



2021 ANNUAL REPORT

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Gübretaş has been continuing its R&D studies for years to use domestic inputs more in chemical fertilizer production. In line with this goal, Gübretaş increases the number of plant nutrition products containing boron, one of Turkey's most important underground riches. Plant and region-specific base fertilizers such as ALTIN ÇİÇEK-S, SUPER PANCAR-S, ÇOTANAK FERTIL and SUPER ÇOTANAK, developed by Gübretaş by taking into account the soil structure of Turkey and the nutrient needs of plants, are produced with boron additive. In addition to these, Gübretaş's product portfolio includes products containing boron at different rates, which are used for drip irrigation and foliar feeding of plants such as DERMIN, BOR, BOR-8, COMBI, COMBI PLUS and MICRO.....	
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GÜBRETAS INITIATED THE TURKEY SOIL FERTILITY MAP PROJECT IN 2005 FOR THE CORRECT AND EFFICIENT USE OF AGRICULTURAL LANDS IN OUR COUNTRY, AND SIGNED A SOCIAL RESPONSIBILITY PROJECT THAT RAISES AWARENESS OF THE IMPORTANCE OF SOIL ANALYSIS IN AGRICULTURAL PRODUCERS. WITHIN THE SCOPE OF THE PROJECT, WHICH HAS BEEN CARRIED OUT FOR 17 YEARS, SOIL SAMPLES FROM MORE THAN 15 THOUSAND LANDS FROM 81 PROVINCES WERE TAKEN, ANALYZED AND TRANSFERRED TO DIGITAL MEDIA.	
THE SOIL FERTILITY MAP PROJECT AIMS TO CREATE A PRODUCTIVITY VALUE MAP OF THE COUNTRY'S SOILS:	
1. BY TRANSFERRING THE GPS COORDINATES TO THE DIGITAL ENVIRONMENT, TO CREATE A DATABASE FOR THE FUTURE OF AGRICULTURAL PRODUCTION BY CREATING A SOIL FERTILITY MAP AT THE MACRO AND MICRO NUTRIENT LEVEL ACCORDING TO THE GEOGRAPHICAL REGIONS OF OUR COUNTRY, AND TO CREATE A RESOURCE FOR THE STUDIES TO BE DONE IN THIS FIELD,	
2. TO RAISE AWARENESS OF PRODUCERS, ESPECIALLY THE PARTNERS OF AGRICULTURAL CREDIT COOPERATIVES, AND TO PROVIDE SCIENTIFIC ADVICE ON THE FERTILIZATION PROGRAMS OF THE LANDS FROM WHICH SOIL SAMPLES WERE TAKEN,	

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I. AT A GLANCE

A. REPORTING PERIOD

01.01.2021 - 31.12.2021

B. COMMERCIAL TITLE

Gübre Fabrikaları Türk Anonim Şirketi (Gübretaş)

C. TRADE REGISTER NUMBER

Gübre Fabrikaları T.A.Ş. is registered at Istanbul Trade Registry Office with registry number 47535.

D. CONTACT INFORMATION

HEADQUARTERS

The address of our headquarters, which is registered at the trade registry, is “İstanbul Kadıköy Bora Sk. Nida Kule Göztepe İşm. No.1 K.12-30 - 31”.

The telephone, fax, e-mail and web address of Gübretaş are as below:

Tel: +90 (216) 468 50 50

Fax: +90 (216) 407 10 11

E-mail address: gubretas@gubretas.com.tr

Web address: www.gubretas.com.tr

The following are the contact information for facilities and regional offices:

YARIMCA FACILITIES

Address: Atalar Mahallesi Hayat Sokak No: 30 41740 Körfez / KOCAELİ

Phone : +90 (262) 528 46 40

Fax : +90 (262) 528 21 31

İZMİR FACILITIES

Address: Fatih Mah. Atatürk Cad.No: 28 Aliğa / İZMİR

Phone : +90 (232) 627 91 59

Fax : +90 (232) 627 91 59

FOÇA FACILITIES

Address: Bağarası Köyü Hacıveli Mh. Foça-İzmir Karayolu No: 401 Foça / İZMİR

Phone: +90 (232) 822 81 48

İSKENDERUN FACILITIES

Address: Sarıseki Mah. 12 Eylül Caddesi E-5 Karayolu Altı No: 1 İskenderun / HATAY

Phone : +90 (326) 656 22 88

Fax : +90 (326) 656 22 80

INNER ANATOLIA REGIONAL OFFICE

Address: Emek Mah. Kazakistan Cad. (4. Cadde) No: 139 Çankaya / ANKARA

Phone : +90 (312) 212 75 75

Fax : +90 (312) 231 92 99

WEST MEDITERRANEAN REGIONAL OFFICE

Address: Kızıltoprak Mah. Aspendos Bulvarı, Çam Plaza, No:19 Daire:3 Muratpaşa/ANTALYA

Phone : +90 (242) 311 43 73 - 83

Fax : +90 (242) 311 43 93

SOUTHEAST ANATOLIA REGIONAL OFFICE

Address: Kayapınar Mah. Urfa Yolu 3. Km DİYARBAKIR

Phone : +90 (412) 251 12 46 / +90 (412) 251 15 46

Fax : +90 (412) 251 18 55

EAST MEDITERRANEAN REGIONAL OFFICE

Address: Sarıseki Mah. Atatürk Cad. No: 6 Sarıseki İskenderun/HATAY

Phone : +90 (326) 626 14 42 - 44 – 49

Fax : +90 (326) 626 14 50

AEGEAN REGIONAL OFFICE

Address: Kırlar Mevkii Fatih Mah. Atatürk Cad. Helvacı - Aliğa / İZMİR

Phone : +90 (232) 627 91 59

Fax : +90 (232) 627 91 60

BLACK SEA REGIONAL OFFICE

Address: Kamalı Mah. 4043 Sok. No.1/A Atakum / SAMSUN

Phone : +90 (362) 266 40 10

Fax : +90 (362) 266 68 25

GAP REGIONAL OFFICE

Address: Ulubağ Mh. Recep Tayyip Erdoğan Blv. Tarım Kredi St. No.305/5 Haliliye/
ŞANLIURFA

Phone : +90 (414) 341 08 08

Fax : +90 (414) 381 08 10

MARMARA REGIONAL OFFICE

Address: Hürriyet Mah. Dekanlar Sk. No: 2 Yaşam Plaza Kat:1 D:2 Süleymanpaşa/TEKİRDAĞ

Phone : +90 (282) 262 76 50 / +90 (282) 262 47 94

Fax : +90 (282) 262 98 51

E. ORGANIZATION CHART**F. CAPITAL STRUCTURE**

As of 31.12.2021 authorized capital of the company is 1.000,000,000₺ and issued capital is 334,000,000₺. There has not been any change in terms of capital and shareholder structure of Gübretas within the fiscal period.

The Company does not have any privileged shares or has not acquired any of its shares.

“Capital loss” or “Indebtedness” situations, which are defined in 376th article of Turkish Commercial Code, has not been observed.

Table 1 : CAPITAL STRUCTURE

Shareholders	Share Amount ₺	Share
Central Union of Turkish Agricultural Credit Cooperatives	253,684,606.88	75.95%
Other	80,315,393.12	24.05%
Total	334,000,000.00	100.00%

G. VOTING RIGHTS AND MINORITY RIGHTS

In our company, practices that obstruct exercise of voting rights are avoided, and equal, easy and applicable voting opportunities are made possible to all shareholders. There are no privileged rights on voting because there is no preferred stock issued.

As per articles of association, minority rights can be exercised by shareholders having at least 5% of issued company capital as foreseen for listed companies within 411th article of Turkish Commercial Code. Minority shareholders are not represented in management.

H. MEMBERS OF THE BOARD OF DIRECTORS

Title	Name	Date of Election
Vice Chairman	Ahmet BAĞCI	03.05.2018
Executive Member	İbrahim YUMAKLI	28.10.2016
Member	Mehmet TUNÇAK	03.05.2018
Member	Selahattin KÜLCÜ	22.03.2019
Member	Mehmet Okan ATEŞ	02.05.2019
Independent Member	Murat YAŞA	11.05.2017
Independent Member	Mehmet BULUT	30.03.2018

The members of Board of Directors have the rights which are described in the Articles of Association and Turkish Commercial Code. In the 30th footnote of consolidated financial statements, information about the benefits provided to the members of the Board of Directors and executive management are provided.

Members of the board of directors resigned during and after the reporting period:

Title	Name	Date of Election	Date of Resignation
Chairman	Fahrettin POYRAZ	19.12.2017	03.02.2022
Independent Member	Vahit KİRİŞÇİ	25.06.2020	04.03.2022

İ. EXECUTIVE MANAGEMENT

Title	Name	Date of Appointment
General Manager	İbrahim YUMAKLI	28.10.2016
Assistant GM - Facility and Investments	Mahmut KARAMAN	04.02.2015
Assistant GM - Supply Chain	Mesud ŞENKARDEŞLER	30.09.2016
Assistant GM - Sales & Marketing	Muhammed Raşid ÜNAL	15.06.2020
Assistant GM - Finance	Hüseyin BAĞRIYANIK	04.08.2021

İbrahim YUMAKLI – General Manager

He completed his bachelor's degree in 1992 at Business Administration division of Faculty of Economics and Administrative Sciences at Uludağ University.

Mr. YUMAKLI, who began his working life in 1993 at Marshall Boya A.Ş. as import operations specialist, has worked at managerial positions in the financial groups of Marshall Boya A.Ş. and subsidiaries under Akzo Nobel Turkey organization until 2011. In 2011, he started working at Aljazeera Turkey. Between years 2012 -2015, he worked as the manager of Cine5 television channel owned by Aljazeera Turkey. Between January 2016 and October 2016, he worked as international operations director of Anadolu Agency.

İbrahim YUMAKLI started working as acting general manager and executive board member of Gübretas at 28.10.2016 and he was appointed general manager at 05.05.2017.

Mahmut KARAMAN, PhD. – Assistant General Manager

In 1990, he graduated from Mechanical Engineering division of Yıldız Technical University. He completed his master's degree and doctorate in control systems field in USA, 1997. He completed his master's degree in Business Administration at Colorado University Boulder, Leeds School of Business in 2007. Between years 1998-2008, he worked on controlling systems, research-development and design topics at Seagate technology company, which is the world leading hard disc producer. During the same period, he also gave "Control" lessons at the level of post-graduate in the University of Denver and the University of Colorado at Denver. Between years 2008-2013, he worked as the president of revenue management at Turkish Airlines and Qatar Airlines, respectively. Between the years 2013-2015, he worked as general manager at Technology Development region of Yıldız Technical University and afterwards, starting from the date of 4th of February, 2015, he was appointed as assistant general manager responsible from facilities and investments at GÜBRETAS

Hüseyin BAĞRIYANIK – Assistant General Manager

After graduating from Boğaziçi University, Department of Business Administration in 1996, Mr. Bağriyanik started his career as an Assistant Auditor at an independent audit firm KPMG. Afterwards, he served in the CBRT Inspection Board for approximately one year between 1998 and 1999.

He worked as a Financial Controller at Yibitaş Lafarge Cement Group between 1999-2002. After completing his military service, he started working for Turkish Airlines in 2003. He served as THY Accounting and Financial Control Head between 2005-2016. He worked as the Assistant General Manager of Finance at Borajet Airlines in 2017, and as Finance Director at the Northern Marmara Motorway Co. between 2018-2020.

Hüseyin Bağriyanik, who worked as the Head of Finance Group at Tarım Kredi Holding since the 2021, has been working at GÜBRETAS as Assistant General Manager in Charge of Finance since August 2021.

