

# CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

## CHAPTER I- STATEMENT FOR COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

ASELSAN, in scope of the Corporate Governance Principles which has been implemented by Capital Markets Board (CMB) since 2003, has been making efforts to work in compliance with the principles under the titles shareholders, public disclosure and transparency, stakeholders and Board of Directors.

ASELSAN, adopting the corporate governance understanding as a principle, was rated with a grade of 8,77 out of 10 as the result of the Corporate Rating Studies realized by SAHA Corporate Governance and Credit Rating Services Inc (SAHA) in 2012 and therefore was included in the Borsa İstanbul Corporate Governance Index. As a result of the effort of giving importance to corporate governance principles, carrying out this effort as a continuous, dynamic process and making improvements accordingly; according to the report of SAHA which was published on 11.12.2015, ASELSAN's corporate governance rating grade was updated to 9,13 out of 10 points from 9,09 in 2014.

Corporate governance rating grade shows to what extent the companies comply with the corporate governance principles set out by the CMB and the Company's compliance level with the principles is defined with a methodology measuring under the main titles Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors. Within this context, the methodology that is based on the "Corporate Governance Principles" published by CMB in January 2014, was used in the rating made by SAHA.

ASELSAN also stands in the first group at World Corporate Governance Index (WCGI) that was published on 07.08.2015 by SAHA. As a result of the efforts made for improving Corporate Governance Rating during 2015, ASELSAN's corporate governance rating was updated as 9,13 over 10 on 11.12.2015 by SAHA A.Ş.

The ratings of 2014 and 2015 and the subtitles are given below:

<b>2014 Rating Distribution</b>	<b>2015 Rating Distribution</b>
Shareholders : <b>83,30 / 100</b>	Shareholders : <b>84,09 / 100</b>
Public Disclosure And Transparency : <b>98,21 / 100</b>	Public Disclosure And Transparency : <b>98,46 / 100</b>
Stakeholders : <b>93,78 / 100</b>	Stakeholders : <b>94,48 / 100</b>
Board of Directors : <b>90,00 / 100</b>	Board of Directors : <b>90,07 / 100</b>
<b>Average 9,09</b>	<b>Average 9,13</b>

ASELSAN Corporate Governance Ranking Reports published by SAHA can be accessed at the company website: [www.aselsan.com](http://www.aselsan.com).

The compliance with all the mandatory principles of Corporate Governance Principles was achieved. There are no conflicts of interest arising because of the arbitrary principles where compliance has

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

not been achieved. The titles regarding the arbitrary principles, where compliance has not been achieved yet, are given below and are explained in detail through the Compliance Report.

- No recognition of minority rights to those who own less than twentieth of the capital indicated in the Articles of Association,
- Non-existence of a judgement in the Articles of Association; declaring that shareholders may individually demand special audit of certain incidents from the General Assembly even if it is not on the meeting agenda, under the condition that the right to ask to obtain information and examine has been used before and if the exercise of shareholders rights is necessary,
- The article "Group A shares shall not be sold or transferred without the consent of the Board of Directors because of the Company's operations in security and defence industry; in the event that these shares are transferred or sold to third parties partially or completely without the consent of the Board of Directors, the Board of Directors is entitled to abstain from recording this sale in the records" in the Articles of Association of the Company,
- Not disclosing the remuneration of Board Members and executive managers or the benefits provided to them per each individual,

Corporate Governance Committee will carry on the necessary efforts in order to achieve full compliance with Corporate Governance Principles.

Oral ERDOĞAN

Independent Member of Board of Directors  
Corporate Governance Committee Chairman

Murat ÜÇÜNCÜ

Member of Board of Directors  
Member of Corporate Governance Committee

Oğuz BORAT

Member of Board of Directors  
Member of Corporate Governance Committee

Pınar ÇELEBİ

Investor Relations and Subsidiaries Manager  
Member of Corporate Governance Committee

# CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

## CHAPTER II - SHAREHOLDERS

### 2.1. Investor Relations Department

The information regarding Investor Relations and Subsidiaries Department responsible for the relations with shareholders is given below.

Okan TURAN ..... Chief Financial Officer (A.) / Vice President

Aykan ÜRETEN ..... Finance Director

Pinar ÇELEBİ ..... Investor Relations and Subsidiaries Manager

Bâni Betül GÖKÇE ..... Investor Relations and Subsidiaries Department/Senior Specialist

Başak YÜCEKAYALI ..... Investor Relations and Subsidiaries Department/Specialist

#### Contact Information

Phone: (312) 592 12 33 - 42 - 45 - 70

e-mail: [aselsan.ir@aselsan.com.tr](mailto:aselsan.ir@aselsan.com.tr)

Investor Relations Department has submitted the report regarding the tasks carried during 2014, to Board of Directors on 26.02.2015.

Pinar ÇELEBİ, Investor Relations Manager, has Capital Markets Transactions Level 3 and Corporate Governance Rating Expertise Licenses.

Main operations carried out by Investor Relations Department during 2015 are as follows:

- Maintenance of exercise of partnership rights of shareholders, updated and safe records regarding shareholders,
- Coordination of public disclosure of material events,
- Answering the written inquiries of shareholders regarding the company excluding the information considered as private and trade secret not disclosed to public,
- Ensuring the execution of General Assembly meeting in compliance with the regulation in force, Articles of Association and other company regulations, records being kept regarding the ballots and the results being reported to shareholders,
- Monitoring of every issue regarding the public disclosure including the regulations and company policies on information,
- Execution of tasks assigned by Corporate Governance Committee,
- Operation of transactions regarding capital increase, dividend distribution, amendments on Articles of Association and works of Corporate Governance Principles,
- Coordination of updating the list of people who have access to insider information; informing those people in purpose of protecting the insider information and obeying the privacy rules until financial and operational results are disclosed to public,
- Coordination of preparation and publishing of Sustainability Report.

Meetings with 110 corporate investors were made in investor conferences, roadshows, visits to ASELSAN and teleconferences; additionally approximately 100 of our shareholders' questions regarding exercising their rights, public disclosures made, financial tables, etc. were answered either written or verbally.

The information and explanations, which may affect the exercise of shareholders rights, are provided in the company website.

# CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

## 2.2. Exercising of Information Acquisition Rights of the Shareholders

Investor Relations Department has taken care of every written and verbal inquiry of all shareholders in 2015 with the most accurate and fastest way. It has paid attention to respond to all the information demands of shareholders with complete and comprehensible responses.

Investor Relations Department has been using Turkish website [www.aselsan.com.tr](http://www.aselsan.com.tr) and the English website [www.aselsan.com](http://www.aselsan.com) actively in order to inform the ASELSAN's investors on a timely and accurate basis and has been updating the information given on the web constantly. The electronic platform is being effectively used regarding the issues that may affect exercising of the shareholders rights. The material event disclosures made through Public Disclosure Platform (KAP) incorporated under Borsa İstanbul are being disclosed in Turkish and also in English along with it starting from 26.10.2015, the material event disclosure and other notifications are being published on our corporate website in Turkish and in English on the same day. In general, any changes occurred in the Company structure are immediately announced on our website and the investor presentations are constantly updated. Capital increases and dividend distribution information are also submitted to our investors' knowledge on the website. In addition, notifications regarding the attendance of shareholders to the General Assembly and electronic general assembly principles within the context of the new Turkish Code of Commerce (TCC) are being made.

Full compliance of both Turkish and English chapters on "Investor Relations" on the website with the regulations was achieved.

Within the context of regulations of CMB, in 2015;

- General Assembly documents within legal deadlines,
- General Assembly minutes and participants list,
- 2014 Annual Report,
- The report for the 1<sup>st</sup> six months' period for 2015 ,
- The investor presentations which are updated every 3 months ,
- Disclosures of material events made in 2015,
- Our Company's Consolidated Financial Statements and Basic Performance Indicators for the last 5 years along with the Financial Report,
- ASELSAN Strategic Plan Summary 2015-2019

were published on the website in Turkish and English.

Due to the reason that a regulation is present within the TCC numbered 6102 according to which the shareholders will be able to request from the General Assembly the assignment of a special auditor for the inspection and disclosure of the financial status, and due to the reason that the law and the relevant legislation are considered for the issues not present in the Articles of Association of the Company, there is no respective provision with regard to this issue in the Articles of Association. There was no request of any shareholders with respect to the assignment of a special auditor in 2015.

## 2.3. General Assembly Meetings

The agenda and invitation related to the 40<sup>th</sup> Ordinary General Assembly Meeting dated 31.03.2015 with regard to 2014 operations realized at the Company headquarters were duly

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

announced comprising all the necessary information in two daily newspapers published in Turkey and on the website on 09.03.2015 and in the Turkish Trade Registry Gazette dated 10.03.2015. Furthermore the invitation was sent to the main shareholders and the shareholders attended to the previous meeting by post two weeks before the General Assembly. The General Assembly was held with the attendance of 96 shareholders, 6 physically, 90 electronically representing 45.939.672.880 shares (TL 459.396.728,807 nominal) of 50.000.000.000 total shares. Media members did not participate in the General Assembly Meeting, which was held simultaneously both physically and electronically.

In scope of the Communiqué on Corporate Governance numbered II.17-1 of CMB, three weeks before the Ordinary General Assembly on date 06.03.2015, the Ordinary General Assembly Document including the meeting agenda, place, time, copy of the power of attorney, total number of shares as of 06.03.2015 and the voting rights, the number of shares representing the privileged shares and their voting rights, the reasons for the changes in the members of Board of Directors, which is present in the agenda, the list of independent members of the Board of Directors, the proposal of the Board of Directors with respect to the 2014 year dividend distribution, the CV's of the independent members of the Board of Directors and their statements of independence and explanations regarding the agenda items were disclosed on Public Disclosure Platform and were published on our Company website. The annual report was made available for the review of the shareholders at the headquarters 15 days before the General Assembly and handed to the shareholders participating in the General Assembly and to the ones who made requests.

For the facilitation of physical attendance to General Assembly Meeting in 2015, transportation from central spots to our Akyurt facility was provided for our shareholders, and our shareholders who attended the General Assembly had a site visit.

In the Ordinary General Assembly Meeting in 2015, the shareholders were informed regarding the presence of managing members, all the Board of Directors members and auditors at the meeting. No proposals were set forth by the shareholders during the meeting regarding the agenda. The shareholders exercised their rights to ask questions regarding the topics in the agenda and the answers to the questions took place in the General Assembly Meeting minutes. There are no questions which has not been answered in the Ordinary General Assembly Meeting and answered by the Investor Relations Department later on. Within the period, there have not been any transactions of which their resolutions were submitted to General Assembly because the confirmative vote of the majority of the independent board members are required where as they have voted negatively. The minutes of the General Assembly Meeting held in 2015 can be accessed from the website of our Company.

No Extraordinary General Assembly Meeting was held during the year 2015.

The shareholders were informed about donations and aids were made in 2014, with a separate agenda item.

### **2.4. Right to Vote and Minority Rights**

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

In article 25 of the Articles of Association titled “Right to Vote”, there is a provision stating that “the Shareholders and their representatives who are present at the Ordinary and Extraordinary General Assemblies shall have one right to vote for each share” and there is no privilege or no upper limit pertaining to the numbers of votes. The right to vote arises as soon as the share is acquired and there is no regulation setting forth that the vote shall be used when a certain time passes after the acquisition date of the share.

The regulations regarding the voting of the shareholders through their representatives are followed by; in the event of a legal representation, it is certified and the open proxy rule is applied.

Particular attention is paid in exercising the minority rights in our Company and the provisions of Turkish Code of Commerce and the relevant legislation regarding minority rights are applied as is. All shareholders are treated equally in our Company, including the minority and foreign shareholders.

There are no prevailing partners in our Company. In the Articles of Association, there is no provision with respect to the representation of the minority shares in the management and their accumulated casting of votes. Due to the voluntary implementation of this issue regarding the capital market legislation, provision with respect to the current General Assembly quorum is applied.

### **2.5. Dividend Rights**

There are no privileges with respect to the participation in the profit gained by the Company. The dividend policy was revised in 2014 and was submitted to General Assembly meeting. The dividend policy published on our website is given below.

