



## ***Corporate Governance Compliance Rating Report***



***Global Yatırım Holding A.Ş.***

26 November 2014

Validity Period : 26.11.2014-26.11.2015

## LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. (Kobirate A.Ş.) for Global Yatırım Holding A.Ş. is compiled;

in accordance with the criteria stated in CMB's Corporate Governance Directive, no II-17.1, published in the Official Gazette edition 28871 on 03.01.2014; as well as the CMB's board decision taken at the Board meeting on 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 A.Ş. is based on 67 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 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](http://www.kobirate.com.tr)).

Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate 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.

© All rights in this report belong to Kobirate A.Ş. This report cannot be printed in writing and electronically, reproduced and distributed without our permission.

## TABLE OF CONTENTS

1. Rating Result and Summary of Rating Process	3
2. Rating Methodology	5
3. Company Profile	7
4. Sections of Rating Process	
A. Shareholders	13
a. Facilitating the Exercise of Shareholders Rights	13
b. Right to Obtain Information and to Examine	14
c. General Assembly	14
d. Voting Right	15
e. Minority Rights	16
f. Dividend Right	16
g. Transfer of Shares	16
B. Public Disclosure and Transparency	17
a. Corporate Website	18
b. Annual Report	18
C. Stakeholders	20
a. Corporation's Policy on Stakeholders	20
b. Supporting the Participation of the Stakeholders' in Corporation's Management	21
c. Human Resources Policy of the Corporation	21
d. Relations with Customers and Suppliers	21
e. Ethical Rules and Social Responsibility	22
D. Board of Directors	23
a. Function of the Board of Directors	23
b. Principles of Activity of the Board of Directors	24
c. Structure of the Board of Directors	24
d. Procedure of Board of Directors Meetings	25
e. Committees Formed within the Structure of the Board of Directors	25
f. Financial Rights Provided for Members of the Board of Directors and Executives	27
5. Corporate Governance Compliance Grades and Descriptions	28

GLOBAL YATIRIM HOLDİNG A.Ş.

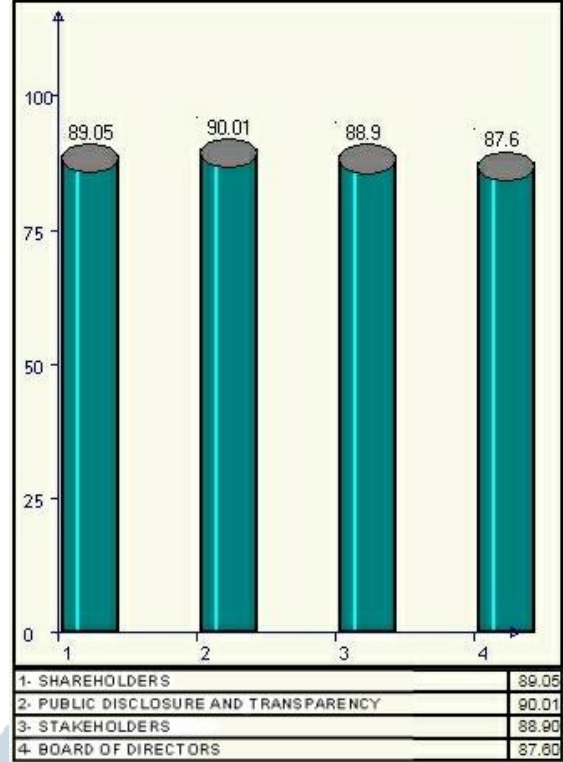
CMB CORPORATE GOVERNANCE  
PRINCIPLES COMPLIANCE GRADE

**8.88**

Kobirate A.Ş. Contact :

Serap ÇEMBERTAŞ (216) 3305620 Pbx  
[serapcembertas@kobirate.com.tr](mailto:serapcembertas@kobirate.com.tr)

[www.kobirate.com.tr](http://www.kobirate.com.tr)



#### RATING SUMMARY

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, according to the CMB's Corporate Governance Principles directive no II-17,1 issued on Official Gazette no 28871, dated January 3, 2014.

At the end of examination of 399 criteria under the main headings of Shareholders, Public Disclosure and Transparency, the Stakeholders and the Board of Directors as specified in the CMB's Corporate Governance Principles and the methodology of Kobirate

A.Ş., developed for "Third Group Companies of the BIST, the Corporate Governance Compliance Rating Grade of **GLOBAL YATIRIM HOLDİNG A.Ş. (GYH)** is determined as **8.88**. This result signifies that the company has achieved a considerable compliance with the CMB's Corporate Governance Principles; the result also expresses a need for some improvements corporate governance practices while it doesn't pose major risks. The company deserves to continue to be included in the BIST Corporate Governance Index.

Since 2011 **GYH** has been receiving rating services for compliance with Corporate Governance Principles and working to ensure that company practices are in compliance with principles at the best level.

In view of rating process under main headings in brief;

It is observed that **GYH** has obtained a grade of **89.05** in respect to Shareholders' Section.

It is confirmed that the company has achieved a general compliance with the CMB Corporate Governance Principles. The existence of Investors Relation Department that keeps healthy relations with shareholders, timely and duly convention of general assemblies and their proper invitations, establishment of a dividend policy and its disclosure to public, non existence of restrictions on transfer of shares are salient positive achievements. In accordance with CMB Directive no II.17-1, the Manager of Investors Relation Department is appointed as Corporate Governance Committee member.

It has been appreciated that **GYH** who gained **90.01** for Public Disclosure and Transparency has developed its disclosure policy and shared it with public and provided access to several current data on the corporate internet website, which are specified in the principles and might be needed by the investors.

Despite the fact that it misses certain elements in terms of compliance with the principles, it has been found that the annual report provides comprehensive information for stakeholders on company's operations.

It is observed that the company reached the grade of **88.90** for the Stakeholders' Section.

A human resources policy is established; regulations are made and disclosed to the employees including recruitment, job descriptions, performance appraisal, promotion, awarding, leave and social benefits.

The company has prepared compensation policies for employees based on current labor laws and disclosed them to public on its corporate internet website.

Ethical Business Rules are set forth and introduced to employees to act pursuant to such rules.

As for the Board of Directors Section, the Company's grade is **87.60**.

It is confirmed that the Board has set company's strategic goals, audits performance of company management, pays further attention to the company affairs to be in compliance with the legislation, the Articles and internal regulations.

The Board convenes regularly and procedures for meetings are incorporated in both the Articles and internal directives.

It has been observed that the Audit and Corporate Governance and Early Detection of Risk Committees have been established as referred to in the Principles and their working principles have been formed.

There are also other important indications of compliance with the Principles such as the fact that Board comprises adequate amount of non-executive members and two (2) independent members, and that guidelines for remuneration of top executives are set forth and presented to the shareholders at the general assembly meeting as a separate item of agenda.

The reason for the posts of Chairman of the Board and General Manager are being held by same person is explained in the annual report. (\*)

(\*) The reason will be given in detailed explanation of the section.

## 2. 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 3<sup>rd</sup> 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 companies with the corporate governance principles.

These criteria are translated into Corporate Governance Rating Question Sets through Kobirate A.Ş.'s unique software.

The weighting scheme for the four main sections in the new Corporate Governance Compliance Rating, determined by CMB's memorandum dated 12.04.2013 and numbered 36231672-410.99 (KBRT)-267/3854, is applied completely by Kobirate A.Ş. The weightings are as below:

**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 Communiqué of Corporate Governance published on 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. Remaining 15 % is reached by using good practices - other than those determined by Corporate Governance Principles - that are internalized by the Company that are apart from the criteria determined

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 unsatisfactory compliance with CMB's

Corporate Governance Principles in the existing structure.