Mesud ŞENKARDEŞLER – Assistant General Manager

In 2003, he graduated from International Relations division of Bilkent University. In the same year, he began his career as export specialist at Petlas A.Ş. He specialized in main functions like sales, marketing, product management, field sales coordination and import-export

operations. Between years 2005-2006, he worked as product specialist responsible from Marmara Region at Tyco Sağlık A.Ş. and between years 2007-2011, he worked as process-business development and network management consultant at Ototronik Otomotiv ve Enerji A.Ş. Afterwards between years 2011-2015, he worked as automotive, energy and finance sector manager at GFK Turkey and he was assigned as senior consultant around one year. Between years 2015-2016, he worked as senior manager in Borem Research.

Mesud ŞENKARDEŞLER, who began working as foreign trade manager at Gübretaş in 2016, was assigned as assistant general manager responsible for supply chain at the date of 30.09.2016 as proxy and starting from the date of 28.10.2016 principally.

Raşid ÜNAL – Assistant General Manager

Raşid Ünal graduated from Boğaziçi University, Department of Business Administration in 2004, and completed Leadership Program of Griffith College in 2012. He started his professional career at Uzel Makina (AGCO Corp.) as Dealer Development Specialist, in 2005, and took an active role in company's dealer restructuring across Turkey and Europe. After working as Key Account Specialist, and Trade Marketing Category Executive respectively at Yıldız Holding-Ülker between 2007 and 2008, he worked in retail and enterprise sales positions at TTNET AŞ. Between 2010 and 2012, he worked at Fırat Development Agency within the Ministry of Development and worked on the establishment of the agency, preparation of regional plans and determination of investment support and promotion strategy of the region. Since 2012, he worked at Türk Telekom as Trade Marketing Manager, and Head of Sales Planning and Channel Earnings respectively, and managed product and brand positioning, dealer incentive systems and channel sales strategies. During the same period, he lectured Marketing Communication courses as a guest lecturer at various universities.

Raşid Ünal started serving as Assistant General Manager responsible for Sales and Marketing at GÜBRETAS on June 22, 2020.

J. EMPLOYEE INFORMATION

Changes in employee as of 31.12.2021 are shown below in Table 2:

Table 2 : EMPLOYEE STATUS

EMPLOYEE	31/12/2021	31/12/2021	Change
Headquarters	106	108	-1,9%
Yarımca Facilities	342	331	3,3%
Other Facilities and Reg. Off.	134	135	-0,8%
TOTAL	582	574	0,1%

Collective Bargaining Agreement

The collective labor agreement signed between Gübretaş and Petrol-İş Union on 24.05.2019 expired on 31.12.2020. The new collective labor agreement negotiations, which started between the parties on 27.01.2021 and covering the years 2021 and 2022, concluded with an agreement on 18.03.2021. In addition to the wage increases provided to the in-scope employees in Yarımca within the scope of the contract, the agreement reached on job definition, personnel selection, job development and remuneration according to level/seniority was welcomed by the union representatives and workers.

Training Activities

Training activities were held with the aim to develop managerial, personal and professional capabilities of the staff. Training activities of 3,494 hours with participation of 238 employees were carried out in 2021.

II. TURKEY AND GLOBAL FERTILIZER MARKET IN 2021

We can summarize the important developments affecting agricultural activities on a global scale during this year, as 2021, when international market prices change very rapidly, spikes and prices increase significantly, as follows:

- Continuation of the impact of the Covid-19 epidemic on international fertilizer trade
- Food safety concerns of countries causing disruptions in the supply chain
- Production losses due to climate in agricultural production worldwide
- Increase in shipping prices in international trade

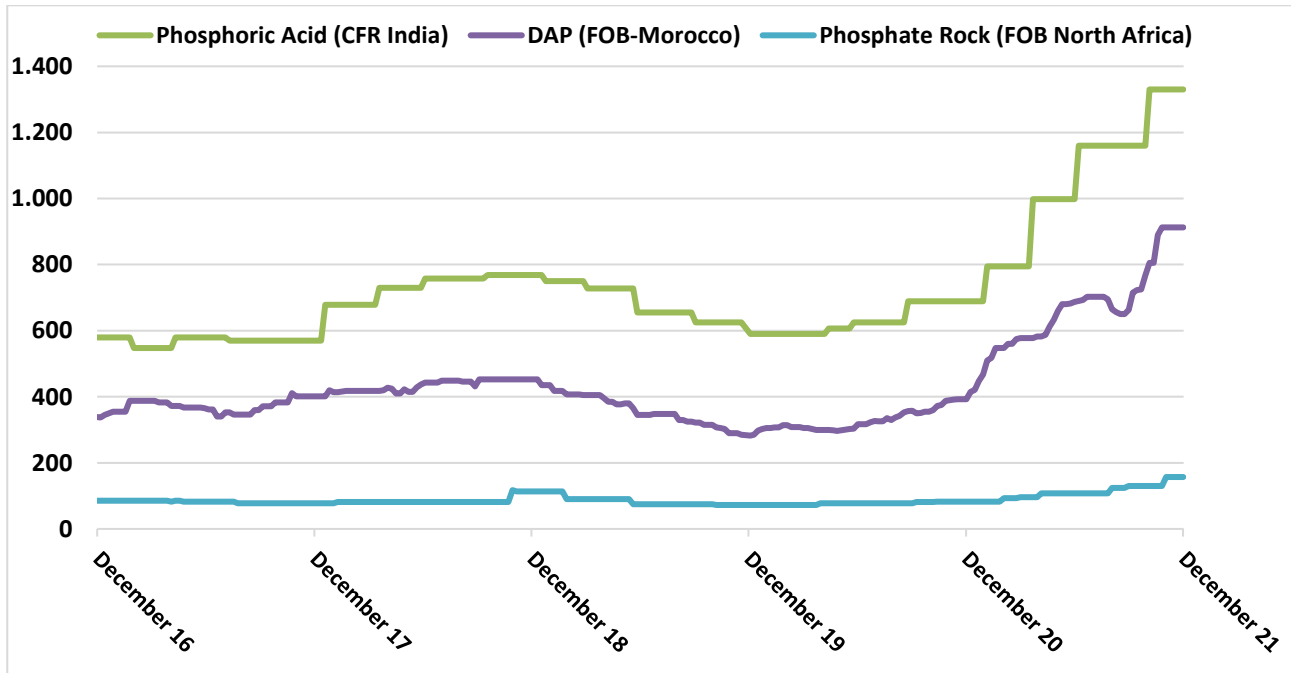
In 2021, while there was a problem of product availability around the world regarding chemical fertilizers, serious increases were seen in fertilizer raw material and commodity prices with the effect of increases in energy and logistics costs.

In this year, when the increase in production costs and producer prices became a serious problem all over the world, the prices of Urea fertilizer, which is the most consumed in the world and in Turkey, rose to 940 USD/Ton (Egypt-FOB) levels, exceeding the record level in 2008.

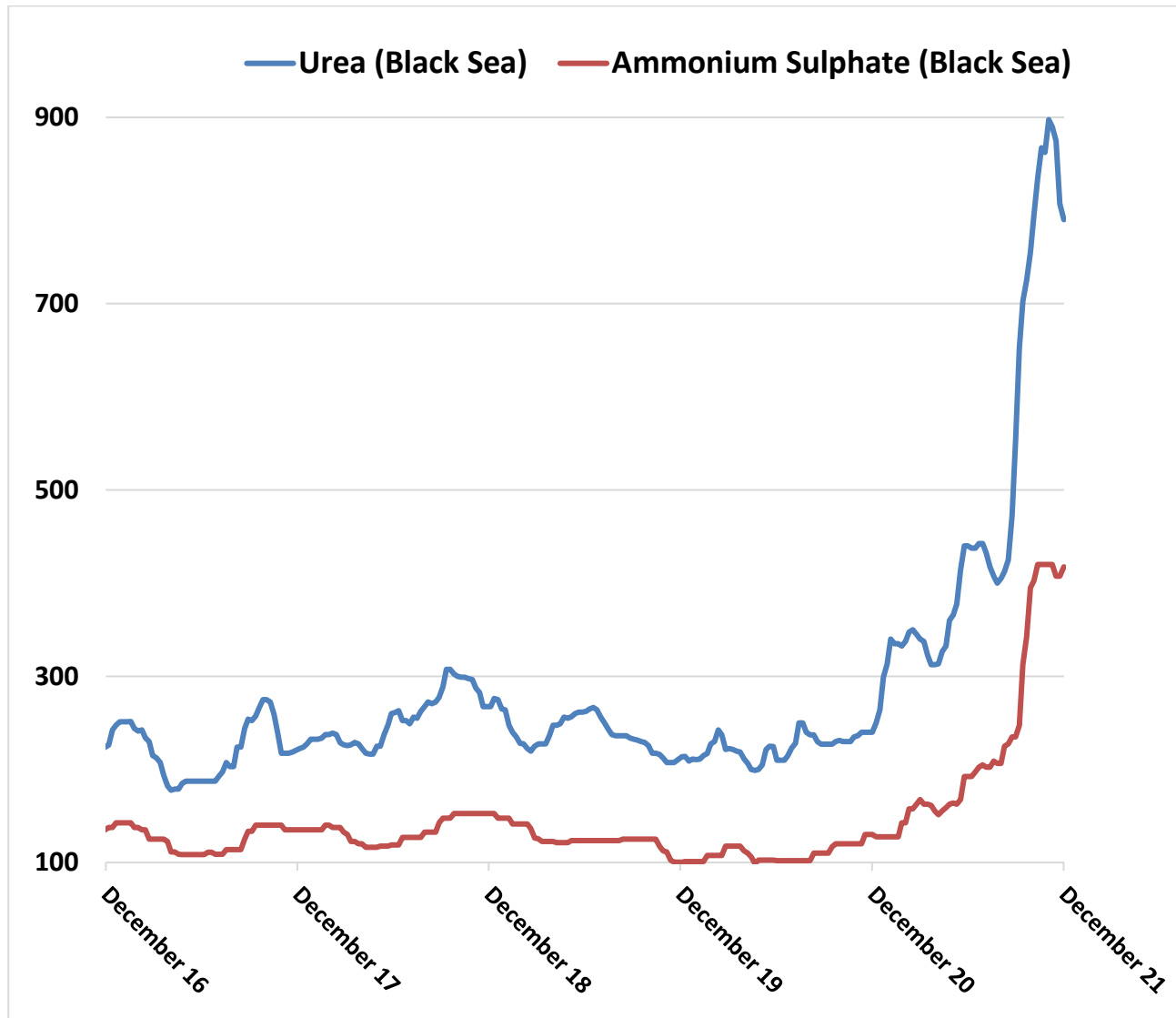
In addition, the upward movements in the exchange rates in the last quarter of the year caused the prices to continue to increase in the Turkish fertilizer sector, which is heavily dependent on abroad.

Domestic fertilizer consumption, which was 7.1 million tons in 2020, decreased by approximately 10% in line with the above developments in 2021 and realized as 6.4 million tons. In addition, Gübretaş reached a market share of 30.8% by selling 1.97 million tons of solid fertilizer.

