

Statement of Compliance with Corporate Governance Principles

Our Company believes that compliance with corporate governance principles is at least as important as its financial performance and that such compliance is of great benefit from the standpoints both of the development of national and international capital markets and of the advancement of our own company's interests.

Pursuant to the Corporate Governance Communiqué no. II-17.1 published in the CMB Bulletin no. 2/49 dated 10 January 2019, Corporate Governance Compliance Report (CRF) and Corporate Governance Information Form (CGIF) were publicly disclosed three weeks before the date of the General Assembly meeting.

Under the said legislation, the CRF prepared to report the level of compliance with optional principles and the CGIF prepared to provide information about the existing corporate governance practices are presented in the following sections.

The letter "X" was used to indicate the Company's level of compliance in the Corporate Governance Compliance Report template, and necessary explanations were provided within the scope of Article 8 of the Corporate Governance Communiqué no. II-17.1 for all answers given, save for those answered as "Yes".

Pursuant to the principles that are not yet implemented by our Company as explained in the CRF and also hereinbelow, no conflicts of interest arose between the stakeholders to date. The Company management targets to work towards achieving maximum compliance with the principles that are not yet implemented, which situation is of an exceptional nature.

Compulsory Principles

There are no principles that are not implemented by our Company, which are compulsory to be implemented under the Corporate Governance Communiqué no. II-17.1. (It is planned to incorporate the point that the remuneration to be paid to Board members in a given period is determined by a resolution of the General Assembly and that no other payments are made thereto also in the Compensation Policy within the scope of the Corporate Governance Principle no. 4.6.2).

Non-Compulsory Principles That are not Covered in the Corporate Governance Compliance Report

In the context of Corporate Governance Principle no. 1.3.10, information is provided to shareholders during the General Assembly under a dedicated agenda item about the amounts and beneficiaries of all charitable donations and grants made during the reporting period. In addition, the maximum amount of charitable donations envisaged to be made in the current fiscal year is also laid down for the approval of the General Assembly of Shareholders. While we do not have a charitable donations policy approved by the General Assembly, these activities are carried out within the frame of the Charitable Donations and Grants Regulation that has been approved by the Board of Directors. The Company management is considering to develop the said Policy.

In the context of the Corporate Governance Principle no. 3.1.2, effective and speedy indemnification is available in the event of violation of the stakeholders' rights that are protected by the legislation and contracts. The Company takes the necessary steps for the use of mechanisms such as compensation provided to stakeholders in the applicable legislation. The corporate governance structure of the Company allows, and safeguards the right of, all stakeholders to convey their concerns regarding any illegal or unethical transaction to the Corporate Governance Committee or the Audit Committee. These matters are addressed in the section titled "Keeping Stakeholders Informed" of the annual report. Comprehensive information about the indemnification payments to be made to Company employees is provided on our corporate website, in the section titled "Human Resources Policies and Practices" of the annual report, and in the Collective Agreement. The Company management is considering to compile the relevant information under the heading "Indemnification Policy".

Our articles of association do not contain any provisions stipulating:

- Exercise of the request for appointment of a special auditor as an individual right (Article 1.2.1),
- Participation of stakeholders in the management of the Company (Article 3.2.1),
- Expansion of the scope of minority rights beyond the provisions of applicable legislation (Article 1.5.2)

Furthermore, minority rights are not represented on our Board of Directors.