In this report the following legends have the following meanings:

✓ Due / Correct Application of CMB's Corporate Governance Principles

✗ Improper / Erroneous Application of CMB's Corporate Governance principles

✓/\* Practices required to be improved in compliance with CMB's Corporate Governance Principles.

### 3. COMPANY PROFILE



<b>Company Name</b>	: Global Yatırım Holding Anonim Şirketi
<b>Company Address</b>	: Rihtım Caddesi No: 51 Karaköy 34425 İSTANBUL
<b>Company Phone</b>	: (0212) 2446000
<b>Company Facsimile</b>	: (0212) 2446161
<b>Company Website</b>	: <a href="http://www.globalyatirim.com.tr">www.globalyatirim.com.tr</a>
<b>Date of Incorporation</b>	: 01/06/1990
<b>Registered Number</b>	: İstanbul 265814
<b>Paid in Capital</b>	: 204.211.922,45 TL
<b>Line of Business</b>	: Investment Holding
<b>Company's Sector</b>	: Port management, energy, real estate, non – bank financial services

#### **Company's Representative in Charge of Rating:**

Selran Çakır Baydar

Investor Relations Director

Begüm DÖŞLÜOĞLU

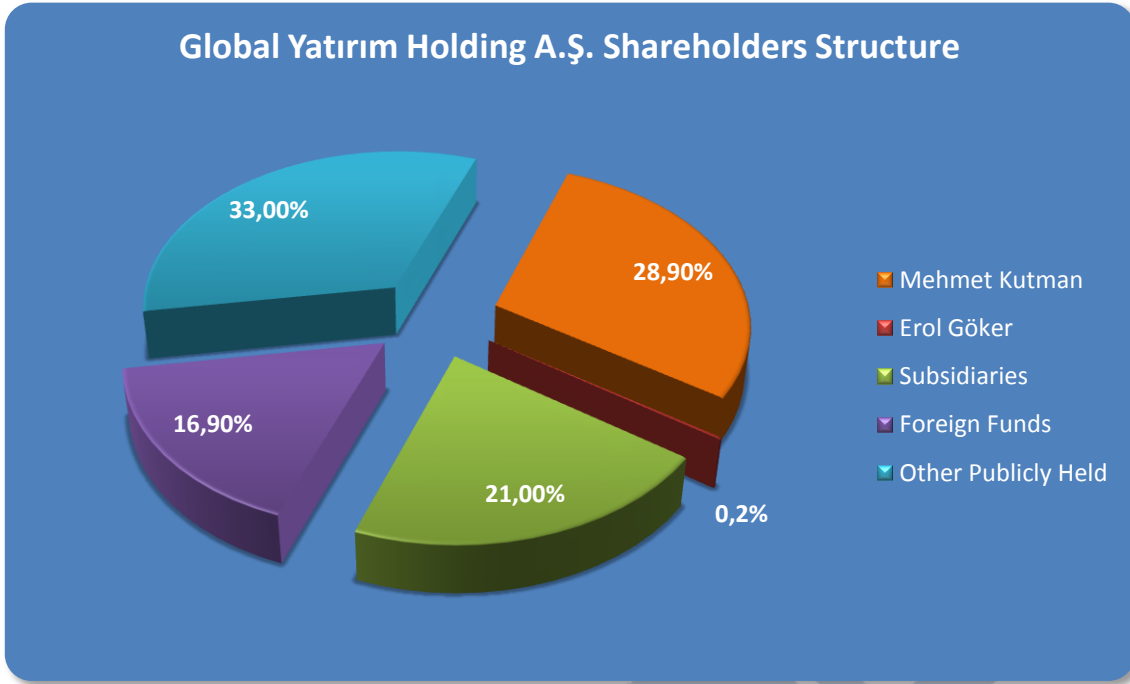
Investor Relations, Specialist

[begumd@global.com.tr](mailto:begumd@global.com.tr)

(0212) 2446000-1464



### Shareholders Structure (As of 12.11.2014)



Source : GYH November 2014 Shareholders Relations Unit (\*)

Shareholder Name	Share(TL)	%
Mehmet Kutman	59.020.610.-	28,90
Erol Göker	488.706,50.-	0,2
Subsidiaries	42.699.267.-	21,00
Foreign Funds	34.689.257.-	16,90
Other Publicly Held	67.314.081,95	33,00
<b>Total</b>	<b>204.211.922,45</b>	<b>100,00</b>

Source : GYH November 2014 Shareholders Relations Unit (\*)

(\*) The Board's decision of "buying back 22,500,368 shares with the nominal value of TL 22,500,368, which is 10 % of TL 225,003,687.45 paid in capital, within 18 months was approved by the General Assembly in 2012. Program of Buying Back Company Shares was completed on 11.11.2013, as its duration of 18 months has expired. Within the scope of this program 20,791,765 shares with a nominal value of TL 20,791,765 – 9.24 % of company's issued capital – were bought back. It is also decided, within the scope of the Program of Buying Back Company Shares (2012), to amortize the shares that were bought back, through reduction of capital. Company's capital was cut by TL 20.791.765, reducing it to TL **204,211,922.45** from TL 225,003,687.45. Related item of the Main Articles was changed accordingly. The Board report about changes was put to vote on 01.07.2014 at the general assembly and unanimously accepted by shareholders.

### Company Board of Directors

Name/ Surname	Title	Executive/ Non Executive
Mehmet KUTMAN	Chairman	EXECUTIVE
Erol GÖKER	Deputy Chairman	EXECUTIVE
Ayşegül BENSEL	Member	NON - EXECUTIVE
Serdar KIRMAZ	Member	EXECUTIVE
Adnan NAS	Member	NON - EXECUTIVE
Jerome BAYLE	Member - Independent	NON - EXECUTIVE
Oğuz SATICI	Member - Independent	NON - EXECUTIVE

### Top Management

Name/ Surname	Title
Mehmet Kutman	General Manager
Hakan Murat Akın	Audit Group President
Uğur Aydın	Chief Legal Counselor
Selran Çakır Baydar	Investor Relations Director
Dobrinka Cidrof	Strategic Planning Director
Yasemin Çakar	Human Resources Director
Murat Engin	IT Group President
Mehmet Ali Deniz	Director
Mehmet Kerem Eser	Financial Affairs and Finance Group President
Çağrı Kutlu	Treasury Director

### COMMITTEES FORMED WITHIN THE BOARD

#### AUDIT COMMITTEE

Member Name/ Surname	Title
Oğuz Satici	Chairman / Independent Board Member
Jerome Bayle	Member / Independent Board Member

#### CORPORATE GOVERNANCE COMMITTEE

Member Name/ Surname	Title
Jerome Bayle	Chairman / Independent Board Member
Ayşegül Bensele	Member / Independent Board Member
Adnan Nas	Member / Independent Board Member
Dobrinka Cidrof	Member / IRU Manager
Selran Baydar	Member / IRU Director

#### EARLY RISK DETECTION COMMITTEE

Member Name/ Surname	Title
Jerome Bayle	Chairman / Independent Board Member
Oğuz Satici	Chairman / Independent Board Member
Adnan Nas	Member / Board Member

### Balance-Sheet Comparison of Company's Certain Selected Items

	2013/12(000)	2014/09(000)	Change %
Total Assets	2.002.341	2.571.936	28,45
Short Term Liabilities	423.280	572.142	35,17
Long Term Liabilities	844.109	1.188.069	40,75
Paid in Capital	225.004	204.212	-9,24
Equity	734.952	811.726	10,45

Source: Global Yatırım Holding A.Ş. and subsidiaries 30.09.2014 Midterm Consolidated Financial Information

### Comparison of Profit / Loss Table of Company's Certain Selected Items of 3<sup>rd</sup> Q of last two years

	2013/09(000)	2014/09(000)	Change %
Sales	163.314	242.879	48,72
Gross Profit/Loss	78.675	84.146	6,95
Basic Operational Profit/Loss	56.878	49.709	-12,60
Finance Spending	(109.916)	(81.174)	-26,15
Period Profit/Loss	(17.191)	(912)	94,69

Source: Global Yatırım Holding A.Ş. and subsidiaries 30.09.2014 Midterm Consolidated Financial Information

### The Bottom and Peak Closing Values of Company's Shares traded on the BIST during last Year

<i>Bottom</i>	<i>Peak</i>
<b>1,210 (27/12/2013)</b>	<b>1,672 (31/07/2014)</b>

Source : GYH Investor Relations Unit

### *Brief History of the Company*

Established in 1990, Global Yatırım Holding rapidly turned into Turkey's leading brokerage and investment banking company. The company, which helped many enterprises of Turkey to meet international brokerage institutions, has also played an important role in the development of capital markets in Turkey.

