



EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.

For the Period 1 January – 30 September 2025
Condensed Board of Directors' Activity Report

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
WITH THE COMMUNIQUE SERIA: II, NO:14.1****A - GENERAL INFORMATION****1. Period of the Report**

1 January – 30 September 2025

2. Information About the Association

- **Title:** EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.
- **Trade Registry Number:** 863637
- **Address:** Barbaros Mah. Ardiç Sok. No: 6 Ataşehir/İSTANBUL
- **Website:** www.erdemir.com.tr

3. Shareholding and Capital Structure

Authorized Capital : TRY 7.000.000 thousand
Paid-in Capital : TRY 7.000.000 thousand

Shareholders	Shares (Thousand TRY)	%
ATAER Holding A.Ş.	3.467.965	49,54
Publicly Held	3.253.911	46,49
Erdemir's Own Shares	278.124	3,97
Total	7.000.000	100,00

4. Board of Directors, Executive Management and Number of Personnel

According to the Turkish Commercial Code and related regulations, the election of the Member of Board of Directors is executed by the General Assembly within the framework of the Articles of Association. Should there be a vacant position in the Board of Directors Membership within the respective period; an election is held for the vacant positions according to the provisions of Turkish Commercial Code and Company's Articles of Association and submitted to the next general assembly to be approved. The Company's 2024 Ordinary General Assembly has been executed on March 26, 2025.

Within the framework of the provisions of the Turkish Commercial Code and the Capital Market Law, pursuant to Articles 10th and 11th of the Company's Articles of Association, at the Ordinary General Assembly Meeting held on March 26, 2025, elections were held for Independent Board Members due to the expiration of their terms of office and 3 Independent Board Members were elected to serve for 1 year.

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The active members of the Board of Directors as of reporting period:

Board of Directors	Title	Effective from
OYTAŞ İç ve Dış Ticaret A.Ş. (Represented by: Murat YALÇINTAŞ)	Chairman	27.05.2013 (*)
OMSAN Lojistik A.Ş. (Represented by: Ahmet TAŞKIN)	Deputy Chairman and Executive Director	11.09.2012 (*)
OYAK Pazarlama Hizmet ve Turizm A.Ş. (Represented by: Mustafa Serdar BAŞOĞLU)	Board Member and Executive Director	13.09.2012 (*)
OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş. (Represented by: İsmail DOĞAN)	Board Member and Executive Director	12.09.2012 (*)
Republic of Türkiye Ministry of Treasury and Finance Privatization Administration (Represented by: Bekir Emre HAYKIR)	Board Member	20.09.2012 (*)
OYAK Denizcilik ve Liman İşletmeleri A.Ş. (Represented by: Güliz KAYA)	Board Member	12.09.2012 (*)
Emre GÖLTEPE	Independent Board Member	17.03.2022
Kadri ÖZGÜNEŞ	Independent Board Member	31.03.2023
Sezai Afif ENSARİ	Independent Board Member	28.03.2024

(*) Legal entity's duty starting dates were considered.

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Powers and Duties of the Members of the Board of Directors

The Chairman and the members of the Board of Directors possess duties and authorities set out in the Turkish Commercial Code's relevant clauses and in the Articles of Association.

Executive Management	Title	Effective from	Education	Experience
Ahmet TAŞKIN	Deputy Chairman and Executive Director	05.08.2025	Middle East Technical University - Business Administration(Master's Degree) Middle East Technical University - Metallurgy Engineering (Bachelor's Degree)	38 Years
Mustafa Serdar BAŞOĞLU	Board Member and Executive Director	03.06.2024	Bülent Ecevit University - Business Administration (Master's Degree) Karadeniz Technical University - Finance (Bachelor's Degree)	22 Years
İsmail DOĞAN	Board Member and Executive Director	18.07.2025	Boğaziçi University -Industrial Engineering	17 Years
Mustafa Serdar BAŞOĞLU	Financial Management and Financial Affairs Group Vice President	24.09.2020	Bülent Ecevit University - Business Administration (Master's Degree) Karadeniz Technical University - Finance (Bachelor's Degree)	22 Years
Vacant	Marketing and Sales Group Vice President	-	-	-
Vacant	Procurement Group Vice President	-	-	-
Vacant	Enterprise Architecture and Human Resources Group Vice President	-	-	-
Şaban YAZICI	General Manager	23.08.2025	Middle East Technical University -Mechanical Engineering (Master's Degree)- Finance and Management (Master's Degree) Middle East Technical University- Mechanical Engineering (Bachelor's Degree)	38 Years
Sinan BOZKURT	Deputy General Manager (Operations)	27.09.2021	Middle East Technical University - Metallurgy and Materials Engineering	29 Years

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5. The Transactions of Board Members Made on Its Behalf or on Behalf of Other and the Activities as Part of Prohibition of Competition

At the Ordinary General Assembly held on 26 March 2025, it is consented to give the authority for transactions for the year 2025 according to article 395 and 396 of Turkish Commercial Code to the Members of the Board.

