

ZORLU ENERJİ CORPORATE GOVERNANCE REPORT 2024

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Foreword & Scope

This report has been prepared to address the relevant ESG requirements by focusing on the corporate governance practices of Zorlu Enerji's 2023 activities, encompassing all business areas under its financial and operational control. For detailed explanations regarding the relevant expectations, please refer to the latest Zorlu Enerji Integrated Annual Report.

Board of Directors

The Board of Directors is a collegiate body that collectively represents all shareholders and is required to act in all circumstances in the interests of the Company. It seeks to promote long-term value creation by the Company by taking into consideration the environmental and social issues associated with its activities.

The Chairman and the members of the Board of Directors have the duties and authorities set forth in the relevant articles of the Turkish Commercial Code and the Company's Articles of Association. The board of directors are appointed individually.

The following are the non-transferable and inalienable duties and powers of the Board of Directors:

- Managing the company at a high level and including the issue of instructions,
- Determining the management organization of the company,
- Establishing the necessary order for financial planning to the extent required by accounting, financial audit and management of the company,
- Appointment and dismissal of managers and persons serving the same purpose and who hold the authority to sign,
- Higher supervision of whether the persons responsible for management act in accordance with the laws, articles of association, internal guidelines and written instructions of the Board of Directors,
- Keeping the books of shares, the Board of Directors' resolutions and minutes of the general assembly meetings, preparation of the annual report and corporate governance report and submission to the General Assembly, organization of the General Assembly Meetings and execution of the General Assembly resolutions,
- Taking the measures stipulated in the Article 376 of the Turkish Commercial Code in case of loss of capital or insolvency.

In this context, the responsibilities of the Board of Directors are as follows:

- To act cautiously in line with duty of care and supervision,
- To determine the company's short- and long-term goals,
- To examine the strategies which will be implemented to achieve the company's goals, to contribute to their development and to ensure their implementation,
- To examine the strategic and financial performance of the company and to take measures for improvement,
- To appoint the general manager, evaluate him/her in accordance with certain performance criteria and to determine his/her remuneration,
- To ensure the administrative and financial audit of the company,
- To ensure that the Board of Directors has the structure and function required to ensure the effective and efficient operation of the sub-committees of the
- Board of Directors and senior management, and to determine their performance criteria,
- To determine the communication and relationship approach taken by the company in communicating with the stakeholders and external authorities;
- To determine and implement business ethics rules for the company and its employees,
- To ensure that the company's internal and external activities and actions comply with the relevant legislation.

The Board of Directors is authorized to take decisions on all kinds of work and transactions as required to perform the company's business activities, except those to be taken by the General Assembly in accordance with the law and the Articles of Association.

BOARD MEMBERS



AHMET NAZİF ZORLU – Chairperson

(1944 – Denizli) Ahmet Nazif Zorlu began his professional career at the family-owned textile business in Babadağ, Denizli. He opened his first textile store in Trabzon. In 1970, Zorlu moved the Company's headquarters to Istanbul where he laid the foundations of Zorlu Holding with his brother, Zeki Zorlu. Ahmet Zorlu set up his first company, Korteks, in 1976 and consolidated all the group companies under the umbrella of Zorlu Holding in 1990. After acquiring Vestel in 1994, Ahmet Zorlu opened the door to new lines of business for Zorlu Holding. Zorlu's entrepreneurialism, which began with the textile sector, later manifested in more companies operating in a wide range of industries such as household appliances, consumer electronics, energy, real-estate development, metallurgy, and defense. In addition to his role as a Board

Member at Zorlu Enerji, Ahmet Zorlu currently serves as Chairman and Vice Chairman at numerous Zorlu Group companies operating in different industries, primarily Vestel Elektronik Sanayi ve Ticaret AŞ and Vestel Beyaz Eşya Sanayi ve Ticaret AŞ. With a keen interest in NGOs, Ahmet Zorlu sits on the Board of the Foreign Economic Relations Board (DEİK), the Turkish Industry and Business Association (TÜSİAD), Education and Culture Foundation of the People of Denizli (DENSİR), Babadağ Industry and Business Association (BASİAD), and Turkish Home Textile Industrialists' Association (TETSİAD).



SELEN ZORLU MELİK – Board Member

(1975 – Trabzon) Selen Zorlu Melik graduated from the Department of Business Administration of the Faculty of Economics and Administrative Sciences at Uludağ University. She began her professional career at Denizbank in 1998. Following her internship at the Bursa branch of Denizbank, she joined Denizbank's Management Trainee Program in 1999. After working in a number of positions at Denizbank's head office, Melik attended a Marketing Certificate Program at the University of California, Berkeley in 2001. She began working at the Korteks Yarn Factory in 2002 and became a Board Member of the same company in 2004. Selen Zorlu Melik has been serving as a Board Member of Zorlu Enerji since 2001.