Thanks to its strong experience in investment banking and appetite for investment, Global Yatırım Holding developed a wide portfolio of investments in 2004. With its interest in developing sectors and traditional non – banking financial service providers, Global Yatırım Holding has become a dynamic means of investment.

Global Yatırım Holding shares are traded at Borsa Istanbul under the symbol of GLYHO.IS.

### **Information on Operations**

Starting with port management, distribution and production of energy, real estate and non – banking financial services, the Holding continues to invest in many different sectors.

As of November 2014, the company’s investments, subsidiaries and projects are as below:

Subject of Operation	Title of Subsidiary	Share	Project / Company Name	Share of Partnership
<b>ENERGY</b>	Global Enerji	%100	Naturelgaz	%80
			Straton Maden	%75
			Tres Enerji RA Güneş Enerjisi	%75 (at the development stage)
			Mavi Bayrak	(at the development stage)
<b>PORTS</b>	Global Liman İşl. (GPH)	%100	Ege Ports	72,5%
			Port Akdeniz	99,9%
			Bodrum Cruise Port	60%
			Port of Adria	62,5%
			Lizbon Cruise Terminal	46%
			Creuers	62%
			Barselona Cruise Port	62%
			Malaga Cruise Port	50%
Singapur Cruise Port	25%			
<b>REAL ESTATE</b>	GYH	100%	Denizli Hotel & Hospital	
			Salıpazarı Global Building	
	Pera REIT	49,9%	Van Shopping Mall & Hotel	
<b>FINANCE</b>	Global Menkul Değerler	61,4%	AZ Global Portföy Yönetimi	40%
			Sümer Park Shopping Mall & Apartment Vakıfhan No.6	

Source : GYH 24.11.2014 Investor Relations Unit

At the moment, Global Yatırım Holding Group is active in 4 main business areas:

**Port Infrastructure:** Cruiser and commercial port management operations;

**Energy:** Global Enerji owns 80 % of Naturelgaz, which deals with sale and distribution of compressed natural gas (CNG). Having included combined heat and electricity (cogeneration) facilities, solar power and other renewable energy projects into the scope of its energy operations, Global Enerji also makes investments in feldspat mining in the natural resources sector.

**Real Estate:** In this field, the Group focuses on the development and management of commercial real estate projects.

**Finance:** Investments in the finance sector include brokerage, financial consultancy and asset management. The product portfolio and experience of strategic partners help the Group to develop its customer base and strengthen its credibility.

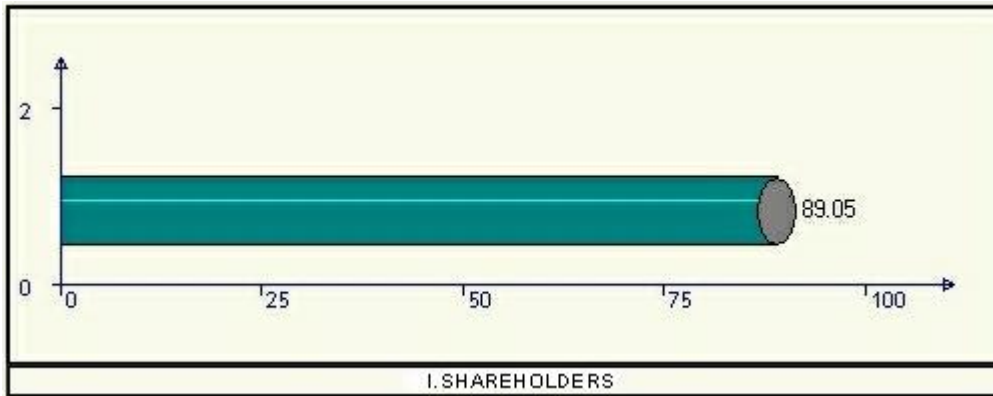
Operating in the compressed gas sector, Naturelgaz is the creator and the leader of Turkish CNG distribution market.

Global Enerji aims to become the market leader CNG sector and to develop its energy production portfolio by using local resources.

Global Enerji wants to have the advantage of making first move in the attractive energy market of the future.

Port infrastructure covers cruiser and commercial port investments under Global Liman İşletmeleri. Potentially strong demand and perfect regional access provide a great advantage for Global Liman İşletmeleri, business volume of which comprises 5 commercial and passenger ports with strategical positions in Turkey and Europe. Aiming to become an international port management company, Global Liman İşletmeleri works on growing its portfolio in Turkey and buying new ports in the regions outside Turkey starting with Mediterranean. Global Yatırım Holding's port investments include 72.5 % shares in Ege Ports – Kuşadası port, 60 % in Bodrum Passenger Port, 100 % in Port Akdeniz-Antalya Port, 62.1 % in Montenegro Bar Port, 46 % in Lizbon Cruiser Port and 62 % in Creuers del Port de Barcelona, which manages Barcelona Port. Creuers del Port de Barcelona also has the majority shares in Malaga Passenger Port and minority shares in Singapore Passenger Port.

#### 4. RATING SECTIONS A. SHAREHOLDERS



##### Overview

- ✓ A unit has been established to continue relations with shareholders on a healthy basis.
  - ✓ General Assemblies are held in accordance with regulations and articles of association.
  - ✓ Donations and Aid policies of the company are prepared, presented for the approval of the General Assembly and disclosed to public.
  - ✓ Shareholders have been informed about aids and donations provided in that period at the general assembly meeting.
  - ✓ There are no regulations that make the use of voting rights difficult.
  - ✓ Dividend policy is established, presented for the approval of the General Assembly and disclosed to public.
  - ✓ There is a regulation in the Main Articles allowing for dividend advance.
  - ✓ There is no restriction on transfer of shares.
- ✓/\* Adding an item on the Main Articles, saying that general assembly meetings will be open to public will be appropriate.
- ✓/\* Making a regulation in the Main Articles to widen minority rights will strengthen compliance with the principles of corporate governance.

✓/\* It would be appropriate to make a regulation in Main Articles to widen minority rights and extend these rights to those who have less than 1 / 20 of the capital.

\* The invitation does not give the information that general assemblies are open to public.

In this section, as stated CMB's Corporate Governance Principles, the company was evaluated on **115** different criteria, including **Facilitation the Exercise of Shareholders' Rights**, shareholders' right to **Obtain Information and Examine**, shareholders' right to **Attend the General Assembly**, shareholders' **Right to Vote**, **Rights of Minority Shareholders**, shareholders' **Right for Dividend** and shareholders' right to **Transfer Their Shares** to whomever they want, whenever they want. The company's grade for this section is **89.05** points.

