



Corporate Governance and Credit Rating Services, Inc.

## Corporate Governance Rating Report

# YAZICILAR

11 October 2013

## CONTENTS

Rating and Executive Summary . . . . .	3
Rating Methodology . . . . .	5
Company Overview . . . . .	6
SECTION 1: SHAREHOLDERS . . . . .	8
Facilitating the Exercise of Shareholders' Statutory Rights . . . . .	9
Shareholders' Right to Obtain and Evaluate Information . . . . .	9
Minority Rights . . . . .	9
The Right to Attend the General Shareholders' Meetings . . . . .	9
Voting Rights . . . . .	11
Dividend Rights . . . . .	11
Transfer of Shares . . . . .	11
SECTION 2: PUBLIC DISCLOSURE AND TRANSPARENCY . . . . .	12
Principles and Means for Public Disclosure . . . . .	12
Web Site . . . . .	13
Annual Report. . . . .	13
External Audit. . . . .	14
SECTION 3: STAKEHOLDERS. . . . .	15
Company Policy Regarding Stakeholders . . . . .	15
Stakeholders' Participation in the Company Management . . . . .	16
Company Policy on Human Resources . . . . .	16
Relations with Customers and Suppliers . . . . .	17
Ethical Rules & Social Responsibility . . . . .	17
SECTION 4: BOARD OF DIRECTORS. . . . .	18
Functions of the Board of Directors . . . . .	19
Principles of Activity of the Board of Directors . . . . .	19
Structure of the Board of Directors . . . . .	19
Conduct of the Meetings of the Board of Directors . . . . .	20
Committees Established Within the Board of Directors . . . . .	20
Remuneration of the Board of Directors and Senior Management . . . . .	21
Rating Definitions . . . . .	22
Disclaimer . . . . .	23

## Rating and Executive Summary

### YAZICILAR HOLDİNG A.Ş. (YAZIC)

 **SAHA**  
Corporate Governance Rating:

**9.07**



### EXECUTIVE SUMMARY

MAIN SECTIONS: **Avg. 90.73**

Shareholders: 86.40



Public Disclosure & Transparency: 93.99



Stakeholders: 95.09



Board of Directors: 89.62



0 10 20 30 40 50 60 70 80 90 100

This report on rating of Yazıcılar Holding A.Ş.'s (Yazıcılar Holding) compliance with Corporate Governance Principles is prepared upon conclusions following detailed analysis of the company. Our rating methodology (page 6) is based on the Capital Markets Board's (CMB) "Corporate Governance Principles".

Yazıcılar Holding is rated with **9.07** as a result of the Corporate Governance study done by SAHA. Details of this study are presented in the following chapters as main sections and sub-sections. We observe that Yazıcılar Holding took the necessary steps to determine and manage its governance risks. There is still room, on the other hand, for improvements in order to fully comply with the CMB's Corporate Governance Principles.

Additionally, in accordance with the World Corporate Governance Index (WCGI) published by SAHA on January 30, 2013, Yazıcılar Holding takes place in Group 1. Details of the World Corporate Governance Index (WCGI) published by SAHA can be accessed at <http://www.saharating.com/SpotsDetail.aspx?SpotsId=5>

Yazıcılar Holding is rated with **8.64** under the **Shareholders** heading. Exercise of shareholders' rights complies with the legislation, articles of association and other internal rules and regulations, and measures have been taken to ensure the exercise of these rights. Yazıcılar Holding carries out the investor relations obligations through Investor Relations Unit. There is no upper limit on voting rights. All procedures prior to the general shareholders' meeting as well as the conduct of the meeting comply

with the legislation, rules and regulations. There is a consistent dividend policy of the company and it is disclosed to the public. There are no restrictions on transfer of shares. On the other hand, there are areas for improvement like existence of privileges on nominations to the board of directors, adoption as it is, of the rate of minority rights in the company's articles of association as prescribed for public joint stock companies (%5), and not mentioning in the articles of association of the company on realization of the general shareholders' meetings open to public, including the media and stakeholders, and without the right to vote.

Yazıcılar Holding attained **9.40** under the **Public Disclosure and Transparency** chapter. There is a comprehensive website that includes all information listed in the "Corporate Governance Principles" pertinent to public disclosure. Public announcements are made via all communications channels and are in accordance with CMB and Borsa Istanbul (BIST) rules and regulations. The company's annual report is comprehensive, in accordance with the legislation, informative, and includes information on number of board meetings held during the year and the participation rate of the board members to these meetings. There are, however, areas in need of further refinement; there is no written compensation policy for the employees and the principles regarding the public disclosure of forward looking information is not included in the disclosure policy.

On the topic of **Stakeholders**, Yazıcılar Holding scored **9.51**. Yazıcılar Holding guarantees the rights of stakeholders in line with the legislation and mutual agreements, and in case of violation, enables an effective and speedy compensation. A written compensation policy for the employees however is not effectuated and disclosed to the public on the corporate web site. Even though there are no models developed to support the participation of stakeholders in the management of the company, communication channels between the parties are kept open. The company has a documented and advanced human resources policy. Yazıcılar Holding is taking measures to ensure customer satisfaction in marketing and sales of goods and services, and conducting research and studies to increase the efficiency. Code of ethics is publicly available through the company's web site. During the period company was not held liable by any public authorities for any sanctions, and was not subject to any adverse notice for any damage to the environment.