MÜMİN CENGİZ ULTAV – Board Member

(1950 - Eskişehir) He possesses undergraduate and graduate degrees from Ankara Science High School and METU Electrical Engineering, Computer and Control Option, as well as a diploma from the Philips International Institute in the Netherlands. After taking technical and management positions at Bimsa and İno companies in Turkey and Dornier System GmbH abroad, he worked as Deputy General Manager at NCR and General Manager at Sun Mikrosistemler A.Ş. He served as Chairman of the Board of Directors of the Turkish Technology Development Foundation between 2012-2022 and as an Independent Board Member of Logo Yazılım between 2016-2022. He has been involved in the management team of Vestel Elektronik A.Ş. since 1995 and currently serves as a member of the Board of Directors of Vestel Ventures. Ultav has also served as a Board Member at Zorlu Enerji Elektrik Üretim A.Ş. as of 2024.



BEKİR CEM KÖKSAL – Board Member

(1967 – Ankara) Cem Köksal graduated from the Mechanical Engineering Department of Boğaziçi University in 1990 and obtained his master's degree at Bilkent University in 1990. After serving in the banking industry between 1990 and 2001, Cem Köksal was named Deputy General Manager of Denizbank in 1997. Mr. Köksal joined Vestel as the Chief Financial Officer in 2002. Cem Köksal currently serves as an Executive Committee Member at Vestel Group of Companies and is the Chief Financial Officer and the Chairman of the Sustainability Committee at Zorlu Holding. Mr. Köksal has been serving as a Board Member at Zorlu Enerji since 2012. He is also a member of the Board of Directors of UN Global Compact Turkey and a substitute member of the Board of Directors of the Association for Business and Sustainable

Development (SKD).



BETÜL EBRU EDİN – Independent Board Member

After graduating from Boğaziçi University, Department of Civil Engineering, in 1993, Betül Ebru Edin completed her Master's Degree in Business Administration at Işık University. Edin, who started her business life in banking in 1993, continued her career in the Corporate Banking department at T. Garanti Bankası A.Ş. (Garanti BBVA) in 1997 and served as Deputy General Manager responsible for Project and Acquisition Finance in 2009. Edin, who has been responsible for Corporate, Investment Banking and Sustainability since 2017, worked at Garanti BBVA until 2022. Until 2022, she also served as Deputy Chairman of the Board of Directors at Garanti Yatırım ve Menkul Kıymetler A.Ş. and as a Member of the Board of Directors at Garanti Bank S.A. (Romania). Edin continues her work on the civil society side

as the Chairman of the Board of Directors of the Sustainable Development Association (SKD), the Board Member of the Istanbul Foundation for Culture and Arts (İKSİV) and the Board Member of the 30 Percent Club. As of 2024, she serves as a board member at Zorlu Enerji Elektrik Üretim A.Ş.



CEM MENGİ - Independent Board Member

(1965 – İzmir) Cem Mengi completed his “A Levels” in Mathematics and Physics in the UK in 1984 and graduated from the Department of Management Information Systems of the Faculty of Management and Administration at the International University in 1988. Same year he began his professional banking career at Finansbank and later he served in different private banks namely İnterbank, Körfezbank, Rabobank International NV and ING Bank as Executive Vice President and Deputy General Manager. Lastly, he served at Akbank as the Chairman of the Credit Committee and Executive Board Member in Charge of Loans and Placement. Cem Mengi was a member of the Turkish Industry and Business Association (TÜSİAD), the Foreign Economic Relations Board (DEİK), the International Investors

Association (YASED) and the Young Executives and Business People Association (GYİAD). He currently serves as the Founding Chairman at CM Capital Management.

