



Corporate Governance Compliance Rating Report

 **Garanti Factoring**

Garanti Faktoring A.Ş.

20 August 2015

Validity Period 20.08.2015-20.08.2016

LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Garanti Faktoring A.Ş. is compiled;

in accordance with the criteria stated in CMB's Corporate Governance Directive, no II-17.1, printed on Official Gazette dated January 3rd 2014, numbered 28871; as well as CMB's board decisions taken at Board meeting dated 01.02.2013, no 4 / 105.

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

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

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

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

The rating grade does not constitute a recommendation to purchase, to hold or to dispose any kind of borrowing instrument. Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri 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 Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. This report cannot be printed in writing and electronically, reproduced and distributed without our permission.

TABLE OF CONTENTS

1.	Fourth Period Revised Rating Results and Reasons for Grade	3
2.	Company Profile and Changes in Last One Year	7
3.	Rating Methodology	14
4.	Corporate Governance Compliance Rating Grades and Their Description	16





GARANTİ FAKTORİNG
ANONİM ŞİRKETİ

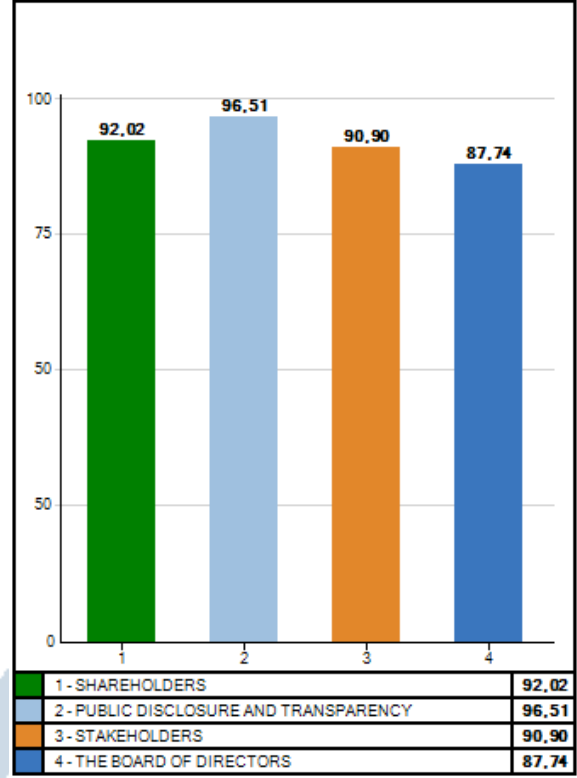
CMB CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE

9.15

Kobirate A.Ş. Contact :

Can Tekin (216) 3305620 Pbx
cantekin@kobirate.com.tr

www.kobirate.com.tr



1. FOURTH PERIOD REVISED RATING RESULTS

This report of rating of compliance of **GARANTİ FAKTORİNG 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.

According to Capital Market Board decision dated 13.01.2015 and numbered 1/3, **GARANTİ FAKTORİNG A.Ş.** is on the list of **BIST 3rd Group Companies**. 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.S., developed for "Third Group Companies of the BIST, revised Corporate Governance Compliance Rating Grade of **GARANTİ FAKTORİNG A.Ş.** is determined as **9.15**. This result signifies that the Company has achieved compliance to a significant extent with the CMB's Corporate Governance Principles.

The fact that Board of Directors and the Top Management internalized the issues in the corporate governance principles and approached those areas that needed compliance and improvement willingly and determinedly within last year to produce solutions has played a major role in the revised grade that the company achieved.

All possible risks for the Company have been determined and are controlled. Rights of shareholders and stakeholders are treated fairly. Public disclosure and transparency activities are conducted at high level. The structure and working conditions of board of directors are compliant with corporate governance principles, but there is still need for some small improvements within the scope of corporate governance principles, although it doesn't pose a great risk.

It has been observed that **GARANTI FAKTORING** has obtained a grade of **92.02** in respect of **Shareholders' Section**.

