information taking place at our internet site is presented equal basis to the use of domestic and foreign shareholders.

There is not any arrangement or restriction available at the Articles of Association of the Company with relation to a request for the appointment of a special auditor. There is an article in the Internal Directive on the Work Principles and Procedures of the General Assembly of the Company saying a special audit request of any shareholders irrespective of whether it takes place on the agenda or not is resolved. The Company avoids from any procedures making the execution of a special audit difficult.

No request was made to our Company about the appointment of any special auditor in 2022.

### 2.3. General Assembly Meetings

The Ordinary General Assembly Meeting of our Company for 2022 was held on the date of 11.05.2023 at 14:00 hours in the Meeting Hall which is located at the Company's headquarters. In addition, an extraordinary general assembly meeting was held on 29.09.2022 approved by the General Assembly for the cancellation of Akfen REIT's Repurchase Program, which was accepted at the Ordinary General Assembly Meeting of the Company held on 28.02.2022 for the year 2021, and the cancellation of the authorization not used by the Board of Directors.

Concerning the aforementioned Ordinary General Assembly Meeting of the year 2022;

It is established that the invitation of the meeting which is required to be done pursuant to the article 414 of the Turkish Trade Code, is done within the required period and as provided by the Turkish Trade Code and the Articles of Partnership of the company and including the agenda of the meeting, by being published on the date of 18 April 2023 on the Trade Registry Gazette of Turkey, issue number 10814, on the web site of the Company and on the Public Disclosure Platform and on the Electronic System of General Assembly of the Central Registry Agency.

From the examination of the List of Attendants, of the company's total capital of TL 1,300,000,000,000; 3,771.983 Group A shares corresponding to TL 3,771.983 are held by proxy, 721,969,313.9 Group B shares corresponding to TL 721,969,313.9 are held by proxy, 163,854.21 Group B shares corresponding to TL 3,771.983 are held by proxy, 721,805,45 Group B shares corresponding to TL 721,805,45 are held by proxy. 163,854.21 of the 721,969,313.9 Group B shares corresponding to TL 721,969,313.9, 163,854.21 in person and 721,805,459.69 by proxy, and 3,768,212 Group C shares corresponding to TL 3,768,212. 768,212 Group C shares corresponding to TL 3,768,212 shares were represented by proxy, 3,771,983 Group D shares corresponding to TL 3,771,983 shares were represented by proxy, and a total of 721,980,626,078 shares were represented at the meeting; thus, it was understood that the minimum meeting quorum stipulated in both the legislation and the articles of association was present.

The subject matters taking place at the agenda have been indicated in an impartial and detailed manner as well as a clear and comprehensible way, the wording or expressions, used there under, are not in nature causing different interpretations; the shareholders were allowed to bring forth and explain their opinions under equal opportunities, and a sound discussion environment created.

It is possible to reach the minutes of our General Assembly meeting from our internet site ([www.akfengyo.com.tr](http://www.akfengyo.com.tr)), Public Disclosure Platform (<https://www.kap.org.tr/tr/Bildirim/1116206>) and Turkish trade Registration Journal.

Furthermore, it is accepted by a majority to determine that the total upper limit for donations to be made in 2023 will be TRY 10.000.000 -.

### 2.4. Voting Rights and Minority Rights

Applications making the exercise of voting rights are avoided at our Company, and every shareholder is provided the easiest and most convenient manner to exercise the voting right.

According to the articles of association of our Company, all shares have 1 voting right for each share. The Group A, C and C shares are the registered shares and not traded at the BİAŞ (Istanbul Stock Exchange).

There is not any arrangement at our company that will envisage the exercise of voting right after a certain period of time from its date of acquisition.

There is not any provision at the articles of association of our Company preventing the person, who is not a shareholder, from voting as a representative.

The exercise of minority rights at our Company is subject to the communiqués and decisions of the Capital Market Committee, Turkish Commercial Code, Capital Market Law and related regulation. There has not been any regulation, included at the articles of association, in addition to these provisions. It is envisaged to exercise minority rights at our Company in conformance to the mentioned regulation. Furthermore, it is ensured that the minority is represented at the management through three independent member taking place at the Board of Directors.