No transaction had been realized in this context.

6. Personnel and Worker Movements and Collective Bargaining Practices and Rights and Benefits Provided to Personnel and Workers

30th Period Collective Labor Agreement, which will be valid between September 1, 2024 and August 31, 2026, has been signed on February 12, 2025 between Turkish Employers' Association of Metal Industries (MESS) on behalf of our company and Turkish Metal Union as the collective bargaining agency.

29th Period Collective Labor Agreement, which will be valid between 1 January 2025 and 31 December 2026 has been signed on 17 July 2025 between Özçelik-İş Union and İskenderun Demir ve Çelik A.Ş.

Vacations are paid annual leaves, accompaniment leaves for medical purposes, accompaniment leaves excused absences, unpaid leaves, and other paid leaves consisting marital leaves, bereavement leaves, pregnancy leaves, maternity leaves, nursing leaves, adoption leaves, part-time work leaves, transport leaves, be with your child leaves and leaves in case of a natural catastrophe.

Complementary health insurance for our hourly paid staff; individual annuity insurance, private health insurance and life insurance are provided to our monthly paid personnel.

Bereavement allowance, transportation and meal allowance, derived from the social benefits, are given to all employees; the rest is given only to blue-collar workers. Paid annual leaves, leaves of absence with excuse, marital leaves, bereavement leaves, maternity leaves, and pregnancy leave, accompaniment leaves, adoption leaves, part-time work leaves, transport leaves, unpaid leaves and nursing leaves can be taken by all employees; the rest is taken only by blue-collar workers.

The number of the personnel employed by the Group as of reporting date:

	30 September 2025 Personnel	31 December 2024 Personnel
Hourly paid	8.482	8.407
Monthly paid	3.887	3.959
	12.369	12.366

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
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The "Corporate Governance Principles" published by the Capital Markets Board (CMB) which were declared in our Annual Activity Report for the year ending 2024 were met during the period 1 January 2025 – 30 September 2025.

8. Amendments in the Articles of Association

None.

B - Financial Rights Given to Board Members and Executive Management**1. Total Amount of Financial Rights Like Attendance Fee, Wages, Bonus, Premium and Dividend Payments**

The relevant section of the minutes of the General Assembly dated March 26, 2025 is as follows:

In the 9th article of the agenda related to the Rate Setting of the Board Members', the proposal was read by the representative of ATAER Holding A.Ş. Feyza DEMETGÜL AKKOYUNLU, it was submitted to the General Assembly's approval and in accordance with the proposal;

It was decided by the majority of votes that; no wages will be paid to the Board members representing Group B shares, the monthly net wage that will be paid to the members representing Group A shares will be net TRY 40.000 (monthly, in cash), the wages of independent Board members will be net TRY 55.000 (monthly, in cash) and the new wages valid from the date of April 1, 2025.

Wages of the Executive Management is determined by the Board. Performance based additional payment is given to paid monthly personnel including Executive Management.

No payables were given, no loans were issued directly or through a third party and no indemnity was given (like sureties) to Board Members or Executive Management during the period.

No payment of performance was made to Board Members.

2. Allowances Given, Travel, Housing and Representation Expenses and Real and Cash Advances, Insurance and Other Pledges

A total of TRY 212.555 thousand is recorded as expense related to Company Board Members and Executive Management for the period 1 January – 30 September 2025.

**BOARD OF DIRECTORS' ACTIVITY REPORT PREPARED IN ACCORDANCE
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The research and development activities of OYAK Mining Metallurgy are conducted by the Erdemir R&D Center, certified by the Republic of Türkiye Ministry of Industry and Technology in 2014. These activities focus on five main areas: raw materials and iron making, steel making and casting technologies, hot and cold rolled products and processes, and energy and environmental solutions.