The dividend amounts which shall be calculated considering the sustainable growth rate, market capitalization and cash flows, equity ratio, with the relevant legislation and the provisions of the articles of association over the distributable profit amount calculated taking the period profit as the basis which is shown on the financial statements of our Company prepared pursuant to the existing legal regulations (after the compulsory legal reserves are reserved and the taxes, funds and financial liabilities and losses of the previous year, if any, are deducted and the donations are added), the profit distribution proposal which shall be prepared by the Board of Directors in order for the shares which shall be issued by means of adding the cash or the dividend on the capital on the date(s) determined pursuant to the regulations of the Capital Markets Board to be distributed in cash in the defined amounts or as bonus shares or partly in cash, partly as bonus shares, shall be submitted to the approval of the General Assembly. Following the approval of the General Assembly, the determined dividends are distributed to the shareholders within the legal periods on the date determined by the General Assembly.

There is no privilege to participate to the profit of our Company. The dividends are distributed equally regardless of all the existing shares and their issue and acquiring dates.

In case of a revision made on the Dividend Policy, the resolution of Board of Directors regarding this revision and the reason for revision shall be publicly announced with respect to the legislation of Capital Markets Board.

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

As per the decision taken in the General Assembly pursuant to the provisions of the Articles of Association and to the Capital Market Law and other legal regulations in 2015 and within the legal periods, out of the profit gained from 2014 operations, the gross amount of TL 65.000.000,- (TL 0,13 per TL 1 of share, gross 13% over the capital) (net TL 55.250.000,- TL 0,1105 per TL 1 of share, net 11,05% over the capital) was distributed to our shareholders as cash dividend.

### **2.6. Transfer of Shares**

The transfer of the nominated Group A shares representing majority part of the capital and which are not traded in Borsa İstanbul has been restricted with the provision of article 6 of the Articles of Association stating “Group A shares shall not be sold or transferred without the consent of the Board of Directors; in the event that these shares are transferred or sold to third parties partially or completely without the consent of the Board of Directors, the Board of Directors is entitled to abstain from recording this sale in the records without stating a reason”.

## **CHAPTER III - PUBLIC DISCLOSURE AND TRANSPARENCY**

### **3.1. Company Website and its Content**

In order to inform our shareholders in a timely and accurate manner within the context of public disclosure and transparency; the website of the Company at the address [www.aselsan.com.tr](http://www.aselsan.com.tr) in Turkish and [www.aselsan.com](http://www.aselsan.com) in English is actively used and the information published on the web are updated regularly.

The section “Investor Relations” is included on our website also comprising the issues listed in article 2.1.1 of the corporate governance principles of Communiqué on Corporate Governance numbered II-17.1 issued by CMB on 03.01.2014.

# CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

Under “Investor Relations” section;

1. Corporate Governance
  - 1.1 Shareholder Structure and Privileged Shares
  - 1.2 Board of Directors
  - 1.3 Key Resolutions of Board of Directors
  - 1.4 Board Committees
  - 1.5 Articles of Association
  - 1.6 Company Profile and Trade Register Information
  - 1.7 Policies
  - 1.8 Ethical Principles
  - 1.9 Corporate Governance Rating
  - 1.10 General Assembly Meeting
  - 1.11 Compliance with Corporate Governance Principles
2. Sustainability
3. Stock Info
  - 3.1 Stock Info
  - 3.2 Non-Deposit Shares
  - 3.3 Capital Increases
  - 3.4 Analyst Coverage
  - 3.5 Registration Statement and Public Offering Circular
  - 3.6 Dividend Info
4. Investor Calendar
5. Annual Reports
6. Financial Data
  - 6.1 Financial Reports
  - 6.2 Financial Highlights
  - 6.3 Investor Presentations
  - 6.4 Board of Directors Reports
7. BİST Disclosures
8. Frequently Asked Questions
9. Contact

chapters exist. Necessary records and information are included under these titles. The information given on the Turkish website under “Investor Relations” section is included entirely on the English website.

## **3.2. Annual Report**

The Board of Directors prepare the annual report in detail regarding the operations of the Company and enable the public to reach complete and accurate information that can be comprehensive. The 2014 annual report of our Company was prepared as per the Turkish Code of Commerce numbered 6102, the Regulation Regarding the Determination of the Minimum Content of the Annual Reports of Companies issued by the Ministry of Customs and Trade, the Communiqué Regarding the Principles Related to Financial Reporting in the Capital Market and the Communiqué Regarding the Determination and Implementation of the Corporate Governance Principles, both issued by the CMB.



# CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

## CHAPTER IV - STAKEHOLDERS

### 4.1. Informing the Stakeholders

The information requests of stakeholders are keenly handled and attention is paid in responding these accurately and in an understandable manner. Our employees are informed with a personnel hand book and informative presentations over the intranet; continuous access to data and support is provided through help desk application over the intranet. Nonetheless, general and personal data that can be necessary outside the company are provided to access over the internet.

As for our suppliers, they are informed via internet, e-platforms and our website, in addition, information share is provided through face to face meetings. The efforts are being carried on to build the ASELSAN Suppliers Portal in order to provide efficient information transfer, thus an effective management shall be achieved by transferring, observing and reporting the data process between ASELSAN and its suppliers to the Enterprise Resource Planning (ERP) system.

High quality standarts and high technological solutions are offered for services or delivered products with regard to customer needs and expectations so as to meet customer satisfaction. Requirements of these quality standarts are met and inspections, tests are applied through every process from projects' start till the delivery phases. Our all processes are administered by directives, quality plans, standarts, audits and test instructions. Our processes have been certified by internationally accepted standards such as AS9100, ISO 9001, AQAP and CMMI so that our products and services are secured to protect quality standarts. These certificates are renewed every year with the audits performed. Changes and improvements of international standarts are being followed and our processes are developed accordingly. Customer satisfaction, which is the primary objective, is evaluated and reported for the access of related executives. In addition, results and trends are evaluated by the upper management in an annual basis and required recovery activites are planned.

