

## Corporate Governance Rating Report



**Hürriyet**

21 September 2023

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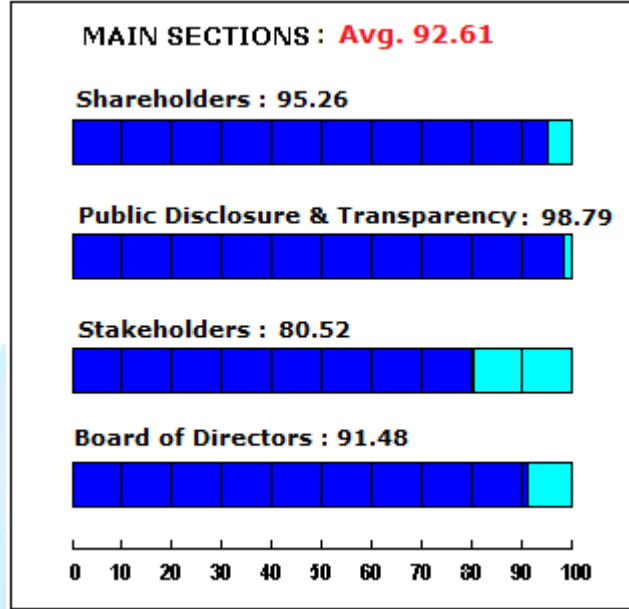
## Rating and Executive Summary

### Hürriyet Gazetecilik ve Matbaacılık A.Ş. (HURGZ)



Corporate Governance Rating:

**9.26**



### EXECUTIVE SUMMARY

Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s ("Hürriyet" or "the Company") previous Corporate Governance Rating of 9.26 dated September 21, 2022 is hereby reconfirmed as **9.26**. Our rating methodology (page 5) is based on the Capital Markets Board's (CMB) "Corporate Governance Principles".

The Company's corporate governance rating has shaped up as above in consideration with the importance given by Hürriyet Gazetecilik ve Matbaacılık A.Ş. to corporate governance principles, its willingness to carry out the compliance process continuously and dynamically and improvements which had been initiated in this direction.

SAHA publishes (annually) the World Corporate Governance Index (WCGI) which ranks countries in terms of their level of compliance with corporate governance principles as well as their germane institutions, rules, codes, and regulations together with international standards and indices which evaluate countries in a vast array of areas such as transparency, corruption, ease of doing business, etc.. Hürriyet is analyzed as a Turkish company and Turkey takes place at the top classification of the WCGI which is Group 1. Details of the World Corporate Governance Index (WCGI) published by SAHA on July 12, 2023 can be accessed at <http://www.saharating.com>.

Hürriyet is rated with **9.53** under the **Shareholders** heading. Exercise of shareholders' rights complies with the legislation, Articles of Association and other internal rules and regulations, and measures have been taken to ensure the exercise of these rights. Hürriyet carries out the shareholder relations obligations through the Shareholder Relations Unit. There is no upper limit or privileges on voting rights. All procedures prior to the general shareholders' meeting as well as the conduct of the meeting comply with the legislation. There is a publicly disclosed, consistent dividend policy of the Company. There are no restrictions on transfer of shares. On the other hand, prescribed rate of minority rights for public joint stock companies (5%) is adopted as it is in the Articles of Association. In addition, although there is no formal restriction, absence of a provision in the Articles of Association on holding general shareholders' meetings open to public has been identified as an area open to improvement under this heading.

Hürriyet attained **9.88** under the **Public Disclosure and Transparency** chapter. There is a comprehensive web site which includes all information listed in the CMB Corporate Governance Principles pertinent to "Public Disclosure". Public announcements are carried out via all communications channels and are in accordance with CMB and Borsa Istanbul A.Ş. (BIST) rules and regulations. The names of the Company's ultimate controlling individual shareholders over 5% as identified after being released from indirect or cross shareholding relationships between co-owners are disclosed to the public. Company's web site is also prepared in English for the benefit of international investors. On the other hand, all benefits provided to members of the Board and senior management are not listed on individual basis in the Annual Report.

On the topic of **Stakeholders**, Hürriyet scored **8.05**. The exercise of stakeholders' rights has been facilitated. A written compensation policy for the employees is established and disclosed to the public on the corporate web site. During the rating period, the Company was not held liable by any public authority for any fine/sanctions. Code of ethics is publicly available through the Company's web site. Hürriyet has a written human resources policy. Sustainability policy and practices are found satisfactory. Social responsibility projects carried out in the past are quite considerable. On the other hand, there is no collective labor agreement. In addition, although there is a resolution of the Board of Directors regarding the acceptance of the sustainability report in the Annual Report, actually there is no report.