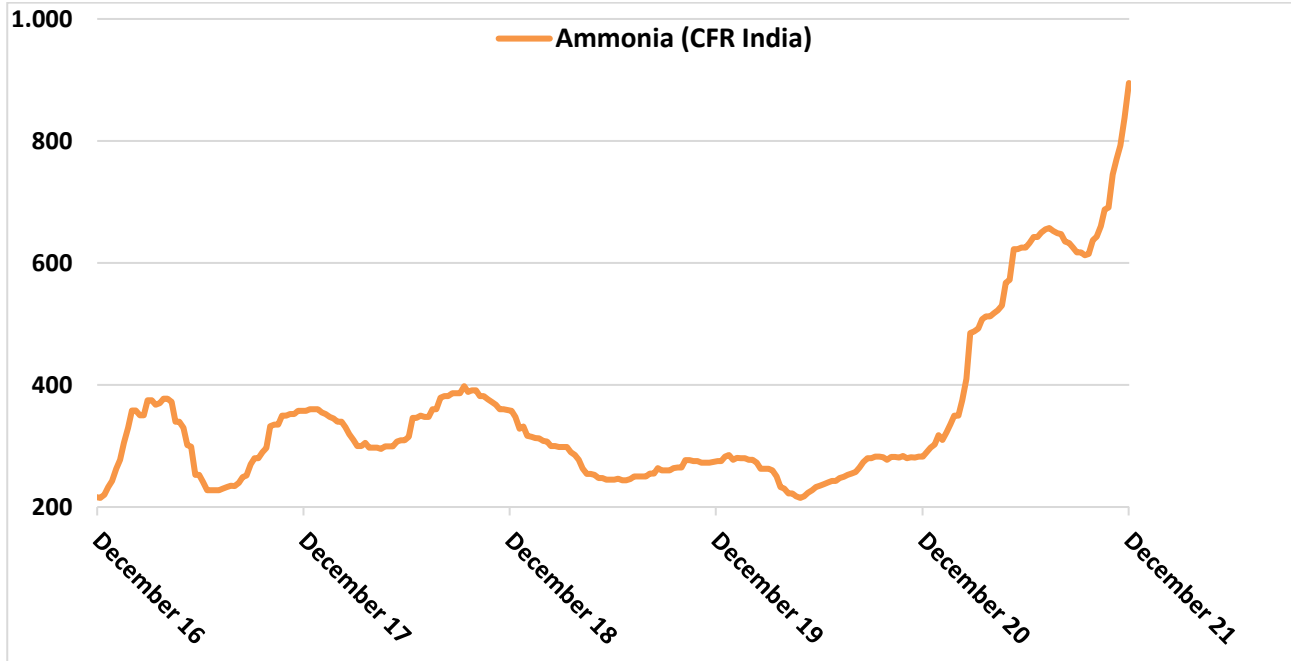
Graph 1 : FERTILIZER PRICES IN INTERNATIONAL MARKETS - US\$/TON



Graph 2 : FERTILIZER PRICES IN INTERNATIONAL MARKETS - FOB US\$/TON



Graph 3 : FERTILIZER PRICES IN INTERNATIONAL MARKETS - FOB US\$/TON



Gübretaş is the first and pioneer company of Turkey in chemical fertilizer industry. An important portion of the sales of the company is realized through the Central Union of Agricultural Credit Cooperatives (“TACC”). There are 8 regional offices throughout Turkey. In approximately 2,800 sales locations (sum of cooperatives and other dealers) Gübretaş sells to every corner of Turkey where there is agricultural production.

A. INFORMATION ABOUT OUR FACILITIES

Gübretaş owns a total real estate area of 445.470 m² that consists warehouses, business buildings and lands and 174.253 m² of this area is closed.

Yarımca Facilities have 985.000 tons/year solid fertilizer production capacity, İzmir Facilities have 100.000 tons/year liquid and powder fertilizer production capacity, therefore Gübretaş has 1,085,000 tons/year fertilizer production capacity in total.

The total capacity of our warehouses is 450,000 tons.

Table 3 : REAL ESTATES

Office	Closed Area m ²
Headquarters	2,700
Yarımca Facilities - Office	2,410
İzmir Facilities - Office	570
Ankara Office	120
İskenderun Office	447
Samsun - Tekkeköy OIZ Office	210
Samsun - Kamalı Office	426
Total	6,883
Production Facilities	Closed Area m ²
Kocaeli Yarımca Facilities	23,616
İskenderun Facilities	15,581
İzmir Facilities	2,525
Foça Facilities	400
Total	42,122

Warehouses	Closed Area (m ²)
Kocaeli Yarımca	22,381
Samsun Tekkeköy OIZ	6,211
Samsun Kamalı	15,775
Kocaeli Köseköy	6,424
İzmir Helvacı	21,896
İskenderun Akçay	10,923
İskenderun Sarıseki	35,512
Tekirdağ	7,189
İzmir Foça	2,400
Total	128,511
Former Headquarters	1,590
Grand Total	179,106

Table 4 : GÜBRETAS FERTILIZER PRODUCTION AND WAREHOUSE CAPACITY - TONS

Yarımca Facilities	Capacity-Tons
TSP	185,000
NPK 1A (Compound Fertilizer)	250,000
NPK 1B (Compound Fertilizer)	250,000
NPK 2 (Compound Fertilizer)	300,000
Total	985,000
İzmir Facilities	Capacity-Tons
Liquid and Powder Fertilizer	100,000
Grand Total	1,085,000

Region	Capacity-Tons
İskenderun Warehouses	150,000
İzmir Warehouses	155,000
Samsun Warehouses	100,000
Yarımca Warehouses	52,000
Tekirdağ Warehouses	30,000
İzmir Liquid Warehouses	15,000
Total	450,000

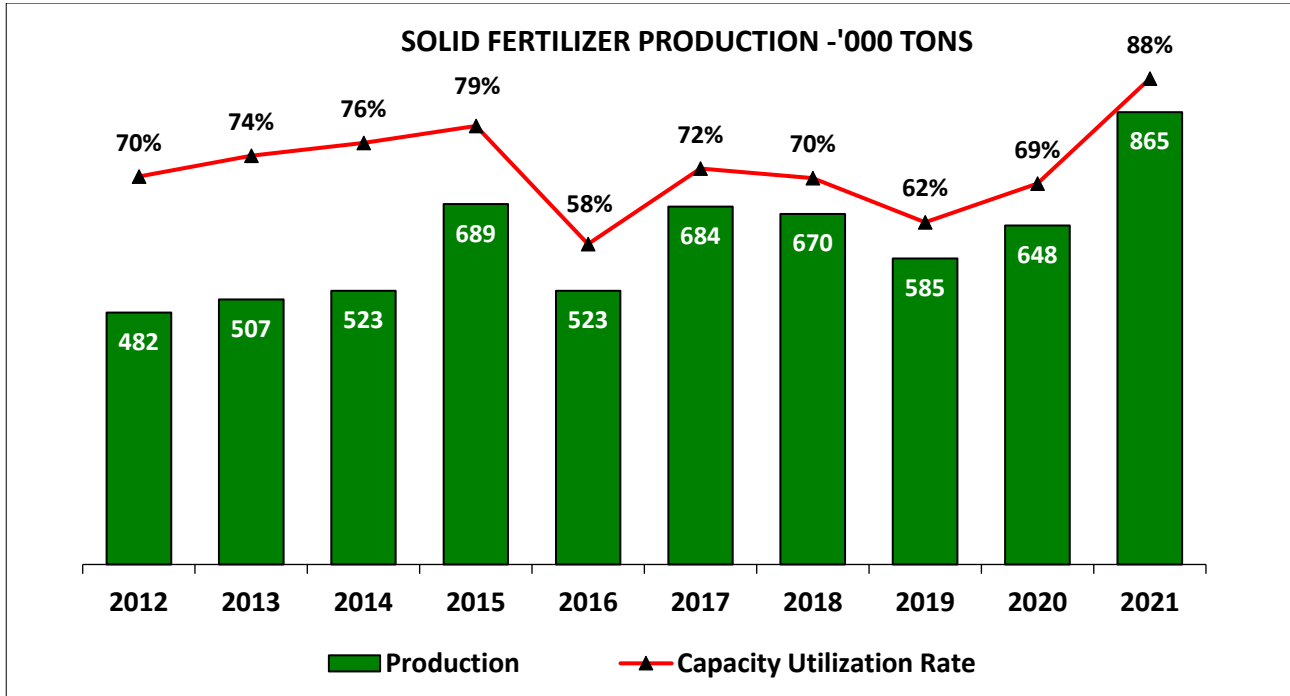
B. PRODUCTION

Gübretaş produced a total of 920,318 tons of chemical fertilizers, of which 865,010 tons of solid fertilizer and 55,308 tons of liquid and powder fertilizers in 2021. Solid fertilizer production increased by 33.5%; liquid and powder production increased by 49.8% compared to the past year. Total fertilizer production increased by 34.4%. Capacity utilization rate was 88% in 2021.

Table 5 : PRODUCTION BY PRODUCT-TONS

Product	2021	2020	Change
Solid Fertilizer	865.010	647.990	%33,5
Liquid and Powder Fertilizer	55.308	36.909	%49,8
Grand Total	920.318	684.928	%34,4

Graph 4 : PRODUCTION AND CAPACITY UTILIZATION RATES BY YEARS



C. SALES AND PROCUREMENT

Our Company sold 2.117.931 tons of solid, 72.213 tons of liquid and powder fertilizer in 2021.

In 2021, the Company's solid fertilizer sales increased by 6%, liquid fertilizer sales increased by 23% compared to 2020. The total increase in the yearly sale numbers are 6.6%. Raw material and commercial goods purchases in 2021 increased by 30% compared to the same period of the previous year and amounted to 2,339,931 tons. The export amount of our company in 2021 increased by 80% to 36,936 tons.

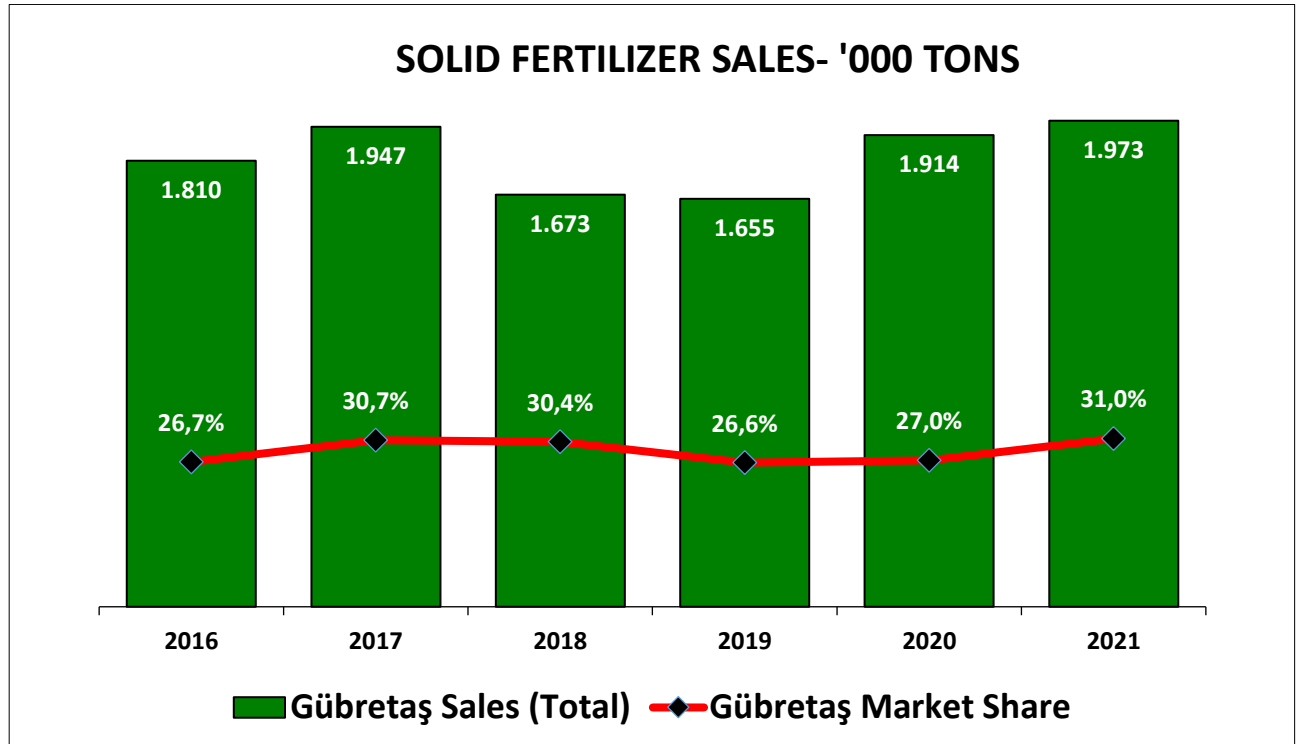
Table 6 : SALES, IMPORTS AND DOMESTIC PROCUREMENT -TONS

