

# Policies About Corporate Governance

## Disclosure Policy

### Disclosure Policy General Framework:

Anadolu Hayat Emeklilik (the Company) satisfies all kinds of financial data and other disclosure and information provision requirements as stipulated by the Capital Market Legislation, the Turkish Commercial Code and other applicable legislation, and in particular by the Insurance Law, Private Pension Savings and Investment System Law and regulations issued thereunder. In doing that, the Company also takes into consideration the generally accepted accounting principles and corporate governance principles. Within this context, the Company pursues a detailed information and public disclosure policy.

The main purpose of the Disclosure Policy is to ensure that necessary information and disclosures apart from trade secrets are conveyed equally to shareholders, investors, employees, customers, creditors, reinsurers and other related parties in a manner that is timely, accurate, complete, intelligible, interpretable and easily accessible at low cost.

Our Company has embraced an active approach with respect to the adoption and implementation of Corporate Governance principles, and spends maximum effort to satisfy the requirements of applicable legislation and to implement international best practices in respect of public disclosure and information provision. The Company's Disclosure Policy that has been developed accordingly was prepared within the framework mentioned above, approved by the Board of Directors, and put into implementation.

For public disclosure purposes, our Company makes use of the Public Disclosure Platform (PDP), Central Registry Agency e-Company, Electronic General Meeting System (e-GEM), national/local newspapers, the Turkish Trade Registry Gazette (TTRG) and the Company's corporate website.

### Authority and Responsibility

The Disclosure Policy has been developed by the Board of Directors. At our Company, the Board of Directors has the authority and the responsibility for developing, monitoring, overseeing and enhancing the public disclosure and information policy. The Investor Relations Unit is assigned with the coordination of the disclosure function. The employees in the said unit perform these responsibilities in a coordinated fashion with the Audit Committee, Corporate Governance Committee and the Board of Directors.

### Public Disclosure Activities, Methods and Tools

The tools and methods employed for public disclosure within the frame of the Turkish Commercial Code, Insurance Legislation, Private Pension Legislation, Capital Markets Legislation and other applicable legislation are provided below:

Quarterly financial statements, drawn up in accordance with the legislation published by the T.R. Ministry of Treasury and Finance and the Capital Markets Board of Türkiye (CMB), the footnotes and explanations in relation to relevant financial statements, and independent auditor's reports drawn up at mid-year and year-end are published within statutorily prescribed periods of

time on the Public Disclosure Platform (PDP) and on the Company website. The related financial statements, along with a statement as to their accuracy and fairness, are signed by the members of the Audit Committee and the Company managers responsible for financial management and reporting. In press releases given in addition to the financial statements disclosed on a quarterly basis, the public is informed about the activities in the relevant period, the Company's position in the market, its overall financial performance and other material matters. Press releases, as well as related financial statements are published on the website. Our financial statements (Balance Sheet and Income Statement) are translated into English at quarterly intervals, and our annual report is translated into English on an annual basis, both of which are posted on the Company website.

The Company makes notifications electronically to the T.R. Ministry of Treasury and Finance on behalf of the public authority on a monthly basis, and to the Insurance Association of Türkiye on a quarterly basis.

Material event disclosures required to be made under the CMB legislation are announced on PDP within due time. Material event disclosures are, in principle, signed by the managers responsible for financial management and reporting; however, they are also signed in exceptional cases by the managers in charge of the units concerned with a given topic before being submitted to related authorities. Material event disclosures are also announced on the Company website the day after the public disclosure at the latest.

In order to guarantee the confidentiality of material events until their disclosure, individuals with access to inside information are informed about their responsibilities arising from the applicable legislation, and a confidentiality article is incorporated, as and when necessary, in contracts concluded with individuals and organizations which may have access to inside information by reason of providing a certain service to the Company. On the other hand, the Company meticulously observes its legal obligation for keeping the Company's and customers' secrets and for not divulging the same to legally and explicitly authorized authorities as per the Insurance Law no. 5684 and the Private Pension Savings and Investment System Law no. 4632. This obligation applies to the Company support services providers and their employees, as well as the Company's own employees.

