

# Corporate Governance Principles Compliance Report

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## SECTION I - CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

### 1. Corporate Governance Principles Compliance Statement

All activities of our company are carried out in line with all legal regulations and "Corporate Governance Principles" which are regulated by the CMB (Capital Markets Board). In our Corporate Governance Principles Compliance Report we include reasoned descriptions regarding incidents in which principles were not applied, if any, along with information regarding Company practices for each subject addressed in the Corporate Governance Principles, conflicts of interest which occurred due to not complying completely with such principles, if any, and explanations regarding whether our Company has a plan to make changes in line with management practices principles in the future.

The 2014 Corporate Governance Principles Compliance Report was prepared in line with the format which the Capital Markets Board (CMB) declared in its Decision No. 2/35 in bulletin No. 2014/2 dated 27 January 2014.

Our company adopted a strategic requirement to take all the necessary measures to be in compliance with the requirements of the "Corporate Governance Principles" announced by the Capital Markets Board to the public. In the financial period between 01 January 2014 and 31 December 2014 our company complied with the "Corporate Governance Principles" issued by the CMB, excluding some principles apart from the principles which are stated below and with which we must comply. There is no conflict of interest resulting from unimplemented items summarised below.

- As per Article 4.6.5 of the Corporate Governance Principles, wages and all other benefits granted to top managers with administrative responsibility as well as members of the Board of Directors are disclosed to the public through the annual report. However, as in the previous years, the statement will not be on personal basis, it will be made in a way to provide differentiation for Board of directors and managers with administrative responsibility.
- Along with the fact that there is no available written indemnity policy which must be created for personnel as per Article No 3.1.2 of our company's "Corporate Governance Principles", we pay the utmost attention to protecting our personnel's indemnity rights, not only within the scope of principles in the Anadolu Group Working Principles but also the Labour Law which we are obliged to adhere to.
- 21% of the company's board of directors is composed of women. The board of directors was advised by the corporate governance committee to increase the number of women in its body, and our work related to this issue continues.
- Apart from special situations and notes, financial statement declarations which must be disclosed to the public as per capital markets legislation are not currently explained in English in addition to Turkish in KAP (Public Discourse Platform). It is planned that the said declarations will also be presented in KAP in English in the next period.

**Kamil Ömer BOZER**

**Chairman of the Corporate Governance Committee**

**Salih Metin ECEVİT**

**Ali Osman MAĞAL**

**Members of the Corporate Governance**

## **SECTION II - SHAREHOLDERS**

### **2.1. Investor Relations Department**

The personnel whose names, contact details, and licence information are presented below work in our Company's investor relations department coordinated by Chief Financial Officer Bora ÖNER.

**Ali Osman MAĞAL** – Investor Relations Department Manager / Head of Finance

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E-mail: [aliosman.magal@isuzu.com.tr](mailto:aliosman.magal@isuzu.com.tr)

Licence: CMB Advanced Level Licence

CMB Corporate Governance Rating Expertise Licence

**Veysel KIRICI** – Investor Relations Department Member / Head of Financial Control and Reporting

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CMB Corporate Governance Rating Expertise Licence

Our investor relations department performs activities to guarantee the use of rights of shareholding and, in particular, to facilitate communication between the board of directors and shareholders. In this context it is the role of the investor relations department to make material event statements in the matters stipulated by capital market regulations, to prepare periodic information notes regarding activities to inform the investors, to prepare the content of the company's website, to prepare the annual report, and to meet the written/verbal information requests of shareholders.

The investor relations department responded to investors' questions and made the necessary explanations within this period. The department received 17 applications within the period. The number of questions asked was very high during the periods when the annual financial statements and the ordinary general assembly meeting date were announced.

The corporate governance committee was assigned to supervise the work of the investor relations department at our company. In this context, the committee determines standards related to all communications and the basic principles of investor relations, reviews these standards and principles as well as compliance with them, and makes necessary recommendations to the board of directors. The report issued by the investor relations department about the activities carried out and presented to the corporate governance committee at each meeting is communicated by the committee to the board of directors. 6 committee meetings were held in 2014. Pursuant to the corporate governance principles, Investor Relations Manager Ali Osman Magal was appointed as the corporate governance committee member with the decision of the board of directors dated 25 June 2014.

### **2.2. Use of Shareholders' Rights to Obtain Information**

#### **Shareholders' Information Requests from the Company**

In line with our company's information policy, particular importance is attached to communicating all necessary information to the shareholders in a complete and accurate manner in order to ensure that all shareholders can use their shareholding rights. Information requests from shareholders are assessed within this context and information sharing is done within the scope of the content previously disclosed to the public.

Contacts were made to ensure that local and foreign corporate and individual investors and shareholders and analysts obtain information about our company's activity results, performance, other developments which occurred within the period, and all matters identified as per the capital market regulations were disclosed to the public with material event and press statements.

Questions answered within the scope of the information requests coming from direct shareholders or intermediary companies were about the company's financial statements, the market structure, changes in the market, development of the company's market share and new projects for the future, and relevant investments during the period when financial statements were disclosed to the public.

#### Evaluating the information requests of shareholders and updating the investors

Information requests of shareholders are immediately answered. In addition, there is detailed information on the company's website regarding the company's capital structure, trade registry information, articles of association, organizational structure, activities and financial statements for the period, and material event statements made within the period.

We also answer each of the questions of local individual investors, in particular those who reach us through the contact form on our company's website, as soon as possible.

#### Special auditor assignment

Our company's articles of association do not include any provision which would impede performance of a special audit, and company management avoids carrying out any transaction which would impede a special audit. Our company acts in compliance with the relevant provisions of the TCC regarding the use of the right to request a special audit. In 2014 shareholders did not make any special auditor assignment request.

### **2.3. General Assembly Information**

Our company holds general assembly meetings according to all the principles stated under "General Assembly" in the Corporate Governance Principles.

Within the period, our company held its ordinary general assembly meeting for 2013 on 17 April 2014 at 14:00 at "Esenkent Mahallesi Deniz Feneri Sokak No:4 Ümraniye 34776 İstanbul" with 85.67% participation by the shareholders.