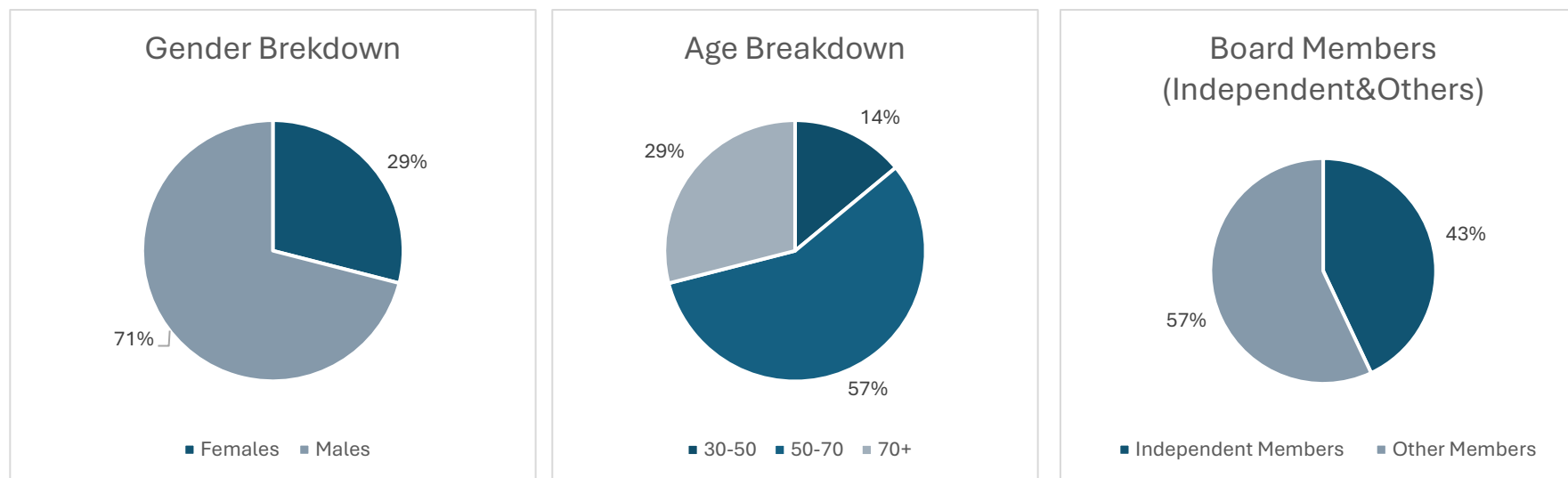


YUSUF GÜNAY - Independent Board Member

(1965 – Sinop) Yusuf Günay graduated from Ankara University, Faculty of Political Sciences. He studied Modern Public Administration Techniques and European Community Law at the Royal Institute of Public Administration in England in 1990-91. He became a European Community Law Expert at Ankara University ATAUM. Starting in 1997, he served as the Prime Ministry General Director of Laws and Decisions for 5 years. Since 1999, as a government representative, he served as a member of the General Assembly and Board of Directors of the Press Advertisement Agency and as Deputy Chairman. He served as the founding chairman of the Energy Market Regulatory Authority. He has been elected at the general assembly held in May 2004 for the ERRA (Energy Regulators Regional

Organization) Board of Directors, of which the Energy Market Regulatory Authority is a full member since 25 April 2002, which also has 23 autonomous institutions from Central and Eastern European countries and Central Asian Republics as full members, while 4 of them are observer members. Yusuf Günay has also been the Vice President of MEDREG, the Mediterranean Region Energy Regulators Community, since May 2006. At the 6th ERRA (Energy Regulators Regional Organization) meeting held in Istanbul in May 2007, he was elected ERRA president for 2 years. His term as Chairman of the Energy Market Regulatory Authority ended in November 2007. Günay has served as a Member of the Board of Directors at Zorlu Enerji Elektrik Üretim AŞ as of 2024.

Composition of the Board of Directors



Board Type

The number of board members is determined to be no fewer than five under all circumstances, enabling the board members to work efficiently and constructively, make swift and rational decisions, and effectively organize the formation and activities of committees. Board members are elected and re-elected on an annual basis, and they are elected individually.

The majority of the board members consist of non-executive members. A non-executive board member is a person who does not hold any other administrative role within the company beyond board membership, does not manage an executive unit, and is not involved in the company's daily workflow or routine operations.

Among the non-executive board members, there are independent members who have the ability to perform their duties without any influence.

The number of independent members within the board cannot be less than one-third of the total number of members. When calculating the number of independent members, fractions are rounded up to the next whole number. In any case, the number of independent members cannot be less than two.

The term of office for independent board members is up to three years, and it is possible for them to be re-nominated and re-elected.

A board member who meets all of the following criteria is considered an "independent member":

- In the past five years, there must not have been an employment relationship in a managerial position involving significant duties and responsibilities, ownership of more than 5% of capital, voting rights, or privileged shares, or significant commercial relationships between the company and entities where the company has management control or significant influence, or entities where these entities have management control, and the member, their spouse, and relatives up to the second degree.
- In the past five years, the member must not have been a partner (5% and above), held significant managerial responsibilities, or been a board member in companies that primarily provided or sold significant services or products to the company, including auditing (tax audit, statutory audit, internal audit), rating, and consultancy.
- The member must have the professional education, knowledge, and experience required to perform their duties effectively as an independent board member.
- With the exception of university faculty membership and in compliance with applicable regulations, the member should not work full-time in public institutions and organizations after being elected as a member.
- The member must be considered a resident of Turkey according to the Income Tax Law (Law No. 193, dated 31/12/1960).
- The member must have strong ethical standards, professional reputation, and experience that will allow them to make positive contributions to company activities, maintain impartiality in conflicts of interest between the company and shareholders, and make independent decisions considering the rights of stakeholders.
- The member must be able to allocate sufficient time to follow the functioning of the company's activities and fulfill the requirements of their duties.
- The member must not have served as a board member for more than six years in the past ten years.
- The same person must not serve as an independent board member in more than three companies controlled by the company or the company's controlling shareholders, and in more than five publicly traded companies in total.
- The member must not have been registered and announced on behalf of a legal entity selected as a board member.