From the perspective of the principles regarding the **Board of Directors**, Yazıcılar Holding's tally is **8.96**. There is a well communicated company mission and vision, and the board fulfills all duties regarding company needs. Chairman of the board of directors and the chief executive officer is not the same person. The board of directors consists of six members, two of whom are independent. There are no executive members on the board. CMB criteria are complied with in designation of the independent members and they have signed a declaration of independence. Necessary changes on the articles of association were made to comply with the CMB regulations on related party transactions of a significant nature. A Corporate Governance Committee, an Audit Committee, and an Early Detection of Risks Committees are established within the board of directors. The working principles of the committees are disclosed to the public. Our observations will continue in order to have a more precise view on the efficiency of the committees. Principles of remuneration of board members and senior executives are available on the company's website. The company does not provide any loans or extend any credit to the board members or senior executives. Absence of a female member on the board and non-distinction of the authority of the chairman of the board and the general manager are the areas for improvement.

## Rating Methodology

SAHA's methodology for rating the degree of compliance with the Principles of Corporate Governance is based upon the CMB's "Corporate Governance Principles" released on July 2003, as revised on December 31, 2011.

The CMB based these principles on the leading work of The World Bank, Organization of Economic Cooperation and Development (OECD) and the Global Corporate Governance Forum (GCGF), which has been established in cooperation with the representatives of these two organizations and private sector. Experts and representatives from the CMB, Borsa Istanbul and the Turkish Corporate Governance Forum have participated in the committee that was established by the CMB for this purpose; additionally many qualified academicians, private sector representatives as well as various professional organizations and NGOs have stated their views and opinions, which were added to the Principles after the required evaluations. Accordingly, these Principles have been established as a product of contributions of all high-level bodies.

Within the Principles, "comply or explain" approach is valid. The implementation of these Principles is advisory and its application is optional. However, the explanation concerning the implementation status of the Principles, if not detailed reasoning thereof, conflicts arising from inadequate implementation of these Principles, and explanation on whether there is a plan for change in the company's governance practices in future should be mentioned in the annual report and disclosed to the public.

The Principles consist of four main sections: shareholders, public disclosure and transparency, stakeholders, and board of directors. Based on these Principles, SAHA Corporate Governance Rating methodology features over 400 sub-criteria. During the rating process, each criterion is evaluated on the basis of information provided by the company officials and disclosed publicly. Some of these criteria can be evaluated by a simple YES/NO answer; others require more detailed analysis and examination. SAHA assigns ratings between 1 (weakest) and 10 (strongest). In order to obtain a rating of 10, a company should be in full and perfect compliance with the Principles (see Rating Definitions, p.23).

To determine the total rating score for each main section parallel to the CMB's Corporate Governance Principles, SAHA allocates the following weights:

Shareholders: **25%** (as previous)  
Public Disclosure and Transparency: **25%** (previously 35%)  
Stakeholders: **15%** (as previous)  
Board of Directors: **35%** (previously 25%)

To determine the final overall rating, SAHA utilizes its proprietary methodology which consists of sub-section weightings and weightings for the criteria there under. A separate rating is assigned to each one of the main sections as well.

## Company Overview

YAZICILAR HOLDİNG A.Ş	
<b>YAZICILAR</b>	<b>CHAIRMAN</b> Salih Metin Ecevit <b>GENERAL MANAGER</b> Dr. Sezai Tanrıverdi
Fatih Sultan Mehmet Mahallesi, Balkan Caddesi, No:58, Buyaka (E) Blok Kat:6 Tepeüstü, Ümraniye, İstanbul <a href="http://www.yazicilarholding.com.tr">www.yazicilarholding.com.tr</a>	<b>Corporate Governance and Investor Relations Assistant Coordinator</b> İrem Çalışkan Dursun Tel: (0216) 578 8559 Fax: (0216) 573 7464 <a href="mailto:irem.caliskan@anadolugroup.com.tr">irem.caliskan@anadolugroup.com.tr</a>

Yazıcılar Holding A.Ş. is a company incorporated in İstanbul on 1976 is a holding company of which majority shares are owned by three Yazıcı families.

The company is a partner of Anadolu Group who is primarily engaged in the sectors of beer, soft drinks, automotive, finance, retail and energy. Yazıcılar Holding holds 68% of shares in Anadolu Endüstri Holding A.Ş., which is the holding company of Anadolu Group, and various stakes in its subsidiaries. The Company has no other operations outside the interests of Anadolu Group.

The company shares are traded under "YAZIC" code at BIST and Yazıcılar Holding is a constituent of BIST Holding and Investment (XHOLD), BIST İstanbul (XSIST), BIST corporate Governance (XKURY), BIST Financials (XUMAL), BIST Dividend (XTMTU), BIST All Shares (XUTUM), BIST National (XULUS), BIST 100 (XU100) and BIST 100-30 (XYUZO) indices.

It was unanimously decided at the general shareholders' meeting held on 23.05.2013, that a total dividend of TL 40,000,000 to be distributed (as of the audited consolidated financial statements showing the profit for the period) corresponding to 25% of paid-in capital within the framework of Capital Markets Board Communiqué Serial: IV, No: 27 and other provisions.