From the perspective of the principles regarding the **Board of Directors**, Hürriyet's tally is **9.15**. There is a well communicated Company mission and vision. The Board consists of seven members, of which only one holds executive duties. CMB criteria are complied with for the appointment of independent members who have each signed a declaration of independence. Corporate Governance, Audit, and Early Detection of Risk Committees are established within the Board of Directors. The working principles of the Committees are disclosed to the public. Principles of remuneration of Board members and senior executives are available on the Company's web site. The Company does not provide any loans or extend any credit to the Board members or senior executives. On the other hand, the lack of a female member policy approved by the Board of Directors, and the absence of an executive liability insurance are areas for improvement.

## Rating Methodology

SAHA's methodology for rating the degree of compliance with the Principles of Corporate Governance is based upon the CMB's "Corporate Governance Principles" released on January 2014.

The CMB based these principles on the leading work of The World Bank, The Organization of Economic Cooperation and Development (OECD), and the Global Corporate Governance Forum (GCGF) which has been established in cooperation with the representatives of the preceding two organizations and private sector. Experts and representatives from the CMB, Borsa Istanbul and the Turkish Corporate Governance Forum have participated in the committee that was established by the CMB for this purpose. Additionally; many qualified academicians, private sector representatives as well as various professional organizations and NGOs have stated their views and opinions, which were added to the Principles after taking into account country specific issues. Accordingly, these Principles have been established as a product of contributions from all high-level bodies.

Certain applications of the Principles are based on "comply or explain" approach and others are mandatory. However, the explanation concerning the implementation status of the Principles, if not detailed reasoning thereof, conflicts arising from inadequate implementation of these Principles, and explanation on whether there is a plan for change in the Company's governance practices in future should be mentioned in the Annual Report and disclosed to the public.

The Principles consist of four main sections: shareholders, public disclosure and transparency, stakeholders, and the Board of Directors.

Based on these Principles, the SAHA Corporate Governance Rating methodology features around 330 sub-criteria. During the rating process, each criterion is evaluated on the basis of information provided by the Company officials and disclosed publicly. Some of these criteria can be evaluated by a simple YES/NO answer; others require more detailed analysis and examination.

SAHA assigns ratings between 1 (weakest) and 10 (strongest). In order to obtain a rating of 10, a company should be in full and perfect compliance with the Principles (see Rating Definitions, p.21).

To determine the total rating score for each main section parallel to the CMB's Corporate Governance Principles, SAHA allocates the following weights:

Shareholders: **25%**

Public Disclosure and Transparency: **25%**

Stakeholders: **15%**

Board of Directors: **35%**

To determine the final overall rating, SAHA utilizes its proprietary methodology which consists of sub-section weightings and weightings for the criteria there under. A separate rating is assigned to each one of the main sections as well.

## Company Overview

Hürriyet Gazetecilik ve Matbaacılık A.Ş.	
	<b>Chairman of the Board</b> Yıldırım Demirören <b>Executive Board Member</b> Mehmet Koray YANÇ
100. Yıl Mahallesi, 2264. Sokak, No:1, Bağcılar, İstanbul <a href="http://www.hurriyetkurumsal.com">www.hurriyetkurumsal.com</a>	<b>Investor Relations Department Manager</b> Elif Özcan Tel: 0212 449 60 88 <a href="mailto:yatirimciiliskileri@hurriyet.com.tr">yatirimciiliskileri@hurriyet.com.tr</a>

Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet" or "the Company") was established in 1960 and registered in Turkey. The Company operates in the fields of journalism, printing, advertising, advertisement and internet publishing. As of the reporting date, the Company has 4 printing facilities located in Ankara, Adana, Trabzon, and Germany.

On May 16, 2018, Doğan Şirketler Grubu Holding A.Ş. transferred to Demirören Medya Yatırımları Ticaret A.Ş. ("Demirören Medya") all of its shares representing 77.67% of Hürriyet's share capital, which it holds in 552,000,000 shares, all of which are registered and recorded with the Central Registry Agency. On June 6, 2018, an extraordinary general shareholders' meeting was held and the share transfer was completed. Following the transaction, Demirören Medya became the main shareholder of the Company.

In addition, pursuant to the resolution of the Board of Directors dated November 19, 2018, the Company's issued capital of TL 552,000,000 divided into 552,000,000 shares with a nominal value of TL 1.00 each, within the registered capital ceiling of TL 800,000,000, was decided to be increased by TL 40,000,000 (7.24%) to TL 592,000,000 (to be paid entirely in cash) and the issuance certificate regarding the capital increase was approved by the Capital Markets Board's Decision No. 63/1446 dated December 13, 2018. TL 40,000,000 was collected in cash from Demirören Medya and the capital increase was completed on December 21, 2018 and registered by the Istanbul Trade Registry Office on January 15, 2019.

The Company shares are traded under "HURGZ" code at Borsa Istanbul Main Market Group 1 and Hürriyet is a constituent of BIST CORPORATE GOVERNANCE / BIST MAIN / BIST ALL SHARES / BIST ALL SHARES-100 / BIST ISTANBUL and BIST SERVICES indices.