As it was in last period, it has been determined that Investor Relations Department conducts its duties effectively within General Accounting Department, that preparations and announcements for general assemblies take place timely and appropriately, that results of General Assembly are disclosed to public and voting by proxy is not blocked. In accordance with CMB Directive no II.17-1, the Investor Relations Department Manager Serap Çakır has been appointed as Corporate Governance Committee member. The appointment was disclosed with a Public Disclosure Platform declaration.

There is no regulation in the Company that makes private audit difficult. Article 16 of Articles of Association keeps the right of appointment of private auditor for shareholders.

General assembly meeting to discuss 2014 operations took place on 29.04.2015 and it was announced on 02.04.2015. Financial statements, annual report, audit reports and Board of Directors' dividend distribution proposal were presented to shareholders with general assembly information documents three weeks before the General Assembly meeting.

It has been determined that 2014 Ordinary General Assembly meeting that took place on 29.04.2015 was conducted within the frame of

CMB's Corporate Governance Principles and other legal regulations. At the meeting, Articles 4, 12 and 17 of Company's Articles of Association were amended. The Company has taken a further step for compliance with principles.

Main policies that ensured increase of grade in this section are;

- Extension of minority rights by recognizing minority rights for shareholders with at least 1 / 20 of the capital in the Articles of Association,
- The fact that both Serap ÇAKIR and Şebnem DEDE work at the Investor Relations Department as licensed personnel,
- The fact that Investor Relations Department records oral questions of shareholders, as well as written questions,
- The fact that Investor Relations Department reports its activities to the Board of Directors every six months.

The Company has achieved the grade of **96.51** for the section of **Public Disclosure and Transparency**.

GARANTI FAKTORING, fulfills its public disclosures within the scope of its Disclosure Policy, prepared by the Board of Directors, approved by general assembly and shared with public.

Company's corporate website is used for public disclosures as an active and efficient platform and its content is regularly updated.

It is seen that the Board of Directors prepares the annual report in such a detail that it gives public access to complete and true information about company's activities.

Main policies that ensured increase of grade in this section are;

- Revision of Disclosure Policy to meet the principles fully,

- The fact that on the corporate website;

- there are registration statements and IPO circular letters,

- there are Company policies on buying back its own shares,

- the fact that the Annual Report includes;

- Information on committees formed by the Board of Directors, their working principles and activities within the period that annual report covers,

- Changes in Articles of Association that took place within the period that annual report covers,

- Information about remuneration and benefits provided for members of Board of Directors and top executives,

- Evaluations by Audit Committee on the working of internal audit, internal control and risk management systems,

- Information about ongoing jobs that Board Members and top executives hold outside the Company and independence declarations of Board Members,

- Information about number of Board of Directors meetings within the year and meeting frequency of Board of Directors Committees,

- Information about administrative sanctions or penalties against the Company because of policies violating regulations,

- Information about whether there are major administrative sanctions or penalties against members of board,

- Information about major law suits and their results against the Company.

The Company has achieved the grade of **90.90** for the section of **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 has been concluded that the company respects the stakeholders' rights, specified in regulations and mutual contracts. The impression is that in case of lack of any regulation, the company respects stakeholders' rights within goodwill rules, company's reputation and means. It has also been observed that many internal regulations were prepared to this end.

The Company provided 2,678 hours of class and work place training in 2014. Training duration per person has been 14 hours. As of end of June 2015, 1,600 hours of training was conducted with the participation of 87 employees.

Main policies that ensured increase of grade in this section are;

- Preparation of Company's Environmental and Social Credit policies and disclosure of these policies to public through corporate website

- Development of training for employees,

- Encouragement of employees to acquire different certificates in their areas of operations.

GARANTI FAKTORING has achieved the grade of **87.74** for the section of **Board of Directors**.