### 2.5. Dividend Right

Our Company determines its dividend distribution decisions by taking the provisions of the Turkish Commercial Code, Capital Market Regulation, Capital Market Committee Arrangements and Decisions, Tax Laws and other related legislation into consideration.

There is not any privilege between the share groups in the dividend distribution.

Our Company strategies, capital requirement of our subsidiaries and affiliates, investment and finance policies, profitability and cash position are taken into consideration in the dividend distribution decision.

The mode and time of the profit, decided to be distributed, will be resolved by the General Assembly upon proposal of the Board of Directors on the subject matter thereof. The dividend to be distributed subject to the decision to be made at the General Assembly may either be cash as a whole or bonus share on entire basis, or it is possible to determine the same as partially in cash and partially bonus share.

A profit distribution policy has been adapted, based on a principle to “Submitting a proposal to the General Assembly for the distribution of at least 30 % of the distributable profit from the accounting period of 2011, by taking the general profitability status of our Company into consideration”. If there is distributable profit, the General Assembly will decide upon the profit distribution and its date. The General Assembly or the Board of Directors in case related authorization is granted upon it, to the Capital Market Arrangements as are indicated heretofore, and profit distribution policy, approved by the shareholders at the general assembly, as is indicated hereinabove are included at the operating report and published at the Turkish trade Registration Journal and announced to the public at the internet site of the Company and Public Disclosure Platform.

Since there is not any period profit to be distributed in 2022, it has been decided in unanimity at the General Assembly that it is not possible to distribute any profit.

## 2.6. Assignment of Shares

Assignment and transfer of bearer shares at our Company are subject to the provisions of the Turkish Commercial Code, Capital Market Law and related regulation. The assignment of bearer shares cannot be restricted according to the articles of association of our Company.

## Section III – Public Disclosure and Transparency

### 3.1. Corporate Internet Site and Content

Our Company's website is actively used in public disclosure as stipulated by the CMB Principles.

All matters pertaining to the “Department for Investor’s Affairs” take place at the internet site: [www.akfengyo.com.tr](http://www.akfengyo.com.tr)

All information taking place at the Internet site is prepared in English Language in order to enable any foreign investors.

There is an opportunity of access into the information, disclosed by our Company to the Public, out of the Internet.

The following information takes place at the internet site: [www.akfengyo.com.tr](http://www.akfengyo.com.tr):

- History (Background) of our Company,
- Current Management and Partnership Structure,
- Board of Directors and Board of Director committees,a
- Final Status of the Articles of Association,
- Meeting Agenda of the General Assembly, notification document, proxy voting form and meeting records.
- Explanations and public offering circular,
- Continuous information form,
- Real property appraisal reports,
- Monthly investor reports,
- Profit distribution policy,
- Trade Registration information,
- Operating reports,
- Corporate Governance Principles Compliance Report,
- Information Policy,
- Profit Distribution Policy,
- Ethical Rules,
- Periodic financial tables and reports,
- Special status/situation explanations,
- Information and graphs pertaining to the share certificate price and performance,
- Investor’s affairs communication information,
- Company communication information.

All of the Capital Market Committee Corporate Management Principles that are applicable on our company are published at the internet site of our company and updated accordingly.

### 3.2. Annual Report

The annual report of Akfen Real Estate Investment Trust is prepared in due details enabling the public to have accurate and correct information about the activities of the Company and in accordance with the matters, indicated in the applicable regulation.

Annual reports are prepared by taking into account all the issues specified in the Corporate Governance Principles and in addition, the information required to be included in the annual reports in accordance with the regulations of the Turkish Commercial Code, the regulations in the CMB legislation and the Corporate Governance Communiqué issued by the Ministry of Customs and Trade and published in the Official Gazette dated 03.01.2014 and numbered 28871 is included.

In the 2022 year-end annual report, the comprehensive sustainability compliance report created together with SUCSR LTD.

## Section IV – Stakeholders

### 4.1. Informing the Stakeholders

The corporate governance applications and ethical rules of our Company guarantee the rights of the stakeholders, regulated by applicable regulations and reciprocal contracts. The stakeholders are informed continuously within the framework of information policy, created by the Company as a requirement of existing legislation.

Furthermore, it is also aimed to inform all stakeholders through press bulletins, operating report, internet site and information policy of us, based on transparency.