	2021	2020	Change
Raw Materials	782.484	482.422	%62
Finished Products	1.557.447	1.317.997	%18
Total Procurement	2.339.931	1.800.419	%30

Table 7 : SALES BY PRODUCT GROUPS-TONS

Solid Chemical Fertilizers	2021	2020	Change
Compound	859.290	699.628	%23
Nitrogen-based	1.065.055	1.003.150	%6
Phosphate-based and others	193.586	293.059	(%34)
Solid Fertilizer Total	2.117.931	1.995.837	%6
Liquid and Powder Fertilizer	72.213	58.963	%23
Grand Total	2.190.144	2.054.800	%7

Graph 5 : SALES AMOUNTS AND MARKET SHARE BY YEARS



D. INVESTMENTS

The total investment figure of Gübretaş investment of 72.928.172 ₺ in its operations in Turkey in 2021.

In 2022, the Company's investment activities continue within the scope of the following studies, and it is planned to realize the relevant investments as soon as possible.

- The project for the construction of acid tanks in the Yarımca facilities is planned to be completed within the year.
- Iskenderun storage facility rooftop photovoltaic electric power generation facility investment is planned to be completed.
- Samsun storage facility rooftop photovoltaic electric power generation facility investment is planned to be completed.
- Investment for the construction of a Steam Granulation NPK facility has been started in Iskenderun Port Facilities. It is planned to be completed in 2023.
- It is planned to go out to tender in the 2nd quarter of 2022 for the new warehouse investment in Yarımca Facilities.

- The new sack warehouse construction project in Samsun Kamalı storage facilities will be completed in 2022.

The Case of Benefiting From Incentives For Investments

The completion visa of the Investment Incentive Certificate numbered 110061 by the Ministry of Commerce was made on 20/09/2018. Fixed investment amount was 290,369,160 ₺. The support elements to be benefited from the investments consist of Insurance Premium Employer's Share Support, Customs Duty Exemption, Tax Reduction Rate (100%), Investment Contribution Rate (40%) and VAT exemption. In 2018, Insurance Premium Employer Share Support and VAT exemption were utilized in the construction of the twin NPK facilities and the ammonia tank.

Based on the application made to the Ministry of Commerce dated 26 March 2018 and numbered 38928, Investment Incentive Certificate dated 16 May 2018 and numbered 136984 was obtained. The mentioned Investment Incentive Certificate is valid until 26.09.2022 and includes a fixed asset investment of 148.500.000 ₺. The support elements that the investments will benefit from consist of Tax Reduction Rate (70%), Investment Contribution Rate (30%), Interest Support and VAT exemption. In 2018, VAT exemption was used in Iskenderun Facilities Modernization processes.

Based on the application made to the Ministry of Commerce dated 26 March 2018 and numbered 38927, Investment Incentive Certificate dated 11 June 2018 and numbered 137850 was obtained. The mentioned Investment Incentive Certificate is valid until 26.03.2022 and includes a fixed asset investment of 235.000.000 TL. The support elements that the investments will benefit from include Tax Reduction Rate (50%), Investment Contribution Rate (25%), Employer's Insurance Premium Share Support (2 years), Customs Duty Exemption and VAT exemption.

On 8 May 2018, T.C. With the approval of the Ministry of Industry and Technology, an R&D Center was established at Gübretaş Yarımca Facilities. In this context, Gübretaş benefits from R&D and design discount, income tax withholding incentive, insurance premium employer share support, stamp tax exemption and additional cash support provided for personnel who graduated from basic sciences (mathematics, physics, chemistry, biology).

III. RESEARCH AND DEVELOPMENT ACTIVITIES

A. TURKEY SOIL PRODUCTIVITY MAP

Studies about “Soil Productivity Map Project” continues. With this project, the aim is to form the map of soil fertility of our country. In this respect, current qualitative and quantitative information is categorized according to locational data and is input as data into subcategories under each different location with a mapping software. Analyses from a total 15.425 locations, which are obtained with GPS device position detection, are completed. Also, soil samples that are received from farmers are being analyzed and reports that include fertilization suggestions are sent to landowners.

B. QUALITY DEVELOPMENT ACTIVITIES

Quality improvement efforts are increasingly continuing to ensure that all fertilizers and special products offered to Turkish farmers are of the best quality, with expert and trained human resources and equipped laboratory infrastructure.

İzmit Yarımca Laboratory has **TS EN ISO/IEC 17025 accreditation** certificate.

Studies in İzmit, İzmir and Iskenderun Laboratories continue by expanding the scope of physical and chemical analysis.

C. PRODUCT DEVELOPMENT ACTIVITIES

With the approval of the Ministry of Industry and Technology in 2018, the R & D Center was established within the body of Yarımca Facilities. In order to develop new generation and innovation plant nutrition products by using domestic and national resources at the maximum level, it is aimed to develop solutions that will enable the country and producers to reach the products they need more easily by using cooperation models with public institutions and universities.

In 2018, the first year of the R & D Center, the R & D project, submitted to the Ministry of Agriculture and Forestry, General Directorate of Agricultural Research and Policies (TAGEM), was adopted and it was decided to carry out the project with government support for 36

months. The project partners include Konya Selcuk University and Ankara University and agricultural research institutes in 6 different regions.

In 2019, our company has appointed to the TUBITAK TEYDEB 1501 projects, in order to create innovative products by increasing the cooperation and synergy of the public-private sectors and Universities. Our company also appointed to the industrial doctorate program called TUBITAK 2244 in order to increase the cooperation between industry and universities.

2021 Developments:

- Field trials in small plots in Agricultural Research Institutes, which were project partners in the TAGEM Project in 2019 and 2020, were carried out in larger areas in the fields of farmers in 2021. The project development interim reports for 2021 submitted to TAGEM were approved. In order to produce new liquid fertilizers developed within the scope of the project, a liquid fertilizer pilot production facility was established in our İzmir Facilities.
- New products with the commercial names Slowfert Best Starter (13.18.15) and BestGarden Tree Care (13.24.12), which contain DMPP nitrification inhibitor, were included in our Slow Release Fertilizer product portfolio and introduced to the market.
- TÜBİTAK TEYDEB 1505 project named "Development of New Generation Fertilizer Based on a Controlled Release System Containing Boron Compound", which was applied within the scope of the university-industry cooperation agreement signed between GÜBRETAS and Yıldız Technical University (YTU) in 2020, was accepted by TÜBİTAK. After the contract signed between TÜBİTAK-YTÜ-GÜBRETAS, development studies started.
- University-Industry R&D Cooperation Agreement was signed with Istanbul Sabahattin Zaim University (IZU) to develop TÜBİTAK TEYDEB 1505 projects. IZU Faculty of Engineering and Natural Sciences and TUBITAK TEYDEB 1505 project application preparations have been completed. The aim of the project is to develop organic fertilizers containing protein hydrolysates and free amino acids using plant bio resources. Import substitution will be created with the project output products and yield losses in plant production will be prevented against abiotic stress factors such as drought, salinity and frost, which are frequently encountered due to global climate change, the effects of which have been felt intensely in recent years.
- The first small-scale prototype microbial fertilizer products were developed in the R&D Microbiology Laboratory, which started operating in 2020. With these prototypes, trial studies were carried out on different plants in the R&D greenhouse of Gebze Technical

University (GTU). The scale-up phase was started for the prototypes that were successful in the greenhouse trials.

- In the microbial fertilizer project, plant and soil samples were taken from different regions of Turkey in the presence of our consultants in order to create the collection of GÜBRETAS, which contains the new microorganisms isolated from the Turkish soil and beneficial to the soil and the plant. Plant and soil beneficial bacteria were isolated from these samples. Identification and characterization studies were carried out in these bacteria to develop new microbial fertilizer products.
- Our R&D Annual Report for 2020, which we submitted to the Ministry of Industry and Technology for our R&D Center, was approved by the ministry after the audits.
- Participation in the 8th National Agriculture Congress with an oral presentation on "Boron Status of Hazelnut Soils in the Western Black Sea Region and Their Relationships with Other Soil Properties".

The 1st R&D Workshop was held at the GTU Congress Center within the scope of the university-industry cooperation protocol signed between GÜBRETAS and Gebze Technical University (GTU). New approaches in plant nutrition and new generation plant nutrition products were evaluated depending on climate changes.

D. SUPPORT TO DOMESTIC PRODUCT

Gübretas has been continuing its R&D studies for years to use domestic inputs more in chemical fertilizer production. In line with this goal, Gübretas increases the number of plant nutrition products containing boron, one of Turkey's most important underground riches. Plant and region-specific base fertilizers such as **ALTIN ÇİÇEK-S, SUPER PANCAR-S, ÇOTANAK FERTIL and SUPER ÇOTANAK**, developed by Gübretas by taking into account the soil structure of Turkey and the nutrient needs of plants, are produced with boron additive. In addition to these, Gübretas's product portfolio includes products containing boron at different rates, which are used for drip irrigation and foliar feeding of plants such as **DERMIN, BOR, BOR-8, COMBI, COMBI PLUS and MICRO**.

IV. SOCIAL RESPONSIBILITY PROJECTS

A. TURKEY SOIL PRODUCTIVITY MAP PROJECT

In parallel with the increase in the world population, the need for agricultural food is also increasing. The correct and efficient use of scarce resources is important in terms of meeting the agricultural food supply and demand balance and ensuring sustainability.

Gübretaş initiated the Turkey Soil Fertility Map Project in 2005 for the correct and efficient use of agricultural lands in our country, and signed a social responsibility project that raises awareness of the importance of soil analysis in agricultural producers. Within the scope of the project, which has been carried out for 17 years, soil samples from more than 15 thousand lands from 81 provinces were taken, analyzed and transferred to digital media.

The Soil Fertility Map Project aims to create a productivity value map of the country's soils:

1. By transferring the GPS coordinates to the digital environment, to create a database for the future of agricultural production by creating a soil fertility map at the macro and micro nutrient level according to the geographical regions of our country, and to create a resource for the studies to be done in this field,
2. To raise awareness of producers, especially the partners of Agricultural Credit Cooperatives, and to provide scientific advice on the fertilization programs of the lands from which soil samples were taken,
3. To make informed plant nutrition suggestions in order to contribute to the solution of the problems and increase the yield by informing the farmers of the soil texture, pH level and organic matter amount results within the scope of the analysis of the soil sample taken from the producer's land, by Gübretaş agricultural engineers,
4. As a result of the evaluation of the data obtained, to develop balanced and rich special fertilizers for plants and agricultural regions that are important in the country's economy,
5. The results of the work carried out by Gübretaş within the scope of this project, and then to the T.C. To contribute to the formation of a large database related to the country's agriculture by combining the Ministry of Agriculture and Forestry and the studies carried out

by universities in this field.