It is our impression that by the strategic decisions it takes, the Board manages and represents the company, keeping the risk, growth and return in balance while paying attention primarily to company's long term interests, under a reasonable and prudent risk management approach. In this sense, the Board of Directors has described the corporate strategic objectives and determined

the required human and financial resources. Our impression is that the Board of Directors 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. The structure of Board of Directors is in compliance with principles. The Board has 9 (nine) members and, except for 2 (two), they are non - executive members. 2 (two) of the non – executive members are independent members of board of directors. It has been determined that the Board of Directors convenes frequent enough to do its duties. The Board of Directors held 18 (eighteen) meetings in 2014 and took 64 (sixty four) decisions at these meetings. It held 11 (eleven) meetings in June 2015 and took 19 (nineteen) decisions at these meetings. Corporate Governance Committee held 4 (four) meetings in 2014. Number of meetings in 2014 is 7 (seven) for the Audit Committee and 4 (four) for Early Detection of Risk Committee. In 2015, the Corporate Governance Committee held 4 (four), Audit Committee 4 (four) and Early Detection of Risk Committee 3 (three) meetings

Internal Audit Department reports to the Audit Committee. 26 (twenty six) reports were sent in 2014 and 17 (seventeen) as of July 2015. These reports give information to the Audit Committee about concluded and / or ongoing audit results and whether the improvements required for previous audits have been done or not.

Main policies that ensured increase of grade in this section are;

- Efficiency of the Corporate Governance Committee,

- The fact that Corporate Governance Committee reports its proposals for independent members, together with assessment about whether the candidates meet the criteria for independence, to the Board of Directors for approval, as the functions of Nomination Committee are undertaken by Corporate Governance Committee,

- The fact that Committees keep written records of all their activities,

- The fact that committees present reports containing information on their activities and results of meetings to board of directors,

- Presentation of remuneration proposals for board members by the Corporate Governance Committee to the board of directors, as the functions of Remuneration committee are undertaken by Corporate Governance Committee,

- Disclosure of remuneration and other benefits for board members to public in the annual report,

- Getting Early Detection of Risk Committee activated.

2. COMPANY PROFILE AND CHANGES IN LAST ONE YEAR

a. Company Profile



Company Name : Garanti Faktoring Anonim Şirketi
Company Address : Maslak Mahallesi Eski Büyükdere Cad. No:23
Sarıyer/ İSTANBUL
Company Phone : (0212) 3653150
Company Facsimile : (0212) 3653151
Company Website : www.garantifactoring.com.tr

Date of Incorporation : 04/06/1990
Registered Number : 265852
Paid in Capital : 79.500.000.-TL

Line of Business : Factoring services

Company's Sector : Finance

Company's Representative in Charge of Rating:

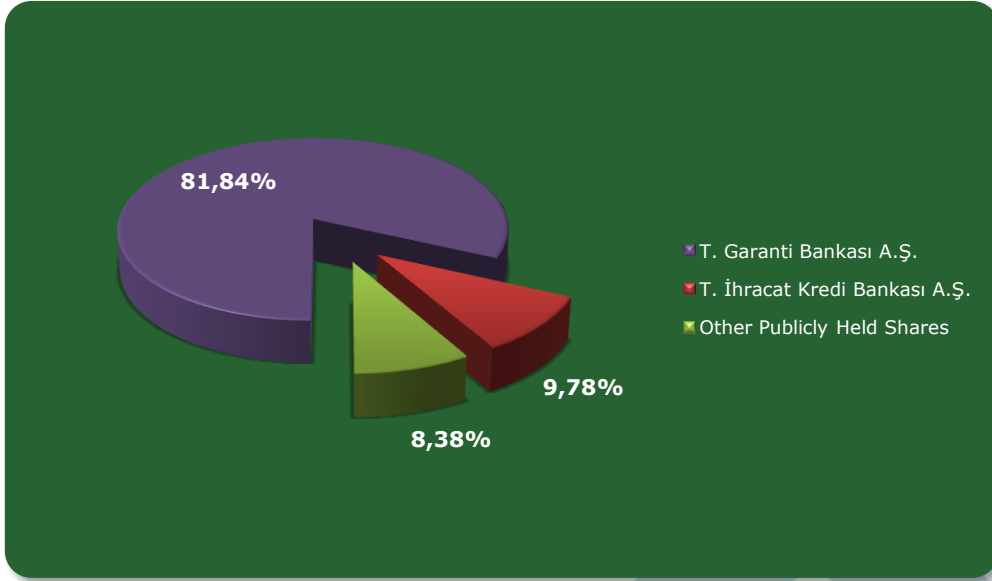
Serap Çakır

Senior Vice President General Accounting

scakir@garantifactoring.com

(0212) 3655218

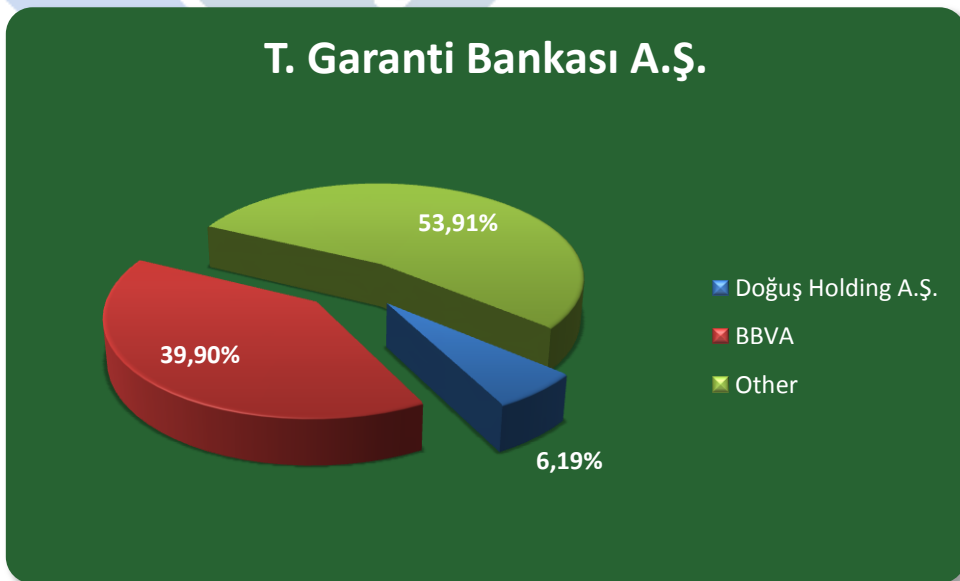
Shareholders Structure (as of report date)



Source : www.garantifaktoring.com.tr

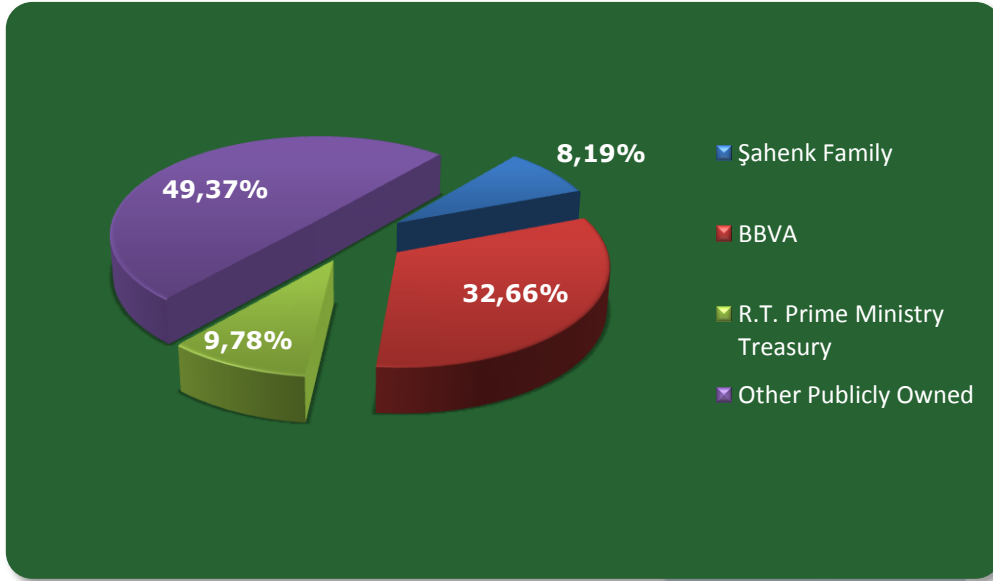
Shareholder Name	Share (TL)	%
T. Garanti Bankası A.Ş.	44.046.670,89	55,40
Public Shares owned by T. Garanti Bankası A.Ş.	21.018.964,18	26,44
T. İhracat Kredi Bankası A.Ş.	7.772.941,90	9,78
Other Public	6.661.423,03	8,38
Total	79.500.000,00	100,00

Shareholder Structure of the Main Shareholder T. Garanti Bankası A.Ş.



