

# CORPORATE GOVERNANCE PRINCIPLES

## COMPLIANCE STATEMENT

Biotrend Çevre ve Enerji Yatırımları A.Ş. (Biotrend) carries out its activities under the Capital Markets Board Corporate Governance Principles (II-17.1) published by the CMB. Biotrend manages its relations with its shareholders, employees, customers, and all other related parties through an efficient governance and supervision approach, adopting the well-established components of corporate governance, such as accountability, equality, transparency, and responsibility.

Article 22 of the AoA, titled “Compliance with Corporate Governance Principles,” stipulates that the company complies with the Corporate Governance Principles enforced by the CMB. Any transactions or resolutions made by the board that do not comply with the mandatory principles are considered null and void, constituting a violation of the Articles of Association.

The company's Corporate Governance Compliance Report (CRF) and Corporate Governance Information Form (CGIF) for the accounting period January 1, 2023 - December 31, 2023, have been prepared in accordance with the presentation principles set forth in the CMB's resolution no. 2/49 dated January 10, 2019, and the CMB's Corporate Governance Communiqué no. II17.1. Biotrend's Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Form (CGIF) for the accounting period January 1, 2023 - December 31, 2023, are available on the company's corporate website at [www.biotrendenerji.com.tr/en](http://www.biotrendenerji.com.tr/en) under the heading “Investor Relations/Corporate Governance/Corporate Governance Principles Compliance Reports” and on the Public Disclosure Platform's corporate website at [kap.gov.tr](http://kap.gov.tr). The company will duly announce whether any possible changes within its management have arisen, in line with the Corporate Governance Principles.

### General Assembly Meetings

The company's General Assembly meetings are held according to all of the principles under the "General Assembly" title of the Corporate Governance Principles.

Upon the announcement of the General Assembly Meeting on the website of our company, the notifications and explanations required by the legislation, as well as all other matters that are required to be included by the Corporate Governance Principles are announced to the shareholders in accordance with the principles.

As such,

» We published the total number of shares on our company website, which shows the company's share structure and information on the right to vote, on the General Assembly meeting announcement date.

» We prepared the General Assembly agenda by putting each proposal under a separate title and describing the agenda item headings clearly to prevent misinterpretations. We ensured that the agenda items did not have wording such as "other" or "miscellaneous." The information provided prior to the General Assembly meeting is posted based on the agenda items.

» During the preparation of the Ordinary General Assembly agenda, there were no matters that the shareholders the company's Investor Relations Department to add to the agenda items. Similarly, the shareholders, the CMB and/or other organizations and institutions related to the company did not request any items to be included on the agenda.

» The meeting method of the General Assembly aims to achieve maximum participation from the shareholders. We hold General Assembly meetings in a way that prevents any inequality between shareholders. The General Assembly meetings are held at the company headquarters. On April 14, 2022, an Ordinary General Assembly meeting was held in Istanbul, where the company headquarters is located, according to the company's AoA. The company's AoA allow the meetings to be held at other locations in the city where its headquarters is located.

» The meeting chair made the necessary arrangements and obtained the essential information prior to running the General Assembly under the TCC, the law and the relevant legislation.

» The meeting chair endeavoured to ensure agenda items were handled in an impartial, thorough, clear, and understandable way during the Ordinary General Assembly. Shareholders were given equal opportunity to express their views and ask questions. The meeting chair ensured that the shareholders' questions, except those that fell into the category of trade secrets, were answered directly at the General Assembly.

» Executive board members, at least one other board member and a representative of the independent audit company must be present at the General Assembly meetings. Also, those with responsibilities for the agenda items and those who need to make statements are required to be present. If those other than the ones required to be present by the law cannot attend the meeting, the chair submits to the General Assembly their reason for not being present. The CMB resolution No. 4/89 dated February 1, 2013, applies in this regard. The shareholders, some board members, a representative of the Independent Auditing Firm and company employees who are to make statements on agenda items participated at the Ordinary General Assembly concerning the 2022 fiscal year.

The Ordinary General Meeting concerning the 2022 fiscal year was held on April 14, 2023 at 10.30 a.m. at Kavacık Mah., Ertürk Sk., No: 3/1, İç Kapı No: 1 Beykoz/Istanbul. At the General Assembly Meeting, 281,792,872.827 shares out of the 500,000,000 shares that account for the company capital were represented. Agenda item questions by shareholders that took part at the meeting personally or by proxy were answered during the meeting. Meeting minutes and list of attendants were disclosed to the public through the PDP on the same day. Meeting minutes and list of attendants are available for the shareholders at the corporate website.

Board members performed no transactions under Articles 395-396 of the TCC based on the permission granted the previous year.

