



Corporate Governance Compliance Rating Report



Global Yatırım Holding A.Ş.

23 November 2018

Validity Period : 23.11.2018-23.11.2019

LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Global Yatırım Holding Anonim Şirketi A.Ş. is compiled in accordance with the criteria stated in CMB's Corporate Governance Directive, no II-17.1, printed on Official Gazette dated January 3rd 2014, numbered 28871; as well as CMB's board decisions taken at Board meeting dated 01.02.2013, no 4 / 105.

The criteria, established for the companies whose shares are traded at BIST, are organized separately as First Group, Second Group and Third Group companies and investment partnerships, taking into consideration the group distinctions stated by CMB's Corporate Governance Principles in Item 2 - Article 5 of directive no II-17,1 issued on Official Gazette no 28871, dated January 3, 2014.

The Rating Report issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. is based on 53 copies of documents, data and files transmitted by the concerned firm electronically, including data open to general public and examinations made by our rating experts on site.

Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. has formulated its Ethical Rules according to the Banking Act, the CMB and BRSA Directives on the Operations of Rating Companies, generally accepted ethical rules of the IOSCO and OECD including generally accepted ethical customs, which is shared with the public through its Internet website (www.kobirate.com.tr).

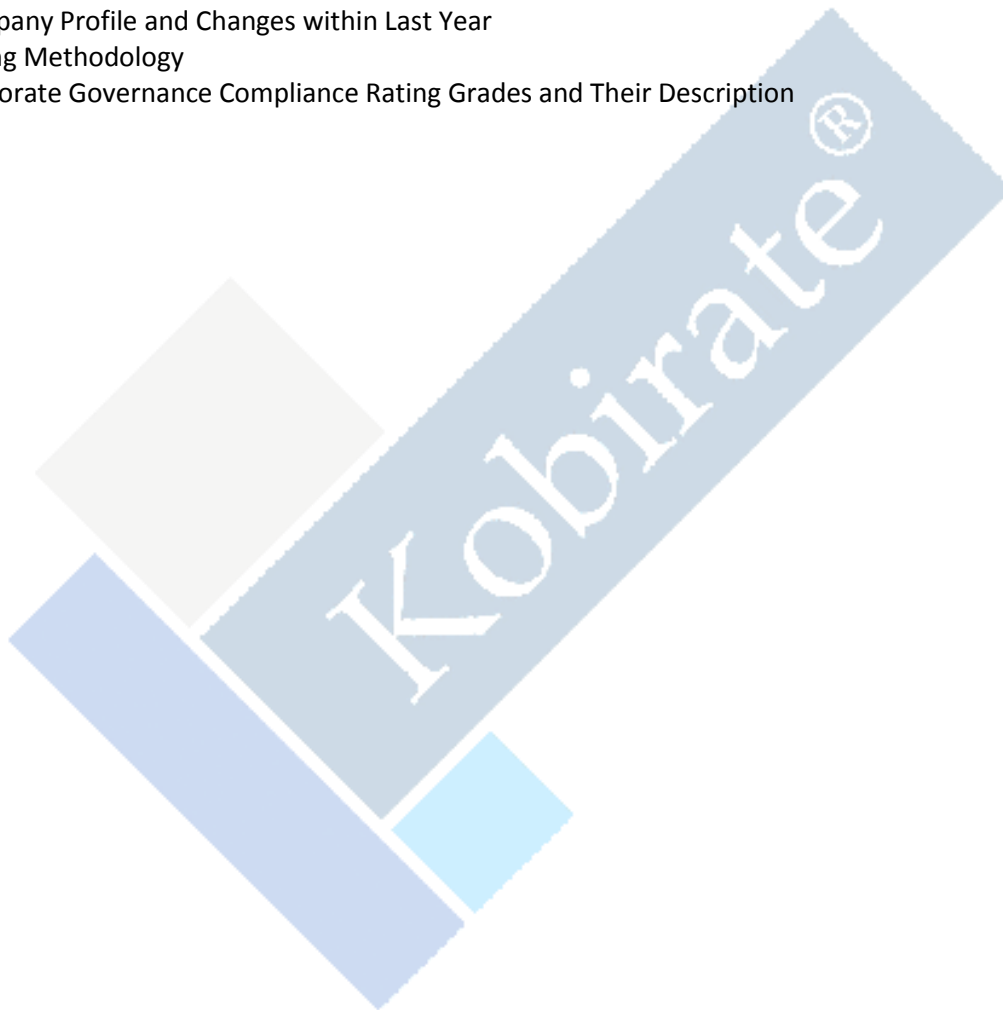
Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. formed accordingly to the methodology disclosed.

The rating grade does not constitute a recommendation to purchase, to hold or to dispose any kind of borrowing instrument. KOBIRATE A.Ş. may not be held liable for any losses incurred or investments made to the company referring to this report.

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GLOBAL YATIRIM HOLDİNG
ANONİM ŞİRKETİ

BIST THIRD GROUP

CMB CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE

9.06

Kobirate A.Ş. Contact :