Source: www.kap.gov.tr

Direct and Indirect Real and Corporate Persons that Own Capital at Garanti Faktoring A.Ş.



Shareholder Name	Share (TL)	%
Şahenk Family (through T. Garanti Bankası A.Ş.)	6.507.383,62	8,19
BBVA (Banco Bilbao Vizcaya Argentaria S.A.) (through T. Garanti Bankası A.Ş.)	25.961.189,62	32,66
R.T. Prime Ministry Treasury	7.772.941,91	9,78
Other Publicly Owned	39.258.484,85	49,37
Total	79.500.000,00	100,00

Source: www.kap.gov.tr

BOARD OF DIRECTORS

Name/ Surname	Title	Executive/ Non Executive
Sait Ergun ÖZEN	Chairman	EXECUTIVE
Turgay GÖNENSİN	Deputy Chairman	EXECUTIVE
Osman Bahri TURGUT	Member	NON EXECUTIVE
Ali TEMEL	Member	NON EXECUTIVE
Manuel Pedro GALATAS SANCHES HARGUINDEY	Member	NON EXECUTIVE
Luis Vincente GASCO TAMARIT	Member	NON EXECUTIVE
Hasan Hulki KARA	Member & General Manager	EXECUTIVE
Serhat YANIK	Independent Member	NON EXECUTIVE
Ali ÇOŞKUN	Independent Member	NON EXECUTIVE

TOP EXECUTIVES

Name/ Surname	Title
Hasan Hulki KARA	General Manager
Mert ERCAN	Executive Vice President
İlkay ŞAHİN HAMURCU	Executive Vice President
Erkan COPLUGİL	Executive Vice President

COMMITTEES FORMED WITHIN THE BOARD OF DIRECTORS

AUDIT COMMITTEE	
Serhat YANIK	Independent Member of Board of Directors
Ali ÇOŞKUN	Independent Member of Board of Directors
CORPORATE GOVERNANCE COMMITTEE	
Serhat YANIK	Independent Member of Board of Directors
Osman Bahri TURGUT	Member of Board of Directors (Non Executive)
Serap ÇAKIR	General Accounting (Department Manager/ IRD Manager)
EARLY DETECTION OF RISK COMMITTEE	
Serhat YANIK	Independent Member of Board of Directors
Ali ÇOŞKUN	Independent Member of Board of Directors

Balance-Sheet Comparison of Company's Certain Selected Items as of Last 2 Yearends

	2013/12(000)	2014/12(000)	Change %
Total Assets	2.059.653	2.989.573	45,15
Factoring Receivables	1.986.549	2.948.107	48,40
Paid in Capital	79.500	79.500	-
Equity	120.066	140.383	16,92

Source: www.kap.gov.tr

Income Statement Comparison of Company's Certain Selected Items as of Last 2 Yearends

	2013/12(000)	2014/12(000)	Change %
Factoring Revenues	134.792	188.109	39,56
Operating Expenses	(37.267)	(38.224)	2,57
Financial Expenses	(85.839)	(152.313)	77,44
Net Profit/Loss	15.302	20.516	34,07

Source: www.kap.gov.tr

The Bottom and Peak Closing Values of Company's Shares traded on the BIST for last year

Bottom (TL)	Peak(TL)
1,75 (08.06.2015)	2,43 (07.11.2014)

Markets where the Capital Market Instrument is Quoted and Indexes that the Company Participates

-NATIONAL MARKET

-BIST FIN. LEAS., FACTORING / -BIST CORPORATE GOVERNANCE / -BIST FINANCIAL / -BIST ALL / -BIST ALL-100 / -BIST NATIONAL

Source: www.kap.gov.tr

b. Changes in In Last One Year:

i. Changes in Articles of Association

Board of Directors decision to amend Articles 4, 12 and 17 of Articles of Association was accepted by unanimous vote of shareholders for execution at the 2014 Ordinary General Assembly Meeting on 29.04.2015, after permissions were received from CMB, BRSA and Ministry of Customs and Commerce.

