

Corporate Governance and Sustainability Principle Compliance Report

SECTION I - CORPORATE GOVERNANCE

1. Corporate Governance Approach

Aksigorta complies with the 4 main principles of corporate governance based on Transparency, Fairness, Responsibility and Accountability. The Group understands that corporate governance practices are essential for sustainable growth in today's economies.

Operating under the partnership of Sabancı Holding and Ageas, and listed in BIST Star index, Aksigorta designs its governance approach in line with these principles and improves its corporate governance practices in accordance with the best practices in the world.

2. Compliance with Corporate Governance Principles

Aksigorta is in full compliance with the 26 principles mandatory to be followed by public companies whose shares are traded on the stock exchange. These principles are specified in the Corporate Governance Principles attached to the Corporate Governance Communiqué (Communiqué) numbered II-17.1 of the Capital Markets Board, which is the regulatory board responsible for the regulation and supervision of corporate governance practices in Turkey.

Aksigorta has fully complied with 31 of the 42 principles that are not required to be complied with in accordance with the Communiqué, while it has been able to partially comply with 2 of them and has not been able to comply with 4 of them at all. Since no activities that fall within the scope of the remaining 5 principles were carried out in 2022, the remaining 5 principles were considered irrelevant and no compliance status could be assessed.

In 2022, Aksigorta continued efforts to improve its compliance with the principles in question, taking into account the benefit of all stakeholders, especially shareholders. However, some non-mandatory principles could not be fully complied due to the difficulties in implementation practice of these principles, ongoing debates on some of these principles, some mismatching between the market conditions and these principles. We are pursuing the developments on these issues and following compliance opportunities.

In 2022, we disclosed all useful information to shareholders, investors and analysts for their investment decisions with transparent, consistent and timely manner via Investor Relations announcements on corporate web site, Public Disclosure Platform, Investor meetings and conferences to keep the continuous and effective communication with the investors and the analysts. Also, we were complied with all regulation on this subject.

Aksigorta will care to be in compliance with the principles and follow the recent developments in the legislation and the market practices.

2.1. The partially complied principles are summarized below with the reasons for not achieving full compliance:

4.2.8. Losses incurred in the company by the members of the board of directors as a result of their faults during their term of office, are insured with a policy that will have a value exceeding 25% of the company capital and this issue is publicly disclosed on the Public Disclosure Platform (KAP).

Aksigorta holds an executive liability insurance policy covering the members of the Board of Directors and executives. Although the insurance amount is below the 25% of the Company's capital, it covers the reasonable risk level predicted.

4.6.5. Wages and other benefits granted to board members and executives with administrative responsibilities are disclosed to the public in the annual report. Disclosure on the basis of each such person is essential.

The remunerations provided to the Board Members are determined by the General Assembly and the disclosures are made on individual basis. Remunerations provided to the senior executives are disclosed to the public in the footnotes of our financial statements. Remunerations to executives are provided in accordance with the remuneration policies, taking into account the performance criteria. These details are not explained on individual basis since they are considered as personal information.

2.2. The principles that have not been complied are summarized below, with the reasons for not achieving full compliance:

1.5.2. Minority rights may be granted to those who hold less than one twentieth of the capital pursuant to the Articles of Association. The scope of minority rights may be expanded subject to the Articles of Association.

Minority rights are determined within the scope of the provisions of the relevant legislation and there are no provisions in the Articles of Association for the expansion of minority rights.

3.2.2. Conduct surveys / questionnaires to learn about the opinions of beneficiaries in important decisions.

Aksigorta does not conduct surveys / questionnaires to learn about the opinions of beneficiaries in important decisions

4.4.7. There are limits to external commitments of Board Members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.

There are no limitations on the external duties held by the Members of the Board of Directors. The CV information, including the duties that our Board of Directors members have taken outside our company, is on the corporate website of our company.

4.5.5. Board Members serve in only one of the Board's committees.

Our Board members can be members of more than one committee in order to benefit from their local and international experience in related fields and because they have the qualifications expected of committee members, our Board members can be members of more than one committee.