The nomination committee evaluates proposals for independent membership, including those from management and investors, based on whether the candidate meets the criteria for independence and prepares a report on its evaluation for submission to the board of directors for approval. An independent board member candidate provides a written statement confirming their independence within the framework of relevant legislation, the articles of association, and the above criteria at the time of nomination to the nomination committee. The board of directors prepares a list of

independent candidates based on the nomination committee's report and submits it to the Council at least 60 days before the general assembly meeting, along with the committee's report and board decision. The Council provides its opinion on the list, if negative, to the company within 30 days. A person for whom the Council has issued a negative opinion cannot be presented as an independent candidate at the general assembly. The company discloses the list of independent candidates and candidates whose candidacy was not accepted on the Public Disclosure Platform (PDP) at the latest with the general assembly meeting announcement. The decision regarding the appointment of an independent board member by the general assembly, including dissenting votes and reasons, is disclosed on the company's corporate website.

If a situation arises that compromises independence, the independent member must immediately inform the board of directors with the justification to be disclosed on the Public Disclosure Platform (PDP). The member must simultaneously inform the Council in writing of the situation and justification. In this case, the board member who loses independence is expected to resign as a principle. To restore the minimum number of independent board members, the nomination committee evaluates independent member appointments to fill vacancies until the next general assembly meeting and reports its findings to the board of directors in writing. The board of directors selects independent members from the candidates determined within the framework of the nomination committee's report. The board of directors submits the candidate list determined within the framework of the nomination committee's report to the Council within 30 days of the vacancy of independent membership. The Council provides its opinion on the list, if negative, to the company within 20 days. A person for whom the Council has issued a negative opinion cannot be designated as an independent member. Members selected by the board of directors within this framework serve until the first general assembly. The provisions in this article also apply in cases where an independent board member resigns or becomes unable to fulfill their duties.

The company sets a target rate and time frame for the proportion of female members on the board, which must be no less than 25%, and establishes a policy to achieve these targets. The board of directors annually evaluates the progress made towards these goals.

In Zorlu Enerji, the Board of Directors and the Executive Board have different structures. While the CEO is a member of the Executive Board, he does not hold a position on the Board of Directors. Role of CEO and chairperson is split and chairperson is no-executive but not independent.

Zorlu Enerji uses one-tier board system as working mechanism stated below;

| | Number of members |
|-------------------------------|--------------------------|
| Executive directors | 2 |
| Independent directors | 3 |
| Other non-executive directors | 2 |
| Total board size | 7 |

The relationship between the executive directors and the board members is as follows.

| Name | Title |
|--------------------|---------------------------------|
| Ahmet Nazif Zorlu | Chairman of the Board |
| Selen Zorlu Melik | Member of the Board |
| Mümin Cengiz Ultav | Member of the Board |
| Bekir Cem Köksal | Member of the Board |
| Betül Ebru Edin | Independent Member of the Board |
| Cem Mengi | Independent Member of the Board |
| Yusuf Günay | Independent Member of the Board |



| Name | Title |
|------------------|-------|
| İbrahim Sinan Ak | CEO |



| Name | Title |
|------------------------|---|
| Fuat Celepci | General Manager Responsible for Electricity and Gas Distribution Operations |
| Aydın Akat | General Manager Responsible for Industrial Projects and Applications |
| Ali Kındap | General Manager Responsible for Investments, Operations and Maintenance |
| Elif Yener | General Manager of Financial Affairs |
| İnanç Salman | General Manager Responsible for Trade |
| Evren Evcit | Director of Solar and Foreign Investments |
| Ersen Mustafa Özyılmaz | Director of Purchasing and Logistics |
| Funda Küçükosmanoğlu | Director of Purchasing and Logistics |
| Fulya Bıçak Muştı | Director of Purchasing and Logistics |
| Tamer Soylu | Group Manager of QHSE&Sustainability |

| Names Of The Board Committees | Name-Surname of Committee Members | The Percentage Of Non-executive Directors | The Percentage Of Non-executive Directors | The Number Of Meetings Held In Person (2023) | The Number Of Meetings Held In Person (2023) |
|---|--|--|--|---|---|
| Corporate Governance Committee | Betül Ebru Edin Cem Mengi Burak Şimşek | 67% | 67% | 6 | 5 |
| Audit Committee | Cem Mengi Yusuf Günay | 100% | 100% | 4 | 2 |
| Early Detection of Risk Committee | Yusuf Günay Betül Ebru Edin | 100% | 100% | 6 | 6 |
| Strategy and Investments Committee | Yusuf Günay Betül Ebru Edin Bekir Cem Köksal | 100% | 67% | It was established in 2024. | It was established in 2024. |
| Sustainability Committee | Betül Ebru Edin İbrahim Sinan Ak | 50% | 50% | It was established in 2024. | It was established in 2024. |

At least one member of the committee responsible for auditing must have five years of experience in auditing/accounting and finance.