Capital Structure of the Company		
Shareholder	Amount (TL)	Percentage %
Kamil Yazıcı Yönetim ve Danışma A.Ş.	53,599,952	33.50
Yazıcı Family Members	61,202,630	38.25
Public Shares (*)	45,197,418	28.25
	<b>160,000,000</b>	<b>% 100</b>

(\*) 3.09% (TL 4,943,692) is owned by Kamil Yazıcı Yönetim ve Danışma A.Ş.

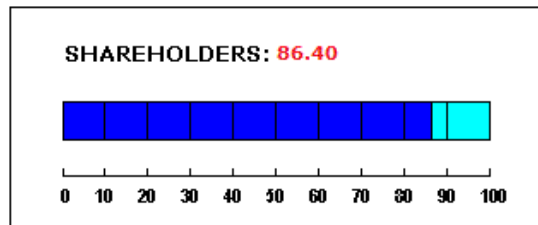
Kamil Yazıcı Yönetim ve Danışma A.Ş. is a management company founded by members of Kamil Yazıcı family to manage their investments in Yazıcılar Holding. This management company holds 36.59% of the holding shares and by having the privilege of Class A and B shares on board nominations it is entitled to appoint four of the six board members.

As of the board meeting held on 23 May 2013, the board of directors shaped up as follows:

<b>YAZICILAR HOLDİNG BOARD OF DIRECTORS</b>	
<b>Name</b>	<b>Title</b>
Salih Metin Ecevit	Chairman
İbrahim Yazıcı	Vice Chairman Corporate Governance Committee Member
Süleyman Vehbi Yazıcı	Board Member
Rasih Engin Akçakoca	Board Member Early Detection of Risks Committee Member
Can Arıkan	Independent Board Member Chairman of Corporate Governance and Audit Committees
Cengiz Coşkun	Independent Board Member Chairman of Early Detection of Risks Committee Audit Committee Member



## SECTION 1: SHAREHOLDERS



### SYNOPSIS

+	Equal treatment of shareholders
+	Unrestricted shareholder rights to review and receive information
+	No upper limits on voting rights
+	Voting rights are facilitated
+	Disclosure prior to general shareholders' meetings are satisfactory
+	General shareholders' meetings are conducted in compliance with the legislation
+	Consistent dividend policy, disclosed to the public
+	No restrictions on transfer of shares
+	CMB provisions on significant transactions take place in articles of association
=	No mention in the articles of association of the company on realization of the general shareholders' meetings open to public, including the media and stakeholders, and without the right of voting
-	Minority rights are not recognized for shareholders who possess an amount less than one-twentieth of the share capital
-	Privileges on board of directors' nominations

In order to facilitate the exercise of shareholders' rights an Investor Relations Unit has been established

and all shareholders are treated equally.

Shareholders' right to obtain and review information is not limited by the articles of association and all information required to exercise shareholders' rights in a sound manner is made available on time. Company management avoids complicated processes for a special audit.

There is no any upper limit on the shareholders' right to vote and each share is entitled to one vote. However, minority rights are not recognized for shareholders who possess an amount less than one-twentieth of the share capital.

General shareholders' meetings are held in accordance with the legislation and conducted in a manner where shareholders' rights are not violated.

There are voting privileges on board of directors' nominations at Yazıcılar Holding. All shareholders, including those who reside abroad, are given the opportunity to exercise their voting rights conveniently and appropriately and the company avoids applications that make it difficult to exercise voting rights.

Company has a clearly defined and consistent dividend policy and it is disclosed to the public in the annual report and on the corporate web site.

There are no restrictions on the transfer of company shares.



### **1.1. Facilitating the Exercise of Shareholders' Statutory Rights:**

The company carries out the investor relations obligations through Investor Relations Unit managed by İrem Çalışkan Dursun and all shareholders are treated equally. In order to protect and facilitate the exercise of shareholders' rights and in particular the right to obtain and review information, this department makes sure that shareholder records are kept up-to-date, secure, and properly; shareholders' written queries for information (excluding the information that is confidential and classified as trade secret) are replied to promptly; appropriate preparation is done to ensure that the general shareholders' meeting is conducted in accordance with the legislation, the corporate statute and other in-house regulations; documents to be used by the shareholders at the meeting are prepared; records of voting results are kept and all reports related to the resolutions of the general shareholders' meeting are sent to the shareholders.

All information and statements which may affect shareholders' rights are made available to the shareholders on time on the company's web site.

### **1.2. Shareholders' Right to Obtain and Evaluate Information:**

The shareholders' right to receive and review information is not removed or restricted by the articles of association or any corporate body.

Since special audit is an effective method to investigate allegations of corruption in corporate transactions, company avoids any complicated processes on realization of such an audit.

All kind of information about the company is provided in a complete, timely, honest, and diligent manner.

### **1.3 Minority Rights:**

Maximum care is given to the usage of minority rights. There is no upper limit on the shareholders' right to vote and each share is entitled to one vote. However, minority rights are not recognized for shareholders who hold an amount less than one-twentieth of the share capital.

### **1.4. The Right to Attend the General Shareholders' Meetings:**

In addition to the methods of invitation in the legislation and in order to ensure attendance of maximum number of shareholders, the invitation to the general shareholders' meeting is performed through all means of communication available to the company at least three weeks in advance.

