



KORDSA TEKNİK TEKSTİL ANONİM ŞİRKETİ

**INTERNAL REGULATIONS
OF THE COMMITTEES OF THE BOARD OF
DIRECTORS**

**CORPORATE GOVERNANCE COMMITTEE
INTERNAL REGULATION**

CODE NR	
EFFECTIVE DATE	24/04/2012
DATE AND NR OF BOARD RESOLUTION	24/04/2012 - 979
REVISION NR	5-6
REVISION DATE	11.05.2021
DATE AND NR OF COMMITTEE RESOLUTION	
DATE AND NR OF BOARD RESOLUTION	11.05.2021-2021/15

1. DECISION OF FOUNDATION

This Committee, which was established in accordance with the Corporate Governance Principles of the Capital Markets Board (CMB), was established by Kordsa Teknik Tekstil A.Ş. with the resolution of the Board of Directors dated 24/04/2012 and numbered 979.

2. PURPOSE

A Corporate Governance Committee was established with the purpose of helping the Board of Directors fulfilling its duties and responsibilities healthily. Corporate Governance is the management process based on ethical values Kordsa Teknik Tekstil A.Ş., acting responsibly to the inside and outside, and transparently and responsibly in its resolutions, by considering the interests of its stakeholders and aiming for sustainable success.

The Committee was appointed by Kordsa Teknik Tekstil A.Ş. to determine the Corporate Governance Principles in line with the CMB and other internationally accepted Corporate Governance Principles and to create and make recommendations to the Board of Directors.

3. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

- 3.1** Determines whether the Corporate Governance Principles are applied in the company, if not, the reason, and the conflicts of interest arising from not fully complying with these principles, and makes recommendations to the Board of Directors to improve the Corporate Governance Practices.
- 3.2** Monitors the work of the Investor Relations Department.
- 3.3** Establishes a transparent system for the identification, evaluation and training of suitable candidates for the Board of Directors and to determine policies and strategies in this regard.
- 3.4** Determines the approaches, principles and practices of the Members of the Board of Directors and Senior Managers regarding performance evaluation and career planning, and oversees them.
- 3.5** Determines the recommendations of the Members of the Board of Directors and Senior Executives regarding the principles of remuneration, taking into account the long-term goals of the company.
- 3.6** Determines the criteria that can be used in remuneration, taking into account the performance of the company and the member.

- 3.7 Submits its proposals to the Board of Directors regarding the remuneration to be given to the Members of the Board of Directors and Senior Executives, taking into account the degree of achievement of the criteria.
- 3.8 Supports compliance with the Code of Ethics of Kordsa Teknik Tekstil A.Ş.
- 3.9 The Resolutions of the Committee are advisory to the Board of Directors, and the Board of Directors is the final decision maker on related matters.
- 3.10 The Committee notifies its assessments and recommendations regarding to the aforementioned issues in writing to the Members of the Board of Directors.
- 3.11 Corporate Management Committee evaluates the independent member candidate proposals, including the candidates proposed by the management and shareholders, by taking into account whether the candidate fulfills the independence criteria, and submits its evaluation to a report for the approval of the Board of Directors.
- 3.12 Any Independent Board Member Candidate is required to submit a written statement to the Corporate Governance Committee, at the time of nomination, that he is independent within the framework of the criteria set by the legislation, articles of association and CMB Legislation.

4. STRUCTURE

The Corporate Governance Committee consists of a maximum of five members and two reporters, including the chairman appointed by the Board of Directors in line with the "Corporate Governance Principles" of the CMB.

4.1. Chairman

The Chairman of the Corporate Governance Committee is appointed by the Board of Directors of Kordsa Teknik Tekstil A.Ş. from among the Independent Members of the Board of Directors.

In case that the chairman of the Committee becomes vacant for any reason, the chairman of the Board of Directors appoints one of the Committee Members as the temporary chairman until a new chairman is appointed at the first Board Meeting following the vacancy.

4.2. Members

It consists of a maximum of five members, four of whom are elected by the Board of Directors of Kordsa Teknik Tekstil A.Ş., and the Assistant General Manager of Finance (Senior Director of the Investor Relations Department).