Board Independence

According to Article 4.3.6 of the Corporate Governance Communiqué, a board member who meets all of the following criteria is considered an 'independent member':

a) The company, its affiliates over which it has management control or significant influence, its shareholders who hold management control or have significant influence, and the legal entities controlled by these shareholders must not have had any significant managerial positions or employment relationships with the board member, their spouse, or their relatives up to the second degree within the last five years. They must also not own more than 5% of the capital, voting rights, or preferential shares, either individually or collectively, or have established significant commercial relationships.

- b) Within the last five years, the board member must not have been a shareholder (5% or more), or held significant managerial positions, or been a board member in any company from which the company has significantly purchased or sold services or products, including audit, rating, and consultancy services.
- c) The independent board member must possess the professional training, knowledge, and experience required to fulfill their duties effectively.
- ç) Except for university professorship, the member must not have been employed full-time in public institutions and organizations after being elected as a board member, provided it complies with the applicable legislation.
- d) The board member must be considered a resident in Turkey according to the Turkish Income Tax Law No. 193 dated December 31, 1960.
- e) The board member must have strong ethical standards, professional reputation, and experience to contribute positively to the company's activities, maintain neutrality in conflicts of interest between the company and its shareholders, and make decisions freely while considering the rights of stakeholders.
- f) The board member must be able to dedicate sufficient time to the company's affairs to monitor its operations and fulfill their duties effectively.
- g) The board member must not have served on the board of directors for more than six years within the last ten years.
- ğ) The same person must not serve as an independent board member in more than three companies controlled by the company or its shareholders, and more than five publicly traded companies in total.
- h) The board member must not be registered and announced on behalf of a legal entity elected as a board member.

Board Independence Target share:

According to Article 4.3.4 of the CMB (Capital Markets Board) regulations, the number of independent members in the board of directors must be at least one-third of the total number of members. Fractions are considered as the following whole number in the calculation of independent members. In any case, the number of independent members cannot be less than two. In Zorlu Enerji's Board of Directors, out of 7 members, 3 are independent members. In this context, the target share in compliance with the CMB is 43%.

Board Diversity Policy

Our Board of Directors members have diverse professional backgrounds and possess a broad range of experience and expertise. The Board of Directors, in line with the Board profile determined each year by the Board itself, holds a wide range of core competencies, professional backgrounds, and skill sets. The Board Profile outlines the Board's policy on composition and diversity, as well as related objectives. One of the key points of this policy is that the Board of Directors aims for a diverse composition in terms of factors such as nationality, background, gender, and age, in accordance with the global nature and identity of the Company and its operations. Candidates for the Board of Directors are primarily selected based on the core competencies, professional backgrounds, and skill sets outlined in the Board profile.

Board Diversity Policy

Zorlu Enerji prioritizes inclusion, equality, and diversity as fundamental pillars of innovation and development. In line with the Smart Life 2030 vision and Zorlu Enerji Sustainability Strategy, Zorlu Enerji embraces an understanding that promotes diversity and inclusivity within both the workplace and societal life through an innovative and creative organizational culture. Inclusion, equality, and diversity are principles that emanate from the Board of Directors and extend throughout the entire institution.

Purpose and Scope

At Zorlu Enerji, we consider diversity and inclusivity within the Board of Directors to be valuable assets and central to our business strategies. This policy establishes the principles and criteria regarding equality and diversity for Zorlu Enerji's Board of Directors. The aim is to foster sustainable growth and promote exceptional performance by creating a diverse and inclusive board of directors.

Policy Statement

The diverse knowledge and experiences of Zorlu Enerji's Board of Directors offer the opportunity to effectively manage the fundamental operations of the Board and all activities within the company. Diversifying the composition of the Board is of paramount importance to ensure that its members can make independent decisions. In this context, candidate members are selected without bias towards gender, age, language, race, ethnicity, physical attributes, nationality, sexual orientation, political beliefs, philosophical convictions, religion, or sect.

The process of nominating candidates and selecting members for Zorlu Enerji's Board of Directors is conducted in accordance with relevant regulations, primarily the Turkish Commercial Code and Capital Markets Law, as well as the company's articles of association. The aim is to select candidates who possess the necessary knowledge, experience, and competence required for the role and who can safeguard the interests of all stakeholders.