It is possible to increase the quality of product and service correspondingly increasing customer satisfaction by supplying the materials used in products from the right and trusted sources. For this purpose, suppliers are subject to product and/or field of activity based selection and evaluation processes. These activities that target continuous improvement and high quality standarts for suppliers are regarded as playing an important role in eventual product quality. In this direction, trainings, technology /equipment transfers, on the job trainings are for creating a high quality supplier portfolio. All information share is done within the context of confidentiality with our suppliers, who have the status of our business partners, and it is not permitted to share this information with unauthorized persons and third party firms. Through related directives, handling any kind of relations between ASELSAN and the suppliers within the scope of law and ethical values, minimizing the occurrence of unsuitable conditions for protecting parties and securing the justice and transparency.

ASELSAN Magazine, published every 4 months, provides information regarding the activities, technical issues and up-to-date social events. Hardcopies of ASELSAN Magazine is delivered to the end users of ASELSAN products, shareholders who participated to the General Assembly Meeting, company employees and other related parties and uploaded to the website right after it is published.

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

The Compensation Policy can be accessed from our Company's website under Corporate Governance title.

The members of the Board of Directors and the executives do not perform any activities that may cause shareholders to incur losses or may diminish the Company assets. The subject that no debt shall be given, no loans shall be granted or no pledges such as guarantees in favor thereof may be extended to any members of the Board of Directors or to any employees through the use of ASELSAN assets, is declared within the "ASELSAN Ethical Principles, Values and Conduct Rules Document which is available on our Company's website.

It is resolved that the actions to be taken with regard to the article of Corporate Governance Principles "The company builds the necessary mechanisms through which the stakeholders may inform the corporate governance committee or audit committee about the transactions of the company which are in contradiction with the related regulation and are ethically inappropriate." shall be coordinated by the Audit Committee and the studies regarding this issue are carried on.

### **4.2. Participation of Stakeholders in the Management**

In the Articles of Association, there are no provisions regulating the participation of the stakeholders in the management. However, their participation to management shall be supported provided that it does not corrupt the Company activities.

The corporate governance structure of the Company gives the opportunity to all stakeholders including the employees and representatives to convey their worries with regard to transactions, which are inappropriate in terms of legality and ethics.

Our Board of Directors resolved on 30.09.2015 that; employee representatives shall attend to the Board of Directors meetings at least once a year for submitting their opinions, suggestions and requests, in order to further comply with the article "Supporting the Participation of the Stakeholders in the Corporation's Management" of Corporate Governance Principles of Capital Board, numbered II-17.1.

In ASELSAN, an Employee Representative is formed in order to increase the motivation and the sense of identity through providing the ASELSAN employees with the opportunities to,

- Submit their expectations and problems to upper management,
- Share the decisions related with themselves timely and accurately,
- To participate in the decision making processes
- Increase communication with upper management.

The resolution of our Board of Directors dated 30.09.2015 is included in the Employee Representative Directive, which became effective on 17.11.2015. As per the directive published, within the new structure;

- Electing of representatives shall be made by the involvement of all employees to the election process via Intranet Portal,
- 1 personel representative shall be representing every 100 employees and a balanced participation shall be ensured for all titles,
- A fractional bottom-up structure shall be formed that includes sub-committees and a supreme board,

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

- “Person in Charge for Solutions” shall be appointed to provide faster solutions where problems occur,
- Filter mechanisms shall be developed for agenda setting,
- Representatives shall attend to the Board of Directors meeting at least once a year.

Coordination of representative meetings is held by the Shared Services Vice Presidency, where the meeting chairman is the CEO. Nevertheless, Human Resources Management Vice Presidency is represented at least at the level of Director.

Election of employee representative will be done through the Portal. The road map of the employee representative from now on is given below;

- Sub-committees shall be formed,
- “Person in Charge for Solutions” and Personnel Representative Coordinators shall be assigned by upper management,
- Sub-committees will hold their initial meetings and the supreme boards will be formed along elections that will be performed in sub committees,
- Sub-committees and supreme boards will start performing as described in internal regulations.

### **4.3. Human Resources Policy**

The human resources policy of our Company is to adopt an understanding which adds successful and dynamic talents to ASELSAN family required pursuant to the vision of ASELSAN, which contributes to the sustainable success of ASELSAN with employee oriented approaches, adds value and which takes side of its employee at all times.

Within this scope and pursuant to the vision, mission and the principles of the Company, regulations have been set out pertaining to the working conditions of the personnel, their qualifications, recruitment, promoting, remuneration, rewarding, dismissal, disciplinary treatments, rights, tasks and liabilities and other personal rights.

57% of our employees stand for the engineering group, 30% for the technician group 7% for the administrative group, 3% for the office personnel and 3% of the worker group.

There were no complaints related to discrimination from the employees in 2015. Performance and rewarding policies are announced to all of our employees through Company directives.

### **4.4. Ethical Rules and Social Responsibility**

#### **4.4.1. Ethical Rules**

The ethical rules of our Company have been written and were published on our website. Furthermore, in order to integrate and develop the ethical rules with the implementations, an Ethical Committee was established to meet the evaluation, direction, consulting and recommendation requirements and create shared knowledge.

“ASELSAN Ethical Principles, Values and Conduct Rules” document is announced to all ASELSAN personnel with all its exhibits and the personnel makes a written commitment that s/he acknowledges the information and ethical values. When an amendment or an update is made on this document, the changes are made known to all the personnel and training programs about these changes are organized if deemed necessary.

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

Ethical Committee comprises of five members, the chairmanship of the Committee is executed by the Human Resources Management Vice President and the secretariat is handled by Human Resources Director. Other members consist of the representatives of Legal Affairs Department, Central Procurement Department or Financial Management Vice Presidency, charged by the approval of the CEO, and and two personnel; one shall have at least 15 years, other shall have at least 5 years of ASELSAN experience among the Top 5 ranked nominees with the votes of ASELSAN personnel and assigned by the Board of Directors. If there are no changes in the organization, the Ethical Committee members serve at least for two years.