The amendments included;

- Updating the address of Company head office in Article 4,
- Empowering Board of Directors for donations and aids, within the limits determined by the General Assembly, in Article 12,
- Having one voting right for each shareholder, Conducting General Assembly meetings in accordance with internal guidelines approved by the General Assembly, on the condition of sticking to Turkish Commercial Act, Capital Market Act and relevant regulations and allowing minority rights to be used by shareholders who own at least 1 / 20 of the capital in Article 17.

ii. Dividend Distribution

Dividend decision was taken at Board of Directors meeting on 02.04.2015 - pending to be finalized at the 2014 Ordinary General Assembly – according to the financial statements for the period between January 1st and December 31st 2014, which was prepared within the scope of CMB's "Communiqué on Principals for Financial Reporting in Capital Market", serial numbered II.14.1, and in compliance with Accounting / Financial Reporting Standards of Turkey (TMS / TFRS) and obligatory formats determined by CMB. Financial Statements were audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. In accordance with the principle of "determining and distributing

profit”, regulated by Articles of Association, profit for 2014 has been TRY 25,612,581.46. After extracting reserve for tax, net profit for the period became TRY 20,514,539.43. TRY 311,556.13 delayed tax net expense effect, calculated from profit for 2014 period, was taken into consideration and it was decided to transfer net profit to legal and extraordinary profit reserve funds, thus to keep it within the company and to present this suggestion to the General Assembly. The vote was unanimous at the Board of Directors meeting.

The suggestion of Board of Directors not to distribute dividend was approved unanimously at the 2014 Ordinary General Assembly Meeting on 29.04.2015.

iii. Policies and Internal Regulations

With its PDP statement dated 12.12.2014, the Company announced the decision of accepting, registering and announcing “Internal Guidelines for Distribution of Powers and Duties in Board of Directors”, about restricted use of power, dated 05.12.2014 in accordance with Articles 367 and 371 of Turkish Commercial Act and Article 12 of Articles of Association. Aforementioned Board of Directors decision was registered on 18.12.2014 announced by Turkish Trade Registry Gazette on 24.12.2014. There have been no updates in Company’s other policies within the scope of Corporate Governance Principles within the rating period.

iv. Management and Organization

Ali TEMEL was appointed as Member of Board of Directors to replace Aydın ŞENEL, who resigned from Board Membership on 25.03.2015, in accordance with Article 315 of Turkish Commercial Act. The appointment was to fulfill the mandate determined at 2012 Ordinary General Assembly Meeting. It was approved at 2014 Ordinary General Assembly Meeting by majority vote.

Serap ÇAKIR, Manager of General Accounting Department to which Investor Relations Department reports, has replaced Şebnem DEDE, Manager of Investor Relations Department, at the Corporate Governance Committee as Member. The appointment was disclosed with PDP statement on 25.03.2015.

v. Other

The Company issued bonds for only qualified investors with realization term for 17.03.2015 and nominal value of TRY 153,010,000. Book – building took place on 17 – 18 September 2014. Bond issue was disclosed through a PDP statement on 19.09.2014.

The Company issued bonds for only qualified investors with realization term for 29.05.2015 and nominal value of TRY 197,850,000. Book – building took place on 03 – 04 December 2014. Bond issue was disclosed through a PDP statement on 05.12.2014.

The Company issued bonds for only qualified investors with realization term for 12.06.2015 and nominal value of TRY 118,650,000. Book – building took place on 17 – 18 December 2014. Bond issue was disclosed through a PDP statement on 19.12.2014.

With its PDP statement dated 07.01.2015, the Company disclosed that its application to CMB on 29.12.2015 in order to have its ceiling for issuing debt instruments raised was accepted and the ceiling was raised to a total level of TRY 800,000,000.