All announcements prior to the general shareholders' meeting included information such as the date and time of the meeting; without any ambiguity exact location of the meeting; agenda items of the meeting together with all necessary informative documents; the old and new versions of the related provisions of the articles of association as approved by the relevant authorities; the body inviting to the general shareholders' meeting; and the exact location where annual report, financial statements and other meeting documents can be examined.

Commencing from the date of announcement of invitation for the general shareholders' meeting, financial statements and reports including the annual report; dividend distribution proposal and all other related documents pertaining to the agenda items were made available to all shareholders for examination

purposes in the most convenient locations including the headquarters of the company and also in electronic media.

Shareholders were informed via the corporate web site on proclamation of the general shareholders' meeting along with all declaration and statements required by the legislation of the company, and the total number of shares and voting rights (including the holders of privileged shares) reflecting the company's shareholding structure as of the date of disclosure.

Agenda items were put under a separate heading and expressed clearly in a manner not to result in any misinterpretations. Expressions like "other" and "various" were not used. Information submitted to the shareholders prior to the conduct of the general shareholders' meeting was related to the agenda items.

Proxy forms were posted on the web site promptly and appropriately for those who would appoint a proxy for the general shareholders' meeting. Company officials declared that there are no items presented to the Investor Relations Unit to be included on the agenda.

Items on the agenda were conveyed in detail and in a clear and understandable way by the chairman of the meeting and shareholders were given equal opportunity to voice their opinions and ask questions. The chairman made sure that each question is answered directly at the meeting provided that they do not constitute a trade secret.

Agenda of the general shareholders' meeting of 29 May 2013 included the proposal for the permission to be granted pursuant to the articles 395 and 396 of the Turkish Commercial Code and within the frame work of the CMB regulations, to shareholders who

have control of the management, members of the board of directors, top executives, their spouses and up to second degree blood relatives to execute transactions and compete with the company or its affiliates in such nature that may cause conflict of interest and informing the shareholders on transactions carried out on 2012 in this regard in accordance with the Corporate Governance Principles.

The members of the board of directors related with the issues of a special nature on the agenda, other related personality, authorized persons who are responsible for preparing the financial statements and auditors were present to give necessary information and to answer questions at the general shareholders' meeting. Shareholders had the opportunity to discuss the annual report and the company's performance indicators at this meeting.

The articles of association included CMB provisions on significant transactions. Shareholders were informed of all donations effectuated during the period and the amount of benefits and beneficiaries and policy changes at the latest general shareholders' meeting.

The general shareholders' meetings are conducted open to public including stakeholders and the media without right of voting. Despite the articles of association contain no provision on this matter a "CMB provisions are complied with" phrase exists under general shareholders' meeting chapter.

The minutes of the general shareholders' meetings are made available to the shareholders in writing and in electronic media at all times.

Principles of remuneration of board members and senior executives were documented in writing and submitted

to the shareholders in the general shareholders' meeting as a separate item.

### **1.5. Voting Rights:**

There are privileges on board nominations at Yazıcılar Holding. Registered shares representing the capital are arranged in three groups as Class B, C and D shares. Class B shares hold a privileged position compared to others. Three out of six members of the board of directors are assigned by Class B shareholders while the other three is assigned by Class A, C and D shareholders, each Class determining one member. All of the Class A shares representing the capital is bearer shares.

The company avoids applications that make it difficult to exercise voting rights and all shareholders, including those who reside abroad, are given the opportunity to exercise their voting rights conveniently and appropriately.

### **1.6. Dividend Rights:**

The dividend policy of Yazıcılar Holding is clearly defined and disclosed to the public on the company's web site. It is submitted to the shareholders at the general shareholders' meeting and is incorporated in the annual report.

The company's dividend distribution policy contains minimum information clear enough for investors to predict any future dividend distribution procedures and principles. A balanced policy is followed between the interests of the shareholders and that of the company.

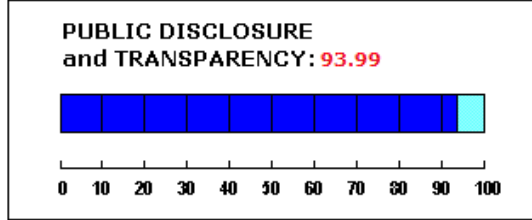
It was unanimously decided at the general shareholders' meeting held on 23.05.2013, that a total dividend of TL 40,000,000 to be distributed (as of the audited consolidated financial statements showing the profit for the period) corresponding to 25% of paid-

in capital within the framework of Capital Markets Board Communiqué Serial: IV, No: 27 and other provisions.

### **1.7. Transfer of Shares:**

Neither the articles of association of the company nor any decisions adopted at the general shareholders' meeting contain any provisions that impede the transfer of shares which are publicly traded.

## SECTION 2: PUBLIC DISCLOSURE AND TRANSPARENCY



### SYNOPSIS

+	There is an Investor Relations Unit
+	Comprehensive web site, actively used for public disclosure
+	Annual report complies with the legislation, comprehensive and informative
+	Principles not complied with are disclosed to the public via the Corporate Governance Compliance Report
+	Number of board meetings held during the year is mentioned in the annual report
+	Important events and developments disclosed in accordance with the legislation
+	There has been no conflict between the company and the selected external audit firm.
+	Company did not receive any fines or warnings from the CMB or BIST.
-	Employee compensation policy not established and announced to the public on the web site
-	Principles on disclosure of the forward looking information to the public are not mentioned in the disclosure policy

Yazıcılar Holding's task of public disclosure and shareholder relations are carried out by the Investor Relations Unit. The disclosure policy of the company is largely comprehensive.