<b>Capital Structure of Hürriyet Gazetecilik ve Matbaacılık A.Ş.</b>		
<b>Shareholder</b>	<b>Share Value (TL)</b>	<b>Share %</b>
Demirören Medya Yatırımları Ticaret A.Ş.	480,780,775.52	81.21
Other	111,219,224.48	18.79
<b>Total</b>	<b>592,000,000.00</b>	<b>100.00</b>

<b>Hürriyet Gazetecilik ve Matbaacılık A.Ş. Board of Directors</b>	
<b>Members</b>	<b>Title</b>
Yıldırım DEMİRÖREN	Chairman of the Board
Meltem OKTAY	Vice-chairman
Fikret Tayfun DEMİRÖREN	BoardMember
Mehmet SOYSAL	BoardMember
Mehmet Koray YANÇ*	BoardMember
Alaattin AYKAÇ	Independent BoardMember
Orhan KIRCA	Independent BoardMember

\* Only member with executive duties in the 7-member Board of Directors.

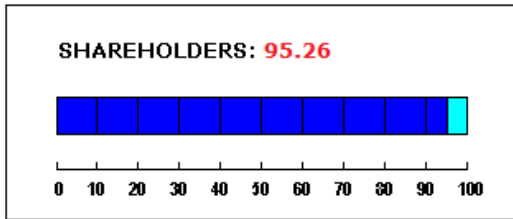
<b>Hürriyet Gazetecilik ve Matbaacılık A.Ş. Corporate Governance Committee</b>	
<b>Members</b>	<b>Title</b>
Alaattin AYKAÇ	Chairman
Orhan KIRCA	Member
Elif Karaman ÖZCAN	Investor Relations Department Manager

<b>Hürriyet Gazetecilik ve Matbaacılık A.Ş. Audit Committee</b>	
<b>Members</b>	<b>Title</b>
Alaattin AYKAÇ	Chairman
Orhan KIRCA	Member

<b>Hürriyet Gazetecilik ve Matbaacılık A.Ş. Early Detection of Risk Committee</b>	
<b>Members</b>	<b>Title</b>
Alaattin AYKAÇ	Chairman
Hüseyin Emrah KURTOĞLU	Member
Mahmut SERTTAŞ	Member



## SECTION 1: SHAREHOLDERS



SYNOPSIS	
+	Active Investor Relations Department
+	Policy on donations and grants is established and submitted to the general shareholders' meeting for approval
+	General shareholders' meetings are conducted in compliance with the legislation
+	No privileges on voting rights
+	Specific and consistent dividend distribution policy
+	No restrictions on transfer of shares
=	Articles of Association do not contain a provision permitting general shareholders' meetings to be held open to public
=	Minority rights are not recognized for shareholders who possess an amount less than one-twentieth of the share capital.

### 1.1. Facilitating the Exercise of Shareholders' Statutory Rights:

The Company carries out the shareholder relations obligations through Investor Relations Department managed by Ms. Elif ÖZCAN.

Along with other units of the Company, the "Investor Relations Department" plays an active role in protecting and facilitating shareholders' rights and in particular the right to obtain and review

information, and its duties are as follows;

- To ensure that the records relating to the written correspondence with the investors and other information are kept in a healthy, safe and updated manner.
- To respond to the queries of the shareholders requesting written information on the Company.
- To ensure the general shareholders' meeting is held in compliance with the applicable legislation, Articles of Association and other Company by-laws.
- To prepare the documents that might be used by shareholders in the general shareholders' meeting.
- To supervise the fulfillment of the obligations arising from capital markets legislation including all corporate governance and public disclosure matters.

Investor Relations Department submits a report to the Board of Directors at least once a year on its conducted activities. The report on the activities of 2022 has been submitted to us. Information and explanations that may affect use of shareholders' rights is available up to date on the corporate web site.

### 1.2. Shareholders' Right to Obtain and Evaluate Information:

There is no evidence of any hindering process or application regarding the appointment of a special auditor at the request of shareholders. All kinds of information about the Company are provided in a complete, timely, honest,



and diligent manner and there is no fine/warning received in this direction within the rating period.

The Company has established a disclosure policy, submitted it to the general shareholders' meeting, and disclosed it to the public on the corporate web site.

### **1.3. General Shareholders' Meeting:**

In addition to the methods of invitation in the legislation and in order to ensure attendance of maximum number of shareholders, the invitation to the general shareholders' meeting held on March 31, 2023 covering the 2022 fiscal year was performed through all means of communication available to the Company on March the 9<sup>th</sup> 2020 in accordance with the Corporate Governance Principles.

All announcements prior to the general shareholders' meeting included information such as the date and time of the meeting; without any ambiguity exact location of the meeting; agenda items of the meeting; the body inviting to the general shareholders' meeting; and the exact location where Annual Report, financial statements and other meeting documents can be examined.