Shareholders were invited to the general assembly meeting three weeks prior to the meeting through national and local newspaper announcements. Also, the registered share owners were notified via a written invitation.

Information regarding the company's activity results is made ready for examination by shareholders at headquarters and the factory three weeks before the general assembly date. Also, after financial statements have been disclosed to the public, information regarding the

financial statements are announced on the company's website. The meeting chair paid due care to communicate the items on the agenda in an unbiased and detailed manner using a clear and understandable method throughout the ordinary general assembly meeting. The meeting chair ensured that all the shareholders' questions which did not fall into the scope of commercial secrets were answered directly at the general assembly meeting. There were no questions not related to the agenda or which were so complex they could not be answered directly at the ordinary general assembly meeting.

Pursuant to Article 1.3.7. of the Corporate Governance Principles, there were no transactions performed within the scope of the company's field of operation by persons with privileged access to company information on their own behalf and which must be communicated to the general assembly.

When preparing the general assembly agenda, due care was paid to present each offer under a separate title and agenda titles were presented clearly in a way which would not lead to disparate interpretations. Due care was paid to not include expressions such as "other" and "various" in the agenda. The information given before the general assembly meeting was provided by referencing the relevant agenda items.

While setting the meeting agenda, there was no subject that shareholders conveyed in writing to the investor relations department of the company and requested be included in the agenda. Likewise, shareholders, the CMB, and/or other public bodies and institutions related to the company did not request including a new item on the agenda.

The total number of shares and voting rights which represent the company's shareholding structure were published in our company's website as of the general assembly meeting announcement date.

Invitation to the general assembly is made in a national newspaper, a local newspaper and a trade registry gazette three weeks beforehand. Also, the decision of the board of directors to invite the general assembly to the meeting and the meeting agenda are published on the website of the company: the Electronic General Assembly System and Public Disclosure Platform. Our aim is to hold the general assembly meetings in a manner that does not involve inequality among the shareholders and allows shareholders to participate with the minimum cost in order to increase the participation rate of the shareholders. Accordingly, the 2013 ordinary general assembly meeting on 17 April 2014 was held in line with the company's articles of association, in Istanbul, where the company's headquarters is located, at "Esenkent Mahallesi Deniz Feneri Sokak No:4 Ümraniye 34776 İstanbul". Also, information regarding the decisions made in the general assembly is published on the Public Disclosure Platform and the company's website after the meeting.

Members of the board of directors, other relevant people, officers, and auditors responsible for preparation of financial statements were present at the general assembly meeting in order to disclose necessary information and answer questions related to matters of importance on the agenda.

The articles of association do not include a provision regarding this matter, however, the general assembly meetings are open to the public, including the beneficiaries and media, without granting the right to speak. Beneficiaries and media did not participate in the ordinary general assembly meeting on 17 April 2014, but the company authorities stated in the previous paragraph attended.

Our company does not have a separate policy entitled aids and donations, however, this issue was covered in detail in the articles of association. A separate item was added to the general assembly agenda regarding the aid and donations made within the period. During the meeting the shareholders were informed about this matter.

Within the period there were no transactions where the yes votes of the majority of the independent board of directors' members were sought in order to enable a decision by the board of directors and where the decision making was transferred to the general assembly due to an insufficient number of yes votes.

The shareholders were informed that there weren't any significant transactions performed within the year in line with the provision in compulsory Corporate Governance Principle No. 1.3.6 of the CMB's Communiqué No. II-17.1 which states, "in the event that shareholders who have control over the management, board of directors members, managers with administrative responsibility, their spouses, blood relatives up to second degree, and relatives by marriage carry out a significant transaction which may lead to conflict of interest with the partnership or its subsidiaries and/or perform a transaction with the nature of commercial business in the business field of the partnership or its subsidiaries on their own or others' behalf, or enter into a partnership with the capacity of unlimited liability partner, the said transactions shall be included in the general assembly's agenda as a separate item which will be detailed further at the general assembly and recorded in the general assembly meeting minutes."

The meeting minutes and the list of attendants were disclosed to the public on the same day as the meeting through the Public Disclosure Platform. The general assembly meeting minutes and list of attendants are available on our website and open to access by the shareholders.

#### **2.4. Voting Rights and Minority Rights**

##### Privilege in voting rights

There is no practice which makes it more difficult for shareholders to use their rights to vote and mechanisms required to ensure that each shareholder uses their right to vote in the easiest and most suitable way, including cross border regions within the framework of the provisions of Turkish Commercial Law related to electronic general assembly, are established.

According to the company's articles of association, there is one right to vote for each share in the general assembly and there is no privilege in the right to vote.

There is a regulation regarding the election of board of directors' members in the current articles of association of the company as follows:

the company is managed by a board of directors consisting of 14 members, to be elected by the general assembly according to the provisions of Turkish commercial law and capital market regulations.

Four members of the board of directors are elected by the general assembly from among the candidates nominated by B group shareholders to represent themselves, eight members from among the candidates nominated by A group shareholders to represent themselves, and other members from among the candidates nominated by any shareholder.

Anadolu Group signed a joint venture contract between their foreign partners Isuzu Motors Limited and Itochu Corporation in 1985 and Isuzu Motors Limited became a licensor partner. This cooperation which included technology transfer occurred with the participation of foreign partners in management in a partnership structure which does not have a majority.

### Cross Shareholding

The company does not have a cross shareholding relation with any organization.

### Representing the minority shares in management

Our company shows maximum care of the use of minority rights. Independent members in the company's board of directors, in line with corporate governance principles, can perform their duty without being influenced in any way whatsoever, and they therefore ensure that minority rights are protected by contributing to the objective management of the company.

According to the corporate governance principles, minority rights can be granted to shareholders with a share ratio lower than one twentieth of the capital with the articles of association. However, our company's articles of association do not include a provision which expands the scope of minority rights defined by the law.

## **2.5. Dividend Right**

### Privileges regarding participation in company profit

There is no privilege granted to shareholders regarding participation in company profit.