Erdemir R&D Center has state-of-the-art laboratory facilities and pilot scale simulation systems. Center's main specialization areas are material characterization, thermomechanical simulation, metal forming, welding technologies, corrosion, fatigue, enameling, rheology, spectral analyze, inclusion analyze and X-Ray applications. On the other hand, experimental studies with main production route processes' simulators such as coking, agglomeration, sintering, melting, rolling, heat treatment and coating are realized in R&D Center.

D - Activities and Important Developments Regarding the Activities**1. Investment Activities**

Operating within the modern plants and by modern production technology, OYAK Mining Metallurgy produces competitive products globally and continues its investments aligned with the continuous development strategy. In this scope:

In Erdemir Plants:

The battery and by-products facilities were commissioned in the 4th Coke Oven Battery Project. "Tundish Refractory Spraying Robot" was commissioned which is in the scope of Erdemir Robotic Applications and Automation Projects.

Site works are ongoing in the Various Fire Detection and Extinguishing Systems Project, the Project of Slitting Line Transfer to ERSEM and the modernization of stoves within the scope of the 2nd Blast Furnace Renovation Investment. The second phase studies continue in the Surface Inspection Systems Project. Equipment manufacturing and shipment and field work before the facility shutdown continues in the No.1 Galvanizing Line Level 1 Automation System Modernization Project. Engineering studies are ongoing in the Erdemir Domestic Waste Water Treatment Plant Modernization, the No.5 Coke Oven Battery and the No.2 Hot Strip Mill Investment Projects. Engineering and equipment manufacturing study continues in the Erdemir Biomass Gasification Facility Project.

Procurement activities continue for the Continuous Annealing Line (CAL) Drives System and Level 2 Automation Modernization Project.

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The No.1 New Blast Furnace, the Boiler No.3 Retubing and Burner Modification and the No.1 Blast Furnace Top Recovery Turbine (TRT) Projects have been commissioned.

Equipment procurement and site activities continue for the Port-1 New Grab Ship Unloader Cranes Project. Construction and mechanical work continue within the scope of the Second Phase of the Seawater Pumping Station Sustainability Investment. Equipment supplies and site activities are ongoing in The Port Capacity Increase Investment and the Repair, Renovation and Strengthening Projects of Port Facility Damaged by the Earthquake. Equipment manufacturing, test and commissioning study continues in the scope of Isdemir Robotic Applications and Automation Project. Engineering activities continue in the Isdemir Biomass Gasification Facility Project. Site activities continue within the scope of the South Harbor Sea Reclamation Project.

Procurement activities continue for the new 1. and 2. turbo generator and the electricity generation from the steam produced in coke dry quenching projects.

As of 30 September 2025, the Group's total accrued investment expenditures amount to USD 631 million (30 September 2024: USD 680 million)

2. Internal Control System and Internal Auditing Activities

Group Internal Audit Directorate conducts audit activities in order to evaluate and improve the effectiveness of risk management, control and governance processes of Group companies and reports directly to the Deputy Chairman and Executive Director. In accordance with the relevant regulation of the Capital Markets Board, the effectiveness of internal control system is evaluated by the Board of Directors at least once in a year. In this context, the Internal Audit Department regularly provides information to Audit Committee, consisting of Independent Members, in line with their requests regarding internal audit activities.

Besides periodic audit activities, continuous audits are performed with the Integrated Audit System. Critical controls, master data and transaction data in the SAP system are continuously evaluated by the automatic controls and business rules installed in the system.

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3. Direct and Indirect Subsidiaries

The Information about Affiliates Subject to Consolidation

The main scope of business and the participation in their shareholding of the affiliates subject to consolidation are as follows:

Name of the Company	Country of Operation	Operation	2025 Effective Share %	2024 Effective Share %
İskenderun Demir ve Çelik A.Ş.	Türkiye	Integrated Iron and Steel Manufacturing	94,87	94,87
Erdemir Madencilik San. ve Tic. A.Ş.	Türkiye	Iron Ore and Pellet	90	90
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş.	Türkiye	Steel Service Center	100	100
Erdemir Mühendislik Yön. ve Dan. Hiz. A.Ş.	Türkiye	Management and Consultancy	100	100
Erdemir Romania S.R.L.	Romania	Electrical Steel Production	100	100
Erdemir Asia Pacific Private Limited	Singapore	Trading	100	100
Erdemir Enerji Üretim A.Ş.	Türkiye	Renewable Energy Production	100	100
İsdemir Linde Gaz Ortaklığı A.Ş.	Türkiye	Industrial Gas Production and Sales	47	47
Kümaş Manyezit Sanayi A.Ş.	Türkiye	Magnesite Ore, Refractor	100	100
Yenilikçi Yapı Malzemeleri ve Üretim San. Tic. A.Ş.	Türkiye	Recycling, Special Purpose Entity	100	100

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E - Financial Position

1. Consolidated Summary of Financial Statements

Financial statements are prepared in accordance with the CMB's Communiqué Serial:II, 14.1 and have been unaudited as of September 30, 2025.