**Right to Request Special Auditor:** Under Article 438 of the TCC, every shareholder has the right to request a special audit of certain events, even if it is not included in the agenda, should it be necessary to exert their rights as shareholder and should the right to information and inspection be previously exhausted. If the General Assembly grants the right, then the company or any shareholder may petition the local Commercial Court of First Instance within 30 days at the location of the company headquarters for a special auditor to be assigned. However, there were no requests for a special auditor during the period. No Extraordinary General Assembly meetings were held during the period.

### **Voting and Minority Rights**

The company will avoid practices that make it hard for the shareholders to vote. It shall put in place the mechanisms necessary to provide each shareholder to exercise the right to vote in the easiest and most appropriate way. According to Article 10 of the AoA on Electronic Participation in the General Assembly, the right holders who are entitled to attend the company's General Assembly meetings may participate in these meetings in an electronic setting per Article 1527 of the TCC. At the Ordinary General Assembly

meeting held on April 14, 2023, it was ensured, following this provision of the AoA, that the right holders and their representatives could exercise their rights specified in the provisions of the aforementioned regulation through the system established.

There are no privileged shares and thus no voting shares in the Company's Articles of Association. Each share has one vote. According to Article 20: Minority Rights of the AoA on the management of minority shares, shareholders constituting one twentieth of the capital cannot be restricted or prevented from their minority rights, nor from using said rights, outlined in the Articles 360, 411, 420, 439, 486, 531, and 559 as well as other relevant articles of the TCC, the CML, the CMB regulations and other relevant legislation. The AoA does not include a cumulative voting method.

#### **Transfer of Shares**

The company's AoA does not have a provision that restricts transfer of shares. Provisions of the TCC, the CML, energy market legislation and other relevant legislation apply to share transfers. Shares may be transferred outside the stock exchange without any restriction. No restrictions may be imposed on the transfer of shares traded and to be traded on the stock exchange. In the event that the Company buys back its own shares, the Company acts in accordance with the capital markets legislation and other relevant legislation and necessary material event disclosures are made.

#### **Public Disclosure and Transparency**

Biotrend Çevre ve Enerji Yatırımları A.Ş. adopts as principle public disclosure of all statements according to relevant legislation.

The company pursues an active and transparent disclosure policy. It complies with the CML in all public disclosure practices and aims to employ the most effective communication policy within the scope of the CMB Corporate Governance Principles. The company's AoA outline the information, other than that required by the legislation, to be disclosed to the public, the frequency and method of the disclosure, the frequency with which the board and executives will meet with the press, the frequency of the public disclosure meetings, the approach to responding to questions sent to the company and other matters.

The information that will be disclosed to the public under the Public Disclosure and Transparency principle is disclosed to the public on the "Public Disclosure Platform" and the corporate website on [www.biotrendenerji.com.tr/en](http://www.biotrendenerji.com.tr/en) on time, in full and in a comprehensible and interpretable manner to help in decision-making by the individuals and institutions that will benefit from the disclosure.

There were 68 material event disclosures made in the year in accordance with the CMB regulations. All of the material event disclosures were made on time and published on our website. No annotations were requested.

The Disclosure Policy is available on the corporate website.

## **Corporate Governance Compliance Information Form and Compliance Report**

The Corporate Governance Compliance Report (CGCR) and the Corporate Governance Information Form (CGIF) for the accounting period January 1, 2023 - December 31, 2023 are available on the company's corporate website at [www.biotrendenerji.com.tr/en](http://www.biotrendenerji.com.tr/en), under the heading "Investor

Relations/Corporate Governance/Corporate Governance Principles Compliance Reports,” and on the Public Disclosure Platform’s corporate website at [kap.gov.t](http://kap.gov.t)



# Corporate Governance Compliance Report

Related Companies

Related Funds

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
Corporate Governance Compliance Report						
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	There has not been such a situation.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	There is no mutual participation relationship in our Company's capital.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.	X					
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					

2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					The Turkish contents are in English. Some contents are in French.
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.			X			There is no such regulation in the articles of association regarding the participation of the employees to the management.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.		X				The current methods of communication with the Stakeholders are specified in the Annual Report - Sustainability Approach - Methods of Communication with Key Stakeholders.
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.		X				Decisions that may affect employees are reported to them. The company is not a member of any union.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.		X				Job descriptions have been completed. Performance criterias still continue.
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.		X				The company does not have an agreement with any union.
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.		X				The company's activities are always based on unconditional customer satisfaction.
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						

3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attend the majority of the board meetings in person or via an electronic board meeting system	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.	X					
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Because of the number of Independent Board Members, each board member takes office in more than one committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.	X					
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve						

conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			Salaries, bonuses and similar benefits provided to senior executives are shared collectively in the annual report and they are not disclosed on an individual basis.