Besides, the Company has prepared a descriptive disclosure document on agenda items.

Commencing from the date of announcement of invitation for the general shareholders' meeting; the Annual Report, financial statements and reports, and all other related documents pertaining to the agenda items are made available to all shareholders for examination purposes in convenient locations including the headquarters or branches of the Company, and the electronic media.

Through the corporate web site, shareholders are informed of the total number of shares and voting rights reflecting the Company's shareholding structure as of the date of disclosure and that there are no privileged share groups within the Company capital.

Agenda items were put under a separate heading and expressed clearly in a manner not to result in any misinterpretations. Expressions like "other" and "various" were not used. Information submitted to the shareholders prior to the conduct of the general shareholders' meeting was related to the agenda items.

Items on the agenda were conveyed in detail and in a clear and understandable way by the chairman of the meeting and shareholders were given equal opportunity to voice their opinions and ask questions.

Agenda of the general shareholders' meeting included the proposal for the permission to be granted to shareholders who have control of the management, members of the Board of Directors, managers with administrative responsibility, their spouses and up to second degree blood relatives to execute transactions and compete with the Company and/or its affiliates, to make a commercial business transaction for himself or on behalf of others or to join to another company dealing with the same type of commercial business as a partner with unlimited responsibility.

The members of the Board of Directors related with the issues of a special nature on the agenda, other related personality, authorized persons who are responsible for preparing the financial statements and auditors were present to give necessary information and to answer questions at the general shareholders' meeting.

General shareholders' meeting is attended by the representative of the external auditor.

The Company has established a policy on donations and submitted to the general shareholders' meeting for approval. Shareholders were informed about the amount and beneficiaries of all donations and grants made during the reporting period under a separate agenda item at the general shareholders' meeting.

Although there is no obstacle in practice regarding holding the general shareholders' meetings open to public including stakeholders and the media without the right to vote, there is no provision in this regard in the Articles of Association, nor in the internal guidelines of the general shareholders' meetings.

#### **1.4. Voting Rights:**

There are no voting privileges at Hürriyet.

The Company avoids applications that make it difficult to exercise voting rights and all shareholders, including those who reside abroad, are given the opportunity to exercise their voting rights conveniently and appropriately.

#### **1.5. Minority Rights:**

Maximum care is given to the exercise of minority rights. However, minority rights are not recognized for shareholders who hold an amount less than one-twentieth of the share capital and the Company has adopted the rate foreseen in the legislation for listed companies.

There is no evidence of any conflict of interest between the majority shareholders and that of the Company.

#### **1.6. Dividend Rights:**

The dividend policy of the Company is clearly defined and disclosed to the public on the corporate web site, and submitted to the shareholders for approval at the general shareholders' meeting.

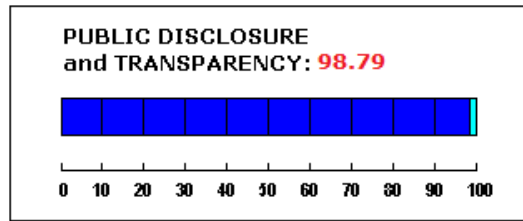
Hürriyet's dividend distribution policy contains minimum information clear enough for investors to predict any future dividend distribution procedures and principles. A balanced policy is followed between the interests of the shareholders and that of the Company.

For the 2022 accounting period, since there was no distributable profit for the period in the legal records, the issue of not distributing dividends was submitted to the approval of the ordinary general shareholders' meeting with its justification, and approved by majority vote.

#### **1.7. Transfer of Shares:**

Neither the Articles of Association of the Company nor any resolutions adopted at the general shareholders' meeting contain any provisions that impede the transfer of shares which are publicly traded.

## SECTION 2: PUBLIC DISCLOSURE AND TRANSPARENCY



### SYNOPSIS

+	Comprehensive web site, actively used for public disclosure
+	Annual Report complies with the legislation, comprehensive and informative
+	Important events and developments disclosed in accordance with the legislation
+	English version of the web site for international investors
+	List of ultimate controlling individual shareholders are disclosed to the public
-	Benefits provided to Board members and senior management are not mentioned on individual basis

### 2.1. Corporate Web Site:

Company's web site is actively used for disclosure purposes and the information contained therein is timely updated.

Along with the information required to be disclosed pursuant to the legislation, the Company's web site includes; trade register information, information about latest shareholder and management structure, information on inexistence of any privileged shares, the date and the number of the trade registry gazette on which the changes are published along with the final version of the Company's Articles of Association, publicly disclosed material information, Annual Reports, periodical financial

statements, prospectuses and circulars and other public disclosure documents, agendas of the general shareholders' meetings and list of participants and minutes of the general shareholders' meeting, form for proxy voting at the general shareholders' meeting, disclosure policy, dividend distribution policy, ethical rules of the Company, frequently asked questions including requests for information, questions and notices, and responses thereof.

