



KAMUYU AYDINLATMA PLATFORMU

ÇATES ELEKTRİK ÜRETİM A.Ş. Corporate Governance Compliance Report 2023 - Annual Notification

Summary

2023 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					
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					
						<ul style="list-style-type: none"> • Provided that the capital represented by Class A shares continues to represent at least 30% of the issued capital of the Company, two members of the Board of Directors shall be elected from among the candidates nominated by the shareholders holding the majority of the capital represented by Class A shares if the Board of Directors consists of five members, three members if it consists of six or seven members, and four members if it consists of eight or nine members. • Provided that the quorums stipulated in the Capital Markets Law and the Turkish Commercial Code are maintained, the affirmative vote of the shareholders holding the majority of the capital represented by Class A shares is also required for the General Assembly of the Company to take decisions on the following matters and
1.4.2 - The company does not have shares that carry privileged voting rights.	X					

						amendments to the Articles of Association falling within the scope of these matters: • Approval of the budget. • Amendment of the articles of association, except for capital increases to be made according to the registered capital system. • Changing the Company's field of activity, entering into new lines of business or abandoning existing lines of business. • Capital increase, liquidation, dissolution, termination, capital decrease, change of type of the company, except for capital increases to be made according to the registered capital system. • Bankruptcy, concordat, application for financial restructuring within the scope of Article 309/m. of the Execution and Bankruptcy Law No. 2004 . • Transfer of all or part of the company's commercial enterprise.
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					
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				Maximum attention is paid to the exercise of minority rights. Shareholders constituting one-twentieth of the share capital may request the board of directors to call the general assembly for a meeting by stating the reasons and agenda in writing, or if the general assembly is already convened, they may request the board of directors to put the issues they wish to be resolved on the agenda. The request to add an item to the agenda is made pursuant to Article 411 of the Law.
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					
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					
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					
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					
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					
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					
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					Although customer satisfaction is not measured, company 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					There is an executive liability policy, the amount of the policy does not exceed 25% of the share capital due to the high capital of the Company.
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					Members of the board of directors are not restricted from assuming other duties outside the company, but this situation does not cause any conflict of interest.
4.5. BOARD COMMITTEES							
4.5.5 - Board members serve in only one of the Board's committees.					X		Since the process of appointing independent members is ongoing, committee members have not yet been determined.
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		Since the process of appointing independent members is ongoing, committee members have not yet been determined.
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							

<p>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.</p>	<p>X</p>			
<p>4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.</p>	<p>X</p>			<p>In not disclosing the remuneration and benefits provided to the members of the Board of Directors and senior executives, it is aimed to establish a balance between the rights and interests that need to be protected in terms of the Personal Data Protection Law and Remuneration Policy and the rights of shareholders and stakeholders to obtain information in terms of the transparency requirement in accordance with the Corporate Governance Communiqué, taking into account the principle of proportionality. In this context, the remuneration of board members and senior executives are not disclosed on individual basis, but are included in the annual report as a total amount.</p>