However, principles on disclosure of the forward looking information to the public are not mentioned in the disclosure policy. Principles not complied with are disclosed to the public via the Corporate Governance Compliance Report.

Company's web site is highly comprehensive and user friendly. Public announcements are made in accordance with the CMB and BIST rules and regulations.

Company did not receive any fines or warnings from the CMB or BIST.

Compensation policy for the employees should also be disclosed to the public on the corporate web site.

The annual report prepared is also highly comprehensive and informative.

There has been no legal conflict between the company and the selected external audit firm. Besides, there has not been a situation where the external auditor avoided to express its opinion and not signed the audit report, nor has reported a qualified opinion.

### 2.1. Principles and Means for Public Disclosure:

Yazıcılar Holding's task of public disclosure and shareholder relations is carried out by the Investor Relations Unit. Investors, financial analysts, journalists and other interested parties are referred to this unit for information.

The disclosure policy covers the type of information to be disclosed (excluding those within the scope of

the legislation), form and methods of disclosure.

The public disclosure of Yazıcılar Holding is conducted in a timely manner, is accurate, complete, understandable, interpretable, allowing easy access with low cost, and available on equal basis to help the interested parties and organizations to come to a decision. These disclosures are disseminated through the "Public Disclosure Platform" ([www.kap.gov.tr](http://www.kap.gov.tr)), on Central Registry Agency's "e-GOVERNANCE: Corporate Governance and Investor Relations Portal" and on the corporate web site.

Principles on disclosure of the forward looking information to the public are not mentioned in the disclosure policy.

Within the scope of the communiqué on disclosure of important events and developments, the company did not receive any fines or warnings from the CMB or BIST.

The company has prepared a list of natural or legal persons acting on behalf or account of partnership, employees either under contract with the company or otherwise affiliated with the company with regular access to inside information, and it is updated when there are changes.

In accordance with the CMB communiqué, principles not complied with are disclosed to the public via the Corporate Governance Compliance Report along with the justifications.

## **2.2. Web Site:**

Company's website is actively used for disclosure purposes and the information contained herein is continuously updated. Information on the company's web site is consistent with the disclosures made in accordance with the provisions of the relevant legislation. In addition, the

company's letterhead includes the website address.

Along with the information required to be disclosed pursuant to the legislation, the company's website includes; trade register information, information about latest shareholder and management structure, information on privileged shares, date and numbers of the trade register gazettes in which amendments are published, the final version of the company's articles of association, publicly disclosed material information, annual reports, periodical financial statements, prospectuses and circulars, agendas of the general shareholders' meetings and list of participants and minutes of the general shareholders' meeting, form for proxy voting at the general shareholders' meeting, dividend distribution policy, disclosure policy, information on transactions with related parties, ethical rules, frequently asked questions including requests for information, and responses thereof, the working principles of the committees, and the remuneration policy.

In addition to these, the disclosure of employee compensation policy should also take place on the corporate web site.

The information contained on the website exists also in English for the benefit of international investors.

## **2.3. Annual Report:**

Annual report prepared by the board of directors covers information such as; the period covered by the report, the title of the company, the names of the chairman and members involved in the management and supervisory boards during the covered period, their biographies, limits of authority, duties carried out outside the company, declaration of independence of

independent board members, committees and their working principles, the main factors affecting the performance of the company, changes in the operational environment of the company, company's policies applied to these changes, investment and dividend policy applied to strengthen the performance of the company, sources of financing and risk management policies of the company, major events that occurred during the period between the closure of the fiscal period and the date of the general shareholders' meeting where the financial statements are discussed, Corporate Governance Principles Compliance Report, changes on the articles of association along with its justifications, information on the sector in which the entity operates and its status in this sector, number of board meetings held during the year and participation rate of the members to these meetings, the company's production, sales and financial data, indirect or cross shareholding in excess of 5%, information on vocational training of employees and other corporate and social responsibility activities of the company which give rise to social and environmental results, related party transactions, the dividend distribution policy, information on the existence, operation and effectiveness of internal controls and internal audit, all benefits provided to the board members and senior management, and rating results.

However, the annual report does not include information on starting and ending dates of the duties of chairmen and members on management and audit bodies.

#### **2.4. External Audit:**

The external audit of the company is conducted by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi.

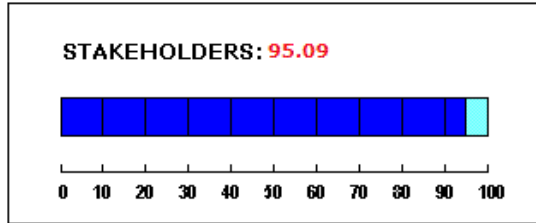
The nomination and election process of the external audit firm, taking into account its competence and independence, starts with a proposal from the audit committee to the board and ends with the board's choice being presented and approved at the general shareholders' meeting.

There has not been a situation where the external auditor avoided to express its opinion and not signed the audit report, nor has reported a qualified opinion.