The Company issued bonds for only qualified investors with realization term for 24.04.2015 and nominal value of TRY 120,000,000. Book – building took place on 22 – 23 January 2015. Bond issue was disclosed through a PDP statement on 26.01.2015.

The Company issued bonds for only qualified investors with realization term for 19.06.2015 and nominal value of TRY 130,180,000. Book – building took place on 16 March 2015. Bond issue was disclosed through a PDP statement on 17.03.2015

The Company issued bonds for only qualified investors with realization term for 11.09.2015 and nominal value of TRY 17,630,000. Book – building took place on 16 March 2015. Bond issue was disclosed through a PDP statement on 17.03.2015.

The Company issued bonds for only qualified investors with realization term for 31.07.2015 and nominal value of TRY 74,629,498. Book – building took place on 21 - 22 April 2015. Bond issue was disclosed through a PDP statement on 24.04.2015.

The Company issued bonds for only qualified investors with realization term for 16.10.2015 and nominal value of TRY 140,370,502. Book – building took place on 21 - 22 April 2015. Bond issue was disclosed through a PDP statement on 24.04.2015.

The Company issued bonds for only qualified investors with realization term for 20.11.2015 and nominal value of TRY 140,530,000. Book – building took place on 27 - 28 May 2015. Bond issue was disclosed through a PDP statement on 29.05.2015.

The Company issued bonds for only qualified investors with realization term for 04.12.2015 and nominal value of TRY 102,000,000. Book – building took place on 10 - 11 June 2015. Bond issue was disclosed through a PDP statement on 12.06.2015.

The Company issued bonds for only qualified investors with realization term for 14.12.2015 and nominal value of TRY 130,030,000. Book – building took place on 17 - 18 June 2015. Bond issue was disclosed through a PDP statement on 19.06.2015.

The Company issued bonds for only qualified investors with realization term for 22.01.2016 and nominal value of TRY 94,570,000. Book – building took place on 29 - 30 July 2015. Bond issue was disclosed through a PDP statement on 31.07.2015.

3. RATING METHODOLOGY

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

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

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

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

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

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

Turkey has been closely monitoring these developments. A working group, established

within TUSIAD in 2001, prepared the guide, titled, "Corporate governance: The best implementation code". Then CMB issued "Capital Market Board Corporate Governance Principles" in 2003 and updated it in 2005, 2010, 2012, 2013 and 2014, according to international developments in this field.

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

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

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

The methodology takes into consideration the criteria stated in CMB's Corporate Governance Communiqué, no II-17.1, published in the Official Gazette edition 28871 on 03.01.2014; 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.

399 criteria are used in the rating process for BIST Third Group companies in order to measure the compliance of firms with corporate governance principles. These criteria are translated into Corporate Governance Rating Question Sets through Kobirate A.S.'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 decision dated 01.02.2013 and numbered 4/105 states that in case the minimum requirements of corporate governance principles are met, 85 % of full points can be given at most for that principle and it is required to add new questions / methods into the methodology in order to ensure that good corporate governance principles, which go beyond meeting the minimum requirements are included in the rating grade. Our company has been informed about this requirement by CMB notification dated 19.07.2013 and numbered 36231672-410.99 (KBRT) 452.

In the 2014/2 revised corporate governance compliance rating methodology, created by our company, the grade that can be given to a related criterion in that subsection for meeting minimum requirements of corporate governance principles, stated by CMB Communiqué of Corporate Governance published on 03.01.2014, numbered II-17.1, is restricted to 85 % of the full points. Remaining 15 % is reached by measuring company's efficiency in applying CMB's Corporate Governance Principles, degree to which the company is internalized these practices and the value that these internalized practices create for the company. The existence of those practices that are not included in CMB's Corporate Governance Principles, but determined as good corporate practices by Kobirate A.Ş. Corporate Governance Compliance Rating Methodology are also

considered as part of the remaining 15 % and affect the company's grade.

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 no compliance with CMB's Corporate Governance Principles, in any sense, in the existing weak structure.

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

GRADE	DEFINITIONS
9-10	<p>The Company achieved a substantial compliance with to the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the Company might be exposed are 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;">4-5,9</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;">< 4</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>