Summary of Consolidated Financial Position

	(Unaudited)	(Audited)
	Current Period	Previous Period
(Thousand TRY)	30 September 2025	31 December 2024
Current Assets	229.845.844	182.856.284
Non-current Assets	293.800.584	242.302.690
Total Assets	523.646.428	425.158.974
Current Liabilities	102.484.256	76.288.847
Non-current Liabilities	132.297.270	104.445.716
Shareholders' Equity	288.864.902	244.424.411
Total Liabilities	523.646.428	425.158.974

Summary of Consolidated Profit or Loss

	(Unaudited)	(Unaudited)
	Current Period	Previous Period
(Thousand TRY)	1 January - 30 September 2025	1 January - 30 September 2024
Revenue	147.915.207	148.946.763
Gross Profit	11.838.251	17.594.843
Operating Profit	5.924.587	15.853.530
Operating Profit Before Finance Income (Expenses)	6.578.060	16.249.245
Profit Before Tax	461.529	9.953.521
Net Profit (Loss) for the Period	2.516.291	11.280.919
Shareholder's share in the Profit (Loss) for the Period	2.384.101	10.787.470
EBITDA	13.132.209	18.440.119
Earnings Per Share (Loss)	34,06%	160,48%

The Entity prepares its budgets within the frame of its strategic goals that is approved by the Board of Directors. In the regular meetings of the Board of Directors is reviewing the current position of the Entity and activities are compared with the previous period and budget targets.

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2. Key Ratios

(%)	1 January - 30 September 2025	1 January - 30 September 2024
Gross Profit Margin	8,0%	11,8%
Operating Profit Before Finance Income (Expenses) Margin	4,4%	10,9%
EBITDA Margin	8,9%	12,4%
Profit (Loss) Margin	1,7%	7,6%
Shareholder's Share in the Profit (Loss) Margin	1,6%	7,2%

3. The Availability of Financial Sources and the Policies the Group Applies in This Framework

Group has full access to all national and international financial sources with its market making power based on high trading volume in money markets. New funding alternatives according to changing market conditions are continuously analyzed and offers are evaluated. The debt policy of Group is developed based on the capability of cash generation and the strong equity structure. Hedging methods and amounts used against financial risks are developed based on a frame of systematic models. Within the risk tolerances, forward, futures, swap and options reflecting market conditions are implemented, if necessary.

4. Dividend Distribution Policy

Group's Dividend Distribution Policy is as follows:

As a principle, Company implements the policy of distributing all of its distributable profit in cash within the provision of forecasted free cash flow generation by considering financial leverage ratios, investment/financing needs and anticipation of the market under the scope of effective regulations and clauses of Company's Articles of Association. The dividend distribution policy is reviewed annually by the Board of Directors every year considering to national and global economic conditions, the projects on the company's agenda and the state of its funds.

Dividend is paid by fixed or variable installments in accordance with the legislation by giving authority to the Board of Directors at the General Assembly Meeting, where dividend distribution is decided, until 15 December of the relevant calendar year.

General Assembly is authorized for the "distribution of dividend advance" in accordance with relevant legislations.

At Annual General Assembly dated 26 March 2025, dividend distribution gross dividend per share: TRY 0,25 amounting to TRY 1.750.000 thousand from 2024 net profit was approved by majority of votes. As of 26 March 2025, which is the dividend distribution decision date of the Company, dividend pertaining to the shares owned by the Company due to the ownership of 3,97% of its own shares with a nominal value of 1 TRY, is shown by netting off the amount of dividends to be distributed. The Group approved TRY 37.169 thousand dividend to non-controlling shares on Isdemir, which is subsidiary of the Group. Dividend distribution started on 2 July 2025.

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5. Information About the Sector

Global crude steel production in August this year increased by 0,3 percent year on year to 145,3 million tonnes. In the January-August period this year, global crude steel production decreased by 1,7 percent year on year to 1,2 billion tonnes.