With this project, applied soil analysis and conscious plant nutrition trainings were given to more than 50 thousand farmers.

6. Significant contributions have been made to increase productivity in agriculture with 13 types of plant and region-specific fertilizers.

GÜBRETAS EDUCATION SCHOLARSHIP

In order to support qualified manpower in the agricultural sector, the scope of the Gübretas Education Scholarship, which has been given to undergraduate students since 2007, has been expanded since 2017. A certain number of master's and doctoral students with thesis, who are now studying at the faculties of agriculture, have started to benefit from the scholarship as of this year. In this context, as of the 2021-2022 academic year, scholarship support is provided to the children of farmers in need, who are studying undergraduate, graduate and doctorate education in a total of 41 agriculture faculties throughout Turkey, throughout the education period.

In this project, which has benefited more than 550 students from the faculty of agriculture since its inception, scholarships are currently being awarded to approximately 135 undergraduate and graduate students of the faculty of agriculture.

B. CONSCIOUS AGRICULTURAL TRAINING

C. Gübretas organizes training meetings for producers and agricultural engineers in the field of plant nutrition, based on its mission of "Adding fertility to our lands by spreading conscious agricultural production". At the training meetings, producers are informed about the basic principles of balanced fertilization, plant nutrition techniques and soil analysis. These training activities aim to increase the profitability of agricultural producers by optimizing input costs, especially fertilizers, to produce highly productive and high quality products that can compete in world markets.

D. ADVISORY SERVICES IN THE FIELD

"Creating a plant nutrition recipe" has an important place among the field consultancy services of Gübretas for the implementation of plant nutrition programs prepared according to scientific methods for producers. In this context, our expert agricultural engineers observe

the fields and make special plant nutrition suggestions for the producer. In 2021, 7,853 producers were provided with prescription services on their lands, contributing to the dissemination of conscious plant nutrition in agricultural production.

E. MOBILE ADVISORY SERVICES

In addition to face-to-face consultancy services, GÜbretaş also reaches manufacturers through mobile communication channels. With the live phone connection, mobile hotline and EGP mobile application, producers can get support regarding agricultural production from GÜbretaş expert agricultural engineers from anywhere and anytime. In 2021, a total of 8,790 producers, 5,420 from the mobile hotline and 3,350 from the EGP mobile application, were informed by our expert agricultural engineers.

F. MODEL AGRICULTURAL PRODUCTION

Model Production Areas Project, which is one of GÜbretaş's important activities to increase conscious agricultural production, aims to produce solutions to increase yield and quality in agricultural production through plant nutrition according to scientific methods. Another goal of the project is to achieve maximum efficiency with optimum fertilizer consumption. Thus, it is aimed to prevent waste of resources by preventing excessive fertilizer consumption and to protect our lands, which is our most valuable treasure.

Fertilization programs in model lands are determined according to the results of soil analysis. Model fields/gardens are constantly controlled by expert engineers during the production period, and the results are shared with the producers in the region during field days. Plant nutrition programs used in model lands; It is transformed into a document by GÜbretaş under the name of "Effective Fertilization Programs" and delivered to all farmers through various communication channels.

Within the scope of the project, which has been carried out in a planned manner for 4 years,

20 model production areas were created in 2018, 27 in 2019, 31 in 2020 and 33 in 2021.

G. CONCIOUS PRODUCER MOVIES

In order to spread conscious plant nutrition practices in agricultural production to large masses and to promote our services, films were prepared and presented to producers under the concepts of "Conscious Producer" and "Tricks of Plant Nutrition".

Films prepared under these concepts were made available to producers through many digital communication channels (Youtube, Twitter, Instagram, Facebook, EGP, Gübretaş corporate website, etc.).

V. OTHER DEVELOPMENTS REGARDING COMPANY ACTIVITIES

A. ORDINARY AND EXTRAORDINARY GENERAL ASSEMBLIES AND DISTRIBUTION OF DIVIDENDS

69th general assembly meeting for 2020 fiscal period was held on 8th of April, 2020 on Thursday and the details are presented in corporate governance principles compliance report. Within the period, there has not been any extraordinary general assembly meetings held.

Gübre Fabrikaları T.A.Ş distributes dividends within the frame of our dividend policy which was prepared in accordance with Communiqué on Dividends (II-19.1) of Capital Markets Board.

Our company adopted the principle to distribute the maximum percentage of profits to its shareholders while considering benefits of the company also. There are no privileges in dividend payment. Dividends are distributed equally to all shares regardless of their issue and acquisition dates.

In line with the 31st article of our articles of association, the dates and methods of paying dividends are decided by the general assembly in accordance with the proposal of the board of directors.

There was no dividend distribution in 2020 and in last five years.

B. DONATIONS AND AIDS

In 2021, the payment of scholarship was 876.750-₺. In addition to scholarship, Gübretaş provided 645.315-₺ aids to various educational institutions. Therefore, the total amount of donations and aids became 1.522.065-₺ in 2021.

C. INTERNAL AUDIT ACTIVITIES

The Internal Audit Department, which works under General Directorate, audits whether the activities of headquarters, facilities and regional offices are compliant with legal acts, corporate vision, mission, target, strategy, general purpose, procedures, instructions, reliability and accuracy of information, company policies, plans, procedures, regulations and compliance with the law, protection of assets, efficient use, objectives set for activities and programs, realization of goals, causes of errors, corrective measures, efficiency of activities and consequently our company activities as a whole and proposes the audit reports to executive management by providing curative proposes in accordance with audit findings.

D. PRIVATE AND PUBLIC AUDITS

In addition to the independent auditing of the consolidated financial statements of Gübretaş, the company also receives full certification of corporate tax returns.

E. INFORMATION ABOUT RELATED PARTIES TRANSACTIONS AND BALANCES OF RELATED PARTIES ACCOUNTS

Detailed tables are given in the 30th footnote of consolidated financial statements belonging to the fiscal period of 1 January – 31 December 2021.

F. LAWSUITS BROUGHT AGAINST OUR COMPANY AND OTHER MATTERS

On the 8th and 16th footnotes of consolidated financial statements, subjects of lawsuits brought by our company and the other parties, latest situations and their impact on our consolidated financial statements are stated.

There has not been any administrative or legal sanction being implemented to the company or members of the managerial body due to violation of provisions of related regulations.

G. AFFILIATION REPORT

The conclusion of the “Affiliation Report” prepared in accordance with 199th article of the Turkish Commercial Code No. 6102 for the period of 01.01.2021-31.12.2021 is presented below:

“The controlling shareholder of our company is the Central Union of Turkish Agricultural Credit Cooperatives (“Central Union”), which is registered in Ankara Trade Registry Office with the registry number 35791 and located at ‘Yukarı Bahçelievler Mahallesi Wilhem Thomsen Caddesi No:7 Çankaya Ankara’, In this context, it has been concluded that;

- *In the previous fiscal year, there has not been any judicial action taken in favor of the controlling shareholder, a company affiliated with the controlling shareholder or by the directions of the controlling shareholder beneficial to it or one of its affiliates.*
- *In the previous fiscal year, there has not been any precautions taken or avoided in favor of the controlling shareholder or a company affiliated with it.”*

H. AFFILIATES AND SUBSIDIARIES

Detailed information about affiliates and subsidiaries are given in the 1st footnote of consolidated financial statements belonging to the fiscal period of 1 January – 31 December 2021.

VI. ACTIVITIES OF RAZI

A. PRODUCTION

Razi Petrochemical Co. is one of the largest fertilizer and fertilizer raw materials production facilities in Iran with 877.000 m² total area. Total capacity of Razi is 3.641.000 tons/year including its own 3.515.000 tons/year and its subsidiary Arya Phosphoric Jonoub Co. which has 126.000 tons/year.

In Razi, total production was 1.483.473 tons and the capacity utilization rate was 58% in 2021.

Table 8: RAZI PETROCHEMICAL CO. PRODUCTION-TONS

Product	2021	2020	Change	Capacity	2021 CUR
Ammonia	595.496	757.527	-21%	997.684	60%
Urea	405.688	456.412	-11%	452.502	90%
Sulphuric Acid	208.771	138.571	51%	261.580	80%
Sulphur	208.390	237.953	-12%	396.675	53%
DAP	65.128	27.851	134%	81.298	80%
Total	1.483.473	1.618.314	-11%	2.189.739	68%

B. SALES

Export product prices in Razi Petrochemical Co. are formed in accordance with the prices in Middle East basin. Profitability levels move in parallel with increases-decreases in commodity prices.

In 2021, Razi sold 959.731 tons of fertilizer and achieved a revenue of 1.941.157.669₺.

Being a fully integrated facility, the reason of difference between production and sales is the internal consumption as some of the products are used as intermediary products.

Table 9 : RAZI PETROCHEMICAL CO. SALES-TONS

Product	2021	2020	Change
Urea	390.682	479.378	-19%
Ammonia	273.332	507.483	-46%
Sulphur	134.824	220.954	-39%
DAP	66.562	52.290	27%
Phosphoric Acid	51.705	49.154	5%
Sulphuric Acid	42.626	11.291	278%
Total	959.731	1.320.550	-27%

C. INVESTMENTS

In Razi facilities, renovation investments and investments aimed to increase the productivity in current facilities were realized. In Iran operations our company spent 113.717.101 ₺ capital expenditures in 2021.

VII. HUMAN RESOURCES POLICY AND CODE OF ETHICS

A. HUMAN RESOURCES POLICY

Considering human resources as its most important asset and finding its sustainable growth in its employees' competencies and development, Gübretaş does not discriminate between ethnic origin, language, religion, gender and political thinking while selecting and placing employees in work. The company aims to find idealist and innovative people suitable for teamwork, acting on the basis of fair approach, effective communication and solution-oriented behavior. While making evaluation, objective success criteria and corporate culture are taken as a ground.

Before making decisions about the employees, importance is given to the exchange views with employees and employee representatives.

In line with occupational health and safety and environmental quality systems, continuous improvement and organizational development activities are performed. As a result of organizational development activities, job descriptions and process flows are organized according to changing and evolving Company activities.

Company employees are encouraged to strive for horizontal and vertical careers, while the necessary physical, social and psychological environment is being prepared accordingly. Employees' efforts are rewarded materially and morally.

Necessary steps are taken in order to eliminate the deficiencies in employee's knowledge, background and experience with the methods and techniques meeting the needs of today and enabling the preparation for the future. Unit targets are set in line with budget expectations and company strategies and needs analyzes are performed by the Company in order to achieve these targets. According to the needs analysis, training and personal development activities are planned and these activities are implemented.

B. CODE OF ETHICS AND LABOR POLICY

The ethical principles within Gübretaş express the whole set of behaviors that are to be complied with or which should be avoided being “honesty”, and all matters that the Company has taken into consideration within the scope of the ethical principles are expressed under the **“Gübretaş Code of Ethics and Labor Policy”**.

The main objective of the Company's Code of Ethics is to create a common corporate culture on business ethics/morals where the regulations, procedures, instructions, standards, laws and regulations may not be guiding all about our attitudes and behaviors and to raise awareness, sensitivity and knowledge on this issue.

In this context, Company employees and suppliers are expected to act under this policy. Under these principles, Gübretaş rejects all kinds of discrimination, physical and psychological violence.

Ethical violation notification channels have been established via the e-mail address of etik.bildirim@gubretas.com.tr and telephone number 0216 468 50 55 in order to determine the behaviors that are not in compliance with the Company Code of Ethics and Labor Policy. Company makes an immediate decision by mobilizing the relevant board and persons for the individuals conducting disorderly, these decisions are implemented and the people making the violation notifications are informed by the Company about the result.

VIII. RISK MANAGEMENT AND FACTORS

A. RISK MANAGEMENT

The early detection and evaluation of risks that may adversely affect the existence and development of the Company, the implementation of necessary measures regarding the identified risks, and the management of risks are carried out under the coordination of the Risk, Process and Quality Management Department. In this context, “Risk Management Policy” was determined and published throughout the Company in order to increase the effectiveness of Enterprise Risk Management. Company-wide risks are followed in four categories as financial, strategic, operational and other risks determined in the policy document. The financial risks category includes currency risk, liquidity risk, price risk and collection of overdue receivables. In the category of strategic risks, developments regarding investments and subsidiaries are followed. In the category of operational risks, risks that may arise from the Company's activities are taken into account. In the other risks category,

compliance with the legislation, risks that may arise from natural disasters and risks not included in the first three categories are monitored. Risks that have the potential to affect the activities of the Company positively or negatively are continuously evaluated with risk managers and reports are produced on a monthly basis regarding risk management. Within the framework of risk appetite and risk tolerance; The possibility and impact of each possible risk are evaluated, action plans are prepared when necessary by performing cost/benefit analyzes, and risk-reducing actions are put into practice.

Company managers take the necessary measures to reduce the negative effects of all risks in the above-mentioned categories and to seize opportunities. Procuring almost all of the final products it trades and the raw materials to be used in production from abroad, the Company is affected by changes in exchange rates and commodity prices due to this dependency. Efforts are made to minimize risks by means of hedging against currency changes. Borrowing is carried out on appropriate terms and conditions, taking into account the company's needs and market conditions. Due to factors such as political, economic and climate change in global markets, changes are seen in raw material and commodity prices from time to time. In order to minimize the price risk, the markets are followed closely and purchases are made under suitable conditions. Although all receivables are under guarantee, efforts are made to collect receivables on time, taking into account liquidity conditions. Investments that are expected to contribute to the growth and productivity of the Company are put into practice after feasibility studies, and developments regarding foreign investments are also closely followed.

The risks that may occur in the supply, storage, production and shipment processes are evaluated within the operational scope. With domestic investments, it is aimed to increase our storage capacity and to make production facilities more efficient. Again, by closely monitoring our supply and logistics processes, efforts are made to prevent any disruptions that may occur here and to take quick action when necessary. With the support of the Legal Counselor within the body of the Company, legal regulations are constantly monitored and compliance with the regulations/changes is promptly shown. Necessary measures are taken for OHS, environment and public health by making continuous improvements especially in

the facilities for the danger elements that may arise from natural disasters, which are also in the other risk category.

In addition to the above-mentioned measures to minimize risks and to manage them more effectively, processes throughout the Company are regularly reviewed, performance criteria are established and work is documented within the scope of the "Quality Management System".

IX. BOARD OF DIRECTORS

A. THE STRUCTURE AND COMPOSITION OF THE BOARD OF DIRECTORS

In our company; board of directors are elected at the general assemblies under the framework of the Articles of Association, Turkish Commercial Code and Capital Market Law.

B. PRINCIPLES OF THE OPERATIONS OF THE BOARD OF DIRECTORS

The board of directors conducts its operations in a transparent, fair and responsible way. The board reviews the efficiency of risk management and internal control systems of our company once in every two months via Committee of Early Determination of the Risk. Information is given in Annual Report about the mechanism and efficiency of internal control system. While the authorities of the chairman of the board and chief executive officer/general manager were not separated clearly in articles of association, nobody is furnished with individual unlimited decision-making. The board plays a pioneer role while providing effective communication between company and shareholders, overcoming and solving possible conflicts and therefore works in close cooperation with Committee of Corporate Governance and Investor Relations Department.

The losses, which may occur from the faults of board members while performing their duties, are insured.

C. FORMATION OF BOARD MEETINGS

Meetings of the board of directors are carried out and quorums are decided in accordance with the provisions of the articles of association, Turkish Commercial Code and Capital Market Law. GM Office Department, which reports to General Manager, has been constituted to conduct the works with regard to the meetings of the board of directors of the company and to serve the members of the board of directors. Departments prepare their

motions for the required resolutions and they transmit it to the GM Office upon obtaining the approval of the General Directorate. An agenda regarding these motions is formed and it is transmitted to the chairman of the board of directors with the invitation letter for the meeting of the board of directors. The invitation letters are sent to the members together with the agenda. The resolutions which were taken in the meeting are sent to the relevant departments after the meeting. 12 board meetings were made in 2021

The members of the board of directors do not have weighted voting rights and negative veto right. The decisions are taken with the majority of board and the questions asked and statements made by the members are not recorded into minutes. As a principle, the members of the board of directors attend each meeting. The board of directors meets regularly and at least once a month within the framework of the provisions of the articles of association and the board of directors meets when necessary without complying with such timetable.

D. NUMBERS, STRUCTURES AND INDEPENDENCIES OF THE BOARD COMMITTEES

Considering the current situation and the requirements of the company, the board of directors formed Committee of Audit, Committee of Corporate Governance, Committee of Nomination, Committee of Early Determination of the Risk, and Committee of Remuneration in order to perform its duties and fulfill its responsibilities in a healthy way, in accordance with the Turkish Commercial Code, articles of the association of the company and Communiqué on Corporate Governance of the Capital Market Board.

Committee of Audit

Name	Title	Duty
Mehmet BULUT	Head of Committee	Independent Board Member
Vahit KIRIŞCI	Head of Committee	Independent Board Member (Resigned after Reporting Period)
Murat YAŞA	Committee Member	Independent Board Member

The committee is composed of two independent members of the Board of Directors. Independent member Mehmet BULUT is the head of the committee. Other member of the committee is Murat YAŞA.

Duties and responsibilities of the committee are as follows;

- To control that the financial statements and footnotes, both of which are disclosed to public, are prepared in accordance with the current legislation and international accounting standards,
- To review the activity report and review whether the information provided there is true and consistent with the information committee has,
- To examine the complaints submitted by the shareholders and stakeholders that which are significant enough to affect the financial statements,
- To review the efficiency of the internal audit activities,
- To make sure that the important problems and solutions to overcome them, which are determined during or as a result of the audits of the internal audit department of the company, are submitted timely to the committee's information and discussed,
- To supervise whether the activities of the company are conducted in accordance with the current legislation and internal regulations of the company.

In 2021, Committee made 5 meetings and in this direction, presented 5 reports to the Board.

Committee of Corporate Governance

Name	Title	Duty
Murat YAŞA	Head of Committee	Independent Board Member
Zeynep Müjde SAKAR	Committee Member	Board Member
Çağlar KARAKAYA	Committee Member	Investor and Subsidiary Relations Executive

The committee is composed of three people, two members of the board of directors and investor and subsidiary relations executive. Independent member Murat YAŞA is the head of the committee. Other members of the committee are Zeynep Müjde SAKAR and Çağlar KARAKAYA.

Duties and responsibilities of the committee are as follows;

- To provide the constitution and adaptation of the importance and benefits of the Corporate Governance Principals within the structure of the company,
- To determine whether the corporate governance principles are being applied or not and if they are not applied, to determine the reasons and the conflicts of interests

due to noncompliance with these principals and to submit recommendations to the board of directors to improve the corporate governance applications.

In 2021, committee held 3 meetings and in this direction, presented 3 reports to the Board.

Committee of Early Determination of the Risk

Name	Title	Duty
Vahit KİRİŞÇİ	Head of Committee	Independent Board Member (Resigned after Reporting Period)
Mehmet BULUT	Committee Member	Independent Board Member
Ertuğrul KÖSE	Committee Member	Risk, Process and Quality Management Manager

Committee of Early Determination of the Risk has been constituted for the purposes of early determination of the risks which may jeopardize existence, development and continuance of the company, application of the necessary measures regarding the determined risks and management of the risk.

The committee is composed of two people, one member of the board of directors and risk, process and quality management manager. The members of the committee are Mehmet BULUT and Ertuğrul KÖSE.

Duties and responsibilities of the committee are as follows;

- To prepare the risk management strategies and policies to be followed up by the company and to submit them for the approval of the board of directors and to follow up the applications closely,
- To submit proposals to the board of directors in order to determine the limits about the major risks that the company carries and track the limit breaches,
- To submit proposals to the board of directors with regard to making changes in the risk management policies,
- To provide the conduct of the tracking and communication about the process of risk determination, identification, measurement, assessment and management.
- To form a basis for the provision of the accuracy and reliability of the methods and results and of the risk.

In 2021, Committee made 6 meetings and in this direction, presented 6 reports to the Board.

DECLARATION OF INDEPENDENCY

"I hereby declare that I am a candidate to take office as an independent member of the Board of Directors of Gübre Fabrikaları T.A.Ş. (the Company) within the scope of the legislation, the articles of association and criteria specified under the corporate governance principles which have been published by the Capital Market Board and in this context I declare that;

a) Within the last five years; I, my wife and my second degree consanguine and my relatives by marriage have not been in a relationship of employment that will take important duties or responsibilities, have not had more than 5 percent of shares, voting rights or privileged shares with or without somebody or had substantial trading with the Company, partnerships which the company has management control or significant effect, the shareholders which have significant effect over company or the legal entities which are controlled by these shareholders.

b) Within the last five years, I have not worked or been a board member or partner in the companies which have significant goods or service purchase or sales with the company while these goods or services were traded, primarily the companies which conduct auditing (including tax audit, legal audit and internal audit), rating and consultancy of the Company.

c) I have the professional education, knowledge and experience to conduct the duties which I will undertake due to being an independent member of the board of directors,

ç) According to the legislation I am bound, I will not work full-time in the public agencies and institutions with the exception of being an academic staff.

d) I am respected as a resident of Turkey under the Income Tax Law, dated 31/12/1960 and no. 193,

e) I have strong ethical standards, professional reputation and experience in order to provide positive contributions to the activities of the company, remain objective in cases of conflicting interests to be emerged between of the shareholders of the company, make my decision freely taking into account the interests of the stakeholders,

f) I will allocate time for the company works to be able to follow up the processes of the company's activities and fulfill the duties which I have undertaken to the fullest extent.

g) I have not been a board member of the company more than 6 years in the last 10 years,

ğ) I am not an independent board member more than the total of 3 companies that the company or shareholders who control the company have the management control or 5 companies that are listed in total,

h) I am not registered and announced for the corporation that has been elected as board member. “

E. STRATEGIC GOALS OF THE COMPANY

- In order for GÜBRETAS to achieve its strategic goals, maintain its leadership in the sector and maintain its profitability, it is of great importance to increase its production capacity. Various investments are planned to be made in the upcoming period in order to increase the production capacity.
- It is aimed to implement sustainability projects in order to ensure business continuity. In this framework, it is aimed to establish a sustainability management system, to complete the harmonization process with the European Green Agreement, to implement digital transformation projects and to realize operational excellence studies.
- The importance of R&D studies has increased even more with the impact of factors such as the differentiation of customer expectations and climate change. In order to increase efficiency in R&D activities, it is considered to develop new products in the liquid-powder product group, to realize public-university-industry cooperation projects and to evaluate technology transfer projects.
- It is aimed to maintain the leadership in the Turkish market. In order to maintain the leadership in the market, it is planned to achieve the targeted market share, to maintain its position as the sole supplier of TKK, to grow in the dealer channel and to increase the share of liquid - powder sales in total sales.
- Export plays an important role in increasing the profit margin and making the profitability sustainable. It is planned to increase the amount of solid and liquid-powder fertilizer exports by entering new markets.
- Due to digital transformation, pandemic and changes in consumer habits, the e-commerce channel has come to the fore. In order to ensure growth in the e-

commerce market, it is planned to increase the sales volume in the e-commerce channel.

- Customer satisfaction has an important place in achieving sales targets and ensuring customer loyalty. In order to increase customer satisfaction, it is planned to provide free consultancy services, to develop the call center system and to carry out training programs for information.
- Sustainable profitability is of critical importance for the continuity of companies. In order to achieve sustainable profitability, it is planned to achieve the targeted profit margins by effectively managing the costs.
- Companies need to increase employee loyalty in order to achieve their performance targets. In order to increase employee loyalty, it is aimed that GÜBRETAS will be among the most admired companies in Turkey by strengthening the financial and social rights of employees.

F. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration principles of board members and managers with administrative responsibilities are described in the “Remuneration Policy”, which was prepared in the frame of corporate governance principles of Capital Markets Board. The policy has been prepared based on board of directors and executive management and announced in our corporate website, both in Turkish and English.

The remunerations to be paid to the members of the board of directors and managers with administrative responsibilities are determined in accordance with global standards and legal requirements while also considering the economic data, current remuneration system policies in the market, company size and experiences, education levels and contributions to the company and the current positions. Stock options or payment plans based on the performance of the company are not used for the remuneration system of the independent members of the board of directors.

Our company has not provided any credit or loans, have not provided any credit under employee loans through 3rd parties or have not provided any collaterals like guarantees to the members of the board of directors or managers with administrative responsibilities.

Total benefits provided for members of the board of directors, general manager and assistant general managers in our company for the period of 1st of January-31st of December 2021 are stated in 30th footnote on the consolidated financial statements.

X. EVALUATION ON FERTILIZER SECTOR AND OUR TARGETS

A. 2022 YEAR EVALUATION

Due to the uncertainties caused by the Covid 19 epidemic in global trade, raw material and commodity prices, which had risen excessively, entered a downward trend as of the beginning of 2022. After the uncertainties created by the Russia and Ukraine crisis in the Black Sea basin in the recent period, it is observed that there are upward movements especially in nitrogen and potassium fertilizer prices.

In addition, the continuation of the war between these two countries, which have an important place in world wheat, barley, corn and barley exports with a total market share of 32%, will also be decisive for the grain markets, especially for our country.

The effects of the developments between Russia and Ukraine and the increases in energy and transportation prices will cause an increase in production costs in our country, and this will have a negative impact on the use of fertilizers and agricultural production by the farmers.

Similarly, if the Russia and Ukraine crisis cannot be resolved in the short term, the decrease in the need for agricultural food in the tourism sector will be another factor that will negatively affect the agricultural production in our country.

On the other hand, as a positive development, at the beginning of 2022, the risk of drought has largely disappeared in agricultural areas that received precipitation above seasonal normals. In case of precipitation according to seasonal normals in April and May, it is expected to have a season with high yields in plant production. This situation is expected to prevent a possible sharp decrease in the demand for chemical fertilizer consumption in the spring season due to the high prices in the domestic market.

In line with these developments, it is anticipated that chemical fertilizer consumption in 2022 will be below the level of 6.3 million tons, which is the average of the last 5 years.

XI. FINANCIAL STRUCTURE AND EQUITY PERFORMANCE

A. FINANCIAL RATIOS

	2021	2020	2019	2018	2017
LIQUIDITY RATIOS					
Current Ratio	1.08	0.98	0.80	0.95	0.91
Acid Test Ratio	0.46	0.55	0.37	0.52	0.47
LEVERAGE RATIOS					
Financial Leverage Ratio	0.69	0.66	0.72	0.71	0.67
Equity / Asset	0.31	0.34	0.20	0.29	0.33
ACTIVITY RATIOS					
Inventory Turnover	1.54	2.97	2.99	3.15	3.32
Accounts Receivable Turnover	5.64	6.05	7.5	8.59	8.71
Asset Turnover	0.82	1.05	1.01	1.05	0.94
PROFITABILITY RATIOS					
Gross Profit Ratio	0.24	0.24	0.20	0.28	0.15
Operating Profit Ratio	0.04	0.09	0.07	0.17	0.02
EBITDA Ratio	0.20	0.14	0.09	0.19	0.04

B. DIVIDEND RIGHTS

The dividend policy of our company was prepared in accordance with Turkish Commercial Code, Capital Markets Law and the articles of association and was submitted for 62nd General Assembly's approval. "Dividend Policy" is submitted for investors' and public information in our corporate website, both in Turkish and English. Our company did not distribute any dividends in 2020 and our company does not have any privileges regarding dividend distribution.

The decision dated 15/03/2021 of the Board of Directors for the use of the 2020 profit is as follows:

"The company has achieved a net profit of 175.421.311,89-₺ according to legal records; 262.056.082,42-₺ according to Turkish Accounting Standards/Turkish Financial Reporting Standards in 2020. As our company has past year losses of 537,102,931,42-₺, in this framework, it has been decided to propose to the 69th Ordinary General Assembly that the issue of not making profit distribution due to the fact that our company does not have a distributable profit for the period according to the legal records."

C. PERFORMANCE OF THE STOCK

Comparative graph of the performance of our shares, which is listed in BIST (İstanbul Stock Exchange) with BIST index in recent years and its closing prices for each quarter in 2021 are as follows:

Graph 6 : PERFORMANCE OF THE STOCK

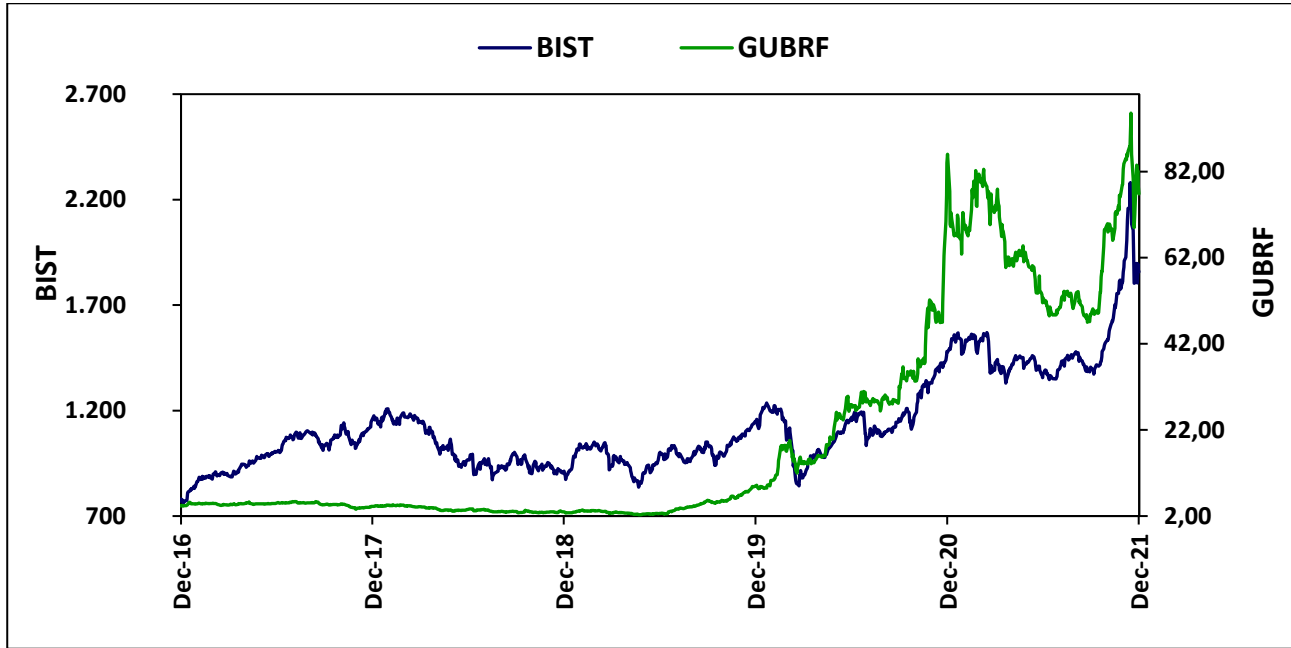


Table 10 : STOCK CLOSING PRICES BY THE END OF QUARTERS

04.01.2021	31.03.2021	30.06.2021	30.09.2021	31.12.2021
77,45	73,10	49,94	48,66	76,85

XII. EVENTS AFTER REPORTING PERIOD

1. Gübretaş Maden Yatırımları A.Ş., 80% shareholder regarding the acquisition of 80% shares of Kavak Madencilik A.Ş., the owner of the license area 200709861 located within the borders of Bilecik province, for a price of 1.800.000 USD and with the conditions of making a 2% royalty payment. Teck Anadolu Madencilik A.Ş. signed a contract with on January 3, 2022. Following the signing of the contract, legal procedures regarding the transfer of shares will be carried out. With the acquisition of the shares of Kavak Madencilik A.Ş., it is aimed to expand the exploration and development activities around the Söğüt Gold Mine and to identify possible new mineral resources.

2. According to the Material Event Disclosure dated 31 January 2022, the T.R. An investment incentive certificate numbered 531623 was issued by the Ministry of Industry and Technology, General Directorate of Incentive Implementation and Foreign Capital. The foreseen support elements are 7 years insurance premium employer's share, 80% tax reduction, 40% investment contribution rate, customs duty exemption, VAT exemption and interest support. The investment amount was determined as 4.634.477.508 TL. The cost of imported machinery and equipment is 66,607,537 USD and the estimated employment is 970 people.

3. Member of the Board of Directors, Fahrettin Poyraz, who also served as the Chairman of the Board of Gübretaş and Gübretaş Maden Yatırımları A.Ş., resigned from the Board of Directors as of February 3, 2022.

4. Appointed as Minister of Agriculture and Forestry, Prof. Dr. Vahit Kirişçi resigned from Gübretaş Board of Directors as of March 4, 2022.

XIII. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

Gübre Fabrikaları T.A.Ş. (Gübretaş) carries out its activities in accordance with the principles described in Corporate Governance Communiqué issued by the Capital Market Board. Gübretaş believes that corporate governance practices are among the main principles which

enables companies to have sustainable growth. Therefore, starting with its shareholders, Gübretaş carries out its relations with employees, customers and all the other parties with an active management and supervision in accordance with accountability, equality, transparency and responsibility, which are the universal components of corporate governance. The main activities that have to be carried out by Investor Relations Department according to the 11th article of Corporate Governance Communiqué were performed very carefully.

In accordance with the Communiqué, all the principles that are required to be implemented have been complied with. Studies on non-obligatory principles that are not yet complied with are still in progress. In our company, there has not been any conflict of interest resulting from the non-obligatory principles that are not yet complied with.

On the other hand, **in accordance with the decision of the Capital Markets Board (CMB) dated 10.01.2019 and numbered 2/49;**

- the explanations related to the compliance of non-obligatory principles were stated in the **Corporate Governance Compliance Report (“CRF”) (ANNEX-1),**
- the information about the actual corporate governance practices were stated in the **Corporate Governance Information Form (“CGIF”) ANNEX-2).**

The Company publishes these templates in the Company's Board of Directors Annual Report and the related templates are also made available to the public at the Public Disclosure Platform (“PDP”) (<https://www.kap.org.tr/tr/>)

In case there is a significant change during the period in CRF and CGIF, the material disclosure will be made and relevant issues will be included in the interim operating review reports.

XIV. CONCLUSION

DEAR SHAREHOLDERS,

In 2021, 2.372.104 tons of fertilizers and raw materials were procured from domestic and foreign markets and 865.010 tons of various types of solid chemical fertilizer were produced at our facilities. On the other hand, 2.190.144 tons of solid, liquid and powder fertilizers were sold in 2021. Net revenues were realized as 8.828.243.844 ₺.

Also 1.483.473 tons of fertilizer and fertilizer raw materials were produced and 1.941.157.669 ₺ sale revenues were realized by the sale of 959.731 tons of fertilizer and fertilizer raw material in our subsidiary Razi Petrochemical Co. and its subsidiaries.

Our company reached to the consolidated revenue figure of 10.769.401.513 ₺ After the deduction of cost of goods sold, operation expenses, other operating expenses-income and financial expenses and tax fee from this amount; 469.789.398 ₺ consolidated profit occurs. The consolidated profit for main shareholder is 523.125.635 ₺

We would kindly ask you to evaluate the results mentioned above regarding of 2019 activities.

Best Regards,
BOARD OF DIRECTORS

ANNEX-1 – CORPORATE GOVERNANCE COMPLIANCE REPORT

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.					X	
1.3. GENERAL ASSEMBLY						
1.3.2 -The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.	X					
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.			X			Article 23 of our Articles of Association stipulates that 'Capital Market Legislation and the relevant provisions of the TCC are the right of participation in the general assembly meeting and voting. In this regard, there is no regulation on the participation of the media or stakeholders being non-shareholders to our general assembly.

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
1.4. VOTING RIGHTS						
1.4.1-There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2-The company does not have shares that carry privileged voting rights.	X					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	
1.5. MINORITY RIGHTS						
1.5.1- The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2-The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Article 19 of our Articles of Association stipulates the lower limit for the exercise of minority rights as five per cent - one twentieth as envisaged in the TCC. The proposal of the communiqué is that this right should be used to a lesser extent.
1.6. DIVIDEND RIGHT						
1.6.1 -The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2-The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.		X				"The Dividend Distribution Policy" prepared by the Board of Directors was approved by our shareholders at the 2013 Annual General Assembly. However, our dividend distribution policy contains uncertainties regarding the distribution of the dividend to be generated since no dividend yield, minimum profit distribution rate etc. are included.
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1.-The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2-The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 -The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X				The website of our Company has been prepared in Turkish and English, but it is differentiated as content.
2.2. ANNUAL REPORT						
2.2.1-The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3-Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing program is in place for reporting legal and ethical issues.		X				In order to enable stakeholders to notify our Company about unethical transactions, we set up necessary notification mechanisms. In this context, notifications received via e-mail and telephone are evaluated by the Disciplinary Board and the process is progressed and finalized. On the other hand, there is no mechanism by which these complaints can be forwarded to the audit committee or the corporate governance committee.

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
3.1.5-The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1-The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1- The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2-Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4-Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2-Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1-The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2-Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4-Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				Although the damages that may be incurred due to the defects of our Board Members are insured, the amount insured is below 25% of the capital proposed by the communicate.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9-The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				In our Company, there is no policy, target rate as mentioned in the communiqué on the representation of women in the Board of Directors.
4.3.10-At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attended the majority of the board meetings in person.	X					
4.4.2-The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	
4.4.4-Each member of the board has one vote.	X					
4.4.5-The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6-Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
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.			X			There is no regulation in our Company that serves as a member of the Board of Directors to take other duties within and outside the group.
4.5. BOARD COMMITTEES						
4.5.5-Board members serve in only one of the Board's committees.		X				Although it is paid attention not to appoint a member in more than one committee in the committees of our Board of Directors, it is not possible for the independent members to fully implement this rule. Because there are criteria such as the fact that there are no executive members in the committees and the chairman of the committee is an independent member.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.					X	

	COMPANY COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
4.5.7-If external consultancy services are used, the independence of the provider is stated in the annual report.					X	
4.5.8-Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			Performance evaluation of the Board of Directors has not been performed.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					
4.6.5-The individual remuneration of board members and executives is disclosed in the annual report.			X			The rights granted to the top management are disclosed collectively in the footnotes of the Company's consolidated financial statements. No disclosure is made on individual basis.

ANNEX-2 – CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organized by the company during the year	Any investor conference has not been organized by the Company and 11 investor meetings have been held at the Company headquarters during the year.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0

1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/750670
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Turkish and English are presented at the same time.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no such transaction during the year.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	There is no transaction under Article 9 of the Corporate Governance Communiqué (II-17.1).
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/735631
The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations / Corporate Governance / Policies / Donations and Aid Policy
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/353068
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	None.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	In addition to shareholders, Company employees and Independent Audit Company representatives attended the Ordinary General Assembly Meeting of 2020.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
The percentage of ownership of the largest shareholder	75,95%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association	-
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations / Corporate Governance / Policies / Dividend Policy

Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend

The decision dated 15/03/2021 of the Board of Directors for the use of the 2020 profit is as follows:

“The company has achieved a net profit of 175.421.311,89-₺ according to legal records; 262.056.082,00-₺ according to Turkish Accounting Standards/Turkish Financial Reporting Standards in 2020. Due to the increased need for cash due to investments and the protection of the financial structure, the following matters are proposed;

- Not distributing any dividends,
- Allocating primary legal reserves based on profit in the tables prepared in accordance with legal records,
- Transferring the remaining balance to extraordinary reserves.”

The resolution of the Board of Directors regarding the profit distribution was submitted to the approval of the General Assembly. As a result of the voting made in physical and electronic environment, the Board of Directors' decision regarding the use of the profit of 2020 was approved by the consensus votes

PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends

<https://www.kap.org.tr/tr/Bildirim/925578>

General Assembly Meetings									
General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
08/04/2021	0	77,5193%	0,0001%	77,5192%	Yatırımcı İlişkileri / Genel Kurul Dokümanları	Yatırımcı İlişkileri / Genel Kurul Dokümanları	-	139	https://www.kap.org.tr/tr/Bildirim/9

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Investor Relations / Trade Registry Information, Capital Structure, Articles of Association, KAP Announcements, Financial Data, Annual Report, General Assembly, Policies, Frequently Asked Questions
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Investor Relations / Corporate Governance / Capital Structure
List of languages for which the website is available	Turkish and English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Annual Report / Corporate Governance Principles Compliance Report / 5.1. The Structure and Composition of the Board of Directors and Independent Members
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Annual Report / Corporate Governance Principles Compliance Report / 5.4. Numbers, Structures And Independencies Of The Committees Constituted By The Board Of Directors
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Annual Report / Corporate Governance Principles Compliance Report / 5.3. Type of the Board Meetings
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	-
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Annual Report / Lawsuits Brought Against Our Company And Other Matters
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	-
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	-

g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Annual Report / Corporate Governance Principles Compliance Report / 4.4. Ethical Rules and Social Responsibility
3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	None.
The number of definitive convictions the company was subject to in relation to breach of employee rights	6
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Discipline Committee
The contact detail of the company alert mechanism.	etik.bildirim@gubretas.com.tr / 0216 468 50 55
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	None.
Corporate bodies where employees are actually represented	Union
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The Board of Directors attaches importance to all kinds of development and managerial skills of our employees within the scope of our Company's Training and Development Procedure.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Investor Relations / Corporate Governance / Corporate Governance Principles Compliance Report / 4.3. Human Resources Policy
Whether the company provides an employee stock ownership program.	None.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Investor Relations / Corporate Governance / Corporate Governance Principles Compliance Report / 4.3. Human Resources Policy
The number of definitive convictions the company is subject to in relation to health and safety measures	0
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations / Corporate Governance / Corporate Governance Principles Compliance Report / 4.4. Ethical Rules and Social Responsibility
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Investor Relations / Corporate Governance / Corporate Social Responsibility

Any measures combating any kind of corruption including embezzlement and bribery	All kinds of anti-corruption issues, including corruption and bribery, are included in the Ethical Principles and Labor Policy of our Company. Our employees are required to show the necessary diligence. In addition, the Company has made necessary notification mechanisms for complaints that may arise in this context. notifications received via e-mail and telephone are evaluated by the Disciplinary Board and the process is progressed and finalized.
4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Ahmet Bağcı - Vice Chairman of the Board of Directors; İbrahim Yumaklı- Member of the Board of Directors and General Manager
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	The internal control unit does not report to the audit board or other relevant committees. Reporting are periodically presented to the top management.
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Annual Report / Corporate Governance Principles Compliance Report / 5.2. Principles of Activity of the Board of Directors
Name of the Chairman	
Name of the CEO	İbrahim Yumaklı
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	There is no KAP announcement because they are not the same person.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	-
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	None.
The number and ratio of female directors within the Board of Directors	0

Composition of Board of Directors							
Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link to PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
AHMET BAĞCI	Non-executive	Not independent member	03/05/2018	-	Not considered	No	No
SELAHATTİN KÜLCÜ	Non-executive	Not independent member	22/03/2019	-	Not considered	No	No
İBRAHİM YUMAKLI	Executive	Not independent member	28/10/2016	-	Not considered	No	Yes
Zeynep Müjde SAKAR	Non-executive	Not independent member	08/04/2021	-	Not considered	No	Yes
MEHMET BULUT	Non-executive	Independent member	30/03/2018	-	Considered	No	Yes
MURAT YAŞA	Non-executive	Independent member	11/05/2017	-	Considered	No	No

4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	12
Director average attendance rate at board meetings	97.2%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	It is presented to the members of the Board 7 days ago.
The name of the section on the corporate website that demonstrates information about the board charter	Investor Relations / Articles of Association / III. Board of Directors
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	Although there is no established policy and no limit, the upper limit of Article 4.3.6 of the CMB Corporate Governance Principles has been adopted in the scope of the independent members of the Board of Directors.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented.	Annual Report / Corporate Governance Principles Compliance Report / 5.4. Numbers, Structures And Independencies Of The Committees Constituted By The Board Of Directors
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/698446

Composition of Board Committees-I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	-	MEHMET BULUT	Yes	Board member
Audit Committee	-	MURAT YAŞA	No	Board member
Corporate Governance Committee	-	MURAT YAŞA	Yes	Board member
Corporate Governance Committee	-	MEHMET TUNÇAK	No	Board member
Corporate Governance Committee	-	ÇAĞLAR KARAKAYA	No	Not board member
Committee of Early Detection of Risk	-	MEHMET BULUT	No	Board member
Committee of Early Detection of Risk	-	ERTUĞRUL KÖSE	No	Not board member

4. BOARD OF DIRECTORS-III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report / Corporate Governance Principles Compliance Report / 5.4. Numbers, Structures And Independencies Of The Committees Constituted By The Board Of Directors
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report / Corporate Governance Principles Compliance Report / 5.4. Numbers, Structures And Independencies Of The Committees Constituted By The Board Of Directors
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report / Corporate Governance Principles Compliance Report / 5.4. Numbers, Structures And Independencies Of The Committees Constituted By The Board Of Directors
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report / Corporate Governance Principles Compliance Report / 5.4. Numbers, Structures And Independencies Of The Committees Constituted By The Board Of Directors
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report / Corporate Governance Principles Compliance Report / 5.4. Numbers, Structures And Independencies Of The Committees Constituted By The Board Of Directors
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Annual Report / Fertilizer Sector Review / Review of Year 2017
Specify the section of website where remuneration policy for executive and non-executive directors are presented	Investor Relations / Corporate Governance / Policies / Remuneration Policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Annual Report / Corporate Governance Principles Compliance Report / 5.7. Remuneration of the Board of Directors

Composition of Board Committees-II

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	-	100%	100%	5	5
Corporate Governance Committee	-	67%	33%	3	3
Committee of Early Detection of Risk	-	67%	66%	6	6