### The company's dividend distribution policy

Our Company distributes profits pursuant to the provisions of the Turkish Commercial Code, capital markets board regulations, tax regulations, other relevant regulations, as well as the article related to profit distribution in our articles of association.

Our company has adopted a policy of distributing at least 50% of its distributable profit every year, in cash and/or as bonus shares.

It is among the basic purposes of our company to sustain this dividend distribution policy except in special situations such as extraordinary developments in economic conditions or when investments and other funding needs are required for the company's long-term growth.

The board of directors makes a decision every accounting period regarding dividends, and submits the decision to the general assembly for approval. Dividend distribution starts at a date set by the general assembly, which cannot be later than the end of the year when the general assembly is held. The company may opt to distribute dividend advances or pay dividends in instalments in equal or different portions in line with the provisions of the effective legislation.

It was resolved to put this policy in writing as of 2005 within the framework of our corporate management principles compliance work. Pursuant to Communiqué on Dividend No. II-19.1 of the Capital Markets Board, a revised dividend distribution policy approved by a board of directors' decision dated 21 March 2014 and published on the Public Disclosure Platform on the same date was approved at the 17 April 2014 general assembly.

The dividend distribution policy is included in the annual report. The dividend distribution policy is also published on the company's corporate website.

#### Dividend distribution in 2014

The proposal of our board of directors brought up at the meeting dated 27 February 2014 that the cash dividend of 65,328,767.28TRY, which is the sum of the extraordinary reserves of 10,387,270TRY and 54,941,497.28TRY which is the net period profit for 2013 in the amount of 198,745,796TRY minus the legal reserves which must be allocated according to the provisions of the Turkish Commercial Code as presented in the consolidated financial statements which were prepared pursuant to financial reporting standards accepted by the Capital Markets Board and were subject to independent audit, should be paid as the first and second dividends in a manner such that each share with a nominal value of 1TRY corresponds to a gross dividend of 2.57TRY (net 2.1845TRY) starting from 30 May 2014 in order to ensure that a gross dividend equal to 257% is distributed from the issued capital, was approved at the shareholders' general assembly for 2013 and a dividend distribution was performed on 30 May 2014.

#### **2.6. Transfer of shares**

The Company's articles of association do not include provisions which restrict transfer of shares neither do they include a practice which impedes transfer of shares freely.

### **SECTION III – PUBLIC DISCLOSURE AND TRANSPARENCY**

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

The company's corporate website is [www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr). The website is presented both in English and Turkish.

Information about privileged shares is not stated separately because it is included in the articles of association. Other matters stated in the corporate governance principles are available on the website in a comprehensive way. Information on our company's website is the same as and correlates with the statements which were made with regard to the provisions of the relevant legislation and do not contain any contradictory or incorrect knowledge.

Financial statement declarations other than the material events and notes, which must be disclosed to the public as per capital markets legislation, are not simultaneously disclosed in English in addition to Turkish in the Public Discourse Platform at present. It is planned that the said declarations will also be in English in the Public Discourse Platform in the next period.

#### **3.2. Annual Report**

Annual reports of our company are prepared in a detailed manner which enables the public to access complete and accurate information about the Company's operations and to include the information stated in Article 2.2.2. in Section 2 of the Corporate Governance Principles in addition to matters covered in legislation and other sections of the Corporate Governance Principles.

## **SECTION IV - BENEFICIARIES**

### **4.1. Informing the Beneficiaries**

#### Informing the Beneficiaries

Beneficiaries are persons, corporations, or stakeholders, such as employees, creditors, customers, suppliers, unions, and various non-governmental organisations involved in the company's operations or achievement of the company's goals. Our company preserves beneficiaries' rights which are regulated by legislation and mutual agreements during its transactions and operations. In cases when such rights cannot be preserved through legislation and mutual agreements, the company pays due care to protect beneficiaries' interests within the framework of goodwill and to the extent of the company's capability. Our company acts in line with the Corporate Governance Principles in relationships with beneficiaries and has established all mechanisms required to ensure this.

In the event that conflicts of interest occur among beneficiaries or a beneficiary is included in more than one stakeholder group, a balanced policy is pursued as much as possible in terms of preservation of the rights, with the aim of protecting each and every right independently from one another.

Our company implements relevant legislation provisions when using a mechanism such as indemnity provided to beneficiaries. Even though there is no available written policy regarding employee indemnities which must be issued as per Article 3.1.2 of our company's "Corporate Governance Principles", we pay due care to preserve personnel indemnity rights not only within the scope of Anadolu Group Working Principles but also labour laws that we are obliged to implement.

It is one of the most important policies of the company to keep beneficiaries satisfied by producing applicable and timely solutions for issues related to employees and other beneficiaries. Our employees, suppliers, customers, and consumers are informed about matters that are relevant to them through various channels.

#### Communication of beneficiaries with Corporate Management Committee and Auditing Committee

Beneficiaries inform the corporate management committee or audit committee through the Internal Auditing Directorate and Financial Affairs Directorate about operations of the company which are contrary to legislation and ethically inappropriate when necessary.

### **4.2. Participation of Beneficiaries in Management**

#### Efforts made to ensure that beneficiaries participate in management

Models which encourage beneficiaries, particularly the company's employees, to participate in the company's management are developed in a manner which does not cause any delay in the company's operations. An open platform is provided to the shareholders to convey their positive or negative opinions regarding the company in the general assembly meetings which are open for participation by shareholders. Also, the contact form on the company website is an efficient communication mechanism for shareholders.

Our employees can share their ideas which will add value to our corporation with management through our idea system, the Anadolu Group Innovation Portal. Our employees efficiently use the Human Resources Request and Improvement Line to send requests and improvement requests for services offered to our employees by the human resources department. In addition, the annual Employee Satisfaction and Loyalty Survey, developed to support our employees' participation in management, is a channel through which employees are able to express their requests and improvement demands regarding the organization.

The company carries out work which aims to improve the activities that employees may participate in within the scope of Kaizen improvement work and quality circles.