In August, crude steel output in Asia amounted to 107,7 million tonnes, up 0,4 percent, with China's output at 77,4 million tonnes, down 0,7 percent, with 6,6 million tonnes produced by Japan, decreasing by 3,4 percent, 14,1 million tonnes produced by India, rising by 13,2 percent, and 5,2 million tonnes produced by South Korea, moving down by 6,1 percent with all comparisons on year-on-year basis.

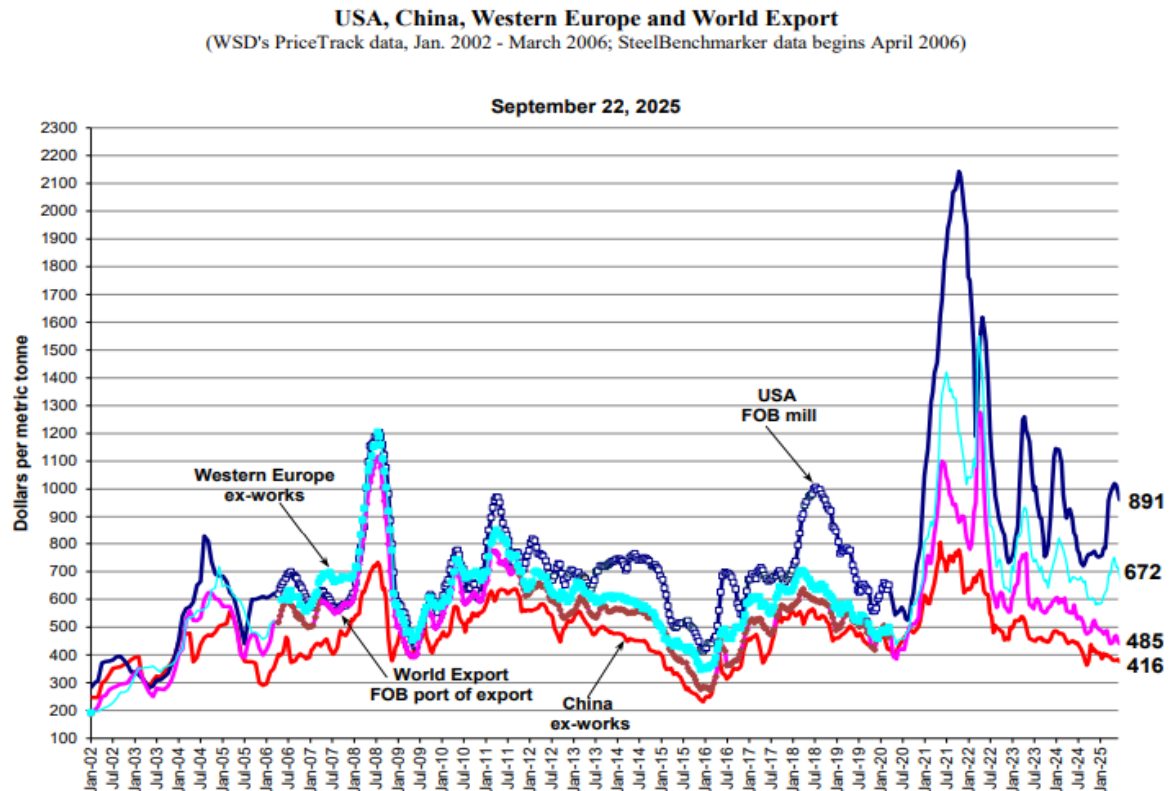
EU-27 countries produced 8,8 million tonnes of crude steel in August, down by 2,8 percent year on year. In the given period, Germany's output amounted to 2,6 million tonnes, down 10,5 percent year on year.

The CIS registered a crude steel output of 6,7 million tonnes, decreasing by 4,9 percent on year-on-year basis, with Russia's estimated output at 5,5 million tonnes, down 4,6 percent year on year.

In North America, in August, crude steel output totaled 9,1 million tonnes, up by 1,6 percent year on year, with the US producing 7,2 million tonnes, rising by 3,2 percent, both year on year. Crude steel output in South America in August amounted to 3,6 million tonnes, decreasing by 5 percent compared to the same month in the previous year, with Brazil's output totaling 2,9 million tonnes, down by 4,6 percent year on year.

In the given month, Africa produced 1,8 million tonnes of crude steel, decreasing by 3,8 percent year on year. In the Middle East, crude steel output totaled 3,8 million tonnes, moving up by 21,5 percent.

