

Corporate Governance Compliance Report

Corporate Governance Compliance Report	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X	-	-	-	-	
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.	X	-	-	-	-	
1.3. GENERAL ASSEMBLY						
1.3.2 -The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X	-	-	-	-	
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.	-	-	-	-	X	No such transactions took place in 2018.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X	-	-	-	-	
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X	-	-	-	-	
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	-	X	-	-	-	Announcements in relation to the General Shareholders' Meetings are made in accordance with regulatory requirements; in this context, no additional invitations are made. On the other hand, stakeholders may participate in the General Shareholders' Meetings without having the right to speak, provided that they inform the Company of their such desire prior to the meeting.
1.4. VOTING RIGHTS						
1.4.1-There is no restriction preventing shareholders from exercising their shareholder rights.	X	-	-	-	-	

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1.4.2-The company does not have shares that carry privileged voting rights.	X	-	-	-	-	
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.	X	-	-	-	-	
1.5. MINORITY RIGHTS						
1.5.1- The company pays maximum diligence to the exercise of minority rights.	X	-	-	-	-	
1.5.2-The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.	-	-	X	-	-	The Company pays maximum attention to ensure exercise of minority rights granted under the Turkish Commercial Code and the Capital Market Law, and no stipulations were incorporated in our articles of association due to the fact that the legal provisions governing this matter have been expanded.
1.6. DIVIDEND RIGHT						
1.6.1 -The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X	-	-	-	-	
1.6.2-The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X	-	-	-	-	
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	-	-	-	-	X	Profit distribution is carried out regularly within the scope of our Dividend Payment Policy.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X	-	-	-	-	

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1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X	-	-	-	-	
2.1. CORPORATE WEBSITE						
2.1.1.-The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X	-	-	-	-	
2.1.2-The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X	-	-	-	-	
2.1.4 -The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	-	X	-	-	-	A substantial portion of the information available on our website is also presented in English so that international investors may make use of them. The disclosures in English may be given in the form of a summary that is accurate, complete, direct, intelligible, adequate and consistent with the Turkish original in an extent that will be sufficient to help the readers make their decisions based on them.
2.2. ANNUAL REPORT						
2.2.1-The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X	-	-	-	-	
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X	-	-	-	-	
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X	-	-	-	-	
3.1.3-Policies or procedures addressing stakeholders' rights are published on the company's website.	X	-	-	-	-	
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X	-	-	-	-	

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3.1.5-The company addresses conflicts of interest among stakeholders in a balanced manner.	X	-	-	-	-	
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1-The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	-	X	-	-	-	The employees of our Company are members of the Bank, Finance and Insurance Workers Union. Decisions passed in relation to the employees or developments concerning them are notified to the employees or their representatives. The related union's opinions are sought for decisions of such nature. The Suggestion System Regulation targeting the company employees has been introduced as of 1 May 2006. Meetings are held with the sales force twice a year for sharing information and gathering their suggestions.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	-	X	-	-	-	Questionnaires are being administered among our customers and employees within the scope of our activities.
3.3. HUMAN RESOURCES POLICY						
3.3.1- The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X	-	-	-	-	
3.3.2-Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X	-	-	-	-	
3.3.4-Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X	-	-	-	-	
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X	-	-	-	-	

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3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X	-	-	-	-	
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X	-	-	-	-	
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X	-	-	-	-	
3.3.9 - A safe working environment for employees is maintained.	X	-	-	-	-	
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X	-	-	-	-	
3.4.2-Customers are notified of any delays in handling their requests.	X	-	-	-	-	
3.4.3 - The company complied with the quality standards with respect to its products and services.	X	-	-	-	-	
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X	-	-	-	-	
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1-The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X	-	-	-	-	
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X	-	-	-	-	
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X	-	-	-	-	

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4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X	-	-	-	-	
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X	-	-	-	-	
4.2.2-Duties and authorities of the members of the board of directors are disclosed in the annual report.	X	-	-	-	-	
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X	-	-	-	-	
4.2.4-Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X	-	-	-	-	
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X	-	-	-	-	
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X	-	-	-	-	
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X	-	-	-	-	

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4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9-The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	-	-	X	-	-	While there is not a specific policy about this matter, one woman member served on our Board of Directors in the reporting period.
4.3.10-At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X	-	-	-	-	
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attended the majority of the board meetings in person.	X	-	-	-	-	
4.4.2-The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	-	X	-	-	-	Although there is no written regulation, information and documents related to the agenda are shared with all members reasonably in advance.
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	-	-	-	-	X	In principle, Board Directors take part in all meetings. Special care is taken to setting meeting dates that will allow all Board Directors to attend and to hold the meetings with all directors in attendance except in unforeseen exceptional cases. During the reporting period, there were no members who could not attend the meeting but submitted their opinions to the Board of Directors in writing.
4.4.4-Each member of the board has one vote.	X	-	-	-	-	
4.4.5-The board has a charter/written internal rules defining the meeting procedures of the board.	-	X	-	-	-	The meeting procedures of the Board of Directors are set out in detail in our articles of association. There is not a dedicated internal written regulation about this matter.
4.4.6-Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X	-	-	-	-	

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4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.	-	X	-	-	-	There are no limits to external commitments of Board members. Outside positions held by Board members are stated in the General Shareholders' Meeting information document and in the annual reports.
4.5. BOARD COMMITTEES						
4.5.5-Board members serve in only one of the Board's committees.	-	X	-	-	-	As a matter of principle, Board Directors do not undertake roles in several committees. During the reporting period, one Board member served as a member on two committees.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X	-	-	-	-	
4.5.7-If external consultancy services are used, the independence of the provider is stated in the annual report.	-	-	-	-	X	In 2018, the Committees did not use any external consultancy service.
4.5.8-Minutes of all committee meetings are kept and reported to board members.	X	-	-	-	-	
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	-	X	-	-	-	The Company's short- and medium-term goals are discussed and determined by the Board of Directors, and the extent at which these goals are realized is monitored regularly. Other than that, the Board of Directors does not conduct a self-evaluation of its performance.

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4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X	-	-	-	-	
4.6.5-The individual remuneration of board members and executives is disclosed in the annual report.	-	X	-	-	-	The remunerations and benefits provided to the Board of Directors members and executives are disclosed cumulatively in the footnotes of our financial statements and in the annual report, which are publicly disclosed and also accessible on our website.