Dealers' opinions are requested at annual meetings and such opinions are assessed in strategic plan work.

Our company takes all types of measures in order to achieve customer satisfaction in marketing and sales of goods and services. Requests related to the goods and services purchased by customers are swiftly evaluated and our customers are informed about any delay, before the deadline. Quality standards are met in all goods and services, and due care is paid to maintain a certain standard. Certain warranties related to quality are provided with this aim. Within the scope of commercial secrets, confidentiality of information related to customers and suppliers is dealt with using due care. Beneficiaries are consulted regarding significant decisions which would yield consequences related to them.

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

Our company's human resources policies were created in line with Anadolu Group Human Resources Quality Policies and announced to all employees. Our company's human resources policy and our practices in this field are in line with all principles listed under Article 3.3. of Section Three of the Corporate Governance Principles.

Our human resources quality policy is as follows.

- Creating human resources potential which has a global viewpoint and skills without cultural discrimination.
- Establishing human resources systems and a work culture which always strives to improve by working as a team and with information in a work environment based on open communication and mutual trust.
- Adding value to organizational performance by responding to the requirements and expectations of shareholders inside and outside the organization, within the scope of the defined business culture.

Accordingly,

- 1) features sought in candidates in personnel recruitment are identified in our company,
- 2) all white collar personnel go through performance evaluations at the end of every year,
- 3) all decisions made in our company and matters which concern the employees are announced through the intranet (MS Outlook, Lotus Notes), communication boards, and via SMS when necessary,

- 4) job definitions of all employees (white collar) are created and the employees are informed of their job definitions, and there is also a job grouping system for blue collar personnel,
- 5) our company has an occupational health and safety committee, and
- 6) there is no discrimination based on race, religion, language, or gender among our employees.

### Relations with Employees

The Combined Metal Labour Union is the authorised worker union in our company. The union has worker representatives in the workplace chosen by election. Representative's roles are identified with a collective labour contract signed by the Combined Metal Labour Union and MESS (Turkish Metal Industrialists' Union).

A) Any interview between the union and employer or employer deputies is made through representatives as a principle of communicating member requests and complaints about implementation of the contract to the employer.

B) Union representatives are provided with the right of legal representation according to the Law of Unions and their roles and authorities are as follows:

- a) ensuring the cooperation and working coherence between employer and employees as well as sustaining peaceful work,
- b) helping solve conflicts between the employees and the employer in a way compatible with this collective labour contract and legislation within the scope of the procedure of settlement of complaints in this contract,
- c) monitoring implementation of the collective labour contract,
- d) the head representative and his/her assistant are authorized to come to the workplace and take care of matters on condition they agree with the current company official on the hours out of their shifts and post settlements regarding important and urgent cases, and
- e) the union's head representative, or the closest representative if he/she is absent, is authorized to take care of a matter within working hours if an incident occurs related to work or the application of the collective labour contract.

### Complaints regarding discrimination

There were no complaints from our employees regarding discrimination.

### Job descriptions, performance, and reward criteria

Job descriptions and distribution as well as performance and reward criteria are announced to the employees.

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

### Ethical rules

Anadolu Group has a corporate culture which it has pursued with awareness, managed diligently, and preserved with due care since its foundation. The corporate culture shared by all managers and employees includes knowledge and experience as well as prospective

expectations and strategies which meet the requirements of the current era. Provision of the best service and best products to not only the people located in the regions within their operation zone but also all people, and transfer of dignity to future generations, are basic values that affect how Anadolu Group does business.

Anadolu Isuzu has adopted a commitment to legal rules and ethics in business and social circles; working based on trust; producing high quality, accurate and reliable results; acting in compliance with rules and opinions; and being respectful of nature and the environment as indispensable elements of its corporate culture.

Our company's operations are carried out within the scope of Anadolu Group's working principles which are available on our corporate website. Our company has an ethics board presided by the general manager and periodic assessment meetings are held.

On the other hand, reminders are issued regarding the liabilities of company employees arising from regulations about insider trading within the Anadolu Group Working Principles prepared for the Group companies to reinforce compliance with corporate governance practices and with capital market regulations in Anadolu Group, which is highly recognizable and seen as reliable in local and foreign capital markets. Because we are a publicly traded company, the practice known as "forbidden period", which forbids those who can access relevant insider information from the sale and purchase of such stocks, is also in place.

#### Social responsibility activities

Our factory complies with environmental regulations. The company fulfilled all legal responsibilities in this context and received the permissions below.

- Non-Sanitary Enterprise Licence
- Wastewater treatment facility discharge permission
- Emission Permit

Within the scope of the Regulation the Certificate and Licenses Required to Be Taken as per Environmental Law, an Environmental Permit Regarding Emission was received in 2013. Our corporation conveys the statements and notifications requested by competent authorities within the Environmental Regulation completely and in a timely manner.

A social awareness project within the scope of the Young Isuzu Development Process was implemented with the contributions of 150 volunteer staff. Staff volunteer activities, which include working in collaboration with relevant non-governmental organizations in three fields, environment, education, and disability, were carried out, and important results that will add value and contribute to the public good were achieved. The said approach created an awareness related to volunteering in Anadolu Isuzu in general, and enabled the staff to obtain positive results from each other and the process.

The company also fulfils its social responsibilities through the Anadolu Health and Social Aid Foundation as per its articles of association.

## SECTION V - BOARD OF DIRECTORS

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

There was no change in the structure of the board of directors within the period.

The members of the board of directors selected at the ordinary general assembly on 17 April 2014 and their roles are as below.