Price changes of hot rolled products follows:



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Türkiye produced 3,4 million tonnes of crude steel in August, with a 7,9 percent increase compared to the same month in the previous year. Türkiye's crude steel output by electric arc furnaces increased by 10,3% (2,4 million tonnes) and the production by integrated plants increased by 2,1% (979 thousand tonnes) both year on year.

In the January-August period this year, Türkiye produced 24,9 million tonnes of crude steel, up by 0,2 percent year on year. Türkiye's crude steel output by electric arc furnaces increased by 4,9% (18,1 million tonnes) and the production by integrated plants decreased by 10,5% (6,8 million tonnes) both year on year.

6. The Position within the Sector

The Group produced 8,5 million tonnes of crude steel in 2024. In the first nine months of 2025, the Group produced a total of 5,8 million tonnes of crude steel, with 1,7 million tonnes at the Ereğli Plant and 4,1 million tonnes at the İskenderun Plant.

7. Operational Developments

Türkiye's first and only integrated flat steel producer, Group, who carries out production, operation, maintenance and modernization activities within its all facilities. Manufacturing 20% of all crude steel production in Türkiye, Group again continued its operations in line with the principle of optimal costs, maximum productivity and quality of production in the first eight months of 2025.

8. Production Plants and Productivity

The information about the capacities of main product groups by Group are stated below:

Capacity used (%)	1 January - 30 September 2025	1 January - 30 September 2024
Liquid Steel	82%	93%
Crude Steel	81%	92%

9. Products

The main products of the Group are as follows:

Erdemir	İsdemir	Ermaden	Kümaş Manyezit
Tinplate	Billet	Pellets	Refractor
Galvanized	Wire Rod	Iron Ore	Magnesite Ore
Cold Rolled	Slab		
Hot Rolled	Hot Rolled		
Plate			

10. Production (quantity)

Final Products (000 Tonnes)	1 January - 30 September 2025	1 January - 30 September 2024
Flat Products	4.947	5.211
Long Products	619	727
Pellet,Iron Ore and Magnesite	1.987	1.966

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11. Developments Regarding Sales

The iron and steel industry are a delivering force in national economies and Türkiye is one of the leading countries in terms of both production and consumption of steel, ranking as the world's seventh largest steel producer. As the world's seventh largest crude steel production of Türkiye in the first eight months of 2025 is 24,9 million tonnes, which is higher 0,2% than the previous year.

Total flat product sales of the Group reached to the level of 5 million tonnes in the first nine months of 2025. The domestic flat product sales reached 3,7 million tonnes. Total long product sales were 604 thousand tonnes and 627 thousand tonnes of long product sales were made domestically. The Group's total sales were 23% through exports.

12. Sales (quantity)

Final Products (000 Tonnes)	1 January - 30 September 2025	1 January - 30 September 2024
Flat Products	4.975	5.152
Long Products	627	707
Pellet,Iron and Magnesite Ore Products(*)	1.717	2.047

(*) As of 30 September 2025, 1.534 thousand tonnes of pellet, iron and magnesite ore sales are made for Group Companies (30 September 2024: 1.624 thousand tonnes).

F - Risks and Evaluation of the Board

1. Enterprise Risk Management

Enterprise Risk Management Procedure has been published with the purpose of ensuring systematic and comprehensive identification, evaluation, control and monitoring of risks and opportunities that may affect Company's assets, reputation, and profitability. The procedure includes guidance on support and positioning, risk identification, prioritization, improvement, reporting, monitoring/surveillance, and communication principles related to risks in order to manage company-wide risks to the highest standard.

In order to measure the risks incurred by the company and ensure conformity to the risk tolerance limits; risks are monitored and managed in accordance with regulations and guidelines developed for critical risks.

2. Committee of Early Risk Detection

The Early Detection of Risk Committee Regulation is included in the Corporate Governance Policies and Regulations tab under Corporate Governance section of Investor Relations title on the company's website.

The purpose of the Committee is to identify the risks that may threaten the existence, progress and continuation of the Company operations within the scope of the Early Detection of Risk Committee Regulation and legal legislation to implement the necessary measures related to the risks identified and to manage those risks.

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The meetings of the Committee are held bimonthly and in accordance with the regular meetings of the Board of Directors. After each meeting, a written report on the activities of the Committee is submitted to the Board of Directors with a summary of the minutes. Meeting minutes are kept by the secretariat.

G - Other Information

1. Organizations Out of the Headquarters

The Company has a branch in Kdz. Ereğli.

2. Information for Shareholders

None.