The employees of our Company are expected to fulfil their obligations while doing their works, by valuing the interests of the Company above the interests of their own, family and close associates. The employees keep avoiding from all sorts of initiatives that may mean deriving personal benefits or providing interests to their close associates.

In order to ensure that there is no conflict of interest with the service providers, offers containing price, content and quality information for the services to be received, the bidder who will provide optimum benefit under these headings is employed and all content is included in the service contracts.

Furthermore, it is also aimed to inform all stakeholders through press bulletins, operating report, internet site and information policy of us, based on transparency.

The employees of our Company are expected to fulfil their obligations while doing their works, by valuing the interests of the Company above the interests of their own, family and close associates. The employees keep avoiding from all sorts of initiatives that may mean deriving personal benefits or providing interests to their close associates.

### 4.2. Participation of the Stakeholders in the Management

There is not any model and mechanism on the participation of the stakeholders in the management.

However, the independent members taking place at the Board of Directors enable all stakeholders along with the shareholders of the Company to be represented at the management.

The opinions of the stakeholders are taken into account when making important decisions that affect the stakeholders.

### 4.3. Human Resources Policy

The fundamental principles of the human resources policy of our Company are summarized herein below:

- The principle of providing equal opportunities to people under equal conditions has been adopted in recruitment, training and development, remuneration and career planning.
- Recruitment criteria are determined in writing and these criteria are followed in practice.
- Employees are treated equally in matters of development and promotion; Development policies and plans are developed to increase the knowledge, skills and experience of employees.
- Job descriptions, performance evaluation and rewarding criteria of the company employees are determined by the managers and shared with the employees.
- Relations with employees are carried out by the Corporate Communication, Human Resources and Administrative Affairs Department, and no discrimination is made between employees.

As of 31 December 2022, the total numbers of employees working at Akfen REIT and its affiliates and enterprises subject to common management are 37.

#### 4.4. Ethical Rules and Social Responsibility

##### Ethical Rules

The “Ethical Rules” defined by Akfen Real Estate Investment Trust aim to add material value to the stakeholders and raise the corporate value, and function as the principles and rules to be followed by all managers and employees. These rules are published at our internet site.

It is aimed by these rules to ensure the managers and employees of the Akfen Real Estate Investment Trust to exhibit behaviors at high standards, be aware of the corporate effects of their behaviors and acts, and ensure the use of the most accurate and correct methods with relation to the shareholders and company’s activities and exhibition of the highest qualification actions.

##### Social Responsibility

Our Company pays utmost attention to behave sensitively towards its social responsibilities in its activities and provides support to any organizations pertaining to its own sector.

With relation to these matters, there is not any inspection, legal action or any other legal dispute or sanction, filed or initiated in disfavor of our Company or its subsidiaries.

## Section V – Board of Directors

### 5.1. Structure and Formation of the Board of Directors

The formation and election of the Board of Directors are effectuated in accordance with the Corporate Governance Principles, and the principles pertaining to the foregoing take place at the Articles of Association of our Company. According to this:

The management of the Company, binding and representation of the same towards any third parties are carried out by a Board of Directors consisted of 9 (nine) members and majority of whom is not designated at execution and bearing the qualifications, indicated at the Capital Market Regulation and Turkish Commercial Code and elected by the General Assembly within the framework of the provisions of the Turkish Commercial Code.

The Board of Directors shall elect a Chairman in the first Board of Directors meeting among its members in order to chair the meetings of the Board of Directors and a Vice-Chairman to act as a Chairman in his/her absence. A sufficient number of independent members of the Board of Directors shall be elected by the General Assembly within the framework of principles pertaining to the independence of the members of the Board of Directors, indicated in the Corporate Governance Principles of the Capital Market Committee, to the Board of Directors, provided not to be less than two (2). An explanation pertaining to the independence of the members of the Board of Directors takes place at the annual operating report of the Board of Directors.

