

Corporate Governance Principles Compliance Report

SECTION I - Corporate Governance Principles Compliance Report

Aygaz is aware of the benefits and importance of Corporate Governance Principles in terms of companies and capital markets. Compliance with international standards, creating sustainable shareholder value, securing funding from foreign markets, and achieving consistent growth are very important in today's increasingly globalized world. In this respect, corporate governance also contributes significantly toward improving management quality, mitigating and better managing risks, and enhancing the company's reliability and reputation in financial and capital markets.

Aygaz has adopted the "Corporate Governance Principles" that the Capital Markets Board (CMB) first introduced to the public in July 2003 and complied with these principles to a great extent. In addition to achieving full compliance with the mandatory principles of the Corporate Governance Communiqué No: II-17.1, in effect in 2020, Aygaz has complied with a majority of the non-mandatory principles. Even though the company aims to fully comply with the non-mandatory Corporate Governance Principles, full compliance has yet to be achieved due to the difficulties regarding implementation of some principles, the current debate on both domestic and international platforms toward their adoption and some principles failing to align with the existing structure of the market and the company. With the work ongoing regarding the principles that have yet to be implemented, adoption of these principles will be duly considered upon completion of the administrative, legal and technical infrastructure work that would contribute to the company's effective management.

The Corporate Governance practices in 2020 have been carried out in compliance with the Capital Markets Law that includes Capital Markets Board regulations on corporate governance principles and the communiqués pursuant to this law. Prior to the general assembly meeting, independent board members were nominated and publicly announced, and general assembly meeting was organized with due process for the election. At the Ordinary General Assembly Meeting in 2020, members of the Board of Directors were elected, and in the ensuing process the Board committees, which currently function effectively, were formed in accordance with regulations. Remuneration policy was determined for Board members and senior executives and presented to the shareholders at the general assembly meeting. Through the information document prepared for the General Assembly, information mandated by the principles, such as privileged shares, voting rights, organizational changes, résumés of the nominees for Board membership, remuneration policy for the Board of Directors and senior executives as well as all reports and information that must be drafted and disclosed about related parties were made available for investors three weeks prior to the General Assembly meeting. The corporate website and annual report were also reviewed and necessary changes were made toward full compliance with the principles.

Necessary work will be carried out for full compliance with the principles by considering legislative developments and implementations in the upcoming period.

The non-mandatory Corporate Governance Principles, which have yet to be complied with, are listed below. Detailed information is provided in the relevant sections of the annual report. Aygaz has not been exposed to any conflicts of interest due to lack of full compliance with the non-mandatory principles.

- Regarding principle 1.3.10, donations made by the company are described in a separate item on the general assembly agenda and the details of the donations with the highest amounts are included in the General Assembly information document. The remaining amount, not detailed in the information document, consists of various donations, each lower than TL 100,000, made to a number of institutions and organizations and that are not of material significance for investors. Donations lower than this amount are not followed by the investors while the company has plans to continue disclosing within this materiality limit in the coming years.

- Regarding principle 1.5.2, minority rights are not granted for shareholders holding less than one twentieth of the share capital according to the articles of association, and rights are granted to minority shareholders within the framework of general regulatory provisions in line with general practices. The investors have not expressed any interest in this matter and the company does not foresee any changes regarding this matter in the near future.

- Regarding principle 4.3.9, the company agrees that achieving diversity in the Board of Directors in terms of knowledge, experience and perspectives contributes positively to its operations and enhances the effective functioning of the Board of Directors and believes that the current structure of the Board reflects this perspective. While a specific policy regarding the minimum ratio of female members in the Board is not available, the female member ratio in the Board of Directors is currently 11%. Work is ongoing to introduce a dedicated policy in the following years.

- Regarding principle 4.4.1, the Board of Directors did not convene in a physical setting due to the COVID-19 pandemic; however, the members were regularly informed about the company's performance and developments while resolutions were all reached by passing them around.