Company officials declared that there has been no legal conflict between the company and the selected external audit firm.



## SECTION 3: STAKEHOLDERS



### SYNOPSIS

+	Measures to safeguard stakeholders' rights are facilitated
+	Efficient human resources policy
+	Strict quality standards for goods and services
+	Code of ethics disclosed to the public
+	Measures are taken to ensure customer satisfaction on sale of goods / services
+	Socially and environmentally sensitive and respectful
+	Care is taken on the confidentiality of all trade secret data and information on customers and suppliers
=	No mechanisms regarding the participation of stakeholders in the management of the company, but a mutual communication exists
-	No written employee compensation policy
-	No succession policy to not impede management on a reshuffle

Yazıcılar Holding recognizes the rights of stakeholders established by law or through any other mutual agreement. Effective and expeditious compensation is enabled in case of violation of rights. However, a written employee compensation policy is not composed and disclosed to the public on the corporate web site.

There are no models mentioned in the company's internal regulations or in the articles of association to support the participation of stakeholders in the management of the company but communication between them is provided in an effective manner.

The company has a documented and advanced human resources policy. Objectives of the company are disseminated via a platform open to all employees and performance towards the achievement of these objectives is evaluated.

Yazıcılar Holding did not prepare a succession policy to not impede management on a reshuffle.

Company is taking the necessary measures to ensure customer satisfaction on sale of goods / services and conducts research and studies to increase the efficiency.

Ethical rules are disclosed to the public through the company's web site.

During the period, company was not held responsible by the public administration nor received any indictment due to damage to the environment.

### 3.1. Company Policy Regarding Stakeholders:

Ownership of Yazıcılar Holding is dominated by one of the leading enterprises of Turkey; the Anadolu Group. Due to its prominent corporate identity, the company has consistent and advanced policies in effect regarding the rights of its stakeholders as well as relations with the private sector.



Yazıcılar Holding recognizes the rights of stakeholders established by law or through any other mutual agreement. In case the rights of the stakeholders are not regulated by the relevant legislation and protected by contracts, the company protects the interest of stakeholders under good faith principles and within the capabilities of the company. Effective and expeditious compensation is provided in case of violation of the rights. However, a written employee compensation policy is not composed and disclosed to the public on the corporate web site.

The web site of the company ([www.yazicilarholding.com.tr](http://www.yazicilarholding.com.tr)) is actively used to provide adequate information on policies and procedures towards the protection of stakeholders' rights.

Necessary mechanisms are constituted for its stakeholders to report their concerns to Corporate Governance or Audit Committees concerning any transactions contrary to the legislation and unethical. Audit Committee's tasks consist of surveillance of whether the management has developed a system on business conduct and ethical rules, reviewing whether compliance with the rules of business conduct and ethics of the company are monitored by the management, fraud risk assessments are conducted and abuse and rules of business conduct and ethics training is given.

### **3.2. Stakeholders' Participation in the Company Management:**

An open platform is created at Yazıcılar Holding for employees to make explanations and to give an opinion on issues related to their units. In addition, employees' views and suggestions are carefully monitored by means of contact form on the corporate web site and by the "Employee Satisfaction and Loyalty

Survey". The company has not developed models, nor included in its internal regulations or in the articles of association, for stakeholders and employees to participate in management without impeding the operations of the company. However, an effective communication is provided between the related parties.

### **3.3. Company Policy on Human Resources:**

Company has a documented human resources policy. The principles of this policy are; correct person for the correct job, equal pay for equal work, a differentiation according to the performance, recognition and appreciation of success and equal opportunity for all.

All the rights provided to employees are treated fairly and training programs are realized and education policies are formed to enhance their knowledge, skills and experience. Meetings are held to inform employees on issues such as the company's financial position, salary, career, education, health, and views are exchanged. Employee productivity is taken into consideration in determining the compensation and other benefits. Studies in compliance with the human resources policies implemented by the Anadolu Group are conducted and measures are taken to protect employees against any race, religion, language and gender discrimination, and physical, mental, and emotional abuse.

Apart from this, Yazıcılar Holding did not prepare a succession policy to not impede management on a reshuffle.

### **3.4. Relations with Customers and Suppliers:**

Yazıcılar Holding is taking necessary precautions to attain customer satisfaction in the sales and marketing of its products and services by bilateral trade agreements.

Demand for goods and services purchased by the customer are met promptly and customers are informed about the delays before the deadline.

Quality standards for goods and services are complied with and care is taken to protect those standards. Certain guarantees relating to quality are provided for this purpose.

Care is taken on the confidentiality of all trade secret data and information on customers and suppliers.

### **3.5. Ethical Rules & Social Responsibility:**

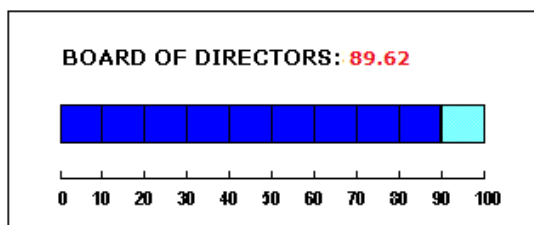
Ethical codes of Yazıcılar Holding are disclosed to the public via company's web site.

The company has not been subject to any sanctions during the course of last year by the public administrations. Relations with non-governmental organizations and social institutions are at a good level.