In this context, equality and diversity are considered during the Board of Directors candidate selection process. As part of an equal workforce initiative, the aim is to increase the proportion of women in decision-making mechanisms, the Board of Directors, and top management to 30% by the year 2030. The Board of Directors assesses progress towards achieving this goal annually and shares the results with the public.

This policy will be periodically reviewed and revised as necessary.

Board Industry Experience

The sector experience of the board members according to the MSCI GICS Level 1 sector classification is as follows.

| | Ahmet Nazif Zorlu | Selen Zorlu Melik | Mümin Cengiz Ultav | Bekir Cem Köksal | Betül Ebru Edin | Cem Mengi | Yusuf Günay |
|-------------------------------|------------------------------|------------------------------|-------------------------------|-----------------------------|----------------------------|------------------|------------------------|
| Energy | x | | | | | | x |
| Materials | x | | | | | | |
| Industrials | x | x | x | x | x | x | x |
| Consumer Discretionary | x | | | | | | |
| Consumer Staples | | | | | | | |
| Health Care | | | | | | | |
| Financials | | x | | x | x | x | |
| Information Technology | | | x | | | x | |
| Communication Services | | | | | | | |
| Utilities | x | | | x | | | |
| Real Estate | x | | | | | | |

Board Gender Diversity

Diversity is a fundamental pillar of Zorlu Enerji's Sustainability & ESG strategy. In the face of a continually evolving global market and a shortage of skills, Zorlu Enerji recognizes that diversity fuels innovation and creativity. Cultivating a diverse range of profiles and fostering inclusive practices within our work environment are essential for maintaining the Group's appeal and ensuring its long-term success.

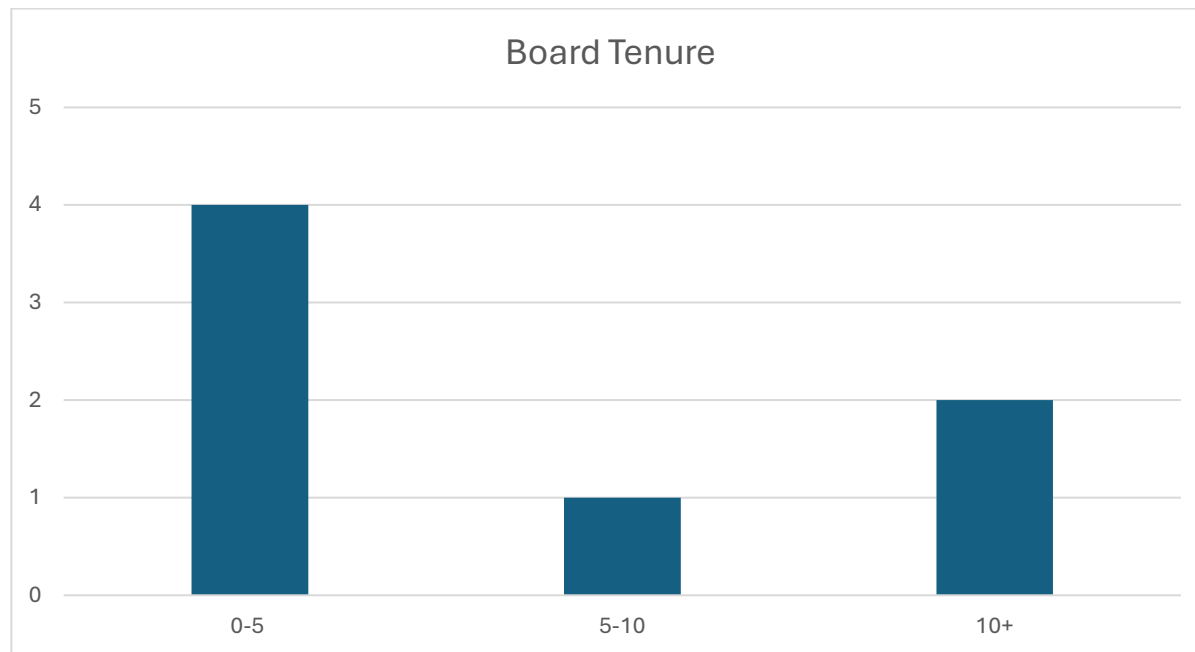
In alignment with its ESG strategy and to support these changes, the Group has established the following initiatives concerning diversity within its management bodies:

The target for the proportion of women on the board is to be no less than 25%. At Zorlu Enerji, 2 out of 7 board members are women. With a 29% female board member ratio, the company exceeds its target for female representation.