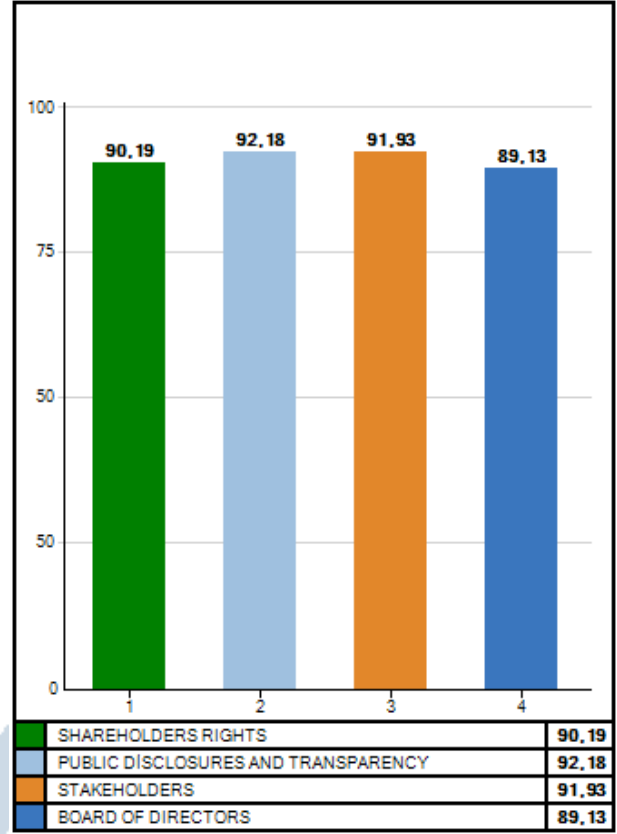
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1. SIXTH PERIOD REVISED RATING RESULT AND REASONS FOR THE GRADE

The process of rating of compliance of **GLOBAL YATIRIM HOLDİNG A.Ş.** with the Corporate Governance Principles is concluded in accordance with the Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Yönetim Hizmetleri A.Ş., through onsite examinations of the documents, interviews held with executives and persons involved, and of other reviews. Rating process has been conducted according to the CMB's Corporate Governance Principles directive no II-17,1 issued on Official Gazette no 28871, dated January 3, 2014.

According to CMB Decision dated 06.01.2017 and numbered 1/23, **GLOBAL YATIRIM HOLDİNG A.Ş.** is on BIST 3rd Group Companies list. The Company has been rated by examination of 399 criteria specified in



Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Yönetim Hizmetleri A.S for "BIST Third Group Companies". At the end of the rating process, which was conducted under the main headings of Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors, revised Corporate Governance Compliance Rating Grade of **GLOBAL YATIRIM HOLDİNG A.Ş.** is determined as **9.06**.

This result signifies that **GLOBAL YATIRIM HOLDİNG A.Ş.** has largely achieved compliance with the CMB's Corporate Governance Principles. Internal control systems have been formed and although they are in need of few improvements, these controls are working. Possible risks for the company have largely been determined and

kept under control. Rights of shareholders are being treated as they should be. Public Disclosure and Transparency activities are at a good level. Rights of stakeholders are being treated fairly. The structure and mode of operation of Board of Directors are in compliance with corporate governance principles. There is need for some improvements in implementation for the sake of compliance with corporate governance principles, although it doesn't pose major risks.

For the section of **Shareholders**, **GLOBAL YATIRIM HOLDİNG A.Ş.**'s grade has been revised as **90.19**.

Information on revision of grade for shareholders section is given at the end of this report under the heading of "v – Other".

Investor Relations Department comprises Investor Relations Director Aslı Gülhan SU ATA (License no: 204010/700378), Investor Relations Analyst İsmail ÖZER (License No: 208800) and Investor Relations Specialist Assistant Onat POLAT.

Director of Investor Relations Department, Aslı Gülhan SU ATA has been appointed as a member of Corporate Governance Committee with Board of Directors decision dated 17.09.2015, as required by CMB Communiqué No II.17-1. The appointment was disclosed with a Public Disclosure Platform statement on 17.09.2015.

As it was at the previous rating, it has been determined that Investor Relations Department carries out its duties as a separate unit, relations with shareholder are conducted in a healthy fashion, preparations and announcements for General Assembly are made correctly and in time, General Assembly results are disclosed to public and there is no ban on voting by proxy.

Company's 2017 activities and revision of Article 6 of Articles of Association were discussed at the Ordinary General Assembly meeting on 27.04.2018. Announcements of

the meeting were made on 23.03.2018. Financial statements, annual report and audit reports were all presented as an information document for the examination of shareholders, 3 weeks before the General Assembly meeting.

It has been determined that the Ordinary General Assembly meeting on 27.04.2018 to discuss 2017 activities took place within the framework of CMB's Corporate Governance principles and other legal regulations.

Investor Relations Department reports its activities to the Board of Directors bi – weekly.

Investor Relations Department answered more than 100 written and oral questions from Shareholders in 2017.

Information on Dividend Distribution can be found at the end of this report under the heading of "ii-Dividend Distribution".

Detailed information on the change in the Articles of Association can be found at the end of this report under the heading of "i- Changes in the Articles of Association".

The Company has achieved the grade of **92.18** in the section of **Public Disclosure and Transparency**.

GLOBAL YATIRIM HOLDİNG A.Ş., carries out its disclosures within the scope of its Disclosure Policies, which were prepared by the Board of Directors, approved by General Assembly and disclosed to public.

Board of Directors has the authority and responsibility to monitor public disclosures and information. Director of Investor Relations Department, Group President for Financial Affairs and Finance and Chief Legal Consultant are also executives charged with implementation of Disclosure Policy.

Corporate website is used efficiently for disclosures to public and the information here is updated regularly.

Although there are some omissions in the annual report, its content provides sufficient information for shareholders.

New arrangements and updates in the corporate website are the reasons for increase in the grade.

The Company has achieved the grade of **91.93** in the section of **Stakeholders**.

The reason for increase in Company's grade for Stakeholders are activities that it re – started for Sustainability ISO 9001 quality.

The Corporate Governance Principles describe the Stakeholders as an individual, organization or interest group as employees, creditors, customers, suppliers, trade unions and various non-governmental organizations having an interest in attainment of company's objectives or in its operations. It has been concluded that the Company respects stakeholders' rights specified in regulations and mutual agreements. The impression is that in case of lack of any regulation, the company protects stakeholders' rights within the scope of goodwill rules and company's reputation. It has been observed that many internal regulations were prepared to this end.