- Regarding principle 4.4.2, a minimum period has not been defined to communicate the information and documentation about the agenda topics to the Board members while the timing of when to provide information to the Board members is determined based on the topics and processes on the Board agenda and the members are informed reasonably in advance. Even though an urgent need to define such a period is not present, given the effective functioning of the Board, this topic will be assessed in the times to come.

- Regarding principle 4.4.5, Board meetings take place based on customary practices of many years; however, a written internal procedure has not yet been

implemented within the organization. Considering the effective functioning of the Board, an urgent need to address this issue is not present while the company has plans to address this topic in the times to come.

-Regarding principle 4.4.7, considering that the Board members contribute significantly to the Board with their business experience and industry knowledge, they are not restricted in terms of assuming other duties outside the company. The résumé of each Board member and their other duties outside the company are provided in the annual report. Given the effective functioning of the Board, no changes to the current practice are anticipated in the near future since no negative consequence has been observed in terms of corporate governance.

- Regarding principle 4.5.5, committee appointments are decided by taking into consideration the relevant Board members' expertise and experience in accordance with applicable regulations while some Board members serve on more than one committee. However, the said members facilitate communication and increase the opportunities for cooperation between committees handling related subjects and given the effective functioning of the current committee structure, an imminent change is not anticipated.

- Regarding principle 4.6.5, remunerations provided to the Board members and executives with administrative responsibilities are provided in the notes to the financial statements and in the General Assembly and disclosed to the public as a total figure. Given that this matter is important due to the privacy of personal data, common practices are followed with plans to act in line with widely adopted practices.

Aygaz A.Ş. demonstrates its emphasis on the importance of complying with corporate governance principles and its commitment to implementing them as a continuous and dynamic process by receiving Corporate Governance Rating scores and remaining in the Corporate Governance Index. Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş., operating under license from the Capital Markets Board (CMB) to conduct corporate governance rating activities in Turkey, reconfirmed the company's as 9.42 on June 22, 2020. Corporate Governance Rating Score is determined under four main categories weighted by different degrees within the framework of the CMB resolution on the matter. Improvements in the main topics "Public Disclosure and Transparency" and "Shareholders" have contributed to the increase in the rating score. Enhancements made in the English content of the corporate website and the fact that the loss, which the Board members may cause to the company for failings during their performance of duties, is covered by insurance was included in the annual report and disclosed to the public on the Public Disclosure Platform (PDP) were evaluated as positive developments. On the other hand, setting a target ratio, which should be at least 25%, and time for female members on the Board, and defining a policy to attain these targets were pointed out as development areas for the Company's corporate governance practices. Aygaz, with its current corporate governance rating, has been one of the companies to hold the highest corporate governance scores in Turkey as of the rating date.

Necessary work will be carried out for further compliance with the principles in the upcoming period by considering regulatory developments and implementations. The established corporate identity of Aygaz has brought momentum to the steps taken for this purpose and its management structure and processes have been shaped in compliance with these regulatory guidelines.

Since the General Assembly meeting of 2005, "Corporate Governance Compliance Reports" are prepared and published on the company's corporate web site (www.aygaz.com.tr) and within annual reports. The 2020 Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF), prepared in accordance with CMB's resolution no. 2/49 dated January 10, 2019 and approved by Aygaz A.Ş. Board of Directors, are presented in the "Corporate Governance" section (pages 93-105) of the annual report, and the related documents can also be found in the corporate governance page of Aygaz A.Ş. on the Public Disclosure Platform (www.kap.org.tr).