Ethical Committee meets once a month unless an application or disobedience is present. However, Committee, Board of Directors, Corporate Governance Committee, CEO or the Chairman of the Ethical Committee can call a meeting. Beyond evaluating applications, Ethical Committee represents reason and conscience of ASELSAN and works to increase the awareness about ethical values in ASELSAN family. When there is an application, ethical committee conducts the required assessment and submit a report to the CEO. At the end of this investigation, necessary steps are taken in accordance with relative law and ASELSAN regulations and directives. The applications for last six months and assessment result is reported to Board of Directors each year within the months January and July.

### **4.4.2. Social Responsibility**

An independent British institution, Carbon Disclosure Project (CDP) which reports how the risks of climate changes are managed by the companies announced the 2015 results of the Turkey Carbon Transparency Project. ASELSAN is ranked 6<sup>th</sup> among the firms that most successfully manage climate change risks through production process and has the highest gas emission performance on the outcome of the research conducted by evaluating big firms including 35 firms listed on Borsa İstanbul.

In ASELSAN, where decreasing carbon emission is one of the strategic goals, carbon emission is monitored since 2009. ASELSAN's CDP score was 85C in 2014 and it is upgraded to 95B in 2015. Also, ASELSAN is the first company that is ranked with the highest initial score among Defence Industry firms in Turkey by participating in CDP survey.

ASELSAN has decreased carbon emission significantly through its efforts, and continues its operations by increasing momentum in the fields of increasing energy efficiency in production, giving priority to production technologies that decrease carbon emission, switching to use of energy that does not cause carbon emission.

Having certifications for ISO 14001 Environmental Management System and OHSAS 18001 Work Health and Safety Integrated Management System; we will proceed to take part in pioneer applications through actualization of national and international initiatives.

In November 2014, Borsa İstanbul (BIST) has launched Sustainability Index that display the performance of January-March 2014 time period for BIST-30 firms in the fields of financial, environmental, social issues and corporate governance. With respect to that, as of this date, ASELSAN started publishing sustainability reports. As a result of the evaluation of our Company on the ASELSAN Sustainability Report, published in Turkish and English for the first time before the Index assessments, ASELSAN was among the 15 firms that were

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

approved to be included in BİST Sustainability Index. In November 2015, ASELSAN held its place in the index as a consequence of the re-evaluation of ASELSAN Sustainability Report that was published in June, 2015.

Sustainability reports that are published on our website ([www.aselsan.com.tr](http://www.aselsan.com.tr)) include the details of sustainable applications in the fields of strategic governance, corporate governance, ethical principles, internal audit, bribery and corruption, risk management, communication with stakeholders, supply chain, information systems, facility management, employee development, human rights, occupational health and safety, environmental management.

In 2015 our Company made donations to the construction of Şehit Şerife Bacı and Martyrs Monument that is located on İstiklal Highway in Kastamonu/Seydiler district and the construction of Bingöl Martyrs Monument and 33<sup>rd</sup> Soldier Monument. Also, our Company sponsored the activities of Turkish Armed Forces Rehabilitation and Care Center Handicapped Sports Club and furnishing of Anıtkabir command exhibition hall.

### **CHAPTER V - BOARD OF DIRECTORS**

#### **5.1. Structure and Formation of Board of Directors**

In our Company, 3 members of 9 members of Board of Directors are independent members. The duties of Nomination Committee are executed by Corporate Governance Committee. The report regarding the evaluation of the list of Independent Members of Board of Directors prepared by Corporate Governance Committee on 06.03.2015 was presented to Board of Directors on 06.03.2015 and the CV's and independence statements of the 11 nominees were announced to public on our website on 06.03.2015. As a result of the voting at the General Assembly Meeting on 31/03/2015, 3 nominees were elected as Independent Members of Board of Directors. There were no cases to eliminate the independency of the Independent Members of the Board of Directors in 2015.

The CVs of the Members of the Board of Directors are included in the 2015 annual report and the information with respect to their duty terms is provided in the table below.

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

Name Surname	Duty	Election Date	Termination Date	Responsibilities other than the Company
Mustafa Murat ŞEKER (**)	Chairman / Managing Member	May 2013	March 2016	Deputy Undersecretary of Undersecretariat for Defence Industries
Murat ÜÇÜNCÜ (**)	Vice Chairman / Managing Member	May 2013	March 2016	-
Ziya AKBAŞ (****)	Independent Member (*)	March 2014	March 2016	Turkish Patent Institute – Brand Representative, Public Supervision Institute – Independent Auditor, R.T. Ministry of Labour Social and Security – Official Mediator, TURMOB – Expertise on Author’s Rights and Financial Matters
Nazım ALTINTAŞ	Independent Member (*)	March 2015	March 2016	-
Oğuz BORAT	Member	March 2015	March 2016	Member of Engineering and Design Faculty Board, Consultant of the Rector, Member of Interuniversities Board in İstanbul Trade University
Hasan CANPOLAT (**)	Member	May 2013	March 2016	Consultant of Minister of National Defence
Oral ERDOĞAN (****)	Independent Member (*)	March 2014	March 2016	Rector of Piri Reis University, Consultant of Chamber of Shipping, Consultant of Turkey Ship Building Businessman Union, Member of the Board of İstanbul Maritime R&D Publishing and Consultant Inc., Member of the Board of Turksat Satellite Communication and Cable TV Operating Inc.
İsmail GÜMÜŞTEKİN	Member	March 2015	March 2016	-
Sedat NAZLIBİLEK (***)	Member	June 2014	March 2016	Lecturer in Atılım University Mechatronics Engineering Department
Faik EKEN	CEO	May 2014	-	-

*(\*)Statements of Independence of the Independent Members of Board of Directors, which declare that the independent members conform with the regulations and the specified criteria for being*

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

*an Independent Board of Directors Member, within the context of Capital Markets Board's corporate governance principles, are available. Statements of Independent Members take part at the end of the Corporate Governance Principle Compliance Report.*

*(\*\*)Assigned by decision of Board of Directors dated 16.05.2013. In the Ordinary General Assembly Meetings dated 31.03.2014 and 31.03.2015, reelected to serve for one year.*

*(\*\*\*)Assigned by the decision of Board of Directors dated 25.06.2014. In the Ordinary General Assembly Meeting dated 31.03.2015, reelected to serve for one year.*

*(\*\*\*\*) Reelected to serve for one year; on the General Assembly Meeting dated 31.03.2014 for the first time, and on the General Assembly Meeting dated 31.03.2015 for the second time.*

In article 13 of the Articles of Association titled "Duties and Authorization of the Board of Directors", the duties and authorization of the Board of Directors have been defined. Besides, the Board of Directors Working Directive also describes the Duties and Authorization of the Board of Directors. With the article 14 of the Articles of Association titled "Assignment of the Authorization to the CEO", the assignment of the authorization of the Board of Directors to the CEO has been set out. The duties and authorization of the executives are described in the "Duties and Responsibilities Directive" formed within the Company.

