

2024 Turkey Spencer Stuart Board Index Highlights

The *Turkey Spencer Stuart Board Index* analyses the board governance practices of companies in the BIST 30 Index.

This 11th edition examines the evolving role of the board, including corporate governance and board composition. Some of the most notable findings are highlighted below.

Diversity

Female representation on BIST 30 boards is largely unchanged in recent years and our data shows that further progress is still needed. The country's Corporate Governance Principles (CPG) mandate Turkish boards to have at least 25% female representation by 2030.

Female representation by role	2023	2024
All board	17%	18%
All non-executive	20%	21%
Chair	8%	8%
NED	24%	24%

- » On average, Turkish boards are composed of younger board members.
- » Koç Holding has the most seasoned board (an average age of 69 years), followed by Türkiye Petrol (61.3 years) and Bim (59.9 years).
- » The ratio of family members on the boards of BIST 30 companies is 16%.



18%

of board members
are women

38%

of companies have a CEO
on the board, compared
with 59% in 2023

97%

Average meeting
attendance

Board composition

- » The average size of BIST 30 boards is 8.3, down from 9.4 in 2023.
- » Board size ranges from eight to 12 directors.
- » Only 38% of companies have a CEO on the board, compared with 59% in 2023.

Board meetings

Generally, BIST 30 boards meet more frequently compared to boards in other European countries, perhaps due to different scope of responsibilities of Turkish boards.

- » After excluding two companies who have met significantly more than the rest of BIST 30 companies, average number of meetings for BIST 30 boards is 16.5, showing a slight increase from an average of 15 meetings last year.
- » 21 companies convened 22 times or fewer; seven companies convened 34 times or more.
- » Average meeting attendance is 97% reportedly.
- » While the Corporate Governance and Risk committees are recommended to meet at a cadence that would fulfill their responsibilities, the Audit committee is required to meet at least once quarterly, therefore at least 4 times annually.

Remuneration

The level of disclosure around the remuneration of board directors in Turkey remains opaque. Details relating to individual remuneration, committee fees and attendance fees are available for around 60% of BIST30 companies. The stated percentage of BIST 30 companies shows the below:

- » The average fee for chairs is TRY 1,291,667 and the average fee for non-executive directors is TRY 1,513,588.
- » With inflationary impact, the average fee for NEDs in Turkey has increased since our 2023 report, from TRY 753,694 to TRY 1,513,588.
- » All fee data in this section refer to gross fees.

Committees

BIST 30 boards have an average of four committees: Audit, Risk, Remuneration and Nomination. The number of committees in BIST 30 companies has not changed since 2019.

Banks have the highest number of committees. For instance, İş Bankası has 11 and Garanti has 9 committees.

- » Audit committees meet 8.3 times (on average).
- » 22% of audit committees are led by female chairs (18.5% decrease from 2023).
- » 50% of nomination committees and 25% of remuneration committees are led by female chairs.
- » Risk management committees met 5.7 times on average (unchanged from 2023).
- » Only 21% of companies in the BIST 30 have a sustainability committee.

Spotlighting the next generation of family business owners

As boards continue to navigate a highly demanding governance agenda, the presence of next generation family members on the board has become a critical area of focus for family-owned businesses. There are many factors to consider, including how to safeguard the family's values, how to ensure decisions are supported by all family members and, crucially, how to go about preparing the next generation for a future operational or active shareholder role.

Family business owners frequently tell us about their concerns that including the next generation in decision-making may lead to arguments and conflicts. But while there are numerous examples of companies that fail due to family disputes, it doesn't have to be this way.

Viewing the next generation as a crucial part of the team and preparing them for future tasks and challenges can make a significant contribution to the long-term performance of the company. This ensures that upcoming challenges can be overcome together and constructively.

At most entrepreneurial families, the focus is on the development of long-term value at the individual, family and company level, as well as shared responsibility in different roles. It is this blended approach which offers the optimal route for family businesses to succeed — both now and in the future.

8.3

Average size of BIST 30 boards

22%

audit committees led by female chairs

23.5

Average number of meetings for a BIST 30 board

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Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 60 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment and many other facets of culture and organizational effectiveness, particularly in the context of the changing stakeholder expectations of business today. For more information on Spencer Stuart, please visit www.spencerstuart.com.

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