SECTION II - Shareholders

2.1. Investor Relations Department

At Aygaz, Investor Relations Department's duties set out by article 11 of the Corporate Governance Communiqué are carried out by the Finance Manager under the supervision of the Assistant General Manager - Finance. As announced on the Public Disclosure Platform on December 25, 2020 with a Material Event Disclosure, given that Ferda Erginođlu, Assistant General Manager, Finance, would retire on December 31, 2020, the Board of Directors resolved on December 25, 2020 to appoint Gökhan Dizemen to the vacated position, effective January 1, 2021 and for Gökhan Dizemen to replace Ferda Erginođlu as a member of the Corporate Governance Committee, effective January 1, 2021 in accordance with the applicable provisions of the CMB's Corporate Governance Communiqué (II-17.1). The department consisting of Şebnem Yücel and Selin Sanver, with Capital Market Activities Advance Level and Corporate Governance Rating Specialist Licenses, can be reached by email at yatirimciiliskileri@aygaz.com.tr or investorrelations@aygaz.com.tr or by phone at +90 212 354 15 15 / extensions 1510-1659 for information requests.

The report including all of the activities carried out throughout the year was submitted to Corporate Governance Committee and Board of Directors on March 8, 2021.

2.2. Exercise of Shareholders' Right to Obtain Information

The "Investor Relations" section on the corporate website is continuously updated to offer shareholders easier usability and access to more information.

All information except those qualifying as commercial secrets are shared with shareholders and no discrimination is made among shareholders regarding the exercise of the right to obtain and review information. All the inquiries submitted to the Investor Relations Department other than the ones classified as confidential information and trade secrets are replied verbally by phone or in writing after conferring with the highest ranking official on the relevant issue. As explained under section 3.1 of this report, the corporate website provides all

relevant information and explanations that may affect the exercise of shareholders' rights.

Even though the Articles of Association do not contain any provision for an individual to have the right to request a special auditor, pursuant to Article 438 of the Turkish Commercial Code every shareholder may request the General Assembly to clarify certain events – even if they are not included in the agenda – by way of a special audit, if doing so is necessary for exercising shareholders' rights, provided that the right to obtain information or review has been previously exercised. To date, shareholders have not put in such a request. Furthermore, the company's operations are periodically audited by an Independent Auditor appointed by the General Assembly.

2.3. General Assembly Meetings

The Ordinary General Assembly meeting, where the activities of the 2019 reporting period were reviewed and released was held open to public on March 10, 2020 at the head office of the company at Büyükdere Caddesi, No: 145/1 Zincirlikuyu, Şişli, Istanbul with a shareholder attendance rate of 84%. Four members of the Board of Directors, as well as auditors and senior executives have attended the General Assembly Meeting. Individual shareholders and members of the press were also present in the meeting. The venue of the General Assembly Meeting, its agenda and a sample power of attorney were announced to the public 21 days prior to the meeting via Turkish Trade Registry Gazette (TTRG) and material disclosures made via the Public Disclosure Platform (PDP). These details can be accessed by searching for Disclosures on PDP or selecting the year in the relevant section on the corporate website at: <https://www.aygaz.com.tr/yatirimci-iliskileri/ozel-durum-aciklamalari>

The 2019 annual report, auditor's report, independent audit report, financial statements and notes, profit distribution proposal of the Board of Directors, General Assembly Information Document and annexes were made available for the shareholders to review at the company head office and on the corporate website 21 days prior to the General Assembly meeting. The profit distribution proposal was announced via the Public Disclosure Platform (PDP). Shareholders have not submitted any requests with regard to the agenda. The questions that the shareholders directed during the General Assembly were answered by members of the Board of Directors and senior management.

The annual Ordinary General Assemblies authorize Chairman and members of the Board of Directors to conduct businesses in the same field as the company personally or on behalf of others and to become partners of such companies and carry out other transactions pursuant to articles 395 and 396 of the Turkish Commercial Code. Within the framework of this authority, Board members are allowed to take on other duties outside the company without any limitations.

At the Ordinary General Assembly Meeting in 2020, information was provided regarding the donations and grants paid in 2019 as a separate agenda item and the donation limit for 2020 was set at 0.2% (two thousandth) of the previous

year's revenues while no changes were made to the company's existing donation practices.