The duties of the Members of the Board of Directors and of the CEO carried out outside the Company, information regarding the term of office and the statements of the board of members with respect to their independencies:

- There are no members of Board of Directors carrying out an executive duty.
- The statements of independence of the Independent Members of the Board of Directors have been provided at the annex of the Compliance Report.
- The Members of the Board of Directors fulfill their duties without any interest or benefit and pursuant; to the liabilities and authorizations undertaken by the Board of Directors and to the regulations of the Turkish Code of Commerce and CMB.
- Members of the Board of Directors, in accordance with the Working Directive of Board of Directors, are liable not to enter into any commercial treatments directly or indirectly with the Company that coincides with the Company objectives, on their behalf or on behalf of others without the consent of the General Assembly.

With regard to the resolution of the Corporate Governance Committee meeting dated 05.11.2015, it has been discussed in the Board of Directors meeting on 26.11.2015 that; membership of women in the board of directors as it used to be the case in the past would be beneficial in order to increase compliance with the Corporate Governance Principles in our Company.

### **5.2. Principles of Activity of Board of Directors**

Board of Directors carries out its duties and responsibilities determined with reference to TCC, Capital Market Law and Articles of Association. In this context, the basis of duties and operations are indicated in details in ASELSAN Board of Directors Working Directives.

The agenda of the Board of Directors meetings is formed with the proposals of the Members of the Board of Directors and the committees and the CEO, it is afterwards evaluated by the Board of Directors Chairman and finalized. The subjects emerged as urgent and which are considered worthwhile to discuss may be added to the agenda during the Board of Directors meeting.

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

As per article 10 of the Articles of Association, the Board of Directors assemble when required and at least once a month. The number of Board of Directors Meetings in 2015 was 30, where 14 of the decisions in the meetings are interim decisions. All of the Members of the Board of Directors attended 67% of the meetings.

The place, date, time and agenda of the next meeting is decided at the Board of Directors Meetings. Documents pertaining to the meeting agenda are sent to the members of Board of Directors at least 3 work days before the meeting by the Presidency.

The Members of the Board of Directors attend the meetings and fulfill their duties as per their authorization and responsibilities. The members who do not attend the meetings submit their excuses.

Board Office is established under Board of Directors in order to coordinate necessary issues in the name of the Board, particularly the relationships with the Presidency and TAFF, to execute planning and support the Board of Directors' operations.

All members have one right to vote, including the chairman. If the numbers of votes are equal, the vote of the chairman does not change the result. Abstaining is not possible, either rejection or acceptance is voted. The vote of the abstaining member is considered as a rejecting vote. The member casting a reject vote states the ground for this in the meeting minutes and undersigns it. According to the article 11 of the Articles of Association titled "Quorum of Meeting and Decision Making"; "The provisions of the TCC, Capital Market Law, regulations of the Capital Markets Board in connection with corporate governance and other relevant legislation are taken into account with respect to the meetings and decision making quorums of the Board of Directors as well as with respect to any Board of Directors members assuming duties and positions outside the Company. Any action and resolutions taken by the Board of Directors without complying with the Corporate Governance Principles, which are made mandatory as to be complied by the Capital Markets Board, are invalid and considered as in contrary to the Articles of Association". In the operation year 2015, there were no related party transactions or any other significant issue, which had to be submitted to the approval of the general assembly, since they were not approved by the Independent Members of the Board of Directors.

The signed decisions are made available to the follow up of the Members of the Board of Directors and Executive Committee Members in the electronic platform.

In accordance with the article 4.2.8 of Capital Markets Board Corporate Governance Communiqué; Executive Liability Insurance Policy was signed for Board of Directors members on 17.07.2015 with the total liability amount of USD 50.000.000,- which corresponds to more than 25% of the paid-in-capital of our Company, with a validity period of 1 year.

### **5.3. Number of Committees Formed in the Board of Directors with Their Structures and Independency**

As per the title "Committees Formed in the Board of Directors" in the Communiqué Regarding Determination and Implementation of Corporate Governance Principles by the Capital Markets Board, our Company's Board of Directors, in the meeting dated 10.04.2012, formed an Audit Committee, Corporate Governance Committee and Early Detection and Management of Risk Committee and announced this to the public. There are no Nomination and Remuneration



## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

Committees within the Board of Directors and the duties of these are carried out by the Corporate Governance Committee.

The directives of Audit Committee, Corporate Governance Committee and Early Detection and Management of Risk Committee are made available at the website of our Company. The Independent Members of the Board of Directors and four members of the Board of Directors have duties in more than one committee. This is because it is mandatory that all members of the Audit Committee and the chairman of the other committees should be Independent Members of the Board of Directors.

Boards of Directors have made the annual evaluation of the committees composed under its structure and the evaluation report is available in 2014 Annual Report.

### **AUDIT COMMITTEE**

Committee Members (January – March 2015)

Ziya AKBAŞ ..... Chairman/Independent Member of Board of Directors  
Oral ERDOĞAN ..... Member/Independent Member of Board of Directors  
Celalettin DÖVER..... Member/Independent Member of Board of Directors

Committee Members (March – December 2015)

Ziya AKBAŞ ..... Chairman/Independent Member of Board of Directors  
Oral ERDOĞAN ..... Member/Independent Member of Board of Directors  
Nazım ALTINTAŞ..... Member/Independent Member of Board of Directors

The main duties of the Audit Committee that were set out in the “ASELSAN Audit Committee Work Directives” regulating the working principles of Audit Committee are as follows;

- To enable the disclosure of the financial data of ASELSAN, to pursue the operation and efficiency of the accounting system, independent audit, internal audit and internal control system of the company,
- To assemble at least every 3 months, to share the meeting minutes with the Board of Directors

Meetings were held by Audit Committee on dates 06.03.2015, 11.05.2015, 19.08.2015 and 06.11.2015 regarding the financial statements with the participation of the relevant independent audit company in 2015.