Name and Surname	Role	The roles currently assumed outside the company
Mehmet Kamil ESER	Chairman of Board of Directors	President of Automotive Group at Anadolu Endüstri Holding A.Ş. Chairman of the Board of Directors at Anadolu Group Companies
İbrahim YAZICI	Vice Chairman of the Board of Directors	Vice Chairman and Member of the Board of Directors at Anadolu Group Companies
Tuncay ÖZİLHAN	Member of the Board of Directors	Chairman of the Board of Directors at Anadolu Endüstri Holding A.Ş. Chairman, Vice Chairman and Member of the Board of Directors at Anadolu Group Companies
Süleyman Vehbi YAZICI	Member of the Board of Directors	Member of the Board of Directors at Anadolu Group Companies
Tülay AKSOY	Member of the Board of Directors	Member of the Board of Directors at Anadolu Group Companies
Hülya ELMALIOGLU	Member of the Board of Directors	Member of the Board of Directors at Anadolu Group Companies
Nilgün YAZICI	Member of the Board of Directors	Member of the Board of Directors at Anadolu Group Companies
Salih Metin ECEVİT	Member of the Board of Directors	Chairman and Member of the Board of Directors at Anadolu Group Companies
Sojiro HIYOSHI	Member of the Board of Directors	Itochu Corporation - Manager
Ryutaro MASHIKO	Member of the Board of Directors	General Manager of Itochu Corporation Istanbul Branch
Yasuyuki NIIJIMA	Member of the Board of Directors	Isuzu Motors Limited -Manager
Isao OTSUKA	Member of the Board of Directors	Isuzu Motors Limited -Manager
Ahmet Cemal DORDUNCU	Independent Member of the Board of Directors	President of the Energy Group of Turkish Industrialists' and Businessmen's Association Member of Endeavour Turkey and Founding Member of National Innovation Initiative CEO of Akkök Group and Independent Member of the Board of Directors at Anadolu Group companies
Kamil Omer BOZER	Independent Member of the Board of Directors	Independent Member of the Board of Directors at Anadolu Group Companies

All members of the board of directors were selected to function until a new board of directors is formed in the next general assembly meeting on 17 April 2014. The board of directors elects a chairman and a vice chairman as per the articles of association every year. Management and representation affairs may be shared among the members of the board of directors. Chairman and members of the committees to be established are determined. The board of directors is authorised to make the necessary decisions in this regard.

The chairman of the board of directors functions as the executive member of the board of directors. Resumes of the members of our board of directors are presented below.

#### **Mehmet Kamil ESER**

Born in Elazig on May 21, 1956, M. Kamil Eser completed Kadikoy Maarif Koleji and graduated from the Middle East Technical University Engineering Faculty Industrial Engineering department in 1979. Eser began his work life at the Bozüyük facilities of T.

Demir Döküm Fabrikası A.Ş. in 1979 as an industrial engineer. He worked as operation chief at a water heater factory between September 1980 and July 1981 and as supply chief at Burtrak Traktor San. A.Ş. between December 1982 and August 1983. He started working as material supply engineer at Anadolu Isuzu Otomotiv San. ve Tic. A. Ş. Material Supply Directorate on 07 November 1983. He was assigned as production control chief on 03 July 1984 and as production planning and control director on 01 January 1986. He was assigned as assistant general manager of marketing on 01 July 1996 after working in the marketing, sales and service departments of American Isuzu Motors INC for one year, starting 09 June 1995. He was assigned as general manager of Anadolu Isuzu Otomotiv San. ve Tic. A. Ş. on 01 January 1998. Functioning as the president of the Automotive Group as of 01 July 2006, M. Kamil Eser speaks English and is married, with two children.

### **İbrahim YAZICI**

Born in 1949, İbrahim Yazıcı graduated from Bursa Economics and Commercial Sciences Academy in 1975.

He studied for his master's degree (MBA) in business administration at Atlanta University in the USA between 1976 and 1979. Having actively worked at Anadolu Group companies since 1982, Yazıcı is still working as Vice Chairman of Anadolu Endüstri Holding and as chairman and a member of the boards of directors of various Anadolu Group companies.

### **Tuncay ÖZİLHAN**

Born in 1947 in Kayseri, Tuncay Ozilhan earned a master's degree (MBA) in business administration at Long Island University in the USA after completing Saint Joseph High School and Istanbul University Faculty of Economics. Starting his business life as the general manager of Erciyas Biracilik in 1977, he continued as Anadolu Endustri Holding Beer Group Coordinator, Anadolu Endustri Holding General Coordinator, and Anadolu Group Chief Executive Officer, to which he was assigned in 1984.

Still functioning as Chairman of the Board of Directors of the Anadolu Group, a position he took over in May 2007, Tuncay Ozilhan is also the chairman of board of directors of certain Anadolu Group companies.

Özilhan, who was president of TUSIAD (Turkish Industrialists' and Businessmen's Association) between 2001 and 2003, is currently the president of the TUSIAD (Turkish Industrialists' and Businessmen's Association) High Advisory Council, vice chairman of DEIK (Foreign Economic Relations Board), chairman of the board of directors of the Turkish-Russian Business Council, a member of the board of directors of B-20 Turkey, Honorary Consul of Estonia, and chairman of Anadolu Efes Spor Kulübü.

### **Nilgün YAZICI**

Nilgün Yazıcı was born in Istanbul in 1961. She graduated from Kadıköy Kız Koleji in 1978. Between 1978 and 1981, she studied business administration at Oglethorpe University in Atlanta, Georgia, USA and earned an MBA degree from Preston University. She has been a member of the board of directors at Anadolu Group since 1995.

### **Tülay AKSOY**

Born in 1951, Tulay Aksoy graduated from Erenkoy Kız Lisesi in 1968. She has been a member of the boards of directors of Anadolu Endustri Holding, Anadolu Efes, Anadolu

Isuzu, Çelik Motor, Adel Kalemcilik, Anadolu Motor, and Anadolu Health Foundation, all Anadolu Group companies, as well as a board member of Ozilhan Sinai Yatirim A.S. since 1995. She is vice chairman of Oden Turizm A.S. and is also a member of the Association for Protecting Natural Life and Animals, the Association for Contemporary Life, the Association for Police Martyrs' Families, the Association for Protecting the Disabled, the Association for Protecting and Educating Street Children, and the Association for Starky Hearing Impaired.