Some shareholders with management control, members of the Board of Directors, executives with administrative responsibilities, their spouses and blood relatives to the second degree and in laws carry out administrative duties as members of the Board of Directors in some other Koç Group companies including the ones that operate in similar fields. In 2020, there has been no transaction that required disclosure pursuant to Article 1.3.6 of the Corporate Governance Communiqué.

The minutes of the General Assembly meeting are registered and announced in Turkish Trade Registry Gazette (TTRG) and made available for the shareholders to review both at the company Head Office and on the corporate website. General Assembly meetings are held open to public including media and stakeholders without the right to speak and this provision is stipulated in Article 14 of the Articles of Association.

2.4. Voting Rights and Minority Rights

Privileged voting rights are not granted to shareholders of the company. There is no other company with reciprocal shareholding with Aygaz. Minority rights are represented at the General Assembly directly or by proxy. The Company's Articles of Association contain no provision on the cumulative voting method. Minority rights are not granted for shareholders holding less than one-twentieth of the share capital according to the Articles of Association and rights are granted pursuant to general legislative provisions.

2.5. Dividend Rights

There are no privileges regarding the sharing of company profits. Profit distribution is made in accordance with and at the intervals stipulated by applicable legislation. The aim is to set out and announce a profit distribution policy considering the interests of both the shareholders and the company in compliance with Corporate Governance Principles. The profit distribution policy currently in effect was revised at the company's Board of Directors meeting on March 5, 2014 and took its present form.

Pursuant to the Corporate Governance Principles, Profit Distribution Policy published on the corporate website and in the annual report was presented to shareholders at the General Assembly meeting on March 10, 2020. The company paid in cash a gross total dividend of TL 150 million in 2020.

2.6. Transfer of Shares

Article 8 of the Articles of Association, titled 'Transfer of Shares' stipulates that only the individuals registered in the share book conforming with the records of the Central Registry Agency will be considered and treated as holders of shares or holders of rights of usufruct on shares. Transfer of the company's publicly traded registered shares are governed by and subject to the applicable regulations of the Capital Markets Board.

SECTION III – Public Disclosure and Transparency

3.1. Corporate Website and Content

The company's corporate website www.aygaz.com.tr is available in Turkish and English. As explained in detail in the company's Disclosure Policy, the Investor Relations section includes main headings such as stock information, financial statements, material disclosures, shareholding structure and subsidiaries, trade registry information, general assembly meeting agendas and minutes, list of attendants and meeting records, proxy vote form, profit distribution policy, information policy, Board of Directors, corporate governance, news and announcements, presentations, frequently asked questions and 'contact us' as well as numerous sets of documents and information under these that must be featured on the website pursuant to Corporate Governance Principles and other legislation. Changes to such information or the legislation are reflected on the website simultaneously.

3.2. Annual Report

The company's Annual Report is prepared in a manner to include all information stipulated by the Corporate Governance Principle 2.2 and its subparagraphs in sufficient detail to ensure that the public can access complete and accurate information regarding the company's activities and in compliance with relevant legislation.

SECTION IV - Stakeholders

4.1. Informing Stakeholders

Company stakeholders are informed regularly on matters that concern them. Company employees are informed at internal communication meetings. Field employees at the Aygaz Gebze Plant and seamen working on vessels are members of trade unions organized in related lines of work. These workers are informed through union representatives. Regional or general dealer meetings are held every year. During the meetings in 2020, dealers were informed about the company's activities, and their requests and suggestions were received. Individual and group meetings are held with the suppliers where a mutual exchange of information takes place.

On the other hand, comprehensive communication activities are also carried out through the company's corporate website, newsletters, technical publications and the company magazine, "Aygaz Dünyası". Designed to strengthen communication with dealers, the Dealer Portal also continues to be used effectively.

Stakeholders can use the links and call the phone line provided on the corporate website and intranet to report any infringements of legislations and ethically inappropriate activities to the Company Management or Internal Audit Department to be duly submitted to the Audit Committee.