Names and Surnames of our Members of the Board of Directors being determined in accordance with the Articles of Association of our Company and serving duty in 2022 are indicated herein below:

- Hamdi Akın, Board of Directors Chairman/Executive Director/Executive Board Member
- Pelin Akın Özalp, Board of Directors Vice-Chairwoman – Executive Board Member
- Selim Akın, Board of Directors Member – Executive Board Member
- Gündoğan Durak, Board of Directors Member – Non-Executive Board Member
- Sıla Cılız İnanç, Board of Directors Member – Non-Executive Board Member
- İrfan Erciyas, Board of Directors Member – Executive Board Member
- Bahattin Yücel - Non-Executive Independent Board Member
- Aziz Ahmet Kacar - Non-Executive Independent Board Member
- Oğuz Satıcı - Non-Executive Independent Board Member

Our Company does not have any Executive Committee. The Chairman of the Board of Directors and General Director are not the same person. There is not any member of the Board of Directors, authorized to represent and bind the Company on individual basis.

It is obligatory for the Independent Members of the Board of Directors to submit a declaration of independence to the Board of Directors pursuant to the applicable regulation and in the event that their independences disappear in any manner, it will be obligatory for them on immediate basis to notify the Board of Directors about the subject matter thereof. Any person, who may have served a membership duty at the Board of Directors for a total duration of 6 years within the last ten years, cannot be appointed as an independent member to the Board of Directors.

The curriculum vitae’s of Board Members are illustrated in company web site of Akfen REIT.  
( <https://www.akfengyo.com.tr/en/about-us/board-of-directors>).

### Qualifications of the Members of the Board of Directors

All of the members nominated and elected in our company's Board of Directors member election possess the qualifications specified in the Corporate Governance Principles of the Capital Markets Board.

The Board of Directors is structured in a manner to ensure effect and activity at the highest possible level. The principles pertaining to the subject matter have been indicated in Article 14 of the Articles of Association of the Company. It is a principle to elect the members of the Board of Directors among the persons, who have fundamental knowledge about legal principles regulating due procedures and dispositions pertaining to the field of engagement of the Company, and are educated and have experience on company management, and have competence to discuss and examine financial tables and reports and are preferably graduated from a higher education institution.

#### 5.2. Principles of Activity of the Board of Directors

The members of the Board of Directors are ensured to obtain all sort of information in a timely manner in order to enable them to fulfil their duties on full basis.

A Board of Directors Secretariat reporting to the Chairman of the Board of Directors was formed up in order to give services to the members of the Board of Directors for keeping the documentation with relation to the meetings of the Board of Directors in a regular manner.

Our Board of Directors meetings are planned and realized in an effective and efficient manner. The members of the Board of Directors are convened at times when the affairs of the Company may necessitate as is regulated through the Articles of Association.

The Board of Directors may convene upon a call by the Chairman or Vice-Chairwoman, or application by any member of the Board of Directors in writing to the Chairman or Vice-Chairwoman and request them to make a call upon the Board for a meeting.

The agenda of the meetings of the Board of Directors is determined by the Chairman of the Board of Directors, and it is possible to make an amendment on the agenda through a decision of the Board of Directors.

The Independent Member of the Board of Directors receives a monthly honorarium to be determined by the General Assembly. No payment is made to the Members of the Board of Directors, who are not independent.

The meeting quorum of the Board of Directors is established by the attendance of at least 5 members.

In 2022, a total of 18 resolutions were made by the Board of Directors. All decisions were taken unanimously.

Moreover, The entire members of the Board of Directors attended all meetings of the Executive Board in 2022.

"Directors and Officers Liability Insurance" with a total limit of USD 5,000,000 for the period 01.01.2022-31.12.2022 was taken out for the members of the Board of Directors.

### Prohibition to Compete and Execute Transactions with the Company

The request to grant authorizations upon the Chairman and members of the Board of Directors on the execution of procedures, written in Articles 395 and 396 and Article 1.3.7. of the Communiqué Pertaining to the Determination and Application of the Corporate Governance Principles, published by the Capital Market Committee has been approved by the shareholders at the General Assembly meeting of 11 May 2023.

### Authorizations and Responsibilities of the Managers and Members of the Board of Directors

The Board of Directors consisting of 9 (nine) members having the qualifications, indicated in the Turkish Commercial Code and Capital Market Committee, is elected by the General Assembly for a maximum period of 3 (three) years and majority of the Board of Directors consists of the nonexecutive members. Furthermore, the independent members bearing the independence criteria, defined in the Corporate Governance Principles of the Capital Market Committee and deemed as obligatory there under are elected in number, provided not to be less than 2 (two) persons. It is possible for the members whose duty periods are expired, to seek re- election.