### **Süleyman Vehbi YAZICI**

After completing middle and high school at Beyoğlu Tarhan Koleji, Süleyman Vehbi Yazıcı, who was born in Sarıyer, İstanbul on 08 June 1947, graduated from the Economics and Commercial Sciences Academy in 1972. After gaining experience during his university education and then in various group companies of his family, he acted as the general manager of Celik Motor A.S. between 1975 and 1977. He worked actively as well as maintaining membership in various foundations and associations. Some of the foundations he is a member of include Anadolu Education and Social Aid Foundation, Turkish Heart Foundation, Foundation for Protecting Eye Health, Foundation for Protecting the Natural Life, Kenan Evren Education and Culture Foundation, and the Bodrum Health Foundation.

Süleyman Vehbi Yazıcı, who has been a member of the board of directors of Anadolu Endüstri Holding since 1975, is married and has a daughter and a son.

### **Hülya ELMALIOGLU**

Born in 1962, Hülya Elmalıoğlu graduated from the Private Kadikoy Girls' College in 1979. Receiving language education in the USA in 1979-1980, Elmalıoğlu is still a member of Anadolu Efes, Anadolu Isuzu and Celik Motor of Anadolu Endüstri Holding, and Anadolu Group companies.

### **Salih Metin ECEVIT**

Born in 1946, Metin Ecevit studied with the Political Sciences Faculty in 1967 and earned his master's degree in economics from Syracuse University in 1976. He worked as an accounting expert and vice general manager of incomes at the Ministry of Finance between 1967 and 1980. He worked as general manager, executive director, and chairman of the executive board for Anadolu Group, where he began working in 1980. In 2006, while he was the head of the Automotive Group, he retired due to the group's age regulation. He served as a member of the board of directors and chairman of the board of directors at the Imported Vehicles Turkey Representatives' Foundation between 1992 and 2004. He still works for most of Anadolu Group companies as a member of executive boards, and as chairman of the executive board of Yazıcılar Holding A.Ş.

### **Isao OTSUKA**

Isao Otsuka completed studies at the Waseda University Faculty of Economics in 1986. He started business life in Tokyo at Isuzu Motors Ltd in 1990 and he worked in the finance department during most of this time, apart from the roles he took over as financial and administrative affairs manager in Singapore between 2008 and 2011, and in Thailand between 1992-1994, and 1995-1998.

Isao Otsuka has functioned as the group leader of Europe and Turkey for Isuzu Motors Ltd. since April 2012. He worked as the business administration group leader in the sales

administration department before taking over his current position. Isao Otsuka speaks English and Thai.

### **Ryutaro MASHIKO**

Ryutaro Mashiko graduated from the law department of Niigata University in 1983.

He started working in 1983 at Itochu Corporation in Tokyo. In 1994, he started working in the machine department of Itochu Corporation Thailand, and he was then promoted to vice general manager of the Itochu Vietnam Office in 2007.

Ryutaro Mashiko worked as the planning and project department manager at Itochu Corporation Headquarters starting in 2011, and completed various infrastructure projects successfully. On 1 April 2014, he was appointed general manager of Itochu Corporation Turkey.

### **Sojiro HIYOSHI**

Sojiro Hiyoshi started working in 1994 at Itochu Corporation in Tokyo. He was assigned to work in the WMMI company, which assembles and distributes Mazda brand vehicles regionally in Harare, Zimbabwe in 1996. He was assigned responsibility for Isuzu affairs in Africa and Middle East markets after returning to Tokyo in 1998. He was then given responsibility for the Central and South American markets for Isuzu and GM affairs in the automotive department in Itochu Latin America S.A. in Panama in 2002. He completed the five-year term for this job in 2007, and returned to Tokyo.

Sojiro Hiyoshi was responsible for Isuzu affairs within the Itochu Corporation Latin American market before starting his job in Anadolu Isuzu, and he has been a general manager consultant for Anadolu Isuzu since 01 January 2010.

Sojiro Hiyoshi is fluent in English and Spanish and can speak little Turkish.

### **Yasuyuki NIIJIMA**

Yasuyuki Niijima was born in Saitama in Japan in 1959. After graduating from the economics department of Tokyo Keio University, he started his business life at Isuzu Motors Limited in 1983. Yasuyuki Niijima worked in the following capacities, respectively: local sales planning director, group leader in the truck body business development department, manager of the corporate planning department in Isuzu Motors America, vice manager of the corporate planning department in Isuzu Motors America, senior manager in the local business development department, and general manager of the Isuzu Network Co Ltd. local business development department. As of April 2010, he has functioned as the general manager in the international sales department in Isuzu Motors Limited.

### **Ahmet Cemal DORDUNCU**

Born in 1953, in Istanbul, Ahmet Cemal Dorduncu completed his high school education at Cukurova College and then earned his bachelor's degree at Cukurova University and his master's degree at Mannheim University. Starting business life in Germany in 1981, Dorduncu participated in the Sabanci community in 1987 and worked in various management positions, and he functioned as the chairman of boards of directors and general manager in foreign companies affiliated with the community between 1999 and 2004. After serving as the Sabanci Holding business development and strategic planning group

chairman beginning in 2004, Dorduncu served as CEO and a member of the board of directors between 2005 and 2010. Ahmet Dorduncu is also a founding member of Ulusal Innovasyon Girişimi, a member of Endeavor Türkiye, and Chairman of TUSIAD Energy Working Group.

### **Kamil Omer BOZER**

Born in 1958, in Istanbul, Omer Bozer graduated from the METU Business Administration department and received his master's degree from Georgia State University. He started as trainee employee in Koc Grubu in 1983 and was a manager at Maret and Duzey Pazarlama respectively before becoming the general manager of Migros in 2002. Bozer acted as the food, retail and tourism group chairman at Koc Grubu between 2005 and 2006, food and retail group chairman between 2006 and 2008, and, again, food, retail and tourism group chairman between 2008 and 2011.

#### Independent members and criteria of independence

The “independent board of directors’ membership” of Ahmet Cemal DORDUNCU and Kamil Omer BOZER, suggested by a decision of the corporate governance committee on 14 March 2014 and a decision of the board of directors on 14 March 2014, was approved in the general assembly meeting on 17 April 2014.