##### a. Facilitation the Exercise of Shareholders Rights

Operations involving Relations with the Shareholders are performed by the Investors Relations Unit. The unit, which comprises Dobrinka Cidrof (Investor Relations Manager), Selran Çakır Baydar (Manager), Begüm Döşluoğlu (Specialist) ve Esra Gündüz (Assistant Specialist), operates in close

cooperation with GYH Law Department and Corporate Governance Committee.

In order to achieve compliance to the “Investor Relations Department” section of CMB’s Corporate Governance Directive, numbered II-17.1, the company made some changes in its Investor Relations Unit and informed Public Disclosure Platform with a statement dated 30.06.2014. The statement declared: “It has been decided with unanimous voting that the duties and responsibilities, which should be undertaken by company’s Investor Relations Unit in accordance with item 11.3 of Corporate Governance Directive, would be undertaken by the Investor Relations Unit; that within the scope of undertaking the responsibilities stemming from the Directive of Corporate Governance, Strategic Planning Director Dobrinka Cidrof would be appointed as ‘Manager’ and within the scope executing these duties, Investor Relations Unit Director Selran BAYDAR would be appointed as the “official” and that this unit would be reporting to the General Manager of the Company.”

It has been found that aforementioned people have adequate qualifications in terms of knowledge and experience required for the task, that they play an effective role in protection and facilitation of shareholders’ rights, starting with the right to obtain and review information.

It has been stated that the Investor Relation Unit reports regularly once a year to the Board of Directors. It has also been learned that the Investor Relation Unit gives regular briefings once a week to the Board of Directors.

Any data that might affect the exercise of shareholders’ rights are currently at disposal of shareholders on the corporate Internet website.

It is confirmed that GYH has achieved compliance with the principles in this subsection.

#### **b. Right to Obtain Information and to Examine**

The information required for the proper exercise of shareholders' rights are presented to the shareholders and the company's web site ([www.globalyatirim.com.tr](http://www.globalyatirim.com.tr)) is used efficiently to this end.

It has been seen that inquiries of shareholders - through phone and / or other means of communications - have been responded in the shortest time and sufficient care has been given for them to obtain and review information. 271 oral or written questions from shareholders or analysts were answered in 2013.

The “Disclosure Policies”, approved by the board, appear on the website, explaining in detail the shareholders’ right to get and review information under the aforementioned policies.

There is no regulation and practice at shareholders’ right to obtain and review information to be cancelled or constrained by the Articles and/or a decision by any corporate organ.

Although there are no regulations and practices to make difficult for shareholders’ to use their right to demand appointment of a special auditor in the general assembly; there is no regulation in the articles of association on the use of this right.

#### **c. General Assembly**

Due to the practices in the general assembly, GYH has achieved compliance with many principles hereunder.

The general assembly meeting to discuss the operations of 2013 took place on 01.07.2014. It has been seen that the announcement for the meeting was made through Turkish Trade Registry Gazette dated 09.06.2014 and numbered 8586, three weeks before the meeting; through Public Disclosure Platform

statement dated 06.06.2014 and through the corporate internet website of the company.

It has been also found that financial tables, annual report, audit reports and Board's dividend proposal, all of which should be ready for the review of shareholder according to article 437 of Turkish Commercial Law no 6102 and other announcements that partnership should make in accordance with regulations and Corporate Governance Principles have been shared with shareholders three weeks before the General Assembly.

General assemblies are held at the company's head office, avoiding inequalities among shareholders and enabling them to participate with minimum costs.

It has been determined that during the preparation of agenda, headings were expressed clearly in order to avoid different interpretations and care has been given not to use words such as "other" or "various".

It has been seen that the information document about general assembly included operational details about the company and its subsidiaries.

Upon the examination of meeting minutes and attendance records, it has been determined that 4 board members, Chief Legal Consultant, Holding Lawyer, managers of some subsidiaries and officers responsible for preparing financial tables were available at the meeting. It was also found out that the items on the agenda were separately voted and the results were shared with shareholders before the closure of the meeting. It was also noted that the chairman of the meeting has taken great care to have the issues of the agenda expressed objectively, comprehensively, clearly and simply. Shareholders were able to express their opinions and ask questions under equal circumstances.

It was seen that the chairman of the meeting let all the questions of shareholders to be

answered, except those that are accepted as commercial secret.

Allowing majority shareholders, board members, managers with administrative responsibilities their spouses and first and second degree relatives to have transactions that might cause conflict of interest with the company or its subsidiaries or to engage in commercial activities in the same business area with the company or its subsidiaries in their own name or on behalf of someone else or joining another company, who operates in the same business area, as unlimited partners was included in the general assembly agenda as an issue.

General Assembly was informed that company did not give guarantees, pledges, mortgages and bails or provide revenue or interest in favor of third persons, in accordance with CMB's Corporate Governance Directive numbered II-17.1. In another item, the general assembly was informed on amount of all aids and donations for that period.

It has been stated in the Articles of Association that general assemblies take place within three months of the end of every period. For the sake of compliance with principles and Articles of Association it would be appropriate to hold general assemblies within this time table.

Having the announcement document to say that general assembly meetings are open to public including stakeholders and media, without right to address the meeting and regulating this issue in the Articles of Association will further improve the compliance with principles.

#### ***d. Voting Right***

Neither the Articles of Association nor the internal procedures contain any difficulties to exercise the voting right and opportunity to exercise the voting right in the easiest and most convenient manner is given to each shareholder.



It is possible for the shareholders' to exercise their voting right in person or by proxies, whether member or not at the general assemblies, the members are submitted with the specimen proxies to be used for this purpose at firm's headquarters and on corporate internet website.

There are four separate shareholder groups within the capital structure of the Holding. A, D and E group shares are privileged. C group and those shares that are open to public have no privileges. According to the 9<sup>th</sup> item of Main Articles the Board of Directors is made of seven (7) members and it is obligatory that two of them are elected from (A) Group, 1 from (D) Group and 1 from among the candidates who are put forward by (E) Group. Although all shareholders have a right to put forward candidates for board membership, their candidacy should be approved by (A) Group shareholders before the election, in order for them to be elected as board members at the general assembly. Finally, yes votes of A Group stakeholders are necessary for some decisions that are referred to in the Main Articles.

#### ***e. Minority Rights***

There has not been any violation of exercise on minority shareholders' rights as attendance to the general meeting, representation by proxy, imposition of no upper limit for voting rights. In this manner it is found that care is given to the exercise of minority rights.

However, there is no regulation to widen the scope of minority rights in the articles and to include arrangements to give the same rights to shareholders with less than one twentieth of the capital.

#### ***f. Dividend Right***

Pursuant to the criteria laid down by CMB directives and by the Turkish Commercial Law, the Company has prepared its Dividend Policy and disclosed it to public in the electronic

environment. It has been determined that dividend policy contains the minimum data enabling the investors to foresee the procedure and guidelines for distribution of profit to be generated by the company in future periods.

The company's dividend policy includes profit distribution to the employees – in accordance with basic principles to be determined by the board - over the remaining profit after the allocation of 5 % legal primary reserve and first profit distribution, on the condition of staying under 10 % of balance sheet profit and it informs the shareholders that general assembly will be deciding for extraordinary reserves or second distribution of profit.

There are no privileges in the distribution of dividend. 21<sup>st</sup> Article of the Articles of Association states: "Existing shares will get dividends equally without the principle of per diem deduction".

The fact that the subject paying "dividend advance" has already been regulated in the Main Articles and that the board was authorized, in accordance with regulations of CMB, to give dividend advance at the general assembly where 2014 operations were discussed are positive points.

Although there was a profit of TL 29.111.593 on consolidated financial tables for 2013 operations, it has been decided not to distribute profits as there was no profit on sole / legal financial tables prepared in accordance with Tax and Commerce laws. The General Assembly has been briefed on Board decision about dividend with its reasons.