Board Average Tenure

The election dates of the members of the Board of Directors of Zorlu Enerji are provided below. The board's average tenure is 5.3 years.

| | The First Election Date To Board |
|--------------------|---|
| Ahmet Nazif Zorlu | 17.05.2017 |
| Selen Zorlu Melik | 10.05.2001 |
| Mümin Cengiz Ultav | 27.04.2021 |
| Bekir Cem Köksal | 4.06.2012 |
| Betül Ebru Edin | 28.05.2024 |
| Cem Mengi | 28.05.2024 |
| Yusuf Günay | 28.05.2024 |



Board Performance & Effectiveness

The board of directors conducted a performance review for 2023 using an evaluation tool developed by a third-party management consultant. The review is structured into three assessment categories: general evaluation, self-evaluation, and peer evaluation. In the general evaluation, board members assessed the quality of board practices, including agenda setting, data reviewed by the board, minutes, meeting dynamics, and overall participation. For the self-evaluation, each director evaluated their own performance in terms of meeting preparation, contributions during meetings, relevant knowledge and experience, and alignment with board values. Additionally, directors assessed their peers based on the same criteria used in the self-evaluation.

Results, conclusions and priorities for 2023

To maintain independence and avoid conflicts of interest, a firm not involved in recruiting directors for the Group was selected. The selected Company has brief experience on board assessments and conducted these assessments regularly, while offering valuable context on recent and ongoing changes while promoting open dialogue with the Board of Directors and management.

Each Director completed a detailed questionnaire, pre-approved by the Lead Independent Director, to gather comments and suggestions anonymously. The responses helped prepare "interview guidelines" for individual meetings with each Director. The questions addressed the composition and activities of the Board and its committees, allowing for a self-assessment of each Director's contribution.

At the end of the assessment, the external consultant presented a summary report to the Board of Directors, analyzing information from the questionnaires and meetings. This report was thoroughly discussed. The assessment revealed ongoing improvements in the Board and its committee's activities since establishment, confirming a collective approach and open spirit in discussions. Key highlights included enhanced strategy monitoring by the Board, better coordination between the Board and the Strategy & Sustainability Committees, improved interaction with the management team, and a more diverse and internationally representative Board composition.

Regarding governance, Directors noted the effective transition between the Chairman of the Board and the Chief Executive Officer under the more independent governance structure since 2020. Additionally, as an output decision for establishing new Committees as Strategy & Sustainability Committees were acknowledged as balancing the Board's governance in line with best practices.

Overall, Directors expressed satisfaction with the Board and its committees' activities and organization. They valued the high-quality strategy seminars and specific training sessions during Board meetings, which they recommended continuing. However, they identified areas needing more attention, such as the Group's medium-term strategy, talent management, and sustainable offerings.

Following this assessment, the Board of Directors set the following priorities for 2024:

- **Strategic Oversight:** Increasing the Board's involvement in defining and overseeing strategic priorities through the implementation of monitoring indicators.
- **Talent Management:** Continued focus on developing and retaining Group talent.
- **Sustainability Strategy & Net Zero Targets:** Enhanced oversight of the Group's sustainability strategy with clients and the continued monitoring of the Group's ESG strategy, particularly the climate strategy.
- **Digitalization:** Increasing the digitalization efforts and targeting AI technologies to discover new business opportunities.

According to Article 4.3.6, paragraph (g) of the Corporate Governance Communiqué, the same person cannot serve as an independent board member in more than three companies where the company or shareholders holding management control of the company also have management control, and in more than five publicly traded companies in total. The table below provides the other roles of the board members. Board members hold no more than three different board memberships.

| | Whether Executive Director or Not | Current Positions Held Outside the Company |
|--------------------|-----------------------------------|--|
| Ahmet Nazif Zorlu | Non-Executive | Chairman and Vice Chairman at Zorlu Group Companies |
| Selen Zorlu Melik | Executive | Chairman and Vice Chairman at Zorlu Group Companies |
| Mümin Cengiz Ultav | Non-Executive | Member of the Board of Directors at Vestel Ventures, Member of the Türkiye Informatics Foundation |
| Bekir Cem Köksal | Executive | Chairman and Vice Chairman at Zorlu Group Companies |
| Betül Ebru Edin | Non-Executive | Chair of the Board of Directors at the Sustainable Development Association, Member of the Board of Directors at the Istanbul Foundation for Culture and Arts, Member of the Board of Directors at the 30% Club |
| Cem Mengi | Non-Executive | Chairman and Vice Chairman at Zorlu Group Companies |
| Yusuf Günay | Non-Executive | - |