208 training hours were provided for employees in 2017 and 140 hours as of 2018 / 9. It has been learned that training on safety at work and on personal development.

Company's support for Social Responsibility Projects continues. General Assembly approved an upper limit of TRY 3,000,000 for donations in 2018 at its 2017 ordinary meeting on 27.04.2018 and shareholders learned that TRY 673,271 was spent on aid and donations.

GLOBAL YATIRIM HOLDİNG A.Ş.'s grade has risen to the level of **89.13** for the section of **Board of Directors**.

The reason for this increase was the fact that "Woman Member of Board Policy" has been

prepared and put into action after approval of the Board of Directors.

By the strategic decisions it takes, the Board manages and represents the company keeping the risk, growth and return balance with paying attention to company's long term interest in particular under a reasonable and prudent risk management approach. It is our impression that Board of Directors has a leading role in keeping communication channels open between the Company and shareholders and in solving possible disagreements.

Structure of Board of Directors is in compliance with principles. Board of Directors has 7 (seven) members. 3 (three) of them are executive and 4 (four) of them are non – executive members. 2 (two) of the non - executive members are independent. Board of Directors convenes frequent enough to implement its duties efficiently. It held 37 (thirty seven) meetings in 2017 and 21 (twenty one) in 2018 as of end of September. Committees formed under the Board of Directors also convene. In 2017, Corporate Governance Committee held 4 (four), Audit Committee 4 (four) and Early Detection of Risk Committee 6 (six) meetings. In 2018, as of end of September, Corporate Governance Committee held 3 (three), Audit Committee 3 (three) and Early Detection of Risk Committee 4 (four) meetings.

Most important activity of the Company within the period of rating in terms of corporate governance policies was to prepare "Woman Member of Board Target Policy". The policy was approved unanimously by the members of Board of Directors at its meeting dated 26.01.2018, No 956 and put into action.

With this policy the Company targets to have 25 % rate for woman Board members within five years and to review progress on this subject and report it annually.

Information about the establishment of committees can be found on page 8, in the Company Profile Section.

2. COMPANY PROFILE AND CHANGES WITHIN LAST YEAR

a. Company Profile



Company Name	: Global Yatırım Holding Anonim Şirketi
Company Address	: Rihtım Caddesi No: 51 Karaköy 34425 İSTANBUL
Company Phone	: (0212) 2446000
Company Facsimile	: (0212) 2446161
Company Website	: www.globalyatirim.com.tr
Date of Incorporation	: 01/06/1990
Registered Number	: İstanbul 265814
Paid in Capital	: 325,888,493.93 TL
Line of Business	: Investment Holding
Company's Sector	: Port management, energy, real estate, non - banking financial services

Company's Representatives in Charge of Rating:

Aslı Gülhan SU ATA

Investor Relations Director

İsmail ÖZER

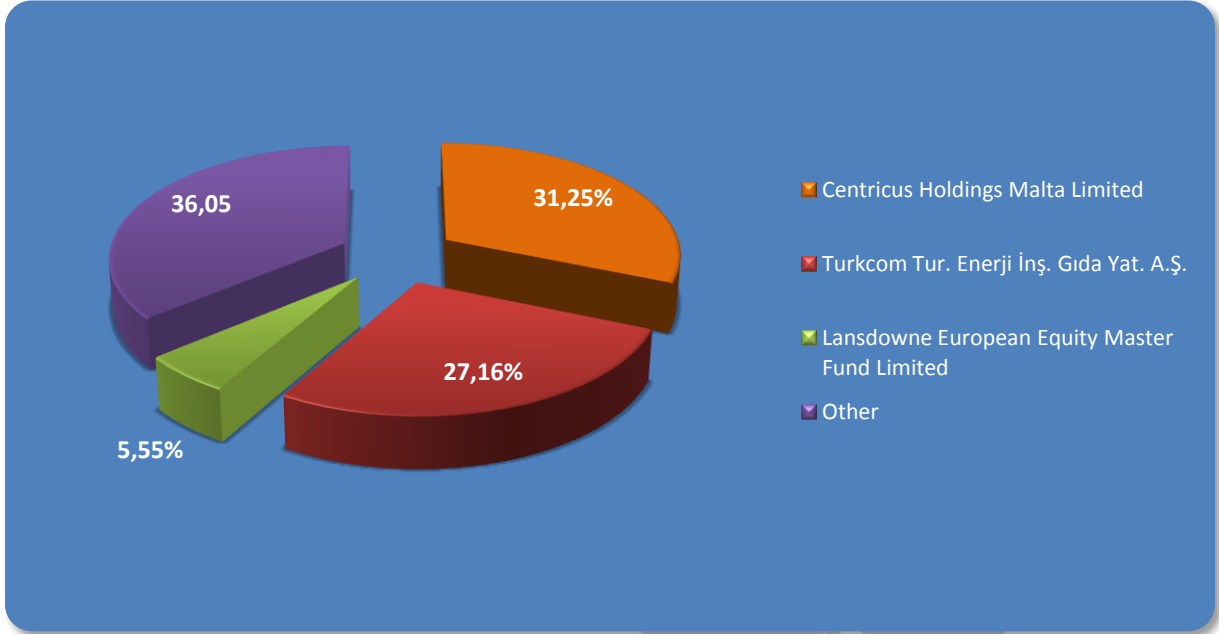
Investor Relations, Analyst

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(0212) 2446000

Real and Corporate Persons with 5 % or more Direct Shares in the Capital or with Voting Rights

(As of 09.11.2018)