At current period, a total number of 9 (nine) persons, 3 (three) of whom independent members of the Board of Directors, nominated by the Board of Nomination, have been elected to the Board of Directors to serve duty for a period of 1 (one) year at the Ordinary General Assembly Meeting, held on 11 May 2023 and duty period of the Board of Directors will expire on 28 July 2024.

The Board of Directors fulfils the duties, granted upon it, according to the provisions of the Turkish Commercial Code, Capital Market Law, Articles of Association of the Company, general assembly resolutions and provisions of related legislation. The Board of Directors is authorized to make decision(s) on all matters remaining beyond the subject matters due to be subject to a decision, made by the General Assembly, and applicable law and Articles of Association.

The Company will be managed by the Board of Directors, and bound and represented by the same in external matters. The Board of Directors is authorized to assign the management duty to one or more members of the Board of Directors or any third party according to an internal directive due to be issued by it. This internal directive arranges the management of the company, and defines duties necessary for this and indicates related positions of them, and determines especially who will report to who and who is obliged to provide information. In case the management is not assigned, then, it will belong to all members of the Board of Directors. The Board of Directors may assign its authorization for representation to one or more managing directors or any third parties as a director. It is necessary for at least one member of the Board of Directors to have a representation authorization.



The mentioned Internal Directive (“Internal Directive”) has been approved at the Board of Directors Meeting of 01.10.2019 pursuant to Articles 367 and 371 of the Turkish Commercial Code no 6102, dated as January 13, 2011 and registered on the date of 15.11.2019 and came into force upon its publication at the Turkish Trade Registration Journal of 21.11.2019 having the issue no. 9956.

- Decisions at the meeting of the Board of Directors are made by the exercise of majority voting by the attendants at the meeting in the same direction.
- Every member has one voting rights at meetings and the voting right is exercised in person. Unless any of the members comes up with a request to hold a meeting, then it may be possible to make a decision through notification of the consent of other members in writing.
- If any denunciation is made by a legal entity shareholder to the Board of Directors indicating that the member representing the legal entity shareholder had no connection any longer with the said legal entity, then, the mentioned member will be deemed as resigned and the Board of Directors elects the person determined by the related legal entity shareholder, as the member of the Board of Directors in place of the foregoing member.
- The members who do not attend in the meeting, cannot cast their votes either in writing or any other way unless it is based on a reasonable excuse.

Within the framework of the Internal Directive;

- Sertac Fuad Karağaoğlu, has been appointed as the General Manager until the date of 28.06.2024
- Yusuf Anıl, has been appointed as the Assistant General Manager Responsible for Financial Affairs until the date of 28.06.2024.
- Memduh Okyay Turan, has been appointed as the Assistant General Manager Responsible for Operations until the date of 28.06.2024.

**5.3. Number, Structure and Independence of the Committees, Formed up at the Board of Directors** Necessary committees will be formed up within the structure of the Board of Directors in order that the duties and responsibilities of the Board of Directors are fulfilled in a sound manner pursuant to the arrangements of the Capital Market Committee and related regulation. The matters such as the fields of duties of the Committee, principles of works and which members they will be consisted of will be determined by the Board of Directors and disclosed to the public.

The Board of Directors may set up sufficient number(s) of committee(s) or commission(s) among its members on various matters such as following up the functioning of affairs, preparation of the matters to be submitted to it, deciding on the preparation of the balance sheet especially on all important matters and observation of the application of decisions so made. The committees are convened at required frequency for the affectivity of the works.

#### Corporate Governance Committee

The Corporate Governance Board works directly reporting to the Board of Directors, provides help to the Board of Directors for the formation and development of necessary structure and applications for the management of the Company in accordance with the Corporate Governance Principles, accepted at international level, and setting up a salary system for the executive managers, and coordination of development and career planning.