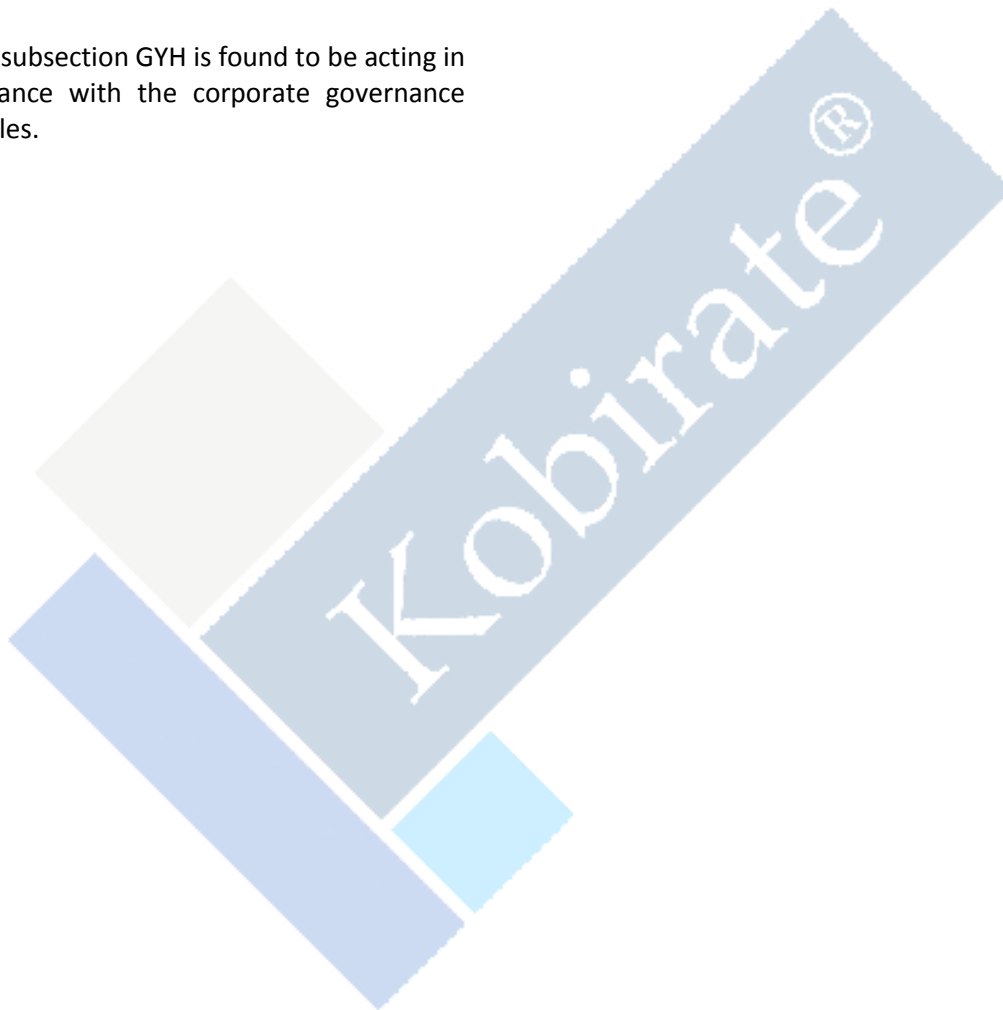
In this subsection GYH has achieved compliance with principles.

***g. Transfer of Shares***

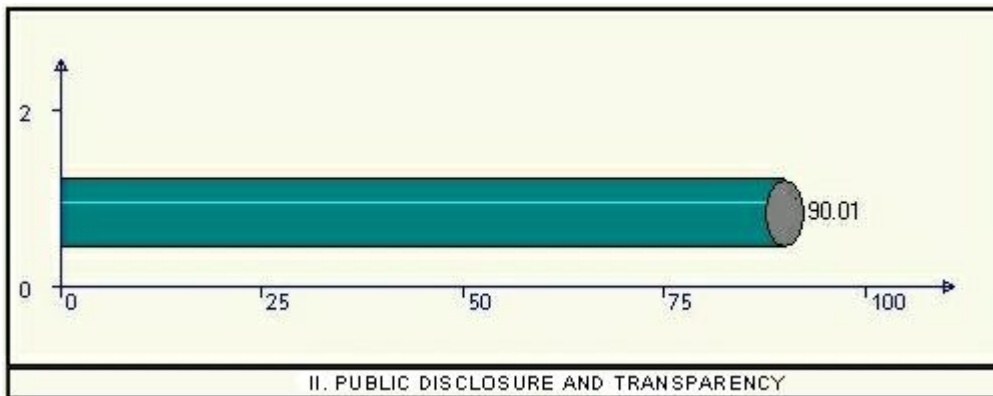
Articles of Association's 6<sup>th</sup> article states:

"Name bearing shares are transferred by passing turnover and possessions. The Board of Directors cannot avoid approving and registering transfer of shares, including those that take place in the stock exchange. If (A) group shares are transferred, all their privileges expire." Therefore it has been determined that there are no restrictions on the transfer of shares.

At this subsection GYH is found to be acting in accordance with the corporate governance principles.



## B. PUBLIC DISCLOSURE AND TRANSPARENCY



### Overview

- ✓ Disclosure policies have been prepared in detail, presented to the general assembly and announced to the public in electronic.
- ✓ The corporate internet website is being used effectively as a tool to update and enlighten the public within the context of the principles.
- ✓ The information and documents that are required to be on the website by principles are published on the basis of last 5 years.
- ✓ Information in the website has also been prepared in English.
- ✓ Important board decisions are announced in the website.
- ✓/\*There are no tables in the annual report showing the volume of commercial and financial relations that took place with direct and indirect subsidiaries during the period.
- ✓/\*It will be appropriate to give information in the annual report on whether major asset purchases or sales took place during the period or not.
- \* Company's real person ultimate majority shareholders are not disclosed to public in the corporate website by taking out their indirect and reciprocal subsidiary relations.

As for this section, the Company has been assessed by 88 different criteria under the headings of **Corporate Internet Website** and **Annual Report** as laid down in the Corporate Governance Principles of the Capital Market Board, for which the Company has deserved the grade of **90.01**.

**GYH**, fulfills its public announcements under its Public Disclosures Policies developed by the board and shared with public.

The public disclosure policy contains what to be disclosed to public in addition to those required by the legislation, how, in what frequency and by which channels such data will be disclosed to public, the technique to be used to respond to questions directed to the company.

Principles about the disclosure of information intended for future is in the disclosure policy. In a case of disclosure to public, it has been observed that assumptions and hypothetical data are also disclosed, and information doesn't contain exaggerated predictions. Furthermore, it's in line with company's financial situation and annual reports.

The authority and responsibility to monitor, supervise and develop public disclosure policy belongs to the Board of Directors. Manager of Investor Relations Department,

Financial Affairs and Finance Group President (CFO) and Chief Legal Consultant are responsible with the execution of Disclosure Policy.

#### **a. Corporate Website**

The corporate internet website ([www.globalyatirim.com.tr](http://www.globalyatirim.com.tr)) serves as an active and effective platform for public disclosure and its coverage is updated continuously. The information appearing on the corporate internet website is consistent with announcements made pursuant to the relevant regulation and doesn't contain conflicting and missing information.