Relevant provisions of applicable legislation and the Articles of Association are adhered to in announcements and disclosures regarding amendments to the Articles of Association, General Assembly meetings, capital increases, dividend distribution, year-end financial statement and footnote notifications. Documents and information related to the General Assembly are conveyed to the shareholders also via the Electronic General Meeting System pursuant to the provisions of the Turkish Commercial Code.

The Annual Report is prepared every year before the General Assembly Meeting in accordance with the requirements under applicable legislation, in a manner to cover the

necessary information and explanations and made available for examination by shareholders, is published on PDP and the corporate website (in Turkish and English), and the hard copy report is available upon request from the Investor Relations Unit of our Company.

Regular contacts and meetings with the media are not envisaged; statements are made via the press and visual media when deemed necessary or when requests from media representatives are to be responded. Press statements to the printed and visual media can be made by the Chairman of the Board, the CEO or his deputy and other officials to be deemed appropriate thereby.

Company-related news featured in the press and media in Türkiye are followed up via a professional media-monitoring agency. Within this framework, in case of a necessity to make a statement within the scope of the legislation governing public disclosure of material events, necessary information is gathered from the related units upon which relevant statement is made. When making a statement about news and rumors that are featured by the press/media and/or the Internet, but which do not give rise to the obligation to make a material event disclosure as per the applicable legislation, the method and content of the statement are determined in view of some factors including the nature of the news, the expanse of the audience reached by the press/media organ, and whether the news affects the Company's reputation. In cases when statements are made regarding such news and rumors, in the event that the content of the statement incorporates an element requiring a public disclosure, a material event

disclosure is also made in line with the provisions of the applicable legislation relevant to the subject. The Company is entitled to take necessary legal action in the event that the news covered constitutes a crime according to Article 35 of the Insurance Law and Article 23 of the Private Pension Savings and Investment Law, both of which relate to protection of reputation.

Information is communicated to shareholders and other related parties through teleconferences organized from time to time. These teleconferences are coordinated by the Investor Relations Unit.

Through domestic and overseas investor meetings and roadshows, information is conveyed to shareholders and other related parties. The CEO, to the extent possible, managers responsible for financial management and reporting and Investor Relations Unit manager participate in these meetings and roadshows carried out by the Investor Relations Unit. When deemed necessary, the contact teams mentioned above can be expanded further.

Presentations and reports made available in investor conferences, roadshows and press meetings are posted under the Investor Relations sections on the Company's corporate website in order to provide equal information simultaneously to all market participants.

The Investor Relations Unit provides relevant information and financial statements in particular to shareholders, domestic and foreign investors and institutions issuing research reports about our Company via email.

Detailed information and data about the Company are posted under the Investor Relations tab on the corporate website at [anadoluhayat.com.tr](http://anadoluhayat.com.tr) in a format that is in accordance with the corporate governance profile. Relevant components are monitored and kept up-to-date by the Investor Relations Unit. The Investor Relations Unit handles the necessary coordination for responding to all kinds of questions directed by the shareholders and other related parties via electronic mail, post, phone, etc. as soon as possible.

#### **Other Notifications**

Notifications other than the ones described above are publicly disclosed after being signed as appropriate according to the powers set forth in the Company's list of authorized signatures.

#### **Forward-Looking Evaluations**

In case of public disclosure of forward-looking evaluations that may affect investors' decisions, the Board of Directors shall make a public disclosure upon approval of the CEO or the individuals authorized by the CEO through the Public Disclosure Platform, in the annual reports or employing other methods specified by the legislation. In case of significant differences between the matters disclosed to the public previously and the actualizations, disclosure shall be made, if necessary, under the applicable legislation.