The Corporate Governance Committee gives support to the Board of Directors by way of conducting works on the matters for the conformance of Akfen REIT to the principles of corporate governance principles; determination of the members of the Board of Directors and executive managers, fee, award and performance evaluation, career planning, investor’s affairs and public disclosure and so on. The Corporate Governance Committee consists of three members to be appointed among the members of the Board of Directors and Department Manager on Investor’s Affairs. The head of the Corporate Governance Committee is appointed by the Board of Directors.

The Corporate Governance Committee is responsible to follow up the conformance of the Company to the corporate governance principles, and have a duty especially for the realization of following matters:

- To search thoroughly to what degree the corporate governance principles are applied at the Company and in case they are not applied, then, to determine the reasons behind it and to find out any negative matters developing as a result of the lack of full application and to propose the relevant remedial measures to be taken,
- To ascertain any methods that will provide transparency in the determination of member candidates to be proposed to the Board of Directors,
- To carry out works and develop proposals on the numbers of the members of the Board of Directors and managers,
- To develop proposals pertaining to the principles and applications on the performance evaluation and award of the members of the Board of Directors and managers, and follow up the applications there under,
- To observe the works of the Investor’s Relationships.

Members of the Corporate Governance Committee are listed below:

- Head of the Corporate Governance Committee
  - o Mehmet Bahattin Yücel, Independent Board Member
- Members of the Corporate Governance Committee
  - o Pelin Akin Özalp, Board of Directors Vice-Chairwoman
  - o Gündoğan Durak, Board of Directors Member
  - o Mustafa Emre Yılmaz, Investor Relations Director

The Corporate Governance Committee also fulfils the duties of the Nomination Committee and Salary Committee as well within the framework of the principles and Articles of Association of our company.

### Audit Committee

The Audit Committee provides the Board of Directors with support in order to ensure the auditing of financial information about the accounting system of Akfen REIT and public disclosure of it and functioning and observation of the internal control system. The Audit Committee consists of three members to be appointed among the members of the Board of Directors.

The members of the Audit Committee and Corporate Governance Committee are appointed by the Board of Directors within the direction of principles, determined at the Articles of Association of Akfen REIT, and its duties and authorizations are determined by the Board of Directors as well.

The Audit Committee is responsible for taking all measures in order to execute all sorts of internal and independent external audit in a sufficient and transparent manner, and conduct of duties, granted upon by the Capital Market Regulation and the Corporate Governance Committee.

The Audit Committee convenes at least four times, provided to be once in every quarter.

In 2022 the whole members of the Committee attend the entire meetings.

The Audit Committee Members are listed herein below:

- The Head of the Audit Committee
  - Aziz Ahmet Kacar, Board of Directors Independent Member
- The Members of the Audit Committee
  - Mehmet Bahattin Yücel, Board of Directors Independent Member
  - Oğuz Satıcı, Board of Directors Independent Member

Three independent members taking place at the Board of Directors take place both at the Corporate Governance Committee and Audit Committee ensuring the participation of the minority shares and stakeholders in the management

### Early Risk Detection Committee

Our Company has decided through the resolution of the Board of Directors, dated as March 14, 2013 to set up a committee pursuant to the Communiqué of having Series: IV, No. 63 amending the Communiqué of the Capital Market Committee and conduct the duty of the Early Risk Detection Committee, currently conducted by the Corporate Governance Committee.

The Early Risk Detection Committee is responsible for early detection of risks that may put the existence, development and continuation of the Company at jeopardy, and taking necessary measures pertaining to the risks so detected and management of the risk in question; and the risk management systems are observed at least once annually. Furthermore, the Committee present a report to the Board of Directors once in every two months and gives information on the detected risks and action plans so taken.

- The Head of the Early Risk Detection Committee
  - Oğuz Satıcı , Board of Directors Independent Member
- The Members of the Early Risk Detection Committee
  - Selim Akın, Board of Directors Member
  - İrfan Erciyas, Board of Directors Member

In 2022, the Audit Committee made 6 written notices to the Board of Directors. On these notifications, topics such as appraisal reports, Russian and Ukrainian war and its effects, assesment of the environmental and financial status of the Sogutluceme Project, amendment to the articles of association capital clause, the extraordinary general assembly meeting about the cancellation of the share purchase back program, evaluation of the developments regarding the interest rate swap transaction, evaluation of new financing and construction contract of the Bodrum Yalikavak Project and finally financing conditions of Mugla Kiyikislacik project.