2.3. The principles considered irrelevant since no activities that fall within the scope of these principles were performed in 2022 are as follows:

1.3.7. Persons who have the right to access shareholding information with privilege shall inform the Board of Directors for the inclusion of the transactions they performed in their own name coinciding with the Company's operating area into the agenda of the General Assembly.

1.4.3. The Company has not exercised the voting rights at the General Assembly of a corporation with which it has a subsidiary relation that involves controlling rights.

3.3.8. The Company ensures freedom of association and supports the right for collective bargaining.

4.4.3. Opinions of those board members who did not attend the meeting but conveyed their opinion to the Board in writing are presented to other board members.

4.5.7. Committees get the opinion of independent experts in matters they deem necessary with regard to their activities. The fees of the consulting services required by the Committees are covered by the Company. However, information on the persons/ entities providing such services and/or whether such persons/entities have a relation with the company is explained in the annual report.

Aksigorta' s compliance status with the Corporate Governance Principles in 2022 is summarized in the table below:

Status	Full Compliance	Partial Compliance	Non-Compliant	Irrelevant
Mandatory	26	-	-	-
Discretionary	31	2	4	5
Total	57	2	4	5

In 2022, full compliance has not been reached with such voluntary principles due to the difficulties in their implementation, ongoing discussions in Turkey and on international platforms regarding their implementation, the contradiction between the Company's interests, and the implementation of such principles as per the practices of the Company and the market. Thanks to the value and importance Aksigorta attributes to corporate governance, developments on this matter are monitored closely, and efforts towards full compliance with these principles are ongoing at full speed.

The Corporate Governance Compliance Report (URF) and the Corporate Governance Information Form (KYBF) for 2022 issued in accordance with the CMB's Decision No. 2/49 dated 10.01.2019 and approved by the Board of Directors of our Company are made available to public in this address: www.aksigorta.com.tr .

3. Investor Relations Activities

In an attempt to assist investors and analysts in their decision-making processes as per applicable laws, Aksigorta paid ultimate attention in 2022 to inform them as necessary, transparently, promptly, accurately, thoroughly, legibly, directly, sufficiently, regularly, and concurrently with all market participants, on the developments that might affect their investment decisions.

For this purpose, Sabancı Holding updated the Public Disclosure Platform (PDP) and the Investor Relations page (www.aksigorta.com.tr) regularly. Investor meetings and conferences were organized to keep the continuous and effective communication with the investors and the analysts. In 2022, 25 institutional investors/analysts were interviewed.

No issues that may cause conflicts of interests between Aksigorta and institutions Sabancı Holding receives services such as investment consultancy and rating have been encountered.

Their names, titles, tasks and charters of the managers and employees who are involved in investor relations in Aksigorta task are listed as below:

Osman Akkoca, CFO - CMB Charter Level 3, Corporate Governance Rating Charter

Zeynep Eröktek, Financial Control Department Manager, Investor Relations Head

4. Monitoring the Changes in Legislation and Legal Procedures

No amendment that could impact Aksigorta' s operations substantially was introduced to applicable laws in 2022. However, potential effects of the amendments to the Capital Markets Law, Turkish Commercial Code, and tax regulations on Aksigorta as a whole were analyzed in detail.

However, collaboration was made with Turkey Insurance Association and the relevant institutions and organizations in order to increase the benefits of the legislative changes in question to the interests of Aksigorta and to the development of the Turkish economy and markets. With the slogan "Beyond", the interests of our country and Aksigorta were kept together and significant contributions were made to the changes in financial legislation.

Aksigorta monitored legislative developments that pertained to it closely and took necessary action promptly in 2022, just as it did in previous years.

Last but not least, no lawsuit was filed against the Company that may impact the financial position or operations of Aksigorta in 2022. In addition, no administrative or legal sanction on the grounds of practices contradictory with the provisions of applicable regulations was imposed against the legal entity of Aksigorta, its Board Members, and the Senior Management.

SECTION II - BOARD OF DIRECTORS

1. Structure and Composition of the Board of Directors

The procedures and principles concerning the company's Board of Directors' structure, duties, management rights, and representation authorities, etc. are decided upon in accordance with the provisions stipulated in the company's Articles of Association.

The Company is managed and represented by a Board of Directors consisting of minimum 7 and maximum 15 members elected by the General Assembly in accordance with the provisions of the Turkish Commercial Code and Capital Market Legislation.

Minimum qualifications required in Board members are not stated in the Articles of Association. However, the required qualifications of the Members of the Company's Board of Directors are in line with the relevant articles of Corporate Governance Principles. Two members of the Board of Directors are independent members who are determined according to the Capital Markets Board's Corporate Governance Principles and regulations on Corporate Governance. Independent board members' independence statements have been received prior to the appointment and these statements remain in full force and effect. During the reporting period, there is no condition which interrupts the independency.

The Members of the Board of Directors may be elected for a term of office of one year, and re-election of the members whose term of office has expired is permissible. If a membership is vacated for any reason, at its first meeting, the Board of Directors elects a new member and submits him/her to General Assembly's approval. This member completes the remaining term of his/her predecessor.

On the basis of the General Meeting's resolution, Board members are authorized to perform transactions within the scope of Articles 395 and 396 of the Turkish Commercial Code.

2. Operating Principles of the Board of Directors

The Board of Directors meets as often as they could perform their duties effectively, they execute their activities in transparent, accountable, fair and responsible manner, while they also consider the long-term targets and interests of the Company.

Every year, the Members of the Board of Directors elect a chairman and a deputy chairman who will be the acting chairman in the absence of the chairman for the meetings. The Chairman of the Board of Directors determines the agenda of the Board of Directors' meetings by taking the opinions of the other members and the CEO. The determined agenda and the contents of the agenda items are communicated in writing to the Board Members one week in advance in order to enable them to carry out the necessary assessments and works. Agenda items of the Board meetings are discussed clearly and with every aspect. The Chairman of the Board of Directors is obligated to show the maximum effort for ensuring effective participation of the non-executive members in the meetings. Timing and the agenda of the Board meetings are organized by the Chairman or the Deputy Chairman.

The Board of Directors convenes upon the call of the Chairman and the Deputy Chairman whenever necessary. The meeting date may be determined with the decision of the Board of Directors as well. In case the chairman or the deputy chairman does not call the Board of Directors for the meeting upon the request of one of the members, then the members will be entitled to make a call for the meeting ex-officio.

The Board of Directors must convene at least four (4) times a year.

Board of Directors may also approve on paper a member's recommendation about a certain matter unless one of them requests physical meeting.

Board of Directors' meetings and decision quorums are subject to the provisions of Turkish Commercial Code.

The Board of Directors held meetings four (4) times between 01.01.2022 and 31.12.2022.

At the Board meetings, each member had 1 vote, and unanimous consent was sought while resolving matters and the Board always complied with Corporate Governance Principles. Attendance in person of the members without an excuse at the meetings was ensured. In 2022, no dissenting opinion was expressed on the decisions passed by the Board Members and no explanation thereof was affixed to the minutes of the meeting. Since Board Members did not have any questions and requested no additional information, these were not inserted in the minutes of the meeting. In 2022 none of the Board members trade with the Company and compete with the Company in the same business.

3. Number, Structure and Independence of the Committees Established within the Structure of the Board of Directors

According to the Company's Articles of Association, the Board of Directors establishes a sufficient number of Committees ("Committee") to fulfill the required tasks and responsibilities properly.

The responsibilities of the "Nomination Committee" and "Remuneration Committee" as per article 4.5.1 of the Communiqué have been assumed by the "Corporate Governance Committee". Although attention was paid to the recommendation on "not taking part in more than one committee for a board member" under Article 4.5.5 of the Communiqué, a Board Member may serve multiple committees as a member due to the expertise required for such committees. Independent Board Member Lütfiye Yeşim Uçtum serves in 3 committees, Independent Board Member Hüseyin Gürer serves in 2 committees, Board Member Emmanuel Van Grimbergen serves in 2 committees.

Corporate Governance Committee

The Corporate Governance Committee was established to fulfill the duties and responsibilities of the Board of Directors in a sound manner. Corporate governance is a management process at Aksigorta which is based on ethical values, is responsible toward internal and external parties, is aware of risk, is transparent and responsible for its resolutions, protecting the interests of the stakeholders, targeting sustainable success in a manner complying with the Corporate Governance Principles established by the Capital Markets Board. The objective of the Corporate Governance Committee is to make recommendations to the Board of Directors of Aksigorta A.Ş. for the purpose of ensuring compliance of the corporate governance principles of Aksigorta A.Ş. with the Corporate Governance Principles established by the Capital Markets Board and with any other internationally recognized corporate governance principles the Committee also makes recommendations for the purpose of introduction and implementation of such principles, monitors compliance of the Company with such principles and carries out improvement efforts in these areas. The Committee had 2 meetings in 2022.

Members:

Lütfiye Yeşim Uçtum, Chairman, Independent Board Member

Emmanuel Van Grimbergen, Member,

Osman Akkoca, Member, CFO

Burak Yüzgöl, Member, Assistant General Manager of Human Resources and Sustainability

Early Detection of Risk Committee

It conducts works for the purposes of early detection of risks which may endanger existence, growth and continuation of the Company, implementation of the necessary measures and remedies taken against the detected risks and management of the risk. The Committee evaluates the situation, points out to the dangers, if any, and indicates the remedies in the report to the Board of Directors. The report is sent to the auditor as well. Committee had 4 meetings in 2022. It reviews the risk management systems at least once a year.

Members:

Lütfiye Yeşim Uçtum, Chairman, Independent Board Member

Hüseyin Gürer, Member, Independent Board Member

Emmanuel Van Grimbergen, Member, Board Member

Ayşe Sibel Öztep Oymacı, Member

Board of Auditors

The Audit Committee, which is responsible for assisting the Board of Directors in its audit and supervision activities, is in charge of the operations and capability of the internal systems and the accounting and reporting systems. The committee had 4 meetings in 2022.

Members:

Hüseyin Gürer, Chairman, Independent Board Member

Lütfiye Yeşim Uçtum, Member, Independent Board Member

4. Risk Management and Internal Control Mechanism

Aksigorta embraces the notion that each risk brings along an opportunity and recognizes that “sustainable growth” can be achieved by effectively identifying, measuring, and managing risks.

At Aksigorta, the risk is seen as a concept that incorporates opportunities as well as threats and corporate risk management is handled as a continuous and systematic process to manage these risks most efficiently.

Efforts are being made to cultivate the risk culture throughout the Company, and assurance is provided to ensure that the right activity is carried out taking the right amount of risk. The risks faced by the Aksigorta are monitored via Key Risk Indicators (KRI) determined by Group companies. These indicators are continuously monitored and periodically reported. Aksigorta takes necessary action to manage the risks indicated by the Key Risk Indicators.

Ceaselessly continuing to create shareholder value in 2022 owing to the importance it attaches to risk management, Aksigorta displayed a sustainable growth performance.

Aksigorta will manage the potential risks in all business lines in 2022 thanks to its strong capital and effective management understanding.

Similarly, the Internal Control Mechanism has been available since the company was established. With the establishment of the Audit Committee, the Internal Control Mechanism effectively carries out the duties assigned by the Board of Directors, in compliance with the current Audit Committee Bylaws.

5. Company's Strategic Goals

Having determined the vision and the mission of the company, the Board of Directors incorporated them in writing in the Annual Report and announced to the public on the company's website, www.aksigorta.com and company's long-term strategies are built on these principles.

The Board of Directors, together with the CEO and Group Presidents, sets three-year strategic goals which are updated each year. Whether the targets are achieved or not are monitored by executive reports prepared at the end of each month. Year-end performance assessments are based on whether the Company achieves its targets or not.

6. Financial Rights

The terms and conditions of any right, fee, and benefit granted to the company's Board Members are laid down in detail in the Articles of Association. The attendance fees paid to the Chairman and the Board Members are determined at the General Assembly Meeting. The payments made to the senior executives are disclosed to the public in the footnotes of our financial statements.

In 2022, the Company did not lend any money or extend any credit to the Board Members; did not extend the maturity or improve the terms and conditions of existing debts or credits; did not extend any individual loan through third persons or did not offer guarantees.

SECTION III – SUSTAINABILITY

1. Sustainability Approach

Aksigorta, which aims to protect what is valuable together with the next generation solutions for a sustainable life, has made the evaluation of its operational processes, products and services, social, economic and environmental dimensions a fundamental part of its business strategy.

Aksigorta A.Ş. has adopted sustainability as a fundamental work philosophy. In line with this goal, Aksigorta has integrated its sustainability approach into both insurance and investment processes with an environmental and social risk management perspective.

In this regard, it is necessary to refer to the projects carried out by Aksigorta.

Launching a major sustainability project in the field of digital security, Aksigorta prepares society against the risks of the digital world thanks to the Digital Security Platform. Considering digital data as the most valuable asset of the generation, Aksigorta focuses on the development of next-generation technologies such as big data, advanced data analytics, cybersecurity, industrial IoT, robotic workforce, artificial intelligence and blockchain.

Aksigorta A.Ş., which supports the achievement of gender equality, takes measures to increase women's employment and to support the female workforce in employment. Aksigorta has signed the Women's Empowerment Principles implemented by the United Nations as part of its efforts to achieve gender equality.

The Green Office Program, launched by Aksigorta to ensure a greener world, was completed during the year. Thanks to its exceptional results in reducing natural resource use by conservation and best practices, Aksigorta was granted Green Office certification by WWF Turkey.

Aksigorta, which contributes to the development of the insurance sector and its stakeholders and supports their development, organizes free online training for all agencies of the sector, from insurance to digital marketing, sales management to accounting, under the umbrella of the "Beyond Insurance Academy."

Aksigorta shares are listed in Istanbul Stock Exchange Sustainability Index starting from October 2022.

2. Compliance with Sustainability Principles

Aksigorta has set its eye on full compliance with the Sustainability Principles Compliance Framework established in line with the Capital Markets Board's amendment to Corporate Governance Communiqué dated October 2, 2020. Activities performed by the Company in this field helped it reach compliance substantially. In 2023, Aksigorta plans to continue efforts to improve its compliance with the principles in question, taking into account the benefit of all stakeholders, especially shareholders.

In 2022, Aksigorta has achieved full compliance with 52 of the 57 nonmandatory principles under the Communiqué, 5 principles were considered irrelevant. Following the promulgation of the Sustainability Principles Compliance Framework in 2022 for the first time by Capital Markets Board, world-class sustainability compliance standards has been adopted in our country.

There are no principles in which we are completely non-compliant. This performance demonstrated Aksigorta' s sustainability-oriented approach to environmental, social and governance concepts. Efforts towards 100% compliance with such principles will continue in 2023.

The compliance status of Aksigorta with the Sustainability Principles in 2022 is summarized in the table below:

Type	Full Compliance	Partial Compliance	Non-Compliant
General	11	-	-
Environment	22	-	-
Social	17	-	-
Corporate Governance	2	-	-
Total	52	-	-

The Sustainability Principles Compliance Report, which demonstrates the Company's compliance with the Capital Markets Board's Sustainability Principles Compliance Framework, is available online at www.aksigorta.com.

Aksigorta' s Corporate Governance Information Form can be accessed at the following link:

<https://www.kap.org.tr/en/Bildirim/1114881>

Aksigorta' s Corporate Governance Compliance Report can be accessed at the following link:

<https://www.kap.org.tr/en/Bildirim/1114878>

Aksigorta' s Sustainability Principles Compliance Report can be accessed at the following link:

<https://www.kap.org.tr/en/Bildirim/1114823>