Neither Ahmet Cemal DORDUNCU nor Kamil Omer BOZER has served as members of the board of directors at Anadolu Isuzu Otomotiv San. Ve Tic. A.Ş. for more than six years in total in the last decade. Also, they have not served as members of the executive board of Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. and Anadolu Group companies within the last five years.

No case has occurred where independence of independent members has been violated. Those selected as independent board members have not been registered and announced as part of any legal entity.

#### Assignment of members of the board of directors outside the company

There are no rules established by the company regarding board of directors’ members taking on duties outside the company. However, arrangements defined in corporate governance principles are adhered to.

#### Ratio of Women Members on the Board of Directors

21% of the board of directors comprises women members. The corporate governance committee recommended the board of directors increase the number of women members on the board in upcoming years. We have initiated ongoing studies in this respect.

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

Our company's board of directors conducts its activities in line with all matters identified by corporate governance principles in a transparent, accountable, fair, and responsible way. The company's board of directors convened six times during the relevant period. Four of the meetings were held with the participation of ten members, and two were held with the participation of nine members.

The board of directors assumes a leading role in the active communication between the company and the shareholders, resolution of possible conflicts and finding solutions for them, and works in close cooperation with the corporate governance committee and the department of investor relations in this respect.

As per the company's articles of association, the board of directors selects a chairman and a vice chairman every year. The chairman of the board of directors is responsible for managing board of directors meetings, regular negotiations, and having the meetings recorded. While authorities of chairman/members of the board of directors and company managers are defined within the company's articles of association, no one in the company has the sole authority to make unlimited decisions.

#### Identification of Board of Directors Agenda and the Call

In accordance with Article 4.4.1. Corporate Governance Principles, the board of directors holds meetings at a frequency which enables them to perform their duties effectively. Dates of board of directors' ordinary meetings are identified on the basis of an annual calendar and announced to the members. In accordance with our company's articles of association, in board of directors meetings, the majority of the total number of members participates in the meetings, and decisions are made by taking the verdict of the majority after opinions of members are received.

#### Informing members of Board of Directors

Members of the board of directors are informed by the general manager about company activities.

#### Putting the reasons for counter votes on a memorandum of decision

All of the discussions in the meetings held by the board of directors are passed on to a memorandum of decision as per corporate governance principles. In board of directors meetings, not only our company's performance for the prior period but also its developments for the current period, its growth plans for the future, strategies developed against competitors, and matters regarding human resources and organizational structure are discussed. While not every matter is resolved, the memorandum is not disclosed to the public because disclosure of resolved matters may cause various speculations. On the other hand, all important matters resolved by board of directors are disclosed to the public through material disclosures.

The method and frequency of board of directors meetings, meeting and decision quorums, methods for objecting to board decisions, and matters regarding the validity of board decisions, are clearly identified in the articles of association.

The agenda of board of directors meetings consist of the matters that were agreed in the previous meeting would be discussed in the next board meeting and matters identified by top management of the company. Matters that should be discussed by the board are conveyed to the financial affairs director and collected to create the agenda of the next meeting. Ordinary board of directors meeting dates are identified at the beginning of the year and all members are informed about such meetings. Also, before every meeting date, members of the board of directors are informed once more about the issues on the meeting agenda through formal information letters and reports.

The board of directors can convene more than once in a month if necessary. The chairman, vice chairman, and every board member have the right to add matters they want to be addressed to the relevant meeting agenda and/or to convoke the board on condition that all board members are notified about it a minimum of fifteen (15) days beforehand. Board meetings may be held in company headquarters or another place inside or outside Turkey that the board decides on in an ordinary meeting in which a decision quorum is provided. Members are informed about the opinions of members who do not attend the meeting and send their opinions in writing instead. The board of directors may take a decision without holding a meeting as per Turkish commercial law. Meeting and decision quorums stated in the company's articles of association shall apply to such decisions as well.

The company's financial affairs director performs responsibilities of secretary for the board of directors. In the event that there are grounds for reasonable and detailed counter votes with regard to the issues for which different opinions are stated and questions are asked by the board of directors in the meetings, these shall all be recorded in the decision minutes. As per corporate governance principles, it must be ensured that members actually attend board of directors meetings.

Board members do not have voting and/or veto authority in cases of ties. Each member of the board of directors, including the chairman, has one vote, and none of the members has the authority to break a tie.

The company's board of directors assesses its own performance periodically. Self-assessment of the board of directors is conducted once a year in a way which reflects the individual performances of members of the board of directors. Self-assessment is also used to identify the competencies that the board of directors requires in the context of developing and changing global business conditions and the necessary actions are taken in line with these findings.

#### Related Party Transactions

Decisions the board of directors makes regarding significant related party operations are conducted with the approval of the majority of independent members in line with corporate governance principles.

#### Manager Liability Insurance

Losses incurred by the company due to errors by the members of the board of directors during their assignments have been insured with an insurance policy with 20,000,000USD in coverage.

### **5.3. Number, Structure, and Independence of Committees Established in the Board of Directors**

#### **Corporate Governance Committee**

The corporate governance committee, which was formed as per Communiqué, consists of three members. Independent Board Member Ömer BOZER was selected to be committee chairman, and Ali Osman MAĞAL, who works as investor relations manager at our company, was selected to be a member of the corporate governance committee as per Article 4.5.3 of Communiqué on Corporate Governance of Capital Market Board No. II-17.1 dated 03

January 2014, which states, "employees who are not members of the board of directors and who are specialists in their field can be assigned as members to committees, except for the audit committee", along with the other member Salih Metin ECEVİT.

The duties of a nomination committee and a wage committee are fulfilled by the corporate governance committee.

The corporate governance committee convened six times during the year.

In our board of directors meeting on 25 June 2014, it was decided that the corporate governance committee regulation, which was approved With Board Of Directors Decree No. 2012/21 on 16 August 2012, shall be revised as per capital market legislation and Communiqué On Corporate Governance No. ii-17.1, dated 3 January 2014 by the Capital Markets Board, and the new regulation was published on our company website [www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr).