Furthermore; In 2022 the whole members of the Committee attend the entire meetings.

#### **5.4. Risk Management and Internal Control Mechanism**

Our Company has decided to carry out works consisting of trainings, one-to-one meetings and workshops on the Early Risk Detection through the support of the company, DRT Independent Auditing and Independent Accountant and Financial Advisor Inc. (Deloitte) in order to activate the Risk Detection activities, and the said works were finalized within 2012 and our Risk Management Handbook was presented to the Board of Directors. It is decided to take the principles taking place at the Risk Management Handbook as basis in subsequent internal audits of the Audit Committee.

With the establishment of the Audit Committee, the Internal Control Mechanism effectively fulfills the duties assigned to it by the Board of Directors within the organization of the Audit Committee. Independent Board Member Aziz Ahmet Kacar is the current Chairman of the Audit Committee.

The Internal Control Mechanism fulfils the duties, granted by the Board of Directors, upon it in an effective manner with the establishment of the Audit Committee within the organization of the Audit Committee. Mr. Aziz Ahmet Kacar, Independent Member of the Board of Directors, conducts the duty as the Head of the existing Audit Committee.

Internal Audit work for our company started on 04.12.2020, covering the years 2019 and 2020. After 2020 Internal Audit of the Akfen Holding and its subsidiaries (Akfen REIT, and son on) was being provided via outsource global consultant periodically.

## 5.5. Strategic Targets of the Company

### Mission

To become the leading hotel investor in Turkey and the region dedicated to the development of hotel projects that are managed by international hotel operators at world-class standards.

### Vision

To achieve steady balance sheet growth through the development of projects that yield high profitability in the real estate sector and to reward shareholders with an uninterrupted stream of increased dividends and capital gains.

### Strategic Perspective

Akfen REIT has been positioned in the best manner for a stable growth at the urban hotel management and specialized in urban hotel management at international standards.

- Partnership with Accor, the largest hotel group in Europe and one of the leading hotel groups internationally;
- Raising commercial activity in the major cities of Turkey;
- Rising volume of the domestic and external tourism in Turkey;
- High level of hotel investment know-how provided by specialization on a single field of engagement;
- Export of know-how to neighboring geography;
- Low-risk and long-term leasing contracts that do not contain any operation responsibility, and regular rental revenue rising with the performances of the hotels.

### Corporate Policy

To use the accumulation of knowledge, organization competence and opportunities, offered by technology, from the first day onward through the driving power that will be created by quality employees and specialist teamwork.

### Principles

To work with well-educated/trained and experience human resources, and take the quality forefront in production, manufacturing and business management, and to complete the works under its undertaking in a timely manner and with high quality;

The Board of Directors holds negotiations with the Managing Director and executive management and determines the strategic targets pertaining to the related periods. The Board of Directors, furthermore, observes the Company's degree of achieving targets, activities and past performances within the scope of the end of year performance assessment process.

### The Corporate Governance Committee

Our company has shown due diligence for the implementation of the Corporate Governance Principles published by the Capital Markets Board. The Corporate Governance Information Form and the Corporate Governance Compliance Report are explained in relevant sections and <https://www.kap.org.tr/en/Bildirim/1116201/> The Corporate Governance Committee continues its work.

## 5.6. Financial Rights

A certain amount of fee, determined there under, is paid up to the Independent Member of the Board of Directors serving duties as an independent member within the framework of the Corporate Governance Principles of the Capital Market Committee in order to enable them to fulfil their membership time investment and requirements. It was decided by the General Assembly at the Ordinary General Assembly Meeting, held on 11 May 2023, for the activities of 2022 to pay a monthly salary of 22,5000 TRY(31.12.2021:11,150 TRY) to each of the Independent Members of the Board of Directors, and not to pay any fees and honorariums to the other members of the Board of Directors.

As a requirement of the Corporate Governance Principles, the shareholders have been notified on the payments, made within the scope of "Salary Policy" for the members of the Board of Directors and Executive Managers at the 2022 Ordinary General Assembly Meeting, held on 11.05.2023.

Transactions such as lending to our Board Members or executives by the Company, granting loans or giving guarantees in their favor are not in question.