Yazıcılar Holding has activities carried out with respect to environmental laws and environmental awareness in general. Especially the company is engaged in many activities on education, health and social fields through Anadolu Eğitim ve Sosyal Yardım Vakfı (Anadolu Education and Social Welfare Foundation) supported solely by Anadolu Group companies. Necessary detailed information about the works carried out in this context during the period is given in the annual report.

No adverse notice was received during the period on account of damage caused to the environment.

## SECTION 4: BOARD OF DIRECTORS



### SYNOPSIS

+	The company's vision, mission and strategic goals are defined
+	The board is staffed with qualified members
+	Board of directors meeting and decision quorum is defined in the articles of association
+	Each member has a right to one vote
+	2 independent members on the board
+	Audit, Corporate Governance and Early Detection of Risks Committees established
+	Principles of remuneration of board members and senior executives are established and disclosed to the public
+	Fees of independent board members are determined in a way to protect their independence
=	Some board members serve on more than 1 committee
=	The level of efficiency of the committees will be monitored further
-	No female member on the board
-	Chairman of the board and chief executive officer's executive powers are not clearly separated in the articles of association

The board of directors has defined the vision and mission of the company and is overseeing that company activities

are managed in compliance with the legislation, articles of association, internal procedures and established policies.

Chairman of the board and chief executive officer's executive powers are not clearly separated and documented in the articles of association.

The company's board of directors is composed of six members. All of the members are non-executive and 2 members are independent. CMB criteria are complied with in determining independent candidates. Independent candidates for the board of directors have signed a declaration of independence within the framework of the legislation, articles of association, and the CMB criteria.

There is no female member on the board of directors.

The board of directors fulfills its tasks and meetings take place with sufficient intervals. Each member has a right to one vote. The conduct of the board meetings is documented in internal regulations and its meeting and decision quorum takes place in the articles of association.

Necessary changes on the articles of association were made to comply with the CMB regulations on related party transactions of a significant nature.

A Corporate Governance Committee, an Audit Committee, and an Early Detection of Risks Committees are established from within the board of directors. The working principles of the committees are disclosed to the public. All members of the Audit Committee and chairmen of Corporate

Governance and Early Detection of Risks committees are elected among the independent board members. The chief executive officer / general manager is not on the committees. There are no executive members on the Corporate Governance, Audit and Early Detection of Risks Committees. We will continue our observations on the activities of the committees to have a more precise opinion about their efficiency.

Principles of remuneration of board members and senior executives are described on the corporate web site. The company does not provide any loan or extend any credit to the board members or senior executives.

#### **4.1. Functions of the Board of Directors:**

Strategic decisions of the board of directors aims to manage the company's risk, growth, and return balance at an appropriate level, and with a view to the long-term interests of the company, conduct a rational and cautious risk management approach. The board administers and represents the company within these parameters.

The board of directors has defined the company's strategic goals and identified the needs in human and financial resources, and controls management's performance.

The board also oversees that company activities are managed in compliance with the legislation, articles of association, internal procedures, and established policies.

#### **4.2. Principles of Activity of the Board of Directors:**

Board of directors performs its activities in a transparent, accountable, fair and responsible manner.

The board of directors established various internal control systems which are inclusive of risk management, information systems, and processes by also taking into consideration the views of the committees. In this context, the board reviews the effectiveness of risk management and internal control systems at least once a year.

The presence, functioning, and effectiveness of internal controls and internal audit, is explained in the annual report.

Chairman of the board and chief executive officer's executive powers are not clearly separated and documented in the articles of association of the company.

The board of directors plays a leading role in maintaining effective communication between the company and the shareholders and settling any disputes which may arise, and work in close cooperation with the Corporate Governance Committee and Investor Relations Unit.

#### **4.3. Structure of the Board of Directors:**

The company's board of directors is composed of six members. All of the members are non-executive. Among board members there are two independent members who have the ability to execute their duties without being influenced under any circumstances. CMB criteria are complied with in determining independent candidates. Independent candidates for the board of directors have signed a declaration of independence within the framework of the legislation, articles of association, and the CMB criteria.

There is no female member on the board of directors.

#### **4.4. Conduct of the Meetings of the Board of Directors:**

The board of directors fulfills its tasks and meetings take place with sufficient intervals. There have been 28 meetings held in 2012.

Chairman of the board of directors sets the agenda for board meetings in consultation with other members and the chief executive officer / general manager and all members participate in all of the meetings as much as possible.

Meetings of the board of directors may be attended by any technological method which provides remote access. Information on the agenda items of the board of directors is made available to the members in sufficient time prior to the meeting date by a coordinated flow of information. Each member of the board has a right to one vote.

The procedure of the board of directors meetings is defined in the articles of association of the company. Similarly, the board of directors meeting and decision quorum are included in the articles of association.

The articles of association of the company contains a clause where board decisions on significant related party transactions and guarantees, pledges and mortgages given to third parties, requires the approval of a majority of independent members.

The articles of association of the company also states that meetings will take place by a majority of the members and board resolutions are subject to this majority.

Board members allocate necessary time for the company's business and there are no limitations taking on additional duties outside the company.

Curriculum vitae of the board members, along with the tasks carried out outside the company are presented to the shareholders prior to the general shareholders' meeting.