4.2. Stakeholder Participation in Management

In the stakeholder meetings, attendees find the opportunity to express their requests and suggestions, which are then taken into consideration by the

management. Furthermore, the Individual Suggestion System and email pools established within the company provide an opportunity to submit new ideas, and owners of the implemented ideas are rewarded. Suggestions can be submitted through the company's corporate website and intranet.

4.3. Human Resources Policy

The human resources (HR) policy of Aygaz, carried out in line with the Koç Group employer brand approach, is also based on the "Our most valuable asset is our human resources" philosophy of our founder Vehbi Koç. Aygaz believes that the quality of its products and services begins with its employees, and the company's human resources management includes participation, transparency and all other business processes that consider the benefit of all stakeholders.

The Aygaz vision for human resources is to provide its employees with the opportunity to develop, foster an environment of cooperation and solidarity, ensure employee engagement in line with the goals of the Koç Group, and effectively manage efficiency.

The human resources mission of Aygaz is to build a workforce of creative, qualified and highly motivated best-in-industry employees that can integrate international norms and macro trends with Human Resources strategies and support the company on its path toward becoming an exemplary organization in the business world.

SECTION V – Board of Directors

5.1. Composition and Election of the Board of Directors

The Aygaz Board of Directors is composed of nine members in total with one Chairman, one Vice Chairman and seven members, three of which are independent. As of 2020, the Board has one female member. All Members of the Board of Directors were elected in the General Assembly meeting on March 10, 2020 to serve until the Ordinary General Assembly Meeting to be held to review the financial results for 2020. Résumés of the Board Members and the General Manager are included in the annual report.

The table below provides brief information about the non-executive members of the Board in accordance with CMB's Corporate Governance Principles.

| Board Member Name Surname | Independence Status | Duties on the Board and Committees | Duties Outside the Company |
|-----------------------------|---------------------|--|--|
| Rahmi M. Koç | Non-independent | Chairman of the Board and Executive Committee | Koç Holding A.Ş. Honorary President and Board Member in Koç Group Companies |
| Ömer M. Koç | Non-independent | Vice Chairman of the Board and Member of Executive Committee | Chairman of the Board of Directors in Koç Holding A.Ş. and Board Member in Koç Group Companies |
| Alexandre F. J. Picciotto | Non-independent | Board Member and Executive Committee Member | Orlim General Manager and Board Member in various companies |
| Dr. Bülent Bulgurlu | Non-independent | Board Member and Member of Risk Management Committee | Board Member in Koç Group Companies |
| Levent Çakıroğlu | Non-independent | Board Member | Koç Holding A.Ş. CEO, Board Member in Koç Holding A.Ş. and Koç Group Companies |
| Yağız Eyüboğlu | Non-independent | Board Member and Member of Corporate Governance Committee | Koç Holding A.Ş. Energy Group President and Board Member in Koç Group Companies |
| Dr. Şadan Kaptanoğlu Dikici | Independent | Board Member, Chairwoman of Risk Management Committee and Member of Audit Committee | Kaptanoğlu Denizcilik Tic. A.Ş. Board Member |
| Kutsan Çelebician | Independent | Board Member, Chairman of Audit Committee and Chairman of Corporate Governance Committee | Yapı Kredi Koray Gayrimenkul Yatırım Ortaklığı A.Ş. Independent Board Member |
| Kemal Ege Cansen | Independent | Board Member | |

The duties of the Chairman and the General Manager are performed by different individuals. While Board Members are expected to dedicate the time required for the affairs of the company, there are no limitations imposed on them about assuming other duties outside the company. Limitation in this context is not needed particularly due to independent members' significant contributions to Board of Directors with their respective professional and industrial experiences. The résumés of the members and the duties they assume outside the company are presented to the shareholders prior to General Assembly.