The Company's shareholding structure; the names, amount and rate of the shares held by the Company's ultimate controlling individual shareholders over 5% as identified after being released from indirect or cross shareholding relationships between co-owners is disclosed to the public along with the privileges they hold and updated bi-annually as per the minimum requirement.

The information contained on the web site exists also in English (same as the Turkish content) for the benefit of international investors. Hürriyet also publishes its Material Disclosures made through the PDP (Public Disclosure Platform) in English on its corporate web site.

The Company's web site also includes; investor presentations, working principles of the Committees, important Board decisions under the heading of material disclosures, the vision/mission of the Company established by the Board, information on capital increases and dividend payments, general shareholders' meeting internal guidelines, social responsibility activities, information on senior management, financial data, main ratio analysis, timetable on

events/developments which considers investments, and the human resources policy.

The Company's Corporate Governance Compliance Report ("CRF") and Corporate Governance Information Form ("CGIF") for the accounting period January 1<sup>st</sup> 2022-December 31, 2022 have been prepared in accordance with the CMB's II-17.1 "Corporate Governance Communiqué" and the presentation principles determined by the CMB's Resolution No. 2/49 dated January 10, 2019 and announced in the CMB's Weekly Bulletin No. 2019/02 dated January 10, 2019. Hürriyet realized its CGIF and CRF notifications via PDP on March 8, 2020, within the specified notification period.

## **2.2. Annual Report:**

We have come to the conclusion that the Annual Report is prepared in detail by the Board of Directors to provide public access to complete and accurate information on the Company. It covers information such as;

- Period covered by the report, the title of the Company, trade register number, contact information,
- The names and surnames of the chairman, members and executive members involved in the management and supervisory boards during the covered period, their limits of authority, tenure of office (with start and end dates),
- The sector in which the Company operates and information on its position in the sector,
- Qualifications of the printing facilities,
- Progress on investments,

- Changes and justifications on the Articles of Association during the period,
- CGIF and CRF templates access information,
- Information on related party transactions,
- Other issues not included in the financial statements, but are beneficial for users,
- Company's organization, capital and ownership structure and any changes in the related accounting period,
- All benefits provided to staff and workers, information on number of personnel,
- Explanation on privileged shares and their amount,
- Information on Board members' transactions with the Company on their behalf or someone else within the framework of permission granted by general shareholders' meeting along with their activities within the scope of restraint of trade,
- Research and development activities,
- Dividend distribution policy,
- Basic ratios on the financial position, profitability and solvency,
- Company's financing resources and risk management policies,
- Information on major events occurred between the closing of the accounting period and the date of the general shareholders' meeting where financial statements are evaluated.

In addition to the matters specified in the legislation, following issues also took place in the Annual Report:

- External duties of Board members and executives,
- Members of the Committees within the Board and the frequency of meetings held,
- Number of Board meetings held during the year,
- Changes in legislation which could significantly affect the Company's operations,
- Major court cases against the Company and possible consequences,
- Information on shareholding in excess of 5% of the capital,
- Benefits and vocational training of employees, and other Company activities that give rise to social and environmental results,
- Rating results,
- Corporate Governance Compliance Declaration.

However, benefits provided to Board members and senior executives are mentioned collectively, but best application of Corporate Governance Principles dictate that this information is given on an individual basis.

### **2.3. External Audit:**

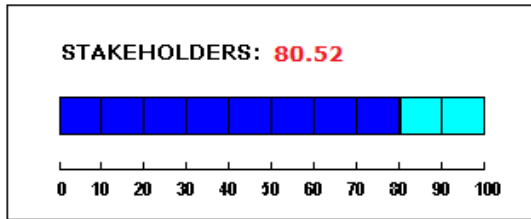
The external audit of the Company is conducted by Vizyon Grup Bağımsız Denetim A.Ş. (Member firm of MGI Worldwide).

There has not been a situation during the reporting period where the external auditor avoided to express its opinion and not signed the audit report, nor has reported a qualified opinion. It has been declared that there has been no legal conflict between the Company and the external audit firm.

Independent audit firm and their audit staff did not provide consulting services for a price or free of charge during the audit period.

Neither a consulting company in which the external audit firm is in a dominant position either directly or indirectly in management or capital provided any consulting services during the same period.