The corporate internet website covers the commercial registry details, the shareholding and management structure as of the latest situation, dates and numbers of commercial registry newspapers where changes were published along with the final text of company's Articles of Association, the final text of company's Articles of Association, the special case statements, the financial reports, the annual reports, the agenda of the general assemblies, the lists of attendees, the proceedings of the assemblies, the specimen Proxy, internal directive, dividend policy, disclosure policy, remuneration and compensation policy, redemption of shares disclosure forms, donations and grants policy, corporate social responsibility policy, Ethical Rules developed by the Company, information requests, questions and notifications and answers given under frequently-asked questions title in addition to the coverage of mandatory disclosure pursuant to the legislation.

Work to renew the corporate internet website and make it more compliant with principles, as well as more functional has been continuing during the rating process and we have been informed that it would be completed shortly.

The information on the website is also being published in English for international investors and partners to utilize.

In accordance with the capital market regulations financial chart notifications were disclosed on Public Disclosure Platform in Turkish and English simultaneously. In order to help people to make decisions, English text is summarized in a brief, correct, complete, direct, comprehensible and sufficient manner and in consistency with the Turkish text.

In this subsection GYH has achieved compliance with the principles.

#### **b. Annual Report**

It is clear that board of directors has prepared the annual report about the company's activities in such a way that comprehensively provides complete and correct information. Annual reports of the last five years are being shared with the shareholders and the public on electronic media.

The content of annual reports comprises;

- Résumés and tenures of board members and senior managers,
- Information about the sector that company operates in and about the its position within the sector
- Information about the company's financial resources, qualifications and amounts of its issued capital market tools,
- Changes made on the articles of association during the period and their reasons,
- Report on compliance to corporate governance principles,
- Report of independent auditor on the annual report.

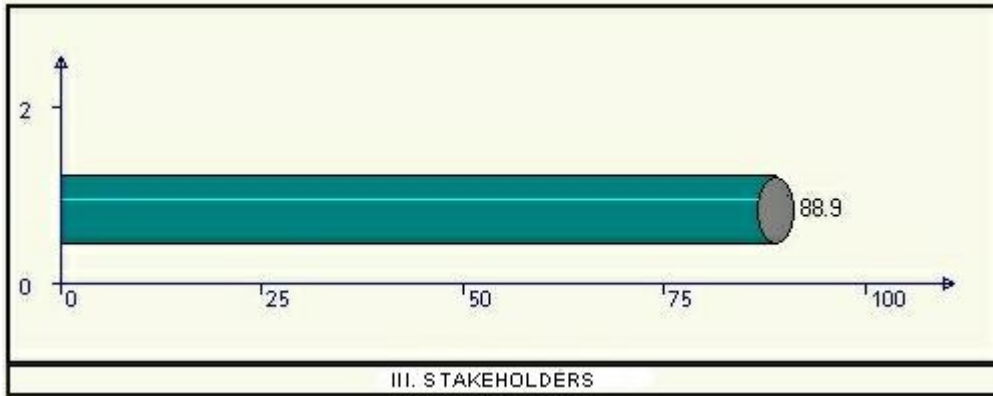
In addition to topics quoted in regulations and other parts of corporate governance principles, annual reports include information on;

- Responsibility declarations of board members responsible for financial reporting,
- Board members' and managers' ongoing jobs outside the company,
- Declarations of independent board members on their independence,
- Members of subcommittees within the board of directors and meeting frequencies of these subcommittees,
- Important law suits against the company and their possible conclusions,
- The need for permission by the general assembly for majority shareholders, board members, managers with administrative responsibilities, their spouses and first and second degree relatives to have transactions that might cause conflict of interest with the company or its subsidiaries or to engage in competitive commercial activities.

However;

- Adding tables in the annual report, showing the volume of commercial and financial relations that took place with direct and indirect subsidiaries during the financial period,
- Giving information in the annual report on whether major asset purchases or sales took place during the period or not.
- Giving information on the social rights of employees, professional trainings and other activities that lead to social and environmental consequences, including corporate social responsibility activities will raise the compliance with corporate governance principles to a higher level.

## C. STAKEHOLDERS



### Overview

- ✓ Ethical Rules have been formed and disclosed through electronic means.
- ✓ Compensation Policy towards employees has been formed and disclosed to public via corporate website.
- ✓ A detailed staff regulation exists.
- ✓ Employees are provided with a safe and pleasant working environment.
- ✓ There has been no complaint by employees about discrimination and using rights.
- ✓ The company develops social responsibility projects or supports ongoing ones.
- ✓ Care is given to confidentiality of information about customers and suppliers on trade secret basis.
- ✗ There are no mechanisms or models in the Articles of Association or internal regulations supporting participation to management of employees and stakeholders. There is no regulation on this issue in the Articles of Association

As for this section, the Company has been assessed by 57 different criteria under the headings of **Corporation's Policy on Stakeholders, Supporting Participation of the Stakeholders' in Corporation's Management, Human Resources Policy of the Company, Relations with the Customers**

**and Suppliers, Ethical Rules and Social Responsibility** as laid down in the Corporate Governance Principles of the Capital Market Board, for which the Company has deserved the grade of **88.90**.

#### a. Corporation's Policy on Stakeholders

The Corporate Governance Principles describe the Stakeholders as an individual, organization or interest group as employees, creditors, customers, suppliers, trade unions, various non-governmental organizations having an interest in attainment of company's objectives or in its operations. It is concluded that GLOBAL YATIRIM HOLDING A.Ş. protects the stakeholders' rights specified in regulations and mutual agreements.

It is concluded that the company respects the stakeholders' rights, specified in regulations and mutual agreements. The impression is that in case of lack of any regulation, the company respects stakeholders' rights within goodwill rules and company's reputation. It is observed that many internal regulations were prepared to this end.

Compensation Policy towards employees has been prepared, presented to the

shareholders at the general assembly and disclosed to public via corporate website. It is understood that the stakeholders are adequately informed on company policies and procedures to protect their rights.

The company managers informed us that the members of subcommittees, established by the board participate weekly meetings of directors, exchange information and opinions with them and that they are open to suggestions and demands of managers.

In this subsection GYH has achieved compliance with the principles.

***b. Supporting the Participation of the Stakeholders' in Corporation's Management***

Intranet system has been established in order to have internal communication with the employees.

There are no models prepared to support stakeholders' participation in company management and there are no arrangements in internal regulations or in the Articles on this subject.

We think that it would be beneficial to create and / or improve processes that would help to get stakeholders' opinions on issues important for stakeholders in terms of their consequences.

***c. Human Resources Policy of the Company***

The company put Staff Regulation into operation in November 2011.

It has been learned that that the employees are provided a safe working environment and conditions and that there exists no discrimination among employees in terms of race, religion, language and gender.

Employee stock-options schemes are not developed.

There is no restriction on the freedom of founding association after taking permission. Employees are not members of any trade-union.

There are no policies to create systematic or formal structures to inform employees or to exchange opinions with them on developments that are relevant to employees, decisions taken by the company and the financial situation of the company. However the information that opportunities for employees are being disseminated through internal communication systems is given in the documents open to public.

It is stated in the annual report that providing equal opportunities for people under equal circumstances and using the same principle in career planning has been adapted by the company as a principle.

There are regulations in the Staff Directive to meet employees' education needs, underlining that educational costs will be paid by the Company.

The fact that productivity is the criterion to determine remuneration and other benefits for employees is underlined in human resources regulations and it can be seen by reading committee meeting minutes.

Staff Directive and information on the approach and vision of this directive towards employees' education are in Corporate Governance Compliance Report. It would be beneficial to arrange this approach as policies and share it with public.

***d. Relations with Customers and Suppliers***

Since the Company operates as an investment holding, there are no specific regulations for customers and suppliers.