Source: www.kap.gov.tr

Shareholder Name	Share (TL)	%
Centricus Holdings Malta Limited	101.826.967,00	31,25
Turkcom Tur. Enerji İnş. Gıda Yat. A.Ş.	88.500.000,00	27,16
Lansdowne European Equity Master Fund Limited	18.082.612,93	5,55
Other	117.478.612,93	36,05
Total	325.888.409,93	100,00

Source: www.kap.gov.tr

Board of Directors

Name/ Surname	Title	Executive/ Non - Executive
Mehmet KUTMAN	Chairman of Board of Directors	EXECUTIVE
Erol GÖKER	Deputy Chairman of Board of Directors	EXECUTIVE
Ayşegül BENSEL	Member of Board of Directors	NON - EXECUTIVE
Serdar KIRMAZ	Member of Board of Directors	EXECUTIVE
Dalınç ARIBURNU	Member of Board of Directors	NON - EXECUTIVE
Shahrokh BADIE	Independent Member of Board of Directors	NON - EXECUTIVE
Oğuz SATICI	Independent Member of Board of Directors	NON - EXECUTIVE

Top Management

Name/ Surname	Title
Mehmet KUTMAN	Chairman of Board/ General Manager
Serdar KIRMAZ	Member of Board
Mehmet Kerem ESER	Financial Affairs and Finance Group President
Uğur AYDIN	Chief Legal Counselor
Çağrı KUTLU	Treasury Director
Aslı Gülhan SU ATA	Investor Relations Director
Murat ENGİN	IT Director
Göknül AKÇA	HR Director
Mehmet Ali DENİZ	Strategic Planning, M&A Director

COMMITTEES FORMED WITHIN BOARD OF DIRECTORS

AUDIT COMMITTEE

Member Name/ Surname	Title
Oğuz SATICI	Chairman / Independent Board Member
Shahrokh BADIE	Member / Independent Board Member

CORPORATE GOVERNANCE COMMITTEE

Member Name/ Surname	Title
Oğuz SATICI	Chairman / Independent Board Member
Ayşegül BENSEL	Member / Board Member
Serdar KIRMAZ	Member / Board Member
Adnan NAS	Member / Board Advisor
Aslı Gülhan SU ATA	Member / IRD Director

EARLY DETECTION OF RISK COMMITTEE

Member Name/ Surname	Title
Oğuz SATICI	Chairman / Independent Board Member
Ercan Nuri ERGÜL	Member
Ayşegül BENSER	Member / Member of Board
Serdar KIRMAZ	Member / Member of Board
Adnan NAS	Member / Board Advisor

Investor Relations Department

Name Surname	Title	Contact info
Aslı Gülhan SU ATA	Investor Relations Director	0212 244 60 00 investor@global.com.tr
İsmail ÖZER	Investor Relations Analyst	0212 244 60 00 investor@global.com.tr
Onat POLAT	Corporate Governance Specialist Assistant	0212 244 60 00 investor@global.com.tr

Balance-Sheet Comparison of Company's Certain Selected Items

	2017/12(000)	2018/09(000)	Change %
Total Assets	4.371.036	6.509.415	48,92
Short Term Liabilities	729.493	1.413.057	93,70
Long Term Liabilities	2.046.748	3.219.444	52,90
Paid in Capital	325.888	325.888	-
Equity	1.594.795	1.876.915	17,69

Source: Global Yatırım Holding A.Ş. and subsidiaries 30.09.2018 9 Months Midterm Annual Report

Comparison of Profit / Loss Statement of Company's Certain Selected Items of 3rd Q of last two years

	2017/09(000)	2018/09(000)	Change %
Net Sales	589.393	774.875	31,47
Before Finance Income/(Expense)	(31.992)	108.492	339,12
Operational Profit/Loss	(31.992)	108.492	339,12
Operations Before Tax Profit/(Loss)	(173.522)	(131.181)	24,40
Net Period Profit/(Loss) *	(159.107)	(86.179)	46,42
EBITDA	207.971	349.444	68,02

Source: Global Yatırım Holding A.Ş. and subsidiaries 30.09.2018 9 Months Midterm Annual Report

*Shows profit / loss figures for Main Partnership

Company Investments with Subsidiaries and Equity

Subsidiaries	Line of Business	Company's Share in the Capital (%)	Nature of Relationship with the Company
Global Liman İşletmeleri A.Ş.	Port Investments	63,11	Affiliated Company
Ege Liman İşletmeleri A.Ş.	Port Management	45,76	Affiliated Company
Bodrum Yolcu Limanı İşletmeleri A.Ş.	Port Management	37,87	Affiliated Company
Ortadoğu Antalya Liman İşletmeleri A.Ş.	Port Management	63,11	Affiliated Company
Port of Adria JSC-Bar (Bar Limanı)	Port Management	40,25	Affiliated Company
Cruceros Malaga, SA ("Malaga Port")	Port Management	31,30	Affiliated Company
Global Ports Holding B.V.	Port Investments	100,00	Affiliated Company
Global Ports Holding Plc	Port Investments	63,11	Affiliated Company
Global Ports Europe B.V ("Global BV")	Port Investments	63,11	Affiliated Company
Global Ports Melita Ltd.	Port Investments	63,11	Affiliated Company
Perquisite Holdings Ltd. ("Perquisite")	Port Investments	63,11	Affiliated Company
Valetta Cruise Port PLC ("VCP")	Port Management	35,09	Affiliated Company
Creuers del Port de Barcelona, S.A. ("Creuers")	Port Management	39,13	Affiliated Company
Barcelona Port Investments, S.L ("BPI")	Port Investments	39,13	Affiliated Company
Port Operation Holding S.r.l	Port Investments	63,11	Affiliated Company
Ravenna Terminal Passeggeri S.r.l.	Port Management	33,87	Affiliated Company
Cagliari Cruise Port S.r.l.	Port Management	44,74	Affiliated Company
Catania Terminali Passeggeri S.r.l.	Port Management	39,26	Affiliated Company
Global Ports Netherlands B.V.	Port Investments	63,11	Affiliated Company

<u>Subsidiaries</u>	<u>Line of Business</u>	<u>Company's Share in the Capital (%)</u>	<u>Nature of Relationship with the Company</u>
Zadar International Ports Operations d.o.o.	Port Management	63,11	Affiliated Company
Global Depolama A.Ş.	Warehousing	63,11	Affiliated Company
Consus Enerji İşletmeciliği ve Hizmetleri A.Ş.	Energy Investments	100,00	Affiliated Company
Tres Enerji Hizmetleri Sanayi ve Ticaret A.Ş.	Energy Production	93,75	Affiliated Company
Mavibayrak Enerji Üretim A.Ş.	Electricity Production	100,00	Affiliated Company
Mavibayrak Doğu Enerji Üretim A.Ş.	Electricity Production	100,00	Affiliated Company
Doğal Enerji Hizmetleri San. Ve Tic. A.Ş.	Electricity Production	100,00	Affiliated Company
Consus Energy Europe BV	Energy Investments	100,00	Affiliated Company
Glowell Energy LTD.	Energy Investments	95,00	Affiliated Company
Glerih Energy LTD.	Energy Investments	95,00	Affiliated Company
Global Africa Power Investments	Energy Investments	100,00	Affiliated Company
Glowi Energy Investments Limited	Energy Investments	100,00	Affiliated Company
Glozania Energy Investments Limited	Energy Investments	100,00	Affiliated Company
Barsolar D.O.O.	Energy Production	51,00	Affiliated Company
Evergas Doğalgaz İthalat ve Tic. A.Ş.	Natural Gas Sales	100,00	Affiliated Company
Doğaldan Enerji Ürt. A.Ş.	Electricity Production	100,00	Affiliated Company
Ra Güneş Enerjisi Üretim San. ve Tic. A.Ş.	Electricity Production	100,00	Affiliated Company
Biyotek Enerji Üretim A.Ş.	Energy Investments	100,00	Affiliated Company
Naturelgaz Sanayi ve Tic. A.Ş.	LNG Sales	93,73	Affiliated Company
Straton Maden Yatırımları ve İşletmeciliği A.Ş.	Mining	97,69	Affiliated Company
Tenera Enerji Tic. A.Ş.	Electricity and Natural Gas Trade	100,00	Affiliated Company
Edusa 1 Enerji Sanayi ve Tic. A.Ş.	Energy Production	100,00	Affiliated Company
KNY Enerji Üretim A.Ş.	Energy Production	100,00	Affiliated Company
Edusa Atık Bertaraf Geri Kazanım ve Depolama San. ve Tic. A.Ş.	Energy Production	100,00	Affiliated Company
Geliş Madencilik Enerji İnşaat Ticaret A.Ş.	Mining	85,00	Affiliated Company
Dağören Enerji A.Ş.	Electricity Production	70,00	Affiliated Company
Ardus Gayrimenkul Yatırımları A.Ş.	Property Investments	100,00	Affiliated Company
Global Ticari Emlak Yatırımları A.Ş.	Property Investments	100,00	Affiliated Company
Pera Gayrimenkul Yatırım Ortaklığı A.Ş.	Property Investments	49,99	Affiliated Company
Global Menkul Değerler A.Ş.	Intermediary Service	77,43	Affiliated Company
Global MD Portföy Yönetimi A.Ş.	Portfolio Management	77,43	Affiliated Company
Actus Portföy Yönetimi A.Ş.	Portfolio Management	90,10	Affiliated Company
Global Sigorta Aracılık Hizmetleri A.Ş.	Insurance Dealership	100,00	Affiliated Company
Ege Global Madencilik San. ve Tic. A.Ş.	Mining Investment	84,99	Affiliated Company
Salıpazarı İnşaat Taahhüt Bina Yönetim ve Servis Hizmetleri Sanayi ve Ticaret A.Ş.	Construction Investments	100,00	Affiliated Company
Güney Madencilik İşletmeleri A.Ş.	Mining	100,00	Affiliated Company
Neptune Denizcilik Yatırımları ve İşletmeciliği A.Ş.	Marine Investments and Management	100,00	Affiliated Company
Tora Yayıncılık A.Ş.	Publishing	100,00	Affiliated Company

<u>Subsidiaries</u>	<u>Line of Business</u>	<u>Company's Share in the Capital (%)</u>	<u>Nature of Relationship with the Company</u>
Global Enerji Hizmetleri ve İşletmeciliği A.Ş.	Electricity Production	100,00	Affiliated Company
Sem Yayıncılık A.Ş.	Publishing	65,00	Affiliated Company
Maya Turizm Ltd.	Tourism Investments	75,00	Affiliated Company
Galata Enerji Üretim San. ve Tic. A.Ş.	Electricity Production	85,00	Affiliated Company
Randa Denizcilik San. ve Tic. Ltd. Şti.	Marine Vehicles & Equipment Trade	60,60	Affiliated Company
Adonia Shipping Limited	Ship Management	100,00	Affiliated Company
Global Gemicilik ve Nakliyat Hizmetleri A.Ş.	Marine Investments and Management	98,00	Affiliated Company
Vinte Nova	Financial Investments	100,00	Affiliated Company
Global Financial Products Ltd.	Financial Investments	100,00	Affiliated Company
Vespa Enterprises (Malta) Ltd.	Tourism Investments	99,93	Affiliated Company
Aristaeus Limited	Financial Investments	100,00	Affiliated Company
Sümerpark Gıda İşletmeciliği A.Ş.	Food Management	100,00	Affiliated Company
Rainbow Tech Ventures Limited	Financial Investments	100,00	Affiliated Company
Lisbon Cruise Terminals ("Lizbon Port")	Port Management	29,16	I.V.E.M*
Singapur Limanı	Port Management	15,65	I.V.E.M*
Venezia Investimenti SRL	Port Management	15,78	I.V.E.M*
La Spezia Cruise Facility S.c.a.r.l	Port Management	17,99	I.V.E.M*
Axel Corporation Grupo Hotelero, S.L.	Tourism Investments	15,00	I.V.E.M*
IEG Kurumsal Finansman Danışmanlık A.Ş. (IEG)	Corporate Fin. Consultancy	38,72	I.V.E.M*

Source: Global Yatırım Holding A.Ş. Investor Relations Department

* Investments Valued with Equity Method

The Bottom and Peak Closing Values of Company's Shares traded on the BIST between 15.11.2017 and 15.11.2018

<i>Bottom</i>	<i>Peak</i>
2,46 (30.10.2018)	5,01 (29.01.2018)

Source: Global Yatırım Holding A.Ş. Investor Relations Department & Thomson Reuters Eikon

The Market Where the Capital Market Instrument is Traded and the Indexes that the Company is Included

BIST FINANCIAL / BIST İstanbul / BIST ALL / BIST CORPORATE GOVERNANCE / BIST HOLDİNG AND INVESTMENT / BIST 100-30 / BIST 50 / BIST SUSTAINABILITY INDEX / BIST 100 / BIST STAR

Source: www.kap.gov.tr

b. Changes within Last Year:

i. Changes in the Articles of Association

Following approvals of CMB and Ministry of Customs and Trade, Board of Directors decision on revision of Article 6 of Articles of Association was accepted unanimously at the 2017 Ordinary General Assembly meeting on 27.04.2018 and revision has been made.

Revised article:

PREVIOUS TEXT	NEW TEXT																																				
<p>CAPITAL AND TYPE OF SHARES</p> <p>Article 6- The Company has accepted the registered capital system as per the provisions of Capital Market legislation and entered in this system with the permission of the Capital Market Board dated 30.04.1998 and no 23/413</p> <p>The upper limit of the registered capital of the Company is 650.000.000,-TRY (sixhundredfiftymillionTRY) and, is divided into 65.000.000.000 shares each of which has 1 Kr (oneKr) nominal value. All of the shares are nominative.</p> <p>The permission of the upper limit of the registered capital given by the Capital Market Board is valid for the years of 2013-2017 (5 years). Even the permitted upper limit of the registered capital has not been reached at the end of 2017, in order for the Board of Directors to take decision on increasing the capital, it is obligatory to receive authorization for a new duration in the meeting of the board of directors to be held by receiving the permission from the Capital Market Board for a previously permitted upper limit or a new upper limit amount. The duration of this authorization can be prolonged as 5 years of terms with the decision of the board of directors. In case the mentioned authorization has not been received, the Company cannot increase the capital with the decision of the board of directors.</p> <p>The capital of the Company is 325,888,409.93 TL (threehundredtwentyfivemillioneighthundredeightyeighththousandfourhundredninenpointnintythree Turkish Liras) and the shares representing this capital is grouped as follows.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Group</th> <th style="text-align: right;">Number</th> <th style="text-align: right;">Amount (Kr)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td style="text-align: right;">20</td> <td style="text-align: right;">20</td> </tr> <tr> <td>D</td> <td style="text-align: right;">1.000.000</td> <td style="text-align: right;">1.000.000</td> </tr> <tr> <td>E</td> <td style="text-align: right;">1.500.000</td> <td style="text-align: right;">1.500.000</td> </tr> <tr> <td>C</td> <td style="text-align: right;">32.586.340.973</td> <td style="text-align: right;">32.586.340.973</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">32.588.840.993</td> <td style="text-align: right;">32.588.840.993</td> </tr> </tbody> </table> <p>The Company's capital of 325,888,409.93 TL (threehundredtwentyfivemillioneighthundredeightyeighththousandfourhundredninenpointnintythree Turkish Liras) has been paid in cash and in full as free of collusion.</p>	Group	Number	Amount (Kr)	A	20	20	D	1.000.000	1.000.000	E	1.500.000	1.500.000	C	32.586.340.973	32.586.340.973	Total	32.588.840.993	32.588.840.993	<p>CAPITAL AND TYPE OF SHARES</p> <p>Article 6- The Company has accepted the registered capital system as per the provisions of Capital Market legislation and entered in this system with the permission of the Capital Market Board dated 30.04.1998 and no 23/413</p> <p>The upper limit of the registered capital of the Company is 650.000.000,-TRY (sixhundredfiftymillionTRY) and, is divided into 65.000.000.000 shares each of which has 1 Kr (oneKr) nominal value. All of the shares are nominative.</p> <p>The permission of the upper limit of the registered capital given by the Capital Market Board is valid for the years of 2018-2022 (5 years). Even the permitted upper limit of the registered capital has not been reached at the end of 2022, in order for the Board of Directors to take decision on increasing the capital after 2022, it is obligatory to receive authorization for a new duration in the meeting of the board of directors to be held by receiving the permission from the Capital Market Board for a previously permitted upper limit or a new upper limit amount. The duration of this authorization can be prolonged as 5 years of terms with the decision of the board of directors. In case the mentioned authorization has not been received, the Company cannot increase the capital with the decision of the board of directors.</p> <p>The capital of the Company is 325,888,409.93 TL (threehundredtwentyfivemillioneighthundredeightyeighththousandfourhundredninenpointnintythree Turkish Liras) and the shares representing this capital is grouped as follows.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Group</th> <th style="text-align: right;">Number</th> <th style="text-align: right;">Amount (Kr)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td style="text-align: right;">20</td> <td style="text-align: right;">20</td> </tr> <tr> <td>D</td> <td style="text-align: right;">1.000.000</td> <td style="text-align: right;">1.000.000</td> </tr> <tr> <td>E</td> <td style="text-align: right;">1.500.000</td> <td style="text-align: right;">1.500.000</td> </tr> <tr> <td>C</td> <td style="text-align: right;">32.586.340.973</td> <td style="text-align: right;">32.586.340.973</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">32.588.840.993</td> <td style="text-align: right;">32.588.840.993</td> </tr> </tbody> </table> <p>The Company's capital of 325,888,409.93 TL (threehundredtwentyfivemillioneighthundredeightyeighththousandfourhundredninenpointnintythree Turkish Liras) has been paid in cash and in full as free of collusion.</p>	Group	Number	Amount (Kr)	A	20	20	D	1.000.000	1.000.000	E	1.500.000	1.500.000	C	32.586.340.973	32.586.340.973	Total	32.588.840.993	32.588.840.993
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<p>(A), (D) and (E) group shares have privilege and (C) group shares have no privilege. The privileges of the privileged shares shall be stated in the related parts of the Prime Contract.</p> <p>No share with new privileges including current privileges or providing different privileges can be issued.</p> <p>Each Share has one vote.</p> <p>Nominative shares can be transferred via endorsement and transfer of possession. The Board of Directors cannot abstain from approving the transfer of the shares including the transferred shares as a result of the transactions implemented in the stock exchange and register in share ledger. In case of the transfer of (A) group shares, all the privileges owned by these shares shall terminate.</p> <p>For the foreign partners in the capital, the permission document has been drafted by the Republic of Turkey Prime Ministry State Planning Organization Department of Foreign Currency dated 13.8.1991 and no 30/1388.</p>	<p>(A), (D) and (E) group shares have privilege and (C) group shares have no privilege. The privileges of the privileged shares shall be stated in the related parts of the Prime Contract.</p> <p>No share with new privileges including current privileges or providing different privileges can be issued.</p> <p>Each Share has one vote.</p> <p>Nominative shares can be transferred via endorsement and transfer of possession. The Board of Directors cannot abstain from approving the transfer of the shares including the transferred shares as a result of the transactions implemented in the stock exchange and register in share ledger. In case of the transfer of (A) group shares, all the privileges owned by these shares shall terminate.</p> <p>For the foreign partners in the capital, the permission document has been drafted by the Republic of Turkey Prime Ministry State Planning Organization Department of Foreign Currency dated 13.8.1991 and no 30/1388.</p>
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ii. Dividend Distribution

At the 2017 Ordinary General Assembly Meeting on 28.04.2017, the Assembly was informed that although solo / legal financial statements – prepared in accordance with Tax Method Law and Turkish Commercial Code - about the year ending 31.12.2017 showed a net period profit of TRY 176,358,874.63 there would be no distribution of dividend due to the fact that consolidated financial statements – prepared in compliance with CMB regulations – showed a period loss of TRY 329,154,218.

iii. Policies and Internal Regulations

Most important activity of the Company within the period of rating in terms of corporate governance policies was to prepare “Woman Member of Board Target Policy”. The policy was approved unanimously by the members of Board of Directors at its meeting dated 26.01.2018, No 956 and put into action.

With this policy the Company targets to have 25 % rate for woman Board members within five years and to review progress on this subject and report it annually.

There have been no updates in other policies, prepared by the Company in compliance with Corporate Governance Principles, within the period of rating.

iv. Management and Organization

At the 2017 Ordinary General Assembly Meeting on 27.04.2018, Previous Board Members s Mehmet KUTMAN, Erol GÖKER, Ayşegül BENSEL, Serdar KIRMAZ, Adnan NAS and Oğuz SATICI were re – elected, while Dalınç ARIBURNU and Shahrokh BADIE were elected as board members for the first time. In compliance with Corporate Governance Regulations, Shahrokh BADIE and Oğuz SATICI will serve in the Board of Directors as Independent members.

v. Other

In a memo sent to the Company on 31.10.2017 by CMB, it was declared that the Company needs to prepare a defensive argument for activities of Pera Gayrimenkul Yatırım A.Ş. in the share market on 03.02.2015 and 05.02.2015, within 30 days, as these transactions violate the Communiqué on Market Disruptive Activities and if it fails to do so it would mean that the Company would give up its right to provide defensive argument in this case.

Company's written defense was sent to CMB on 05.12.2017.

According to CMB memo dated 19.03.2018, after the examination of Company's defense, it was decided to fine the Company for TRY 24,672 - minimum amount for administrative fines determined for 2015 – for transactions made on 03.02.205 and 05.02.2015.

At its meeting dated 01.03.2018, the Board of Directors decided to establish an Investment Committee to evaluate all projects (USD 1,000,000 or over) within the Group and to present those projects, which are deemed positive, to the Board of Directors for final approval. Working principles of the Investment Committee were also approved at the same meeting. Ercan Nuri ERGÜL, Dalınç ARIBURNU, Shahrokh BADIE, Feyzullah Tahsin BENSEL and Mehmet Kerem ESER have been elected as members of the Investment Committee.

3. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system which audits whether or not the firm's management structures and management styles, the arrangements for shareholders and stakeholders and the process of informing in transparency and accuracy are performed in accordance with the modern corporate governance principles and which assigns a grade corresponding to the existing situation.

Organization for Economic Co-operation and Development (OECD) established a working group in 1998 in order to assess member countries' opinions on corporate governance and to prepare some non – binding principles.

The fact that principles are open to change in time was also accepted at this work. Although at first these principles were focused on the companies whose shares were quoted in stock exchange, it was emphasized by OECD that it would be also useful to implement these principles in public enterprises and companies whose shares were not quoted in stock exchange.

In 1999, OECD Corporate Governance Principles were approved at the OECD Meeting of Ministers and published. Since then, these principles have been regarded as international references for the decision – makers, investors, shareholders, companies and stakeholders throughout the world.

Since their approval, these principles kept the concept of corporate governance on the agenda and became guidelines for the laws and regulations in OECD members, as well as other countries.

There are four basic principles of corporate governance in OECD Corporate Governance Principles. These are: fairness, transparency, accountability and responsibility.

Turkey has been closely monitoring these developments. A working group, established within TUSIAD in 2001, prepared the guide,

titled, "Corporate governance: The best implementation code". Then CMB issued "Capital Market Board Corporate Governance Principles" in 2003 and updated it in 2005, 2010, 2012, 2013 and 2014, according to international developments in this field.

Obligation to comply with CMB's Corporate Governance Principles, based on the principle of "implement or disclose", and to declare it became part of companies' lives in 2004. Putting the Declaration of Compliance to Corporate Governance in the annual reports became obligatory the following year.

The principles are grouped under four main headings namely: the Shareholders, Public Disclosure and Transparency, Stakeholders and the Board of Directors.

The Corporate Governance Compliance Rating Methodology has been prepared by Kobirate A.Ş. for companies whose shares are traded on BIST, banks, investment partnerships and non – quoted companies.

The methodology takes into consideration the criteria stated in CMB's Corporate Governance Directive, no II-17.1, dated January 3rd 2014; as well as CMB's board decisions taken at Board meeting dated 01.02.2013, no 4 / 105.

In this analysis, the full compliance of work flow and analysis technique with Kobirate A.Ş.'s Ethical Rules is considered.

In the process of rating, **399** different criteria are considered to measure the compliance of BIST third group firms with the corporate governance principles.

Such criteria are translated into the Kobirate A.S.'s unique Corporate Governance Rating Questionnaire.

According to CMB's memorandum dated 12.04.2013 and numbered 36231672-410.99 (KBRT)-267/3854, the following rates are

applied in the new Corporate Governance Compliance Rating:

unsatisfactory compliance with CMB's Corporate Governance Principles in the existing structure.

Shareholders 25 %

Public Disclosure and Transparency 25 %

Stakeholders 15 %

Board of Directors 35 %

CMB has sent its notification dated 19.07.2013 and numbered 36231672-410.99 (KBRT) 452, on CMB decision dated 01.02.2013 and numbered 4/105 to our company, which required adding new questions into the methodology in order to ensure that good corporate governance principles, which go beyond meeting the minimum requirements of CMB issued good corporate governance principles – bringing 85 % of full points at most – will be included in the rating grade.

The 2014/2 revised corporate governance compliance rating methodology, created by our company, is restricted if the minimum conditions of corporate governance principles – declared in CMB notification of Corporate Governance dated 03.01.2014 – are met and all criteria is evaluated within same category. In this case all criteria are restricted to 85 % of the full points that the related criterion would get in that subsection. As the company applies and internalizes the criteria stated in corporate governance principles and our company finds out other good corporate governance criteria complied and practiced by the company; our rating system completes the section ratings to 100.

The grade to be assigned by the Corporate Governance Rating Committee to the firm ranges between 0-10. In this scale of grade, "10" points mean excellent, full compliance with CMB's Corporate Governance Principles while grade "0" means that there is

4. KOBİRATE ULUSLARARASI KREDİ DERECELENDİRME VE KURUMSAL YÖNETİM HİZMETLERİ
A. Ş. CORPORATE GOVERNANCE RATING GRADES AND DESCRIPTIONS

GRADE	DEFINITIONS
9–10	<p>The Company achieved a substantial compliance with to the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the Company might be exposed are recognized and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency are high. Interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the BIST corporate governance index.</p>
7–8,9	<p>The Company complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place, and operational, although some improvements are required. Potential risks, which the Company may be exposed are identified and can be managed. Benefits of the shareholders are fairly taken care of. Public Disclosure and transparency are at high levels. Interests of the stakeholders are equitably considered. Composition and operational conditions of the Board comply with the Corporate Governance Principles. Some improvements are needed in compliance with the Corporate Governance Principles even though they do not constitute serious risks. The company is eligible for inclusion in the BIST Corporate Governance Index.</p>
6–6,9	<p>The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at moderate level have been established and operated, however, improvement is required. Potential risks that the Company may be exposed are identified and can be managed. The interests of the shareholders are taken care of although improvement is needed. Although public disclosure and transparency are taken care of, there is need for improvement. Benefits of the stakeholders are taken care of but improvement is needed. Some improvement is required in the structure and working conditions of the Board. Under these conditions, the Company is not eligible for inclusion in the BIST Corporate Governance Index.</p>

GRADE	DEFINITIONS
4–5,9	<p>The Company has minimum compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level, but are not full and efficient. Potential risks that the company is exposed to are not properly identified and are not under control. Substantial improvements are required to comply with the Corporate Governance Principles in terms of the benefits of both the shareholders and stakeholders, public disclosure, transparency, the structure and working conditions of the Board. Under the current conditions, the Company is not eligible to be listed in the BIST Corporate Governance Index.</p>
< 4	<p>The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also failed to establish its internal control systems. Potential risks that the company might be exposed are not identified and cannot be managed. The company is not responsive to the Corporate Governance Principles at all levels. There are major weaknesses in the interest of the shareholders and the stakeholders, public disclosure, transparency. Structure and working conditions of the Board appear to be at a level that might cause the investor to incur material losses.</p>