#### **Identification of Individuals Having Administrative Responsibility**

The criteria employed when identifying the individuals with administrative responsibility include the roles such individuals assume within the Company organization and the content of information such individuals have access to. Within this context, in addition to the members of the Board of Directors, the CEO, Deputy CEOs and Coordinators, the managers of the units having access to information about the entirety of the Company and units authorized to make administrative decisions with a macro influence upon various elements including composition of assets and liabilities, profit and loss, cash flow, strategic goals etc. have been identified as individuals with administrative responsibility.

#### **Anadolu Hayat Emeklilik A.Ş. Corporate Website ([anadoluhayat.com.tr](http://anadoluhayat.com.tr))**

Anadolu Hayat Emeklilik A.Ş. Corporate Website ([anadoluhayat.com.tr](http://anadoluhayat.com.tr)) is actively and heavily used for information provision and public disclosure purposes. The website covers the information and data as required by the Corporate Governance Principles and regulatory authorities. Care is taken to keep the website up-to-date at all times.

Pursuant to the provisions of the Turkish Commercial Code governing websites, the e-COMPANY platform, which is set up under the Central Registry Agency and which can be reached through the link under the "Information Society Services" tab on the Company website, is also used for communications with shareholders. The documents defined in the relevant legislation can be accessed through the said platform as well.

#### **Dividend Payment Policy**

The Company's dividend distribution principles applicable to shareholders and other persons participating in the profit are governed by the provisions of the Turkish Commercial Code, Capital Market legislation, other legislation governing our Company, and our articles of association.

The dividend payment proposals that the Board of Directors submits to the General Assembly of Shareholders are prepared in a manner to preserve the delicate balance between shareholders' expectations and the Company's need to grow, taking into consideration the future expectations regarding the Company's activities, capital adequacy targets and the conditions prevailing the capital markets, as well as the Company's profitability.

The Board of Directors has adopted a dividend payment policy that is based on proposing to the General Assembly of Shareholders that at least 30% of net distributable profit out as free shares of stock and/or in cash.

There are no preferred stocks in the Company's profit distribution.

There are no founder's shares nor is it a Company practice to give shares of profits to members of the Board of Directors.

As required by our articles of association, a maximum of 3% of the total amount remaining after the first dividend has been set aside is paid out to our employees as their share of the profits, subject to a cap of three monthly salaries. Cash dividend payouts are made until no later than the end of the second month following the date of the General Assembly Meeting in which the dividend distribution decision

is adopted. Dividend distribution in the form of dematerialized shares takes place following legal permissions.

Advances on dividends may be paid subject to the principles and procedures set out in the Capital Market legislation.

## Remuneration Policy

### 1. The Purpose and Scope of the Policy

The main purpose of Anadolu Hayat Emeklilik A.Ş. Remuneration Policy is to ensure that the Company's remuneration-related practices are planned, executed and managed in alignment with the applicable legislation, the scope of the Company's activities, its structure, strategies, long-term goals and risk management structures, in a manner that precludes excessive risks and based on active risk management and so as to be linked to the performance of the Company and its employees.

The Policy covers the Company's managers and employees at all levels in respect of remuneration management.

### 2. Basic Principles and Fundamentals Related to Remuneration

The basic principle is to make sure that the remuneration to be paid to the Company's managers and employees at all levels is compatible with the Company's ethical values, internal balances, strategic goals, and the employees' performances, and must not be related solely to the Company's short-term performance.

Incentive payments are determined according to objective criteria without guaranteeing their amounts in advance and by taking also the long-term reflections of the tasks performed

into consideration, and in a manner to positively impact the Company's corporate values.

Remunerations to be paid to the managers and employees of units within the scope of internal systems are determined in view of the related employees' performance in their respective functions, independently from the performance of the operational unit that they are auditing or overseeing or controlling.