Other persons who are deemed appropriate by the Chairman may also attend the meetings.

4.3. Reporters

The Deputy General Manager responsible for the Human Resources of Kordsa Teknik Tekstil A.Ş. and Global Finance Specialist-Investor Relations Department's Director, who holds an Advanced Level License for Capital Market Activities, acts as the Reporter of the Corporate Governance Committee on matters related to his/her duties.

5. REPORTING

- 5.1. The resolutions of the committee are kept in the resolution book to be kept for the committee.
- 5.2. Meeting minutes are kept regularly by the meeting reporters. It is presented to the Board of Directors of Kordsa Teknik Tekstil A.Ş. after being approved by all Committee Members.
- 5.3. The Secretariat of the Board of Directors is responsible for communicating the resolutions and meeting minutes to the Members of the Board of Directors and keeping the book of resolutions.
- 5.4. Meeting and resolution quorum is the absolute majority of the total number of members.

6. DETERMINATION OF THE AGENDA

The meeting agenda is determined by the Chairman of the Committee.

Members and shareholders notify the issues they want to be included in the agenda to the Chairman of the Corporate Governance Committee through the related Reporter.

7. MEETING PLACE AND TIME

Meetings are held at least four times a year at a location deemed appropriate by the Chairman. The annual meeting schedule of the Corporate Governance Committee is determined by the Committee Chairman and announced to all members at the beginning of each year.

8. DUTIES OF THE CHAIRMAN

- 8.1. Chairs the Corporate Governance Committee and manages the meetings.
- 8.2. Determines the meeting agenda.

- 8.3. Provides information flow and coordination between the Board of Directors of Kordsa Teknik Tekstil A.Ş. and the Corporate Governance Committee.
- 8.4. Invites the relevant expert or experts to the meeting when necessary during the discussion of certain issues.
- 8.5. Appoints one of the members to preside over the committee meeting when the chairman is not attending the meeting.
- 8.6. Takes the necessary precautions for the Committee to fulfill its duties and responsibilities effectively.

9. DUTIES OF COMMITTEE MEMBERS

- 9.1. It is the primary duty of each member to attend the Corporate Governance Committee meetings. The member informs the Chairman of the Committee about the meeting that s/he cannot attend.
- 9.2. Closely follows national and international developments in Corporate Governance and keeps himself/herself updated in this field and shares this with other members, while fulfilling the duty.
- 9.3. Takes part in the subjects that need to be worked on within the committee.
- 9.4. Conveys his/her views on the agenda to the Chairman of the Committee.

10. DUTIES OF REPORTERS

- 10.1. Assists the Chairman of the Committee in the preparation of the agenda regarding the subjects.
- 10.2. Delivers the meeting agenda and related documents to the Committee Members before the meeting.
- 10.3. Presents the resolutions and meeting minutes of the Committee to the Chairman of the Committee by immediately making them written after each meeting.
- 10.4. Sends the opinions and recommendations of the Committee, together with the Committee Chairman and Members, to the Board of Directors of Kordsa Teknik Tekstil A.Ş.
- 10.5. Sets up the administrative organization of the meetings. Coordinates the participation of the people whom the Chairman of the Committee wants to attend the meeting.
- 10.6. Performs the other duties assigned by the Chairman of the Committee regarding the Corporate Governance Principles.

11. TENURE

Tenure of committee members is the same as the tenure of the Members of the Board of Directors of Kordsa Teknik Tekstil A.Ş. The Corporate Governance Committee is re-formed following the election of the Members of the Board of Directors.

In the last term of the committee members, a transition/transfer meeting is held between the current and new members before/after the General Assembly.

12. ENFORCEMENT AND EXECUTION

This Internal Regulation, was approved and put into practice with the resolution of the Board of Directors of Kordsa Teknik Tekstil A.Ş. dated 24/04/2012 and numbered 979,

It was revised, approved and put into practice with the resolution dated September 21, 2018 and numbered 2018/26.

The Chairman of the Committee is responsible for its execution. The Board of Directors of Kordsa Teknik Tekstil A.Ş. is authorized to make the necessary changes in the Internal Regulation.