Performance Management of Executives & C-Levels

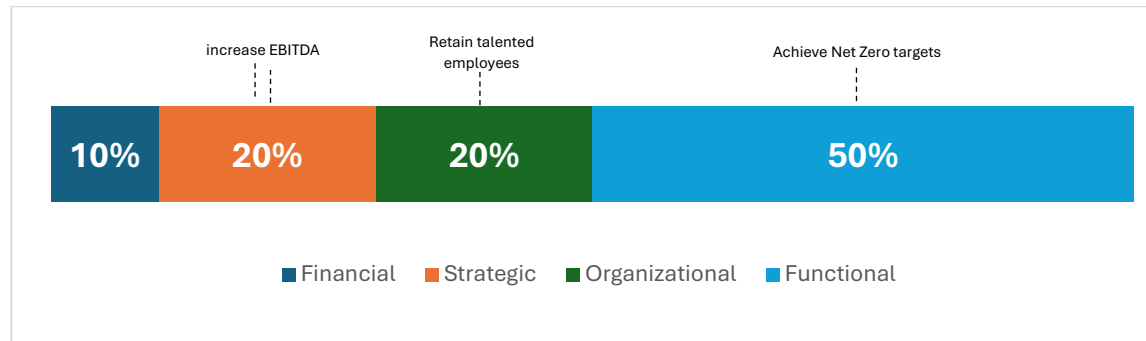
Zorlu Enerji implements performance targets for its C-level executives and affiliated departments, tracking these targets using SMART objectives and KPIs. These targets and performance indicators are defined in four categories with performance outcomes reflected as financial incentives;

1. financial, targets
2. strategic targets
3. functional targets
4. organizational targets

The targets are weighted as follows: financial targets 10%, strategic targets 20%, functional targets 50%, and organizational targets 20%. These weights impact the results and are reflected in the Balanced Scorecards.

Organizational targets are directly assigned by HR Management and stated targets are mandatorily assigned to all C-level executives at Zorlu Enerji to ensure financial stability, align with the Sustainability Strategy, and continuously improve ESG performance:

1. Increase EBITDA,
2. Improve ESG performance,
3. Achieve Net Zero targets,
4. Retain talented and high-performing employees.



CEO Compensation Success Metrics

Our company has established pre-defined financial returns and relative financial metrics for the CEO's variable compensation. These metrics are crucial tools used in assessing the CEO's performance and determining the variable compensation strategies.

Performance Scorecards:

Performance scorecards set by the Board of Directors are used in the CEO's annual performance evaluation. These scorecards include various criteria such as financial returns, operational achievements, and the attainment of strategic goals. The CEO's success in meeting these scorecard criteria is a significant factor in determining their variable compensation.

Pre-defined Financial Returns:

Our company utilizes pre-defined financial indicators (EBITDA margin, return on equity, return on investment capital, acid-test ratio) when determining the CEO's variable compensation. These indicators are established to measure the company's financial performance and ensure the achievement of strategic objectives.

Relative Financial Metrics:

In addition, our company has set relative financial metrics (total shareholder return, growth rate) to evaluate the CEO's performance. These metrics are designed to assess the company's performance and competitiveness within the industry. By comparing with other similar companies, relative financial metrics help gauge the CEO's success level and play a critical role in variable compensation decisions.

Public reporting on these metrics is available in our annual reports, providing transparency on our performance evaluation processes and variable compensation strategies.

CEO Compensation Long Term Performance Alignment

At Zorlu Enerji, the Chief Executive Officer (CEO) is incentivized through a carefully designed bonus structure, aligning their performance with the company's long-term sustainability goals. The CEO's incentive comprises both monetary rewards and performance-based bonuses, which are a percentage of their salary and a set figure.

Incentives are tied to several critical performance indicators, including:

- Financial performance,
- Sustainability goals
- Retaining talent

These incentives are linked to both our Short-Term and Long-Term Incentive Plans, reinforcing the importance of achieving both immediate and strategic sustainability goals. A bonus equivalent to 100% of the CEO's salary is awarded annually upon achieving the defined targets.

CEO-to-Employee Pay Ratio

At Zorlu Enerji, we prioritize fair compensation for our employees, focusing our remuneration principles on fairness, competitiveness, and rewarding high performance. Our compensation practices adhere to the principle of "Equal pay for equal work" without discrimination based on gender, age, language, or race. Additionally, we shape our compensation and benefits strategies around fairness, competitiveness, and rewarding high performance, taking into account industry standards, Zorlu Holding practices, and national and global macroeconomic indicators.

With the goal of maintaining a fair compensation system that keeps employee motivation high, we reward the performance of our employees. Our remuneration strategy is based on individual performance evaluations, salary surveys, national and global economic indicators, and internal company balances. At the end of each year, the salary increase amount is determined for all employees based on these evaluations. For managers and above, a bonus is awarded once a year, based on both company and individual performance.

The salary ratios for general managers, managers, and non-managerial employees, broken down by gender, are publicly shared. Work is ongoing regarding the pay ratio between the CEO and employees.

Ownerships & Shareholder Composition

The ownership structure of Zorlu Enerji is provided below. The percentage of ownership of the largest shareholder 32,31%. Founding and family members individually or governmental institutions do not have more than 5% of the voting rights because of they do not have any shares.

Zorlu Enerji's paid-in capital as of 31 December 2023 is TRY 5,000,000,000 and the company's shareholding structure and capital distribution are as follows:

