



Corporate Governance and Credit Rating Services, Inc.



Corporate Governance Rating Report

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28 December 2023

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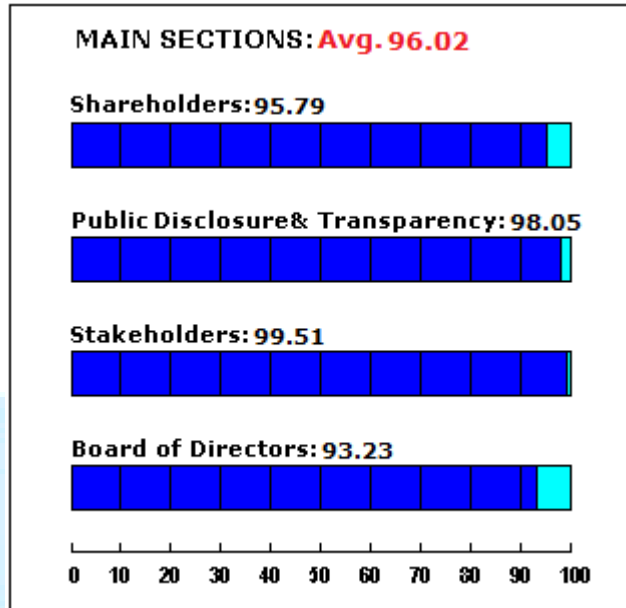
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Rating and Executive Summary

Tat Gıda Sanayi A.Ş. (Tat Gıda)

 SAHA
Corporate Governance Rating:

9.60



EXECUTIVE SUMMARY

The Corporate Governance Rating of 9.53 that has been assigned to Tat Gıda Sanayi A.Ş. (Tat Gıda) on December 28, 2022 is hereby revised up to **9.60**. SAHA's rating methodology is based on the Capital Markets Board's (CMB) "Corporate Governance Principles" ("the Communiqué") released on January of 2014.

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.. Tat Gıda 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>.

Tat Gıda is rated with **9.58** 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. Company carries out the investor relations obligations through the Investor Relations Department. There are no privileges or restrictions on the exercise of voting rights. All procedures prior to the general shareholders' meeting as well as the conduct of the meeting comply with the legislation, rules and regulations. There is a clause in the articles of association on permitting attendance of those including stakeholders and media to the general shareholders' meetings with no voting rights. The company has dividend policy and donation policy, which were submitted to the general assembly and disclosed to public. There are no restrictions on transfer of shares. On the other hand, there are areas for improvement like adoption as it is the rate of minority rights in the Company's articles of association as prescribed for public joint stock companies (%5).

Tat Gıda attained **9.81** under the **Public Disclosure and Transparency** chapter. There is a comprehensive web site that includes all information listed in the Corporate Governance Principles pertinent to "Public Disclosure". Public announcements are made via all communications channels and are in accordance with CMB and Borsa İstanbul A.Ş. (BİST) rules and regulations. The corporate web site is also prepared in English for the benefit of international investors. A public disclosure was released that there is no individual shareholder with a stake over 5%. On the other hand, all the benefits provided to board members and senior executives are not included in the annual report on individual basis.

On the topic of **Stakeholders**, Tat Gıda scored **9.95**. Tat Gıda guarantees the rights of stakeholders in line with the legislation and mutual agreements, and in case of violation, enables an effective and speedy compensation. The Company has a written human resources policy. Sustainability implementations and social responsibility activities are at a sufficient level. Tekgıda-İş Labor Union is active at the Company. Tat Gıda complies with quality standards concerning its goods and services and takes measures to ensure these standards. Specific guarantees are provided for this purpose. Code of ethics and the compensation policy for the employees is publicly available through the corporate web site. Models supporting the participation of stakeholders in the management of the Company are developed, but such models are not included in the articles of association.

From the perspective of the principles regarding the **Board of Directors**, Tat Gıda's tally is **9.32**. There is a well communicated Company mission and vision, and the board fulfills all duties regarding Company needs. Chairman of the board and the chief executive officer is not the same person. The board consists of nine members, with three independent and no executive members. CMB criteria are complied with for the appointment of independent members who have each signed a declaration of independence. Any defects and damages caused by board members during the execution of their duties are insured for an amount exceeding 25% of the Company's capital, and the relevant PDP disclosure is made. There are four female members on the board of directors. Corporate Governance, Audit, and Risk Management Committees are established within the board of directors and they are all chaired by independent board members. The working principles of the Committees are disclosed to the public. Principles of remuneration of board members and senior executives are available on the corporate web site. The Company does not provide any loans or extend any credit to the board members or senior executives. On the other hand, all the benefits provided to board members and senior executives are not included on individual basis in the annual report.

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 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

Tat Gıda Sanayi A.Ş.	
	Chairwoman of the Board of Directors Semahat S. Arsel General Manager Evren Albaş
Headquarters: Taşdelen Mahallesi Sırrı Çelik Bulvarı No :7 Çekmeköy-Istanbul www.tatgida.com	Investor Relations Department Manager/ Deputy Chief Financial Officer Başak Tekin Özden Tel: 0216 430 00 00 basak.tekin@tat.com.tr

Tat Gıda Sanayi A.Ş. ("Tat Gıda" or "the Company") was established on 1967 under the name of Tat Konserve Sanayi A.Ş. and following the extraordinary general shareholders' meeting held on October 30, 2013, a change of title was decided upon and the relevant registration took place on November 15, 2013

The Company's scope of activity is production, distribution, marketing, domestic and foreign trade and brokerage of any merchandise, food, drinks, beverages, food articles and products of agricultural and animal origin, including frozen, dried and powdered types and varieties, and their raw materials and initial materials, auxiliary materials and additives, juices and cans containing sugar or not, semi-processed and finished products. The Company is registered in Turkey and has been operating under the Turkish Commercial Code.

Koç Holding A.Ş. is the main shareholder of the Company and the controlling party.

Company's domestic marketing and sales activities are carried out by Düzey Tüketim Malları Sanayi Pazarlama ve Ticaret A.Ş., a Koç Group entity.

According to the Material event disclosures made by the company and the main shareholder Koç Holding A.Ş, efforts has been initiated on the sale of shares owned by Koç Holding A.Ş.

The Company shares have been traded under "TATGD" code at BIST National Market since 1993 and Tat Gıda is a constituent of BIST FOOD, BEVERAGE / BIST SUSTAINABILITY / BIST BURSA / BIST STARS / BIST ALL SHARES / BIST ALL SHARES-100 / BIST DIVIDEND / BIST INDUSTRIALS / BIST CORPORATE GOVERNANCE indices.

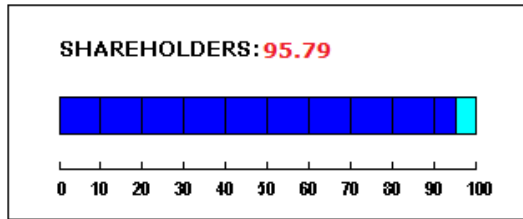
The Registered Capital of the Company is TL 250,000,000.00 and the distribution of Paid-in Capital as of the report date is as follows:

Capital Structure of Tat Gıda		
Shareholders	Share Value (TL)	Share %
Koç Holding A.Ş.	59,364,947.17	43.7
Temel Ticaret Yat A.Ş	4,427,888.60	3.3
Kagome Co Ltd	5,071,168.20	3.7
Sumitomo Corp	2,077,983.34	1.5
Other	8,745,168.72	6.4
Public Shares	56,312,843.97	41.4
	136,000,000.00	100.0

The Board of directors elected for a 1-year period on March 20, 2023, to serve until the general assembly date where the activities of 2023 will be discussed are as follows:

Tat Gıda Sanayi A.Ş. Board of Directors		
Name	Title	Committees Served
Semahat S. Arsel	Chairwoman	
Rahmi M. Koç	Vice-chairman	
Ömer M. Koç	Member	
Ali Y. Koç	Member	
Caroline N. Koç	Member	Risk Management Committee Member
Takashi Hashimoto	Member	
Fatma Füsün Akkal Bozok	Independent Member	Chairwoman of Corporate Governance Committee & Audit Committee
M. Sait Tosyalı	Independent Member	Risk Management Committee Chairman & Audit Committee Member
Neslihan Tonbul	Independent Member	Corporate Governance Committee Member

SECTION 1: SHAREHOLDERS



SYNOPSIS

+	Equal treatment of shareholders.
+	Unrestricted shareholder rights to review and receive information.
+	No voting privileges or restrictions.
+	Voting rights are facilitated.
+	General shareholders' meetings are conducted in compliance with the legislation.
+	Dividend distribution, Donation and Sponsorship policies are determined
=	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 shareholder relations obligations through the Investor Relations Department established under the Deputy General Directorate of Financial Affairs and Finance.

The Investor Relations Department plays an active role in protecting and facilitating the exercise of shareholder rights, especially the right to obtain and review information, and performs the following duties;

- 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. Information and explanations that may affect use of shareholders' rights is available up to date on the corporate web site. In addition, Investor Relations Department member, Banu Çamlıtepe is the holder of licenses specified in the Corporate Governance Principles Communiqué.

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.

The Company's disclosure policy was submitted to the attention of shareholders and disclosed 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 20, 2023 is performed through all means of communication available to the Company on February 24, 2023 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.

In addition, a descriptive disclosure document on agenda items has been prepared.

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.

Shareholders are informed of the following issues prior to the general shareholders' meeting via the corporate web site;

a. Total number of shares and voting rights reflecting the Company's shareholding structure as of the date of disclosure, information on that there is no privileged share group within the Company capital.

b. Grounds for dismissal and replacement of board members, candidates' backgrounds and tasks carried out in the last decade, the nature and significance level of their relationship with the Company and related parties, whether they are independent or not, and information on similar issues.

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.

At the general shareholders' meeting we observed that the chairman of the meeting paid attention to conveying the issues on the agenda in an impartial and detailed manner, in a clear and understandable manner and shareholders were given the opportunity to express their opinions and ask questions under equal conditions.

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.

Members of the board of directors related with those issues of a special nature on the agenda, other related persons, 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.

Shareholders were informed, with a separate agenda item, on all donations and grants effectuated during the reporting period and the amount of benefits and beneficiaries.

The articles of association of the Company contain a clause on attendance of those including stakeholders and media to the general shareholders' meetings with no voting rights.

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

1.4. Voting Rights:

There are no voting privileges at Tat Gida and all shareholders, including those who reside abroad, are given the opportunity to exercise their voting rights conveniently and appropriately and the Company avoids applications that make it difficult to exercise voting rights.

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 exactly 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:

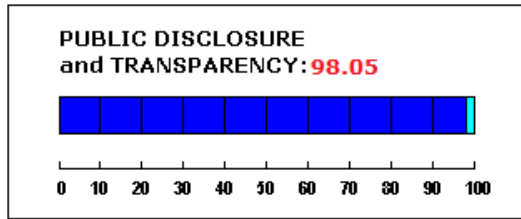
The dividend policy of Tat Gida is clearly defined and disclosed to public on the corporate web site. It is submitted to the shareholders at the general shareholders' meeting and is incorporated in the annual report.

The Company'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 those of the Company. Furthermore, the articles of association of the Company contain a provision on advance dividend payments.

1.7. Transfer of Shares:

Neither the articles of association, nor any decisions 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 Disclosure Policy, disclosed to public via the web site.
+	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.
+	A public disclosure was released that there is no individual shareholder with a stake over 5%.
-	All benefits provided to board members and senior executives not disclosed to the public on individual basis.

2.1. Corporate Web Site:

Company's corporate 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 that there are no 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, and the ethical rules of the Company.

In this context, information on at least the last 5 years can be reached on the web site.

A public disclosure was released that there is no individual shareholder with a stake over 5% within the shareholding structure of the Company.

With the exception of material disclosures and footnotes, in accordance with the CMB legislation, the Company also discloses financial statements on the Public Disclosure Platform (PDP), and simultaneously in English.

Tat Gıda disclosed its Corporate Governance Compliance Report ("CRF") and the Corporate Governance Information Form ("CGIF") notifications via PDP on February 24, 2023, within the specified notification period.

The information contained on the web site exists also in English for the benefit of international investors and is identical to the Turkish content.

The corporate web site also includes; investor presentations, working

principles of the Committees, the vision/mission of the Company established by the board, information on dividend distribution and capital increases, news, general shareholders' meeting internal guidelines, social responsibility activities, information on senior management, financial data, main ratio analyses, timetable on events and developments which may interest investors, and the human resources policy.

2.2. Annual Report:

Annual report is prepared in detail by the board of directors to provide public access to complete and accurate information on the Company and it covers information such as;

- a. Period covered by the report, the title of the Company, trade register number, contact information.
- b. 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).
- c. The sector in which the Company operates and information on its position in this sector.
- d. Qualifications of the entity, capacity utilization rates and general explanations related to sales volume and price, sales conditions and yearly developments, productivity rates and causes of significant changes compared to previous years.
- e. Progress on investments, the eligibility status on incentives, and to what extent.
- f. Corporate Governance Principles Compliance Report.
- g. Information on related party transactions.
- h. Other issues not included in the financial statements, but are beneficial for users.

- i. Company's organization, capital and ownership structure, and any changes in the related accounting period.
- j. Benefits provided to staff and workers, information on number of personnel.
- k. Explanations on and number of privileged shares.
- l. Information on research and development activities.
- m. The dividend distribution policy.
- n. Basic ratios on the financial position, profitability and solvency.
- o. Company's financing resources and risk management policies.
- p. 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:

- a. External duties of board members and executives.
- b. Members of the Committees within the board, assessment of their working principles.
- c. Number of board meetings held during the year and participation status of the members.
- d. Changes in legislation which could significantly affect the Company's operations.
- e. Major court cases against the Company and possible consequences.
- f. Information on direct contributions to capital ratio with cross shareholding investments in excess of 5%.
- g. Benefits and vocational training of employees, and other Company activities that give rise to social and environmental results.

On the other hand, the 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.

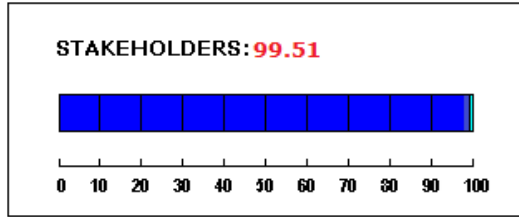
2.3. External Audit:

At the general shareholders' meeting dated March 20,2023, PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. was appointed to conduct an independent audit of the company

There has not been a situation 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.

External audit firm and their audit staff did not provide consulting services for a price or free of charge during the audit period. No 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.
+	Efficient Human Resources policy.
+	Strict quality standards for goods and services.
+	Stakeholders' views are taken on important decisions.
+	Code of ethics disclosed to the public.
+	A Compensation policy for employees is established and disclosed to the public via the web site.
+	Social Responsibility and Sustainability studies are at an adequate level.
=	There are mechanisms that support the participation of stakeholders in the company management, but they are not included in the articles of association

3.1. Company Policy Regarding Stakeholders:

Tat Gıda Sanayi A.Ş. guarantees the rights of stakeholders regulated by legislation and mutual agreements. In other cases the interests of the stakeholders are protected within the framework of good faith principles and to the extent of capabilities of the Company.

The corporate governance implementation of Tat Gıda ensures that its stakeholders, including its employees and representatives, report their concerns regarding any illegal or unethical transactions to the management.

The web site of the Company is actively used to provide adequate information on policies and procedures towards the protection of stakeholders' rights.

The Company has established a written employee compensation policy and disclosed it to the public via the corporate web site.

3.2. Stakeholders' Participation in the Company Management:

Tat Gıda has developed models for stakeholders, particularly employees to participate in management without impeding the operations of the Company, but such models are not included in the articles of association.

3.3. Company Policy on Human Resources:

The Company has a written human resources policy documenting the criteria for recruitment and promotion mechanism.

The functioning of human resources systems is defined by procedures and announced to all employees. In addition, the Human Resources Department carries out all necessary communication with all employees regarding the HR Strategies and Policies.

The Collective Bargaining Agreement signed with Tekgıda-İş Labor Union continues until December 31, 2024.

Recruitment and career planning policies are based on the principle of equal opportunity for equal qualifications. In cases which management reshuffle could cause disruptions, a succession planning for determination of new manager appointments is established. The criteria for the recruitment are also documented in writing.

All rights provided to employees are treated fairly, training programs are organized and training policies are established to increase employees' knowledge, skills and attitudes.

Meetings are organized for personnel to give them information and share opinions about the Company's financial position, compensation, career planning, training, health and similar topics.

Job descriptions, distribution of duties, performance and rewarding criteria are shared with employees. Tat Gıda takes productivity measures into account in determining compensation and other benefits offered to personnel.

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.

3.4. Relations with Customers and Suppliers:

Tat Gıda has taken all necessary precautions to attain customer satisfaction in the sales and market of its products and services.

Quality standards are complied with in goods and services and care is taken to protect the standard. To this end,

the Company holds international certificates on environmental quality and efficiency.

The Company organizes meetings with customers and suppliers during the year and provides mutual exchange of ideas. As a result of these meetings, studies are conducted on recommendations of customers and suppliers. Improvement studies are carried out for customer and supplier satisfaction.

The views and consensus of the trade union are taken into consideration on the working conditions, the environment and the rights provided to the employees, and joint decisions are taken. In addition, the proposal system for all employees and all activities is in operation.

3.5. Ethical Rules & Social Responsibility:

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

The studies that the Company carries out in line with environmental laws and environmental responsibility are under the heading of environmental quality efficiency in internet pages. In the "Investor Relations-Sustainability" section of the web site, information is also provided under the heading "Environmental Sensitivity".

The Company complies with ethical rules with respect to environment, consumer, public health, and shows respect to internationally recognized human rights.

Ethical principles and compliance policies have been put in writing and "Ethical Principles" and "Human Rights Policy" are signed by all employees, and their commitments are taken.

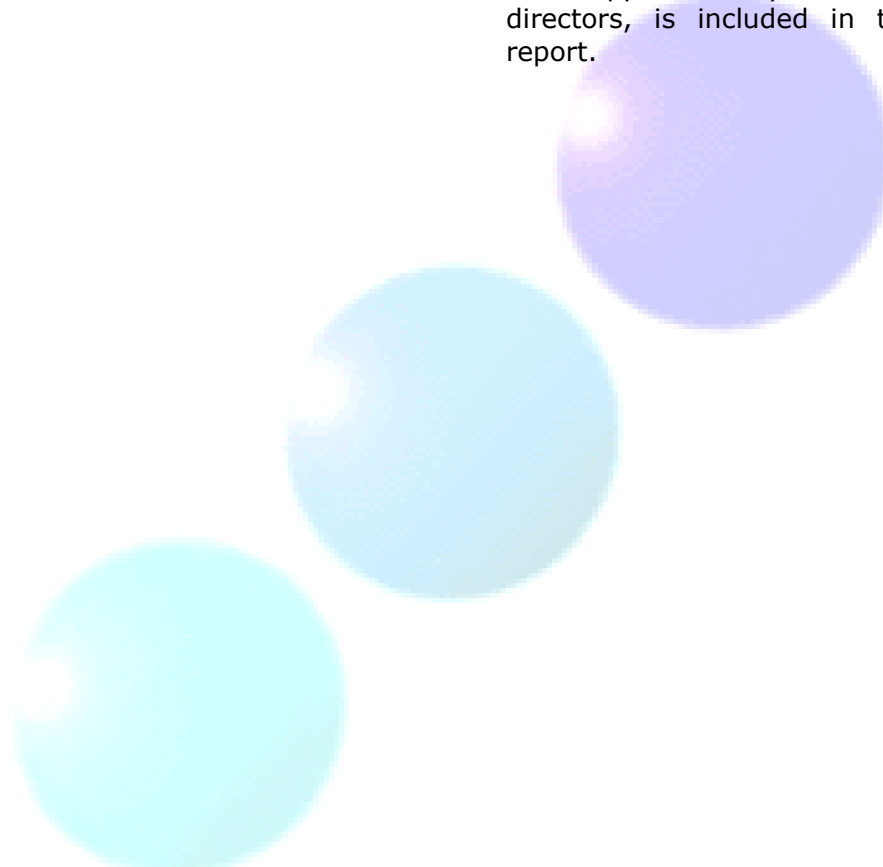
3.6. Sustainability:

The Company has a policy, internal regulations, goals, initiatives and campaigns on environment, nature, energy conservation, recycling and education issues.

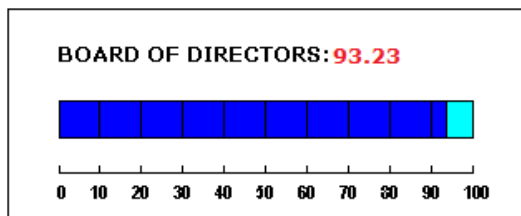
In this context, the Company has national/international quality/health standard certificates. It is a member of domestic/overseas organizations carrying out studies in this area.

Tat Gıda is proactive in its efforts towards achieving a sustainable future, using digitalization to measure its effects on nature with the goal of saving water and reducing its carbon emissions, energy consumption, and waste.

The Sustainability Principles Compliance report, prepared in accordance with the communiqué published by the Capital Markets Board and approved by the board of directors, is included in the Annual report.



SECTION 4: BOARD OF DIRECTORS



SYNOPSIS

+	Company's vision, mission and strategic goals are defined.
+	The board works efficiently and staffed with qualified members.
+	Three independent members on the board.
+	Audit, Corporate Governance and Risk Management Committees established.
+	Principles of remuneration of board members and senior executives determined and disclosed to public.
+	Four female members on the board.
+	Damages caused by board members during the execution of their duties are insured with an amount exceeding 25% of the Company's capital, and relevant PDP statement is released.
=	The meeting and decision quorum of the board of directors is included in the articles of association, but the manner in which the meetings will be held is not documented.

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 also 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:

Board of directors performs 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. 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.

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 Corporate Governance Committee and the Investor Relations Department in this context.

In addition, defects and damages caused by board members and executives during the execution of their duties are insured with an amount exceeding 25% of the Company's capital, and relevant PDP statement is made.

4.3. Structure of the Board of Directors:

The Company's board of directors is composed of nine members. There are no executive members on the board. Among the members, there are three independent members who have the ability to execute their duties without being influenced under any circumstances.

The Corporate Governance Committee prepared a report on the candidates nominated by the board and shareholders, by taking into consideration whether or not the candidate meets the independency criteria and submitted this assessment as a report to the board for its approval. CMB criteria are complied with in determining independent candidates. Independent candidates for the board of directors have each signed a declaration of independence within the framework of the legislation, articles of association, and the CMB criteria.

There are four female members on the board of directors. The Company has reached the Corporate Governance Principles' advisory target of minimum 25% female board membership rate.

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

Although physical participation of the members of the board of directors in

most of the board meetings is not provided, the decisions were reached by circulating the resolution text among the members in accordance with the procedures specified in article 390 of the Turkish Commercial Code (TCC).

A minimum period has not been determined to send information and documents to all members of the board of directors prior to board meetings. The time span is determined by taking into account the subject and process on the board's agenda and the members are informed within a reasonable time.

Each member of the board of directors is entitled to a single vote.

In the event that a board member taking on additional duties as executive and/or board member outside the Company, it is taken as a basis that this should not lead to a conflict of interest and disrupt the member's duties within the Company.

The meeting and decision quorums of the board of directors have been included in the articles of association, but there is no internal regulation on how the meetings will be held.

4.5. Committees Established Within the Board of Directors:

Corporate Governance, Audit and Risk Management 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 all three Committees are elected among the

independent board members. The chief executive officer/general manager is not on the Committees. The Investor Relations Manager is a member of the Corporate Governance Committee and there are no other executive members in the Committees. Care has been taken as much as possible to ensure that a member of the board of directors does not undertake duty in more than one Committee.

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.

Committees meeting frequency is found sufficient.

The Corporate Governance Committee is established in order to determine whether or not the 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 lack of implementation of these principles, and present remedial advices to the board of directors. In addition, it oversees the work of the investor relations unit.

Audit Committee supervises the operation and efficiency of the Company's accounting system, public disclosure, external audit and internal audit systems, reviews 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, notifies the board in writing on findings related to their duties and responsibilities and the related assessment and

recommendations, 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.

Members of the Audit Committee possess the qualifications stated in the Corporate Governance Principles Communiqué.

Information about the number of written notices given to the board of directors by the Audit Committee and meeting results within the reporting period, are provided in the annual report.

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 Risk Management Committee carries out studies towards early detection of risks which may jeopardize the Company's assets, its development and progression, and measures taken to mitigate and manage those risks.

The Corporate Governance Committee carries out the duties of the Nomination Committee and the Remuneration Committee, since they are not established. We need further observations to have a solid opinion, and to assess the degree of efficiency and functionality of the Corporate Governance Committee; whether it has conducted studies to identify suitable candidates for the board of directors and managers with administrative responsibilities on creation of a transparent system of

evaluation and training, on determination of the relevant policies and strategies, particularly with regard to its reviews on the structure and efficiency of the board of directors; whether the Committee submitted its recommendations to the board members on changes that can be done on these matters; whether it determined the principles, criteria and practices to be used at the remuneration of board members and executives taking into account the long-term goals of the Company; and by taking into account the degree of achievement of the criteria, whether it makes proposals to the board on remuneration of the board members and senior executives.

4.6. Remuneration of the Board of Directors and Managers with Administrative Responsibility:

The principles of remuneration of board members and senior executives have been documented in writing and submitted to the shareholders as a separate item at 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.

Tat Gıda 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.

The executives comply with the legislation, articles of association, and in-house regulations and policies in fulfilling their duties.

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.

There is an insurance policy on compensation for losses incurred by the Company, and third parties, as a result of not performing the executives' duties duly.

Remuneration and benefits provided to board members and managers with administrative responsibility is stated collectively in the annual report, however an individual-based disclosure is essential.

Rating Definitions

Rating	Definition
9 - 10	The company performs very good 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.
7 - 8	The company performs good 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.
6	The company performs fair 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.
4 - 5	The company performs weakly 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.
<4	The company performs very weakly 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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