Furthermore, two more meetings were held on dates 25.03.2015 and 30.12.2015 regarding the financial statements.

In order to increase the efficiency of internal audit, attention was paid to strengthen the cooperation with Internal Audit Presidency and to the supervision of internal audit activities, direct and continuous communication was established between Audit Committee and Internal Audit Presidency. A dimension of this communication; Audit Committee- Internal Audit Presidency coordination meetings, were held ten times on dates 15.01.2015, 18.02.2015, 22.04.2015, 22.05.2015, 19.06.2015, 23.07.2015, 30.09.2015, 22.10.2015, 06.11.2015 and 17.12.2015.

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

The Committee was active in two main topics in 2015.

### **i. Independent Audit Activities and Works Regarding the Audited Financial Statements:**

“Communiqué on Financial Reporting in Capital Markets” Serial: II, 14.1 regulated the preparation of financial reports and their basis, principles of presentation to the relevant parties. December 2014, March 2015, June 2015 and September 2015 financials and Board of Directors reports were prepared in accordance with the communiqué numbered II, 14.1, and submitted to Board of Directors by Audit Committee and presented to the public via Public Disclosure Platform.

The procurement process for independent audit services for the year 2015 as per the CMB’S communiqué numbered II-14:1, was handled by the Procurement Department and the purchasing decision that the service shall be provided by “AKİS Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.” (KPMG) was taken by Board of Directors. The resolution was submitted for approval on the General Assembly Meeting dated 31.03.2015 and was accepted.

### **ii. Internal Audit Presidency:**

Within the scope of the internal audit activities of the Company, the relations between the Internal Audit Presidency and the Board of Directors have been carried out through Audit Committee. A direct and continuous contact between Audit Committee and Internal Audit Presidency is present.

### **CORPORATE GOVERNANCE COMMITTEE**

Committee Members (2015 January - March)

Oral ERDOĞAN ..... Chairman/Independent Member of the Board of Directors  
Ahmet Can ÇEVİK ..... Member/Member of the Board of Directors  
Mustafa Murat ŞEKER ..... Member/Member of the Board of Directors  
Pınar ÇELEBİ ..... Member/Investor Relations and Subsidiaries Manager

Committee Members (2015 March - December)

Oral ERDOĞAN ..... Chairman/Independent Member of the Board of Directors  
Murat ÜÇÜNCÜ ..... Member/ Board of Directors Vice Chairman  
OĞUZ BORAT ..... Member/Member of the Board of Directors  
Pınar ÇELEBİ ..... Member/Investor Relations and Subsidiaries Manager

The main duties of the Corporate Governance Committee were set out in the “ASELSAN Corporate Governance Committee Work Directives” as follows:

- To carry out studies for the implementation of Corporate Governance Principles in the Company,
- To observe whether the Corporate Governance Principles have been implemented or not and if not implemented to determine the grounds for this and the conflicts of interest arising due to not complying with these principles and to make proposals for improving the status,
- To monitor the activities of the Investor Relations Department.
- Corporate Governance Committee assembles every 3 months and in every situation when necessary. The meeting minutes are submitted to the Board of Directors.

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

The Corporate Governance Committee assembled seven times within the activity year 2015 on dates, 18.02.2015, 25.02.2015, 06.03.2015, 11.05.2015, 19.08.2015, 05.11.2015 and 30.12.2015. The meeting minutes of the Committee may be reached on our website. The committee was active in three respective tasks in 2015:

### **i. Operations of Investor Relations Department:**

Investor Relations Department have attended all the meetings in 2015, performed secretariat procedures of the committee with regard to “ASELSAN Corporate Governance Committee Working Directive” and informed the committee periodically about the tasks carried by investor relations department.

In 2015, the subjects discussed and tasks carried by the Corporate Governance Committee within the context of the meetings made are given below:

- Independent Board Member election process
- Investor Relations Department and its operations
- Corporate Governance Committee Evaluation Report
- Corporate Governance Rating
- Corporate Governance Committee 2014 Report
- ASELSAN 2014 Compliance with the Corporate Governance Principles Report
- BİST Sustainability Index and sustainability tasks performed in ASELSAN
- ASELSAN Dividend Policy
- ASELSAN Scholarship Directives
- ASELSAN Corporate Governance Plan
- ASELSAN Ethical Principles
- ASELSAN Personal Performance Management System Directive
- ASELSAN Wage and Career Management System Directive
- Tasks carried for the revision of ASELSAN score cards

### **ii. Corporate Governance Rating:**

The evaluation of corporate governance rating performed by SAHA Corporate Governance and Credit Rating Services were concluded during the last quarter of 2015. According to the review, as a result of the enhancements made throughout 2015, the score of 12.12.2014, 9,09 out of 10, was revised as 9,13 out of 10 on 11.12.2015.

Our Company’s share has been listed in the corporate governance index since the date 14.12.2012, which it first entered the index. Rating reports can be accessed on the company website.

### **iii. Election of Independent Board Members**

As given by Corporate Governance Principles, the responsibility of evaluating and reporting the nominations and their independency status is given to the Nomination Committee, in companies where this committee is not formed because of the structure of the Board of Directors, the responsibility is given to Corporate Governance Committee. Within this context, the evaluation of nominations which were made until the end of February 2014 was carried on by the Committee and the resulting nominee list was presented at the Board of Directors meeting on 06.03.2015. The list was submitted to shareholders’ voting on General Assembly Meeting on 31.03.2015 and as a result, Oral ERDOĞAN, Ziya AKBAŞ and Nazım ALTINTAŞ were elected as independent members to serve for 1 year.

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

### EARLY DETECTION AND MANAGEMENT OF RISK COMMITTEE

“Early Detection and Management of Risk Committee”, which was established with the resolution of ASELSAN Board of Directors on 10.04.2012 numbered 720/1 decision, executes its operations as per the directive numbered ASY-01-066, which was approved and taken into force with the decision of Board of Directors dated on 29.11.2012, numbered 750/4.3e.