## SECTION 3: STAKEHOLDERS



### SYNOPSIS

+	Measures to safeguard stakeholders' rights are facilitated
+	A set of code of ethics is prepared and disclosed to the public
+	A written compensation policy for employees established and disclosed to the public
+	Company is not held liable by any public authority for any punishment/sanctions within the rating period
+	Sustainability policy and practices are satisfactory
+	Corporate social responsibility projects available
-	Mechanisms supporting the stakeholders' participation in Company management are not included in internal regulations nor in the Articles of Association

### 3.1. Company Policy Regarding Stakeholders:

Hürriyet recognizes the rights of stakeholders established by law or through any other mutual agreement. In case the rights of the stakeholders are not regulated by the relevant legislation and protected by contracts, the Company protects the interest of stakeholders under good faith principles and within the capabilities of the Company. Effective and expeditious compensation is provided in case of violation of the rights.

It has been evaluated that the web site of the Company is actively used to provide adequate information on policies and procedures towards the protection of stakeholders' rights.

The corporate governance structure of the Company ensures that its stakeholders, including its employees and representatives, report their concerns to the management concerning any illegal or unethical transactions.

In addition, a written compensation policy is established and disclosed to the public.

### 3.2. Stakeholders' Participation in the Company Management:

Hürriyet has developed models for stakeholders, particularly employees to participate in management without impeding the operations of the Company. In addition, it has been learned that the stakeholders' views are taken in important decisions that have consequences for stakeholders.

Mechanisms supporting the stakeholders' participation in Company management are not included in internal regulations nor in the Articles of Association. Corporate Governance Principles stated under this heading are advisory principles and stand out as areas open to improvement.

### 3.3. Company Policy on Human Resources:

The Company has a human resources policy disclosed to public through the corporate web site.



Within this scope, the Company offers equal opportunity to persons with the same qualifications in recruitment and career planning.

In cases which management reshuffle could cause disruptions, succession planning for determination of new manager appointments is in place.

The criteria for recruitment are determined in writing and adhered to. It has been evaluated that employees are treated equally with regard to their rights. Training programs are organized and training policies are developed to enhance the knowledge, skills, and conduct of personnel.

As seen on the 2022 CRF disclosure, no briefing meetings are held with employees on matters such as financial status of the Company, wage, career, education, health, and opinions are not exchanged, decisions taken or developments concerning employees are not notified to employees or their representatives, job descriptions, distribution of duties, performance and rewarding criteria are not shared with employees. It has been confirmed by the Company officials that although studies have been carried out within the Company in the specified areas in previous years, they were not carried out in the current rating period.

On the other hand, it has been declared that efficiency is taken into account in determining the wages and other benefits of employees, that the Company does not discriminate among its employees in terms of their race, religious belief, language or gender, and takes precautions to protect employees against all kinds of physical, emotional or spiritual abuse. These principles are also included in the Company's Human Resources Policy.

There is no active union organization or collective bargaining agreement within the Company.

#### **3.4. Relations with Customers and Suppliers:**

Hürriyet has taken all necessary precautions to attain customer satisfaction in the sales and marketing of its products and services. Quality standards in goods and services are complied with and care is taken to protect them.

Care is taken on the confidentiality of all trade secret data and information on customers and suppliers.

We have witnessed no evidence on non-market pricing of goods and services that the Company offers.

#### **3.5. Ethical Rules & Social Responsibility:**

Ethical rules of the Company are disclosed to the public on the corporate web site.

Hürriyet's activities within the scope of social responsibility are generally considered to be at a top level by us. The Company has publicly announced its social responsibility projects through its web site.

Within this scope;

With its "No to Domestic Violence" campaign, Hürriyet has targeted to raise public awareness, to create social awareness, to achieve behavioral changes, and to contribute by providing solutions to the problems in the eyes of the politicians. The aforementioned studies have been awarded by many local and national organizations and non-governmental organizations. An emergency helpline is also available.

We have come to the conclusion that the Company complies with ethical rules and regulations on the environment, consumers and public health.



The Company has not been subject to any significant sanctions by the public administrations during the course of the rating period.

In addition, the Company declared through the CRF disclosure that all kinds of corruption, including extortion and bribery, are being fought.

### **3.6. Sustainability:**

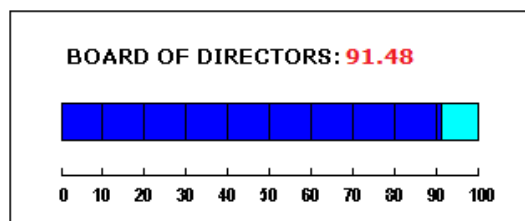
The Company's policy and internal regulations on environment, nature, energy saving, recycling and education are available on the web site through the Annual Report.

Hürriyet Gazetecilik ve Matbaacılık A.Ş. has established and operated an "Environmental Management Unit" for its printing facilities (DPC) in the past. As of 2019, Environmental Consultancy Services have been procured to prevent and mitigate environmental impacts that may arise as a result of production activities and to raise environmental awareness among employees.

Within the scope of Hürriyet Projects in the field of Environmental Protection and Environmental Sustainability; Environmental Permits and Licenses, Water Use Management, Environmental Pollution Prevention, Waste Management, Disposal and Recycling, and Authorized Institution Audits are disclosed to the public on the Company's web site.