Necessary action is taken in relation to the remunerations of those who are established to have jeopardized the Company's safe operation by reason of their activities or who are established to be responsible for the deterioration of the Company's financial structure.

Care is taken to make sure that neither the Remuneration Policy nor remuneration practices thereunder incorporate incentive systems that will injure the interests of shareholders, employees and/or customers.

### 3. Duty and Responsibilities

The Company's Board of Directors has the ultimate authority and responsibility for effective execution and management of the Company's remuneration practices within the frame of applicable legislation and this Policy. The Board of Directors assures the efficiency of the Policy by reviewing the same at least once a year.

Within the framework of the Policy, the Company's remuneration practices are monitored and audited by the Corporate Governance Committee under the Board of Directors on behalf of the Board of Directors. In addition, the said Committee communicates its assessments and suggestions to the Board of Directors.

Duties and activities related to the preparation, publication, updating, effective implementation and follow-up of the procedures for the Company's implementation principles and procedures related to remuneration within the frame of applicable legislation and this Policy are carried out, managed and coordinated by the Human Resources and Training Department. Other Departments of the Company and branches fulfill their duties within this scope in coordination with the Human Resources and Training Department as well.

### 4. Enforcement

This Policy enters into force as of 29 February 2012. Any amendments and updates to be subsequently made to the Policy in connection with the then-current conditions shall come into force upon the approval of the Board of Directors.

### Human Resources Policy And Practices

Our Company defines and conducts its human resources policy in light of our country's social, cultural, and economic conditions and the following principles:

In recruitment, the Company espoused the principle that individuals are to be given equal opportunity under identical conditions. Hiring criteria are set forth in writing for each job position and are strictly complied with in practice.

Job descriptions and assignments and performance criteria are determined by the Company management and announced to employees.

When making training, assignment, and promotion decisions, particular care is taken to making use of objective data and to observing the Company's best interests, to the maximum extent possible.

Training plans are developed and training policies are formulated in an effort to help our employees improve their knowledge and skills.

Our Company's employees are members of the Labor Union of Bank-Finance and Insurance Companies. Any decisions or developments concerning them are communicated to the employees or their representatives, and the opinion of the said union is sought in such decisions.

The Company provides a working environment and working conditions that are safe and efforts are undertaken to improve these conditions depending on social and technological requirements.

Our employees are kept informed on decisions made or developments that occur concerning them.

Measures are taken to prevent discrimination among employees based on race, religion, language, or sex; create a working environment that is respectful of human rights; and prevent all physical, mental, and emotional abuse within the Company.

It is not deemed appropriate to appoint a representative to handle relations with our employees.

Succession planning is made to identify the new managers to be appointed in cases where it is predicted that changes in a managerial position will cause hitches in the management of the Company.

Launched for the purpose of increasing the efficiency of internal communication, the Company's corporate portal is used to share the current announcements, insurance and private pension legislation, and supplementary references with our employees.

Our union representative employees play an important role in the handling of relations between our Company and our employees. On the other hand, matters our employees wish to be covered in the collective agreement are gathered from all employees in writing, and considered during the agreement process.

No complaints have been received on account of discrimination among Company employees.

The provisions of the suggestion system regulation are applied to promote Company employees' creative ideas about the company activities and practices, collect and evaluate individual ideas, and to appreciate and reward those deemed successful.

The general principles and criteria of human resources practices recognized by our Company are specified below.

### Hiring Practices

The general principles and criteria adhered to by Anadolu Hayat Emeklilik are:

- Be a citizen of Türkiye.
- Be at least 18 and not more than 30 years of age.
- Have completed any active military service obligations if applicable or have obtained a deferment.

- Not have been deprived of their civil rights.
- Never have been convicted of any of the offenses specified in insurance and private pension system law, whether or not officially pardoned.
- Be healthy enough to work and travel anywhere in Türkiye.
- For janitorial positions, hold at least a high-school diploma. For white-collar positions, be a graduate of at least a two-year vocational school as defined in the applicable legislation, or of four-year faculties.
- Be under no service obligation to any government agency or private concern.
- Successfully pass the qualifying examination and/or interview for the position being hired into.