Committee Members (2015 January - March)

Celalettin DÖVER.....Chairman/Independent Member of the Board of Directors  
Ahmet KESİK.....Member/Member of the Board of Directors  
Ahmet Can ÇEVİK.....Member/Member of the Board of Directors

Committee Members (2015 April - December)

Nazım ALTINTAŞ .....Chairman/Independent Member of the Board of Directors  
İsmail GÜMÜŞTEKİN.....Member/Member of the Board of Directors  
Sedat NAZLIBİLEK .....Member/Member of the Board of Directors

The committee continues its studies in determining the risks which may prevent ASELSAN from reaching its goals; governing these risks in accordance with the Company’s risk taking profile, its reporting; consideration through decision mechanisms and establishment of internal control. In this respect, in 2015 the committee held 6 meetings on 25.02.2015, 28.04.2015, 24.06.2015, 18.08.2015, 21.10.2015 and 23.12.2015. Committee’s works are summarized below:

- “2014 Evaluation Report” was prepared and submitted to Board of Directors’ information in February 2015.
- “Corporate Risk Evaluation Report” was completed and has been submitted to Board of Directors in February 2015, April 2015, June 2015, August 2015, October 2015 and December 2015. Within the context of the operations followed with the report;
  - Important risks beared by ASELSAN were identified and risk classification, explanation, rating, strategy, owner/responsible, current control operations and relevant indicators were included in the report.
  - Warning benchmarks for risk indicators were determined and it was targeted to draw the attention of Board of Directors to the risks which go beyond the benchmark at the end of the report.
  - In the meetings held by the committee, present developments and data indicators regarding the risks began to be evaluated. In order to increase the operation of Corporate Risk Management System and reducing present risks to minimum, Committee suggestions and proposals are shared with related departments.
- “ASELSAN Corporate Risk Management System Directive” is approved and came into force by the Board of Directors’ resolution dated 24.12.2015 numbered 871/6b decision.

The secretariat formalities of the Committee were performed by Risk Measurement and Analysis Department of Strategy Management Directorate in 2015.

### 5.4. Risk Management and Internal Audit Mechanism

Internal audit operations and corporate governance are facilitated via risk management and development of efficiency of internal audit procedures in ASELSAN. The most important role of internal audit operations is assuring the Audit Committee and Board of Directors that the risks are being managed effectively. Annual audit plan and work programs are prepared on a risk basis

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

and audit results are reported periodically to Audit Committee. Harmonization with legal and firm regulations, the status of application of ethical principles and the effectiveness of risk mitigation is evaluated by internal audit department.

### **5.5. Strategic Objectives of the Company**

The Board of Directors is the top level body to make strategic decisions and to execute and represent. As per the Articles of Association of the Company, the Board of Directors is responsible to determine the strategic plans and control their implementations.

Strategic management process is a part of Corporate Governance and is managed by the CEO in the name of Board of Directors, following the approval of the plans prepared by the Board of Directors with the coordination of Strategic Management Directorate. Reaching ASELSAN's long term goals and sustaining success can be achieved through environment friendly strategies.

ASELSAN's vision is to become a national technology company that preserves its sustainable growth with the values created in the global market, is preferred for its competitive power, is trusted like a strategic partner and is sensitive about the environment and the people. Within this concept, annually updated 5 year plans and business plans and 3 year budgets are prepared. With this methodology, short and middle term targets are specified by considering long term goals. The operations to be carried out for these targets are executed by Sectors Presidencies and performance evaluations are made based on Balanced Scorecard method, which is widely used in the world.

### **5.6. Financial Rights**

Remuneration procedures, which are set in written form in accordance with the Corporate Governance Principles, were submitted to the information of shareholders in the 39<sup>th</sup> Ordinary General Assembly Meeting held on 31.03.2014 under a separate item named Principles Regarding the Remuneration of Board of Directors Members and Managers with Executive Responsibility. Remuneration Principles for Board of Directors Members and Managers with Executive Responsibility are published on our Company's website.

Monthly remunerations provided to our Members of the Board of Directors are determined by the General Assembly and no other benefits are granted apart from the monthly remuneration. Pursuant to the resolution taken at the 40<sup>th</sup> Ordinary General Assembly held on 31.03.2015, the Members of the Board of Directors are paid TL 3.000,- per month. As for the determination of the financial rights of the board members, no reward system is applied to reflect the Company performance and which is based on the performance of the Members of the Board of Directors.

# CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

## Statement of Independence

To the Board of Directors of ASELSAN Elektronik Sanayi ve Ticaret A.Ş.;

Date: 13.02.2015

I hereby agree, represent and undertake that I comply with the regulations of the Capital Market Board related to Independence Board Membership and with the criteria determined for Independence Board Membership within the scope of Corporate Governance Principles.

I hereby submit this to the knowledge of the Board of Directors, shareholders and all relevant parties.

Sincerely yours,

Ziya AKBAS



# CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

## Statement of Independence


To the Board of Directors of ASELSAN Elektronik Sanayi ve Ticaret A.Ş.;

Date:18.02.2015

I hereby agree, represent and undertake that I comply with the regulations of the Capital Market Board related to Independence Board Membership and with the criteria determined for Independence Board Membership within the scope of Corporate Governance Principles.

I hereby submit this to the knowledge of the Board of Directors, shareholders and all relevant parties.

Sincerely yours,

  
Saygılarımla,  
Prof Dr. Oral ERDOĞAN

# CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2015

## Statement of Independence

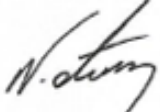
February, 20 2015

To the Board of Directors of ASELSAN Elektronik Sanayi ve Ticaret A.Ş.;

I hereby agree, represent and undertake that I comply with the regulations of the Capital Market Board related to Independence Board Membership and with the criteria determined for Independence Board Membership within the scope of Corporate Governance Principles.

I hereby submit this to the knowledge of the Board of Directors, shareholders and all relevant parties.

Sincerely yours,



Nazım ALTINTAŞ