

Corporate Governance Rating

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Sector: Household Appliances

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Ratings

Overall Score	8.55	AAA(Trk)/a (Stable)
Shareholders	8.25	AA(Trk)/bbb (Stable)
Public Disclosure & Transparency	8.83	AAA(Trk)/a (Stable)
Stakeholders	8.46	AA(Trk)/bbb (Stable)
Board of Directors	8.61	AAA(Trk)/a (Stable)

Company Profile

Trade Name	İhlas Ev Aletleri İmalat San. Ve Tic. A.Ş.
Address	Merkez Mah.29 Ekim Cad. İhlas Plaza No:11 B/21 Yenibosna Bahçelievler/ İSTANBUL
Chairman	Mr. Sedat KURUCAN
CEO	Mr. Bekir EREN
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Company Overview

İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş. (IHEVA or the Company) was incorporated on December 5, 1975 under the name of Hizmet Gazetecilik ve Matbaacılık Ltd. and began operating under its current title on July 5, 1995. The Company produces cleaning robots, water purification systems, vacuum cleaners and water heaters at the facility covering 14,300 m² within the organized industrial zone of Beylikdüzü. Products are sold on the domestic market through İhlas Pazarlama A.Ş.'s widespread distribution channels and Company carries out sales and marketing activities in Europe, America, Africa and Far East countries, mainly in the Turkic Republics, in 5 continents.

The Investor Relations Unit is responsible for relations with shareholders, general assembly meetings and public disclosure. The Company's shares have been traded on the stock exchange since September 26, 1996 under the code IHEVA and are included in the BIST Metal Goods, Machinery, BIST Istanbul, BIST Industrials, BIST Corporate Governance, BIST All-100, BIST 500, BIST Buyback, BIST Main, BIST All and BIST Participation All indices. As of the first quarter of 2024, 72.35% of its shares are publicly traded on Borsa Istanbul. As of March 31, 2024, the Company's total assets amounted to TRY 1.62 billion, shareholders' equity to TRY 1.15 billion and sales to TRY 630.54 million.

The Company's board of directors consists of 7 members, 2 of whom are executive and 5 of whom are non-executive. 3 of the non-executive members meet the independence criteria. Additionally, Audit, Corporate Governance and Early Detection of Risk Committees have been established within the Board and are chaired by independent board members.

Strengths

- Innovative and technological research and development center and ongoing investments in the digitalization of management processes,
- Comprehensive annual report and transparent website with high level of compliance with the legislation,
- Having three independent members in the board of directors, the majority of whom are non-executive members, and committee chairs consisting of independent members,
- Safe working environment provided to personnel and efforts to improve human resources processes,
- Pioneering practices in environmental protection and participation in various social responsibility projects.

Constraints

- The privilege on the A group shares to determine majority of board members,
- Absence of any clauses in the articles of association that broaden the exercise of minority rights beyond the current legislation,
- Share of women members (14%) on the board not meeting the 25% threshold and the lack of a target policy regarding this,
- Absence of "Directors Liability Insurance" for the members of the board of directors and senior executives,
- Lack of performance evaluation system for the members of the board of directors,
- Lack of disclosure of the per-person remuneration of the top managers and the board members.