### **Audit Committee:**

The audit committee, which was formed as per a communiqué, consists of two members. Ahmet Cemal DORDUNCU, independent member of the board of directors, was elected to be the chairman and Kamil Omer BOZER, independent member of the board of directors, was elected to be a member.

The audit committee is responsible for taking all the necessary measures to perform any internal and independent audit in a sufficient and transparent way.

The audit committee gathered 4 times during the year.

In our board of directors meeting on 25 June 2014, it was decided that the Audit Committee Regulation, which was approved with Board of Directors Decree No. 2012/20 on 16 August 2012, shall be revised as per capital market legislation and Communiqué on Corporate Governance No. II-17.1, dated 3 January 2014 by the Capital Markets Board, and the new regulation was published on our company website [www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr).

### **Early Risk Detection Committee:**

The early risk detection committee, which was created as per a communiqué, consists of two members, and independent board member Kamil Omer Bozer was elected as the chairman and Salih Metin Ecevit as a member.

The duty of the committee is early detection of risks that may endanger the presence, development, and continuation of the company, application of necessary measures regarding the detected risks, and work to manage the risk.

The early risk detection committee gathered twice during the year.

The regulation regarding the working principles of the early risk detection committee was identified with the decision of board members dated July 23, 2013 and numbered 2013/28. It was published on our company website [www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr).

### Inclusion of Committee members in more than one committee

All of the audit committee members, the chairman of the early risk detection committee and the corporate governance committee were selected from among independent board members in line with Communiqué on Identification and Application of Corporate Governance Principles Serial:IV No:56 by the Capital Markets Board. There are two independent members on our company's board of directors, both of whom function in all three committees. Salih Metin ECEVİT functions as a member on both the corporate governance committee and the early risk detection committee since he will contribute to both committees with his knowledge and experience.

### **5.4. Risk Management and Internal Control Mechanism**

The Risk Management and Internal Control System is under the responsibility and control of company management at Anadolu Isuzu. The corporate risk management director, who works to give guarantee and consult with management in this regard, functions under the general manager and reports directly to the early risk detection committee and Anadolu Group corporate risk coordinator.

Anadolu Isuzu top management identifies the possible critical opportunities and threats for the company to achieve its targets and manages these in line with the risk appetite of the company.

Corporate Risk Management is a systematic and disciplined process all employees of Anadolu Isuzu participate in.

The Anadolu Isuzu Enterprise Resource Planning (ERP) system is a significant technological asset which functions as the infrastructure for the decision support processes by enabling assessment and evaluation to minimize current risks. This asset allows for instant follow up of the activity results and improves the efficiency of the external control system by eliminating human error. The technological infrastructure also allows for intervention in the problems faced in internal communications and producing solutions.

Our entire facility is insured to minimize possible natural risks and investments are made for back-up systems to prevent systems from being affected and facing data losses in an extraordinary situation.

Our company is also subject to internal control audits conducted group-wide because it is affiliated with Anadolu Group.

The job scope of the internal audit department includes making sure that risk management, control, and management processes created and conducted by management are sufficient and active in the matters mentioned below.

- Defining and managing risks appropriately.
- Existence of the necessary communication among various management groups.
- Accurate, reliable, and updated financial, managerial, and operational information that is critical.
- That employee behaviour is in accord with the code of conduct, work, and labour policies of the company.

- That company resources are acquired in an affordable way, used effectively and preserved properly.
- Operations and programs are compatible with the existing objectives and purposes and operations and programs have been conducted in the planned way.
- Quality and continuous improvement have been included in the control process of the organization.
- Matters regarding important legal or regulatory legislation that may affect the company have been appropriately detected and addressed.

In addition, improvement opportunities to change the relevant perception about the company, profitability, and control system which are discovered during internal audit activity may be suggested to the suitable management level during audits.

### **5.5. Company's Strategic Objectives**

The board of directors is responsible for administration and representation of the company by keeping the risk, growth and yield balance of the company at the most suitable level, looking out first for the long term benefits of the company using smart and prudent risk management, while also ensuring that the company reaches the operational and financial performance objectives disclosed to the public. In this respect, relevant directorates create annual budgets and business plans every year and submit them to the board of directors through the Financial Affairs Directorate. Results which occurred after having performed activities in line with such plans during the year are continuously compared with the budget as accepted by the board of directors, and reasons for deviations are sought.

The company's board of directors approves the strategic objectives created as a result of work and basic assumptions during the process of creating annual strategic objectives.

The board of directors follows the strategic objectives of company activities and comparative results in the light of the annual reports and direct information from board of directors meetings.

### **5.6. Financial Rights**

#### **Criteria used to identify the rights granted to Board Members**

Dividend payments to board members are not possible as per the articles of association.

As stated in the articles of association, wage amounts that will be provided to board members are identified by the general assembly. Board members are authorized to elect top managers, who will serve for company management, and to identify their authority, wages, and other rights, and make or break agreements with them.

On the other hand, it was decided as per the resolution taken in the ordinary general assembly meeting held on June 6, 2013 to pay 4,400TRY monthly to each member assigned to the independent board of directors to preserve their independence during their term of duty. There is no other wage or benefit granted to the board of directors.

### Benefits and wages granted to senior employees of the company

As per Corporate Governance Principles Article No. 4.6.5, wages and all the other benefits granted to top managers as well as board members are disclosed to the public through the annual report. However, this statement includes a distinction between the board of directors and managers with administrative responsibilities, and does not refer to individuals.

The board of directors performs the work considered necessary in order for top managers to receive reasonable wages according to market conditions. You can find the wage policy prepared in this respect in Attachment: 2.

### Debts given to Board members and managers by the company

The company has not granted any loan to members of the board of directors or to managers who have assumed administrative responsibilities, given them credit, extended the payment periods of loans and credits granted to them, improved their loan and credit conditions, granted them credit in the name of personal credit through a third party, or granted them guarantees such as indemnification in one's favour.

## **ATTACHMENT: 1**

### **Assessment regarding the Working Principles and Efficiency of Board of Directors Committees**

After board members were elected in the ordinary general assembly meeting held on April 17, 2014, with