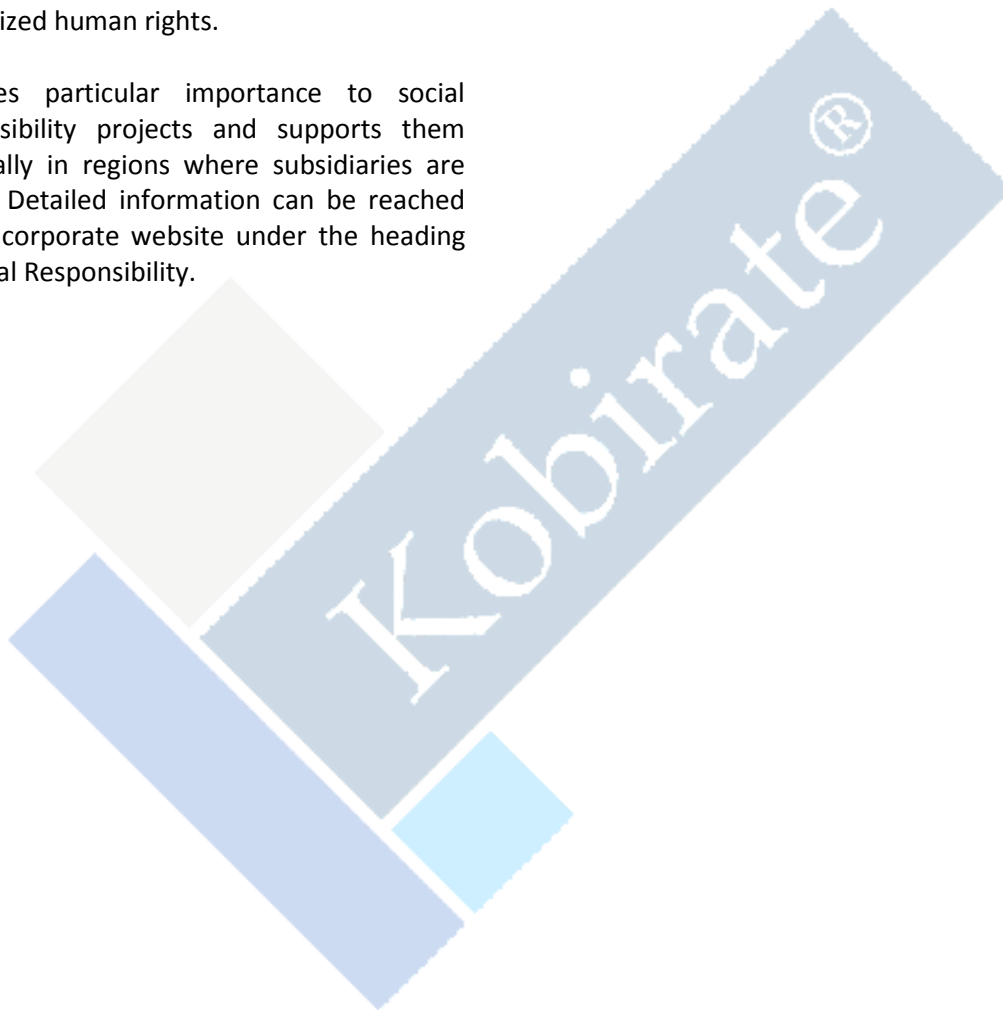
However confidentiality of information in general is important for the Company and it takes great care to use necessary technologies for this end.

***e. Ethical Rules and Social Responsibility***

Business Ethic Rules required to be complied by all employees are laid down, approved by the Board and they appear on the company website. Our impression is that activities are conducted within the framework of ethical rules that are disclosed to public.

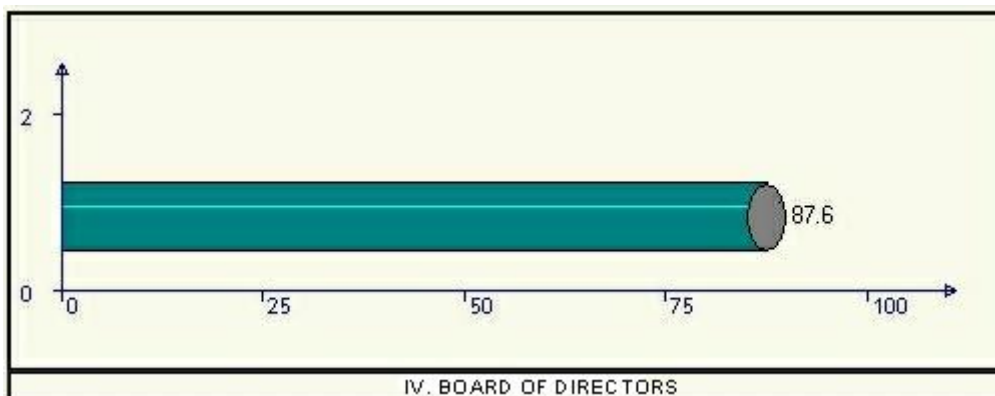
The Company can add a clear item to the Business Ethic Rules or to the mission determined by the board, stating that it will support and respect internationally recognized human rights.

It gives particular importance to social responsibility projects and supports them especially in regions where subsidiaries are active. Detailed information can be reached in the corporate website under the heading of Social Responsibility.





## D. BOARD OF DIRECTORS



### Overview

- ✓ Company's strategic targets, human and financial sources it requires are determined by the Board of Directors.
- ✓ Majority of Board Members are non-executives.
- ✓ 2 of non-executive Board Members are independent members.
- ✓ There isn't any loan/credit involvement between Board Members and company.
- ✓ Corporate Governance, Audit and Early Detection of Risk Committees are established and their working principles are determined.
- ✓ Operating principles of the Board are determined.
- ✓ Manager Liability Insurance amounting to over 25% of the capital against defects of Board Members duties have been made.
- ✗ No targeted ratio and policy have been prepared for women members of the board, for a ratio no less than 25 %.
- ✗ There is no practice of self-criticism and performance evaluation for the Board and there is no practice of rewarding or sacking members in the light of these assessments.

- ✓/\* It would be appropriate to disclose the remuneration and other interests provided for managers with administrative responsibilities on personal basis in the annual report.

In this section, the Company has been assessed by **139** different criteria under the headings of **Function of the Board of Directors, Operating Principles of the Board, Structure of the Board, Mode of Board Meetings, Committees formed within the Board and Financial Benefits Provided to the Directors and the Top Executives** as laid down by the Capital Market Board's Corporate Governance Principles, for which the Company has gained the grade of **87.60**.

#### a. Function of the Board of Directors

By the strategic decisions it will take, 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. In this sense, the Board has described the corporate strategic objectives, and determined the required human and financial resources.

GYH's Board of Directors monitors company activities to be compatible with regulations, main articles, internal procedures and

established policies and audits management performance.

The Board is authorized to make decisions, to determine the strategy and represent the company at the highest level.

In this subsection, the Company has achieved compliance with the principles.

***b. Principles of Activity of the Board of Directors***

Board of Directors conducts its activities in an open, accountable, fair and responsible fashion.

The distribution of responsibilities among board members, duties and powers of members are disclosed to public in the annual report.

The Board has developed internal control systems including risk management and IT systems to minimize effects of risk and processes on shareholders and stakeholders. It is found that the Board reviews at least once a year the effectiveness of risk management and internal control systems.

The Chairman of Board is also the General Manager of the Company. It is stated in the annual report that the Board decided to appoint Chairman Mehmet Kutman also as General Manager because of his career in investment banking and his experience business development and project management. The issue is also explained in Corporate Governance Compliance Report under the heading of "reasons for non-compliance to principles".

Our impression is that the Board plays a leading role in the maintenance of effective communication and in easing and resolving disputes that might arise between the company and the shareholders. To this end, the Board is in close cooperation with the Corporate Governance Committee and Investors' Relations Department.

