

## **WORKING PRINCIPLES OF THE CORPORATE GOVERNANCE COMMITTEE**

### **Article 1: Scope and Legal Basis**

These working principles ("Working Principles") determine the scope of duties and working principles of the Corporate Governance Committee ("Committee") of the Board of Directors of SUN TEKSTİL SANAYİ VE TİCARET A.Ş. ("Company").

The Committee was established by a resolution of the Company's Board of Directors ("Board of Directors") within the framework of the Capital Markets Law No. 6362, Turkish Commercial Code No. 6102, "Corporate Governance Communiqué" numbered II-17.1 ("Communiqué") and the relevant provisions of the Company's Articles of Association ("Articles of Association") and the regulations of the Capital Markets Board of the Prime Ministry of the Republic of Turkey ("CMB"), including the corporate governance principles contained in its annex.

### **Article 2: Purpose**

The Committee was established to make recommendations and suggestions to the Board of Directors in order to improve the Company's corporate governance practices. In addition, the Committee is structured to examine whether the corporate governance principles are implemented within the Company, if not, to determine the reasons why not and to identify conflicts of interest arising from the failure to fully comply with these principles, to inform the Board of Directors on these issues and to make recommendations to the Board of Directors to improve corporate governance practices.

The Committee also oversees the investor relations department.

Since there is no "Nomination Committee" or "Compensation Committee" within the Company, the duties and responsibilities of these committees are also fulfilled by the "Corporate Governance Committee".

### **Article 3: Duties and Responsibilities**

In this scope, the Committee is responsible for the following:

- i. Ensuring that the Corporate Governance Principles are adopted and implemented within the Company, analyzing the issues where they are not implemented and making recommendations to the Board of Directors to improve the degree of compliance,
- ii. To determine whether the corporate governance principles are applied or not, if not, the reason thereof and the conflicts of interest arising from the failure to fully comply with these principles, and to make recommendations to the Board of Directors to improve corporate governance practices,
- iii. Following the Corporate Governance practices in the world and making recommendations to the Board of Directors for the implementation of the necessary elements within the Company,
- iv. To fulfill the supervision of the investor relations department,
- v. To make recommendations regarding the functionality of the Board of Directors and its committees,
- vi. To carry out studies on other issues that may be evaluated within the scope of corporate governance as requested by the Board of Directors,
- vii. Developing suggestions to ensure that public disclosures and analyst presentations are made in accordance with the Company's "Information Policy", particularly laws and regulations,
- viii. Informing the Board of Directors on matters falling within the scope of its authority and responsibility,

The duties stipulated for the nomination and compensation committee in the CMB regulations are also fulfilled by the Corporate Governance Committee in our Company, and the duties of the Committee within this scope are as follows:

- i. To evaluate the system established for the identification, recommendation, evaluation and training of suitable candidates for the Board of Directors and managerial positions with administrative responsibilities and to determine policies and strategies in this regard,
- ii. To work to ensure the effectiveness and independence of the members of the Board of Directors within the scope of corporate governance principles,
- iii. To evaluate the candidate proposals for independent membership by taking into account whether the candidate meets the independence criteria or not, and to submit the related evaluation to the Board of Directors for approval,
- iv. In the event of a vacancy in the independent memberships of the Board of Directors, in order to ensure that the minimum number of independent members is re-established, to make an evaluation for the election of independent members for the vacant memberships to serve until the first general assembly meeting to be held and to submit the result in writing to the Board of Directors,
- v. To evaluate the systems established on the approach, principles and practices regarding the performance evaluation and career planning of the members of the Board of Directors and senior executives,
- vi. To evaluate and oversee the proposals of the members of the Board of Directors and senior executives regarding the principles of compensation, taking into consideration the long-term goals of the Company,
- vii. To determine the criteria for measuring the performance of the Company and the members of the Board of Directors in a way that is linked to the performance of the Company and the member,
- viii. To submit to the Board of Directors its proposals regarding the compensation to be paid to the members of the Board of Directors and senior executives, taking into account the degree of achievement of the criteria,
- ix. Within the scope of compliance with corporate governance principles; to make regular evaluations on the structure and efficiency of the Board of Directors and to submit its recommendations to the Board of Directors regarding changes that may be made in these matters,

#### **Article 4: Establishment, Committee Structure and Membership Criteria**

- The Committee consists of at least three members. In this case, two of the members - at least one of whom must be an Independent Board Member - are elected among the non-executive members of the Board of Directors. The investor relations department manager/responsible is a natural member of the Committee. The chairperson of the Committee is elected from among the independent member(s) of the Board of Directors elected as a member of the Committee. The General Manager cannot hold a position in the committee.
- When the new Board of Directors is elected at the ordinary general assembly meeting, the members of the Corporate Governance Committee are appointed by the Board of Directors in parallel with the term of office of the relevant Board of Directors. Members of the Board of Directors whose term of office expires may be reappointed.
- The members of the Committee are selected from among non-executive members, as possible. The Committee may include experts in accounting, finance, audit, law, management, etc.
- All kinds of resources and support required for the Committee to fulfill its duties are provided by the Board of Directors. The Committee may invite the manager it deems necessary to its meetings and ask for their opinions.

- The Committee utilises the opinions of independent experts in matters it considers necessary in relation to its activities. The cost of the consultancy services required by the Committee is covered by the Company.

#### **Article 5: Sub-Working Groups**

In order to ensure the effectiveness of the work of the Corporate Governance Committee, sub-working groups consisting of persons with sufficient experience and knowledge on Corporate Governance to be selected from among its members and/or externally may be formed as needed.

#### **Article 6: Nomination**

It works to establish a transparent system for identifying, evaluating, training and rewarding suitable candidates for the Board of Directors and to determine policies and strategies in this regard and makes recommendations on the number of Board members and executives.

#### **Article 7: Compensation**

The Committee determines opinions on approaches, principles and practices regarding the performance evaluation, career planning and rewarding of the members of the Board of Directors and senior executives; oversees the decisions taken and monitors their implementation. The Committee ensures that the principles of compensation of the members of the Board of Directors and senior executives are in compliance with the Company's governance principles and practices and endeavors to ensure that the compensation policy is balanced with the Company's interests and submits the results to the Board of Directors.

#### **Article 8: Meetings**

- The Committee convenes as often as required by the task assigned to it.
- The decisions of the Committee are advisory to the Board of Directors and the Board of Directors is the final decision-making authority on the relevant issues.
- The Committee ensures that the Board of Directors is informed about the matters falling within its authority and responsibility.
- The meeting and decision quorum is the absolute majority of the total number of committee members. It is possible to take decisions outside the meeting with the unanimous vote of the members.
- Committee meetings may be held physically or by electronic means (electronically or by conference call).
- Physical meetings may be held at the Company's headquarters or any other place where the Committee members have easy access.
- The Committee puts all its activities in writing, keeps a record of them and reports to the Board of Directors, including information on the Committee's activities and the results of the Committee meetings. The Committee reports the findings and suggestions related to its duties and responsibilities immediately to the Board of Directors in writing.
- The minutes of the Committee meetings are approved by the Committee members and kept together with the Committee decisions. It is also possible to take Committee decisions by circulation, and decisions signed by all members on the same or different papers are valid.

#### **Article 9: Reporting Procedures**

- The decisions of the Committee are kept in a decision book.
- The minutes of the meeting must include at least the following matters:

- Date of the meeting
- Information on the issues discussed at the meeting
- Decisions taken
- Decisions required by the Committee are submitted to the Board of Directors.
- The Committee Secretary is responsible for the preparation and storage of the reports. The prepared meeting minutes are archived after being submitted to the information of the Committee Members.

#### **Article 10: Enforcement and Amendment**

The structure of the Corporate Governance Committee and the working principles of the Corporate Governance Committee within the framework of the regulations of the Capital Markets Board on Corporate Governance were approved by the Board of Directors decision dated 06.06.2022 and numbered 2022/23 and revised with the Board of Directors Decision dated 21 May 2024. The Board of Directors is authorized to review and update the working principles when necessary.