#### **4.5. Committees Established Within the Board of Directors:**

A Corporate Governance Committee, an Audit Committee, and an Early Detection of Risks Committees are established from within the board of directors in order to fulfill its duties and responsibilities.

Functions of the committees, their working principles, and its members are designated by the board of directors and disclosed to the public on the company's web site.

All members of the Audit Committee and the chairmen of the Corporate Governance and Early Detection of Risks Committees are elected among the independent board members. The chief executive officer / general manager is not on the committees. Since there are 2 independent members among the 6 members of the board of directors, one independent member chairs both Audit and Corporate Governance Committees. There are no executive members on the Corporate Governance and Early Detection of Risks Committees.

All necessary resource and support needed to fulfill the tasks of the committees are provided by the board of directors. Committees can invite any manager as they deem necessary to their meetings and obtain their views.

All activities of the committees are documented and their records are kept. Committees meet in sufficient intervals and they provide the board of directors with information on their activities and meeting resolutions.

We will continue our observations to have a more precise opinion about the level of efficiency of the committees.

#### **4.6. Remuneration of the Board of Directors and Senior Management:**

The principles of remuneration of board members and senior executives has been documented in writing and submitted to the shareholders as a separate item in the general shareholders' meeting. A remuneration policy prepared for this purpose can be found on company's web site. Stock options or performance based payments are not included in the remuneration package of the independent board members.

Fees of independent board members are determined in a way to protect their independence.

The company does not lend any funds or extend any credits to a member of the board or to senior executives, or grant any personal loans through a third party, or extend any guarantees.

The executives have the required professional qualifications in order to perform the assigned duties.

The executives comply with the legislation, articles of association, and in-house regulations and policies in fulfilling their duties.

There has been no cases where the executives used confidential and non-public company information in favor of themselves or others. There are no executives who accepted a gift or favor directly or indirectly related to the company's affairs, and provided unfair advantage. There is a regulation on compensation for losses incurred by the company, and third parties, as a result of not performing the executives' duties duly.

Remuneration of the executives is based on market conditions and determined according to their qualifications, and proportional to their contributions to the performance of the company.

## Rating Definitions

Rating	Definition
9 - 10	The company performs <b>very good</b> in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified and actively managed all significant corporate governance risks through comprehensive internal controls and management systems. The company's performance is considered to represent best practice, and it had almost no deficiencies in any of the areas rated. Deserved to be included in the BIST Corporate Governance Index on the highest level.
7 - 8	The company performs <b>good</b> in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified all its material corporate governance risks and is actively managing the majority of them through internal controls and management systems. During the rating process, minor deficiencies were found in one or two of the areas rated. Deserved to be included in the BIST Corporate Governance Index on the highest level.
6	The company performs <b>fair</b> in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified the majority of its material corporate governance risks and is beginning to actively manage them. Deserved to be included in the BIST Corporate Governance Index and management accountability is considered in accordance with national standards but may be lagging behind international best practice. During the ratings process, minor deficiencies were identified in more than two of the areas rated.
4 - 5	The company performs <b>weakly</b> as a result of poor corporate governance policies and practices. The company has, to varying degrees, identified its minimum obligations but does not demonstrate an effective, integrated system of controls for managing related risks. Assurance mechanisms are weak. The rating has identified significant deficiencies in a number (but not the majority) of areas rated.
<4	The company performs <b>very weakly</b> and its corporate governance policies and practices are overall very poor. The company shows limited awareness of corporate governance risks, and internal controls are almost non-existent. Significant deficiencies are apparent in the majority of areas rated and have led to significant material loss and investor concern.



#### DISCLAIMER

This Corporate Governance Rating Report has been prepared by Saha Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. (SAHA Corporate Governance and Credit Rating Services, Inc.) based on information made available by Yazıcılar Holding A.Ş. and according to the Corporate Governance Principles by the Turkish Capital Markets Board as amended on 2011.

This report, conducted by SAHA A.Ş. analysts and based on their best intentions, knowledge base and experience, is the product of an in depth study of the available information which is believed to be correct as of this date. It is a final opinion about the degree of sensitivity of a company to its shareholders' and stakeholders' rights, its commitment to public disclosure and transparency, and conduct and credibility of its board of directors.

The contents of this report and the final corporate governance rating should be interpreted neither as an offer, solicitation or advice to buy, sell or hold securities of any companies referred to in this report nor as a judgment about the suitability of that security to the conditions and preferences of investors. SAHA A.Ş. makes no warranty, regarding the accuracy, completeness, or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes.

SAHA A.Ş. has embraced and published on its web site ([www.saharating.com](http://www.saharating.com)) the IOSCO (International Organization of Securities Commissions) Code of Conduct for Credit Rating Agencies and operates on the basis of independence, objectivity, transparency, and analytic accuracy.

© 2013, Saha Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. All rights reserved. This publication or parts thereof may not be republished, broadcast, or redistributed without the prior written consent of Saha Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. and Yazıcılar Holding A.Ş.

#### **Contacts:**

S. Suhan Seçkin

[suhan@saharating.com](mailto:suhan@saharating.com)

Ali Perşembe

[apersembe@saharating.com](mailto:apersembe@saharating.com)

Tuba Bektaş

[tbektas@saharating.com](mailto:tbektas@saharating.com)