At Aygaz, the Corporate Governance Committee carries out the duties of the Nomination Committee. In 2020, three independent candidates were nominated and they all submitted their statements of independence to the Corporate Governance Committee. The Corporate Governance Committee and the Board of Directors evaluated the declarations and résumés of Independent Board Members during their respective meetings on January 8, 2020 and determined that all met the criteria specified in Corporate Governance Principles, and it was decided that all should be nominated as independent member candidates. As of 2020 operating period, no situations that would eliminate independence arose.

5.2. Operating Principles of the Board of Directors

The agenda of the Board of Directors meetings is determined according to the company's needs upon evaluation of activities. The General Manager and the Assistant General Manager, Finance inform and maintain communication with the Board of Directors. The Board of Directors, which convenes to address strategic issues, did not meet in a physical setting in 2020 due to the Covid-19 pandemic measures. The Board of Directors passed 19 resolutions in total passed including those that fall under the scope of paragraph 4 of Article 390 of the Turkish Commercial Code.

Board Members have no weighted voting privileges and/or veto power. During the reporting period, all resolutions were passed unanimously. Other than the powers vested in the General Assembly by the Turkish Commercial Code, the Board of Directors is authorized to make decisions related to the affairs of the company. Powers and responsibilities of Board Members and executives are

regulated by the circular of signature drafted according to the relevant provisions of the company's Articles of Association.

Board Members do not carry out transactions with the company or take part in any competitor entities. As stated in section 2.3, some shareholders with management control, Members of the Board of Directors, executives with administrative responsibilities, their spouses and blood relatives to the second degree and in-laws serve as Members of Board of Directors in some other Koç Group companies, including the ones that operate in a similar field. Board Members and Senior Executives of the company are covered by an "executive liability insurance".

In overseeing the activities of the company, the Board of Directors assesses the possibility of conflict of interest and if any, considers the consequences of such conflict and makes necessary decisions to act in the company's best interest. The Board diligently follows related party transactions considering compliance with regulations as well as assessing possible misconduct risks.

5.3. Number, Composition and Independence of Committees within the Board

In 2020, all the Board Committees have fulfilled the responsibilities and duties that were expected of them pursuant to Corporate Governance Principles and operating principles of their own and convened in accordance with their work plans. The results of the meetings held throughout the year and information about the works of the committees were presented to the Board of Directors. The opinion of the Board of Directors in this respect is that the benefits expected of Board Committees' efforts have been obtained.

The Audit Committee, which has been formed within the statutory period, performs the duties set out by the Capital Markets Board Communiqué. The committee audits and supervises the company's accounting system, disclosure of financial information to the public, independent audit and the functioning and efficiency of the internal control mechanism of the group. Selection of the independent audit firm, drafting independent audit agreements, starting the independent audit process and works of the independent audit firm at all stages are carried out under the supervision of the Audit Committee. The Audit Committee convenes at least four times a year and more frequently when required as it must report in writing, along with its own assessments, to the Board of Directors on whether the annual and interim financial statements to be disclosed to the public comply with the accounting principles followed by the group and fully reflected the financial position of the company after conferring with the responsible executives of the group and independent auditors. The committee convened nine times in 2020. The responsibilities of the Audit Committee together with the company management are to execute both internal and external audits with due diligence and to ensure the compliance of records, operations and reporting with applicable laws, rules and regulations and with principles set out by CMB and IFRS. In 2020, independent Board Member Kutsan Çelebican was appointed Chairman of the Audit Committee and Dr. Şadan Kaptanoğlu Dikici as Committee Member.

Independent Board Member Kutsan Çelebican heads the Corporate Governance Committee established to monitor compliance of the company with Corporate Governance Principles and inspect the grounds for the principles yet to be implemented. Yağız Eyüboğlu was appointed Committee Member. Due to the fact that Ferda Erginoğlu, Assistant General Manager, Finance, would retire on December 31, 2020, the Board of Directors resolved on December 25, 2020 to appoint Gökhan Dizemen to the vacated position, effective January 1, 2021 and for Gökhan Dizemen to replace Ferda Erginoğlu as a member of the Corporate Governance Committee, effective January 1, 2021 in accordance with the applicable provisions of the CMB's Corporate Governance Communiqué (II-17.1). The duties of Remuneration and Nomination Committees are assumed by the Corporate Governance Committee, which convened five times during 2020.