### Job Applications

Whenever vacant positions are available, they are announced on the Company's corporate website. All applications that are received are placed in a single pool through our candidate portal on our website or through the recruitment portals engaged and evaluated. The Company's Human Resources and Training Department is responsible for receiving all job applications, conducting written and/or oral exams, announcing exam results, and all other recruitment-related matters.

### Promotion

Promotion conditions for the titles (Manager, Assistant Manager, Submanager, Officer, Specialist, Assistant Specialist, Inspector and Assistant Inspector) in our Company's organizational structure is governed by the Company's related bylaws. To be promoted to a higher position:

- the employee must have served for the minimum periods of time specified by headquarters in his current position;
- the employee must have earned a good performance score substantiating his promotion;
- there must be a vacancy to which the employee can be promoted;
- the employee must have successfully completed whatever course, examination, thesis, project, or similar qualifying requirements that the Company requires for the position.

### Performance Management

Performance appraisal system is in place at the Company in order to measure the individual contribution of each employee in supporting the Company towards achievement of its corporate objectives. In this frame, all company employees are evaluated once a year.

The performance appraisal system aims to establish objective criteria for the employees' career progressions and to determine their training needs.

### Job Security

Job security for our employees is provided under a collective bargaining agreement arrangement between the Company and BASİSEN (Labor Union of Bank-Finance and Insurance Companies).

### Wage Policy

Employees' salaries are adjusted annually in accordance with current conditions and as specified in a collective bargaining agreement that is renewed every other year. Salaries and bonuses are paid on the last day of each month. In addition to salary and bonuses, personnel are entitled to a

broad range of fringe benefits such as health insurance coverage, employer's contributions to the private pension system on the employee's behalf, personal life insurance, and company-provided transportation and lunchtime meals.

Practices associated with the seniority and notice pays to be paid to Anadolu Hayat Emeklilik A.Ş. personnel have been based on Article 14 of the Labor Law no. 1475, Article 17 of the Labor Law no. 4857, and the collective bargaining agreement in force.

Within this framework;

Severance Pay is paid to employees with the tenure of service as stipulated in the Labor Law no. 1475, whose employment contract ends as a result of one of the cases specified in the Law, taking into account the term of service, either to the employee himself/herself, or to his/her legal heirs, in case of death;

According to the collective bargaining agreement, the amount of the severance pay (which must not exceed the maximum amount in the Labor Law) is paid on the basis of 60 days for each full year that has passed if the employment contract ends due to disability, old age and entitlement to pension, or death, and on the basis of 45 days for each full year in case of entitlement otherwise.

Based on Article 17 of the Labor Law no. 4857, the employee is notified that his/her employment contract will be terminated and he/she is either given leave for looking for another job in the number of days stipulated by the law depending on his/her tenure, or is paid a Notice Pay in cash, which will cover the period of time until the end of the notice period.

## Training

### AHE Academy

The Company set up the AHE Academy in order to systematize the training and development activities directed towards our employees, by incorporating the cultural aspect as well.

Through the AHE Academy, the Company invests in its human capital and aims to make the customer-focused culture permanent.

Anadolu Hayat Emeklilik supports its employees' professional and personal development, offers various activities that are aligned with their career paths and aim to equip its employees so as to enable them to look from different perspectives.

### Training Programs

Company employees are provided with in-house and extramural training opportunities to foster their professional and personal development. National and international resources are made use of for these training programs.

When personnel are first hired, they are put through an orientation program and given training in basic insurance and private pension system issues. After this and for the rest of their careers, training is provided so that they have all the knowledge and skills they may need for whatever position they may be filling.

The annual training programs are designed with the primary goal of building on employees' competencies and preparing them as necessary for their future positions.