As of our report date, there are no fines or any lawsuits filed against the Company for damages to the environment.

## SECTION 4: BOARD OF DIRECTORS



### SYNOPSIS

+	The Board of Directors has been structured in accordance with the Communiqué
+	Two independent members on the board
+	Audit, Corporate Governance and Early Detection of Risk Committees established and working efficiently
+	Principles of remuneration of Board members and senior executives are established and disclosed to the public
+	Conduct of the Board meetings is specified by internal regulations and included in the Articles of Association
=	Duties of Nomination and Remuneration Committees are carried out by the Corporate Governance Committee in accordance with the Communiqué, and the level of effectiveness regarding the scope of activity of these Committees can be increased
-	No target of 25% female members on the Board of Directors and no policy approved by the Board for this target
-	No Executive Liability insurance

### 4.1. Functions of the Board of Directors:

Strategic decisions of the Board of Directors aim to manage the Company's risk, growth, and return balance at an appropriate level and conduct a rational and cautious risk management approach with a view to the long-term interests of the Company. The Board administers and represents the Company within these parameters.

The Board of Directors has defined the Company's strategic goals and identified the needs in human and financial resources, and controls management's performance.

The Board oversees that Company activities are managed in compliance with the legislation, Articles of Association, internal procedures and established policies.

### 4.2. Principles of Activity of the Board of Directors:

We have come to the conclusion that the Board of Directors conducts its activities in a transparent, accountable, fair and responsible manner.

Distribution of tasks between the members of the Board of Directors is explained in the Annual Report. In addition, CRF and CGIF templates are included in the content of the decision to be taken by the Board of Directors regarding the approval of the financial statements and Annual Reports, and the declaration to be made in this context.

The Board of Directors established various internal control systems which are inclusive of risk management,

information systems, and processes by also taking into consideration the views of the Committees. In this context, the Board reviews the effectiveness of risk management and internal control systems at least once a year. The presence, functioning, and effectiveness of internal controls and internal audit are explained in the Annual Report.

Chairman of the Board and chief executive officer/general manager's executive powers are clearly separated in the Articles of Association.

The Board of Directors plays a leading role in maintaining effective communication between the Company and the shareholders and settling any disputes which may arise. The Board works in close coordination with the Shareholder Relations Unit in this context.

There is no manager liability insurance on compensation for losses incurred by the Company, and third parties, as a result of not performing the executives' duties duly.

#### **4.3. Structure of the Board of Directors:**

The Company's Board of Directors is composed of seven members with only one executive member. Among the non-executive Board members there are two independent members who have the ability to execute their duties without being influenced under any circumstances.

CMB criteria are complied with in determining independent candidates. The Corporate Governance Committee have prepared a report on the candidates proposed by the Board and shareholders, by taking into consideration of whether or not the candidate meets the independency criteria and submitted this assessment as a report to the Board for its approval.

Independent candidates for the Board of Directors have signed a declaration of independence within the framework of the legislation, Articles of Association, and the CMB criteria.

There is one female member on the Board of Directors. In addition, regarding the principle of determining a policy or setting a timetable to reach the Communiqué's advisory target of minimum 25% female membership rate on the Board of Directors, we have seen the meeting minutes of the Corporate Governance Committee's proposal to the Board of Directors. On the other hand, a policy text approved by the Board is not yet available.

#### **4.4. Conduct of the Meetings of the Board of Directors:**

Board meetings take place with sufficient frequency. As per the CGIF notification, the Board of Directors held 24 meetings in 2022 with a participation rate of 80.95%.

Chairman of the Board of Directors sets the agenda for Board meetings in consultation with other members and the chief executive officer.

Information on the agenda items of the Board of Directors is made available to the members in sufficient time prior to the meeting date by a coordinated flow of information.

Each Board member has a right to one vote.

The conduct of the Board of Directors meetings, meeting and decision quorums have been defined in the Articles of Association of the Company.

In case a Board member is an executive or a member of the Board of Directors in another company or provides consultancy services to another company, it is essential that the said situation does not cause conflict of interest and does not hinder the duty of

the member in the Company. In this context, members of the Board of Directors of Hürriyet are subject to certain rules to assume external duties.

#### **4.5. Committees Established Within the Board of Directors:**

Corporate Governance, Audit, and Early Detection of Risk Committees are established from within the Board of Directors in order to fulfill its duties and responsibilities.

Functions of the Committees, their working principles, and its members are designated by the Board of Directors and disclosed to the public on the Company's web site.

All members of the Audit Committee and the chairmen of the other Committees are elected among the independent Board members. The chief executive officer/general manager is not on the Committees. In accordance with the Communiqué, the majority of the members of the Committees are non-executive members. With the exception of the independent members, care is taken to avoid appointment of a Board member on multiple committees.

All necessary resources and support needed to fulfill the tasks of the Committees are provided by the Board of Directors. Committees can invite any manager as they deem necessary to their meetings and obtain their views.

The frequency of Committee meetings is found sufficient. According to the CGIF disclosure, in 2022 the Early Detection of Risk Committee met 6 times, and Audit and Corporate Governance Committees held 4 meetings each.

The Corporate Governance Committee is established in order to determine whether or not corporate governance principles are being fully implemented by the Company, if implementation of

some of the principles are not possible, the reason thereof, and assess any conflict of interests arising as a result of imperfect implementation of these principles, and present remedial advices to the Board of Directors. In addition, it oversees the work of the Investor Relations Department.

Investor Relations Department Manager Ms. Elif Özcan is also appointed as a member of the Corporate Governance Committee.

The Audit Committee;

- Supervises the operation and efficiency of the Company's accounting system, public disclosure, external audit and internal audit systems,
- Determines the methods and criteria to be applied on reviewing complaints that are received by the Company regarding Company accounting, internal and external independent audit systems, within the framework of the principle of confidentiality and finalizes them,
- Following taking the opinion of responsible managers of the Company and the external auditor, notifies the Board in writing on whether the annual and interim statements disclosed to the public is in accordance with the Company's accounting principles, true and accurate,
- Immediately notifies the Board in writing on findings related to their duties and responsibilities and the related assessment and recommendations.

Audit Committee members possess the qualifications mentioned in the Communiqué.

The Annual Report contains information on working principles of the Audit

Committee, number of written notices given to the Board of Directors in the fiscal year, and the meeting results.

The nomination and election process of the external audit firm, taking into account its competence and independence, starts with a proposal from the Audit Committee to the Board and ends with the board's choice being presented and approved at the general shareholders' meeting.

The Early Detection of Risk Committee reviews risk management systems at least once a year, achieves early identification of risks that may jeopardize the Company's existence and continued development, implements the necessary measures identified with the associated risks and performs studies to manage such risks.

A Nomination Committee and a Remuneration Committee have not been established within the Hürriyet Board of Directors, and the duties of these Committees are included in the working principles of the Corporate Governance Committee in accordance with the Communiqué. In this context, although we have observed the efforts of the Corporate Governance Committee regarding the determination of independent candidates, our opinion is that, in general, the effectiveness of the Corporate Governance Committee regarding the duties of the Nomination and Remuneration Committees should be increased.

#### **4.6. Remuneration of the Board of Directors and Senior Management:**

The principles of remuneration of Board members and senior executives has been documented in writing and submitted to the shareholders as a separate item in the general shareholders' meeting.

A remuneration policy prepared for this purpose can be found on the corporate

web site. Stock options or performance-based payments are not included in the remuneration package of the independent Board members.

Orientation process for newly appointed managers is determined in writing in the Company's internal regulations.

As disclosed through the CRF notification, the Company does not lend any funds or extend any credits to a member of the Board or to senior executives, or grant any personal loans through a third party, or extend any guarantees.

There have been no cases where the executives used confidential and non-public Company information in favor of themselves or others. There are no executives who accepted a gift or favor directly or indirectly related to the Company's affairs, and provided unfair advantage.

No insurance policy is issued on compensation for losses incurred by the Company, and third parties, as a result of not performing the executives' duties duly.

## Rating Definitions

Rating	Definition
<b>9 - 10</b>	The company performs <b>very good</b> in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified and actively managed all significant corporate governance risks through comprehensive internal controls and management systems. The company's performance is considered to represent best practice, and it had almost no deficiencies in any of the areas rated. Deserved to be included in the BIST Corporate Governance Index on the highest level.
<b>7 - 8</b>	The company performs <b>good</b> in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified all its material corporate governance risks and is actively managing the majority of them through internal controls and management systems. During the rating process, minor deficiencies were found in one or two of the areas rated. Deserved to be included in the BIST Corporate Governance Index.
<b>6</b>	The company performs <b>fair</b> in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified the majority of its material corporate governance risks and is beginning to actively manage them. Deserved to be included in the BIST Corporate Governance Index and management accountability is considered in accordance with national standards but may be lagging behind international best practice. During the ratings process, minor deficiencies were identified in more than two of the areas rated.
<b>4 - 5</b>	The company performs <b>weakly</b> as a result of poor corporate governance policies and practices. The company has, to varying degrees, identified its minimum obligations but does not demonstrate an effective, integrated system of controls for managing related risks. Assurance mechanisms are weak. The rating has identified significant deficiencies in a number (but not the majority) of areas rated.
<b>&lt;4</b>	The company performs <b>very weakly</b> and its corporate governance policies and practices are overall very poor. The company shows limited awareness of corporate governance risks, and internal controls are almost non-existent. Significant deficiencies are apparent in the majority of areas rated and have led to significant material loss and investor concern.

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