The Risk Management Committee was established to provide the Board of Directors with suggestions and recommendations regarding the identification, assessment and calculation of the impact and likelihood of all strategic, operational, financial and miscellaneous risks that may affect the company. Furthermore, ensuring management of the Company in accordance with the corporate risk-taking profile, reporting and taking into consideration the decision making mechanisms of such risks as well as the creation and integration of effective internal control systems are also among the committee's purposes. In 2020, the independent Board Member Dr. Şadan Kaptanoğlu Dikici was appointed as the Chairwoman and Dr. Bülent Bulgurlu as Member of the Risk Management Committee, which convened eight times during the year.

The Board of Directors resolved on May 4, 2012 that the activities of the Investment and Business Development Committee, established on July 15, 2010 to generate ideas and strategies for the company, ensure coordination among relevant departments and accordingly determine the special areas within the company's field of operation, design and plan new projects and investments, as well as oversee the management of adopted strategies and projects, should be expanded in a way to provide the Board of Directors with support in all matters, and renamed it the Executive Committee. The Executive Committee convenes as frequently as required by the activities of the company. In 2020, the Committee convened once a month, 12 times in total. Following the General Assembly Meeting of 2019, Mustafa Rahmi Koç was the Chairman of the Committee with Mehmet Ömer Koç, Yıldırım Ali Koç, Alexandre F.J. Picciotto and Caroline Nicole Koç serving as Members.

As a principle, Board Members do not have duties simultaneously in various committees. However, due to the structure of our Board of Directors, some Board Members have duties in more than one committee. These members help facilitate communication among committees and increase cooperation possibilities.

5.4. Risk Management and Internal Control Mechanism

Ensuring healthy functioning of the internal control system and internal audit is the responsibility of the Board of Directors and the efforts are coordinated by the

General Manager, overseen by the committees created by the Board of Directors, and necessary information is presented to the Board of Directors, thus making it possible for the efficiency of risk management systems to be reviewed.

Reporting to General Manager and also to Audit Committee when needed, the Internal Audit Department continues to work toward establishing a more effective internal control structure by analyzing company processes and reporting to senior management the issues that are considered risky.

Furthermore, an independent audit firm conducts periodic audits, and results of these audits are reported to the Board of Directors. Corporate Risk Management (CRM) is carried out by a team formed with participation of various departments under the leadership of Assistant General Manager, Finance and monitored by the Risk Management Committee.

5.5. The Company's Strategic Goals

Along with the company's vision and mission, its strategic goals have also been determined and are presented to all stakeholders through various channels. The annual targets that are determined and set out for the management of the company by the Board of Directors in accordance with these are communicated across all levels. Both the Board of Directors and relevant committees are periodically briefed regarding the realization of the given targets and developments.

5.6. Financial Benefits

The company's Remuneration Policy for the Members of the Board of Directors and Senior Executives, which includes all rights, benefits and wages provided for Members of the Board of Directors and senior executives, was approved at the Ordinary General Assembly Meeting on March 31, 2014. Disclosed to the public through the company's annual report and corporate web site and most recently approved by the shareholders at the Ordinary General Assembly on March 10, 2020, this policy is also on the agenda of the Ordinary General Assembly Meeting that will be held on March 31, 2021 to review the 2020 activities to be presented to the shareholders of the company. The total payment made to Members of the Board of Directors and Senior Executives within the framework of the Remuneration Policy is assessed by the Corporate Governance Committee and the Board of Directors every year. The total payments made to the Members of the Board of Directors and Senior Executives are disclosed to the public through financial statement notes in accordance with general practices. There are no transactions that may lead to conflicts of interest such as loans, utilization of credit and provision of guarantees for the benefit of our Board Members or Executives.