It's observed that the Board is in continuous and effective cooperation with managers and they attend Board meetings whenever necessary while performing their duties and responsibilities.

Manager Liability Insurance amounting to over 25% of the capital against defects of Board Members duties have been made. However it has not been disclosed on Public Disclosure Platform.

In this subsection, the company has achieved compliance with the principles.

***c. Structure of the Board of Directors***

Company's Board is formed with seven (7) members one being the Chairman. The requirement of at least 5 members to form the Board has been met and the number of Board Members found sufficient to serve effectively and constructively and to form and arrange organization of committees.

At least 5 members of the Board have to be proposed by privileged shareholders from A, D and E groups or in case they are not proposed by these groups, they need to be approved by privileged shares. Privileged shares belong to Mehmet Kutman and Erol Göker.

The Board comprises executive and non-executive directors, and the principle that majority of Directors should be non-executive members is respected. Three (3) of the Directors are executives and four (4) of them are non-executives. On the other hand two (2) of non-executive directors are independent, satisfying the independence criteria laid down by Principles. The independent Directors have presented their written representations that they are independent under the legislation, the Articles and the criteria laid down by the Principles to the Nomination Committee (Corporate Governance Committee). Nomination Committee (Corporate Governance Committee) reported candidate proposals for membership together with its

assessment on whether the candidates met the criteria for independence or not to the Board for approval. The Company disclosed the finalized list of independent member candidates to public together with the announcement for general assembly meeting.

There is one (1) woman director in the Board. It will be appropriate for the company to determine a target ratio – no less than 25 % -, a deadline and policies to reach these targets and for the Board to monitor the progress on these targets annually.

**d. Procedure of Board of Directors Meetings**

The Board comes together frequent enough to implement its duties efficiently. Numbers of Board meetings, required majority to convene and to take decisions are written in the Articles of Association.

It has been determined that the board meetings take place regularly, at least once a month and generally more than that. Upon examination of minutes book it has been seen that the Board convened 28 times in 2013 and 14 times in 2014, as of September 2014.

Each member has one voting right at the board. There are no weighted voting rights. However, decisions in issues that are referred to in the Main Articles are made conditional on yes votes of all members, whose candidacies were put forward by (A) group shareholders and at least five (5) yes votes of Board members.

Board meetings take place in accordance with the arrangements done on Board meetings in internal regulations and the Main Articles. Mode of the Board meetings is made written in company internal regulations.

Functions of Board secretariat is undertaken by the Legal Department.

**e. Committees Formed within the Structure of the Board of Directors**

In order for the Board to fulfill its duties and responsibilities soundly, Auditing Committee, Corporate Governance Committee and Early Detection of Risk Committees are formed. Separate Nomination and Remuneration Committees haven't been established because of the Board's structure. These duties are carried out by Corporate Governance Committee. Working rules for all three committees have been determined and disclosed to public in the company's annual report and its corporate website.

All members of the Audit Committee and minimum the Chairman of other committees are appointed from independent members. The General Manager has no assignment in any committee.

All sources and support are provided by the Board to ensure the committees perform their obligations.

All discussions in committees are recorded in writing. It can be seen in the meeting minutes that Committees invite appropriate executives to their meetings to benefit from their opinions.

**Corporate Governance Committee;** establishes whether the corporate governance principles are implemented in the Company, as well as the grounds for non-implementation, if applicable; conflicts of interest, if any, arising from failure to fully comply with these principles, and discloses to public through Corporate Governance Compliance Report.

Separate Nomination and Remuneration Committees haven't been established because of the Board's structure. These duties are carried out by Corporate Governance Committee.

The Committee consists of four (4) members. Committee Chairman is an independent

member of the Board, while two (2) are non – executive Board members. One member is appointed as Investor Relations Unit Manager and he is also appointed as a member of Corporate Governance Committee In accordance with CMB Corporate Governance Notification number II.17-1. The change in the Committee was disclosed to public with a special case statement dated 30.06.2014.

Its structure complies with the principle which requires that all of the members – if there are only two – or majority of members – if there are more than two – should consist of non-executive Board Directors.

Committee convened four (4) times in 2013. As of September 2014, it held two (2) meetings. Secretariat functions of the Committee are undertaken by Esra Gündüz, an official working in the Investor Relations Unit.

**The Audit Committee** consists of two (2) independent members. It monitors performance and effectiveness of company's accounting system, public disclosure of financial information, independent audit and working and efficiency of the internal control system. The selection of independent audit company and supervision of its work at every stage is implemented by the audit committee.

Internal Audit Unit operating in conjunction with the Board of Directors through Audit Committee, audits the effectiveness and performance of internal control and risk management systems within the scope of annual audit plan according to risk managements.

Audit Committee convened four (4) times in 2013 and four (4) times in 2014, as of October 2014.

Secretariat functions of the Committee are undertaken by Kerem Eser, Financial Affairs Group President.

**Early Detection of Risk Committee** consists of three (3) members. Its chairman and one

member are independent. Another member is a non – executive Board Member.

The Committee convened four (4) times in 2013 and presented written reports to the Board. It held three (3) meetings in 2014, as of the end of September 2014.

Secretariat functions of the Committee are undertaken by Esra Gündüz, an official working in the Investor Relations Unit.

The committees comprises following members:

#### **Audit Committee**

Name Surname	
Oğuz Satıcı	Chairman (Independent)
Jerome Bayle	Member (Independent)

#### **Corporate Governance Committee**

Name Surname	
Jerome Bayle	Chairman (Independent)
Ayşegül Bensele	Member (Non-Executive)
Adnan Nas	Member (Non-Executive)
Dobrinka Cidrof	Member
Selran Baydar	Member

#### **Early Detection of Risk Committee**

Name Surname	
Jerome Bayle	Chairman (Independent)
Oğuz Satıcı	Member (Independent))
Adnan Nas	Member (Non-Executive)

The fact that Jerome Bayle is in three committees and Adnan Nas and Oğuz Satıcı each work in 2 committees is in conflict with the principle of not appointing a Board Member to more than one committee.

We haven't formed our full opinion on the efficiency and level of committees' operations. These operations will be closely monitored during the rating and monitoring process.

However, our impression is that it will be appropriate for the committees to give more

feedback and make more improvement suggestions to the Board in relation to their duties.

**f. Financial Rights Provided for Members of the Board of Directors and Executives**

Guidelines on compensation of the Directors and top executives have been presented for the approval of the general assembly and disclosed to public in the electronic environment.

It is regulated in the Main Articles that the stock-options or payment plans based on the corporate performance are not used for remuneration of the independent directors and it is observed that practice has been compatible with this principle. We think that the emoluments of independent directors are sufficient to protect their independency.

It is found that the Company has not lent and extended loan to any Director or top executive or made available any credit under personal loan through any third person or provided securities such as surety in favour of them.

Legal Department has notified us in writing that within the last year there have been no law suits against board members or top executives that require administrative or punitive action.

As the board is responsible for the achievement of publicly declared operational and financial performance targets of the company, it would be beneficial to have clear explanation about realization of expectations and the reasons in case they have not been achieved, in the annual report.

The board doesn't evaluate its performance or self criticize itself on personal basis or as a whole. The practice of awarding or dismissing board members on the basis of the evaluation of their performance doesn't exist. It would be the right action, in terms of compliance to principles, for the Board to determine the

method in this issue and to measure performance by using this method.

Remuneration and other benefits that are provided for board members and top executives are explained in the annual report. However it would be appropriate to explain them on individual basis.

**5. 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 recognised 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
<p style="text-align: center;"><b>4-5,9</b></p>	<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>
<p style="text-align: center;"><b>&lt; 4</b></p>	<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>