

CORPORATE GOVERNANCE REPORTING

SHAREHOLDERS

Exercise of the Information Rights by Shareholders

The majority of the requests and questions from shareholders were concerning the operational and financial performance of the company, developments of the projects and fluctuations in the stock price. The requests from local individual investors were mostly received through telephone and replied based on available information, to the extent permitted by legislation and confidentiality rules relating to business secrets. Requests received through electronic mail were responded through electronic mail.

Announcements related to the Company's activities and developments, which could be of interest to the shareholders, were disclosed to the public through Public Disclosure Platform in accordance with Communiqué of the CMB Material Events Disclosure. The media was also informed through press releases. These released and announcements were also placed on the website of the Company at www.netas.com.tr/?lang=en

The Articles of Association of the Company does not have a provision for the appointment of a special auditor; however, the shareholders have a right to request the appointment of a special auditor in accordance with Article 438 of Turkish Commercial Code.

General Assembly Meetings

One ordinary general assembly meeting was held during the period. Netaş Telekomünikasyon A.Ş. Ordinary General Assembly Meeting for the period 01.01.2022 - 31.12.2022 was held on 30 May 2023 and the meeting quorum was 63.43%. There was no media participation in the General Assembly meeting, and shareholders' representatives attended the meeting. The invitation to the meeting was made in accordance with Article 14 of the Company's Articles of Association and Article 414 of the Turkish Commercial Code and the provisions of the Capital Markets Law, published in the Turkish Trade Registry Gazette, sent by registered mail to shareholders with registered shares, and announced on the Public Disclosure Platform.

The 2022 General Assembly meeting was held physically and electronically through the Electronic General Assembly System (EGKS) of Merkezi Kayıt Kuruluşu A.Ş. In the announcement made, shareholders who will attend the meeting via EGKS were reminded of their obligations. Prior to the Ordinary General Assembly Meeting, the financial statements for the period, the Annual Report of the Board of Directors and the Dividend Distribution Proposal of the Board of Directors were made available for the review of the shareholders at the Company headquarters and on the Company's website within three weeks prior to the meeting date. Shareholders were given the right to speak and ask questions at the General Assembly meeting. No agenda proposals were submitted by the shareholders, and other proposals were submitted for the approval of the General Assembly by the Chairman of the Council. At the Ordinary General Assembly meeting, shareholders were informed about the donations made during the period with a separate agenda item, and the General Assembly was informed that the amount of donations made by the company in 2022 was TL 25,787.50.

The minutes of the Shareholders Meetings were announced to the public through Public Disclosure Platform (PDP), registered with the Commercial Registry and published in the Commercial Registry Gazette. Additional copies are made available to the shareholders at the head office and the web site of the Company for review.

Voting Rights and Minority Rights

According to the Articles of Association of the Company, every share has a right to one vote at meetings of shareholders. The ordinary and extraordinary meetings of shareholders are held in accordance with the Turkish Commercial Code. Minority rights are subject to the provisions of the Turkish Commercial Code and Capital Markets Law.

The shares of the Company are divided into two groups, where both (A) group shares are and (B) group shares are registered shares. The differentiation of the shares between (A) and (B) groups, does not give the owners any rights nor privileges, except as provided in Articles 9, 15, of the Articles of Association.

According to Article 9 of the Articles of Association; the required quorum for meetings and the required majority for resolutions of the shareholders shall be subject to the provisions of the Turkish Commercial Code (T.C.C.) and Capital Markets legislation. However, resolution of the shareholders concerning amendments to the Articles of Association shall require the affirmative votes of the shareholders representing at least one half of the total number of shares within Group A.

There is no cross shareholding relationship between the Company and its shareholders. Cumulative voting procedure is not stated in the Articles of Association and thus not implemented.

Dividend Rights

There are no privileges granted to shareholders in terms of participation in the Company's profit; the profit distribution procedure is explained in Article 22 of the Articles of Association. The Company's Dividend Distribution Policy has been submitted for the information of shareholders via the Public Disclosure Platform and the corporate website. <https://netas.com.tr/storage/2020/12/KAR-DAGITIM-POLITIKASI.pdf>

At the Ordinary General Assembly Meeting of the Company held on 30 May 2023, the proposal of the Board of Directors not to distribute dividend due to the fact that the Company did not generate any profit for the period 01.01.2022 - 31.12.2022 was submitted to the information and approval of the shareholders and unanimously approved.

Transfer of Shares

The transfer of shares is stipulated in Article 6 subparagraph (c) of the Articles of Association of the Company.

Accordingly, (B) group registered shares can be freely transferred without being subject to any limitation or condition within the framework of Turkish Commercial Code and Capital Markets Legislation. However, concerning the transfer of (A) group registered shares the existing shareholders in Group (A) are entitled to pre-emptive rights which are required to be exercised within 30 days from the date of the offer for sale. Therefore a shareholder wishing to transfer its shares, in full or in part, must

first offer, in writing, to transfer its shares to the other shareholders in Group A in proportion to their respective shares, stating the price and other conditions for sale. If any shareholder, to whom the offer was made, declines to purchase the offered shares, such shares shall be offered to the other shareholders in proportion to their share ownership and this method will be pursued in the same manner until all shares are sold or rejected. Following the application of the above procedures, the transferor will be free to offer any rejected shares to third parties without restrictions provided that the price and other conditions of sale are no more favourable to the third party than the price and other conditions contained in the initial offer.

PUBLIC DISCLOSURE AND TRANSPARENCY

Corporate Website and Content

The corporate website www.netas.com.tr/?lang=en of the Company is actively used both in Turkish and in English for implementation of the disclosure policy within the framework of the Corporate Governance Principles of the Capital Market Board. Majority of information takes place on the website also is presented in English.

Annual Report

The annual reports include information within the framework of the regulation determining the minimum content of annual reports and Corporate Governance Principles.

STAKEHOLDERS

Informing Stakeholders

Stakeholders are persons, corporations or interest groups such as employees, creditors, customers and suppliers, in direct relation with the company and having interest in the achievement of the Company objectives or in its activities. Stakeholders are invited to the meetings regarding any matters concerning them. Informative meetings are held for suppliers and distributors. Public announcements are made through press releases, press bulletins and interviews; published press releases are simultaneously

announced on corporate web sites and corporate social media accounts. Employees are regularly informed via announcements and various events organized by Company.

With the general assembly meetings, open to all stakeholders, the company's website, annual and interim reports, press releases and Public Disclosure Policy based on transparency aim to inform not only the shareholders but also all stakeholders.

Stakeholders may share information through the investor relations department e-mail and phone, to communicate any practices that they consider to be breaching the legislation or to be ethically inappropriate to the Audit Committee.

Participation of Stakeholders in Management

Models are being developed to support participation of stakeholders, especially company employees, in the company management, without disrupting company operations. The relevant groups, primarily the company employees, can meet with company executives at any time. The opinions of relevant groups are received through employee and customer satisfaction surveys that are periodically conducted by independent organizations and the company, and strategies are developed accordingly.

Human Resources Policy

The success of Netaş in a dynamic and rapidly changing information and Communication Technologies sector is dependent upon the contributions and development of its employees. The Company aims to maximize the potential, motivation and innovation of its employees in order to achieve corporate objectives. To this end, the Company provides equal opportunities for employment, rewards performance, promotes the development of individuals and teams, fosters environmental protection, and meets the requirements of health and safety regulations. Competitive compensation and social benefit programs are prepared, the knowledge and the competencies of the employees are assessed through the attributes defined in Core Competencies. Within the performance management process and throughout the career development process, employees are given opportunities to assess and develop their skills.

The human resources policy is available at the website (www.netas.com.tr/?lang=en) of the Company under the title of "Human Resources". Related policies and procedures are accessible by all employees. Managers and Human Resources department are responsible to maintain relations with employees in line with the human resources policy.

All employees are informed in detail and transparently about all human resources processes including their employment contracts, mutual responsibilities of the company and its employees and working standards defined in the Personnel Regulations since their recruitment. Employee rights are governed by human rights principles, current legislation, labor contracts, personnel regulations and ethical rules.

Ethical Rules, Environment and Social Responsibility

The Board of Directors has established a Code of Conduct for the Company and its affiliates and communicated it to employees.

Netaş has been implementing Environment, Health and Safety Program since 1997. Within the scope of this program ISO14001 Environmental Management System and ISO45001 Employee Health and Safety Management System are implemented. No claims were raised against the Company for environmental pollution. In addition, our company has ISO9001 Quality Management System, ISO10002 Customer Satisfaction Management System, ISO27001 Information Security Management System, ISO22301 Business Continuity Management Systems, contributing to our social stakeholders.

Activities related to social responsibility of the Company include maintenance of relations with universities and the provision of scholarship to successful students in need. Furthermore, through memberships in foundations and associations, contributions are made to the society, and to scientific and technological development. Voluntary initiatives of employees for public aid and environmental activities are encouraged and supported.

STRUCTURE OF THE BOARD AND PRINCIPLES OF ACTIVITY

The Structure and Composition of the Board of Directors

The Board of Directors of the Company is composed of 7 (seven) members elected for three years by the general assembly of shareholders, from among the shareholders or their nominees. Four of the seven members are elected at the meeting of the Shareholders from among the candidates nominated by Group A and three members are elected from among the nominees of the Group B shareholders. There are two Independent Board Members among the Board of Directors.

Name of the Board Members, starting date of employments and duty terms take place in the section of "Corporate Governance Information Form" at the end of this report. Background (CVs) of Board of Directors are presented on the corporate website of the company, www.netas.com.tr

There are no restrictions imposed on the Board of Directors concerning other duties and occupations they can assume other than the restrictions concerning conflict of interest (as stated in Turkish Commercial Code) and competition with the Company. Such restrictions are submitted to the approval of the shareholders each year at the General Meeting.

The written statements of all independent members, regarding their independence in line with the criteria specified in the legislation, the articles of association and the communiqué are presented at the end of this annual report.

There have been no events compromising the independence of the independent members serving as members of the board of directors in 2023.

Working Principles of the Board of Directors

The agenda for the meeting of the Board of Directors is determined by consultation between the Chairman, the members of the Board and the General Manager. Invitations to meetings were made at least three days in advance of the meeting together with the notification of the agenda. Meetings of the Board of Directors for the year 2023 were mostly held in electronic environment and were signed by hand in accordance with the Articles of Association. 100% participation was achieved in all Board meetings held in 2023. In order to facilitate communication

with the Board Members and to provide related services a Corporate Secretarial Services function exists within the Company. In case of a different opinion expressed in the Board Meetings, these are reflected in the minutes of the meeting. Questions raised and comments made at the meetings of the Board and related responses are recorded in the minutes of the meeting. Members of the Board of Directors are not granted weighted voting rights or veto rights under the Articles of Association.

According to the Articles of Association, the required quorum for Board meetings is the presence of five members of the Board. The majority vote of those present is required for the approval of any subject.

An amount of USD 20 million has been insured against possible losses to be incurred by the Company arising from faults of Members of the Board of Directors during service, and the insurance exceeds 25% of our capital.

Number, Structure and Independence of the Board Committees

Three committees have been established by the Board of Directors as the Audit Committee, Early Detection of Risks Committee and the Corporate Governance Committee. Details concerning Committees, Committee members, frequency of committee meetings are presented in the "Corporate Governance Information Form". One Independent Board member takes role more than one committee.

Withing the calander year, the Audit Committee has communicated to the board of directors all its proposals regarding issues under its responsibility. The Early Detection of Risks Committee which works for early detection of risks jeopardizing the existence, development and sustainment of the company, responsible for taking measures, for detected risks and for risk management; has reviewed the risk management systems of the Company in accordance with the Corporate Governance Principles and the Early Detection of Risks Committee Regulations. The Corporate Governance Committee has offered recommendations to the board of directors on improvement of corporate governance applications and has supervised the duties of the Investor Relations Department. In addition, sustainability-related activities and practices are also overseen by the Corporate Governance Committee.

Strategic Objectives of the Company

The strategic objectives of the Company are reviewed and determined by the Board of Directors during budget review discussions within the scope of three years plans prepared by the management and submitted to the Board. The activities of the Company, the level of achievement of objectives and past performance are reviewed by the Board each quarter and at the end of the budget period.

Financial Benefits

Board Members receive a monthly fee payable at the end of each month. Compensation for the Members of the Board of Directors is determined by the General Assembly of the Shareholders each year, in accordance with Article 15 of the Articles of Association. There are no incentives available to Board Members based on performance in connection with the performance of the Company.

Financial benefits provided to members of the Board of Directors and senior management team are explained in the annual report. The Company did not lend any money, extend any credit, extend a personal credit through a third party, nor provided any guarantees to or in favor of any Member of the Board of Directors or any Manager of the Company.

Compensation policy is available at the company website.

Other Issues Concerning the Operations of the Company

- ▶ The company acquired none of its own shares during the reporting period.
- ▶ In the year of 2023, there is no administrative and judicial sanction applied to the company or the company's management due to practices contrary to the provisions of the legislation.
- ▶ The company compared its 2023 targets with its budget, upper management examined the deviations and determined the necessary strategic actions to be taken.
- ▶ There is no taken or avoided to taken measures which may cause a loss for the company in the year of 2023.
- ▶ In the year of 2023, the company was not a respondent in any suit whose outcome would be capable of significantly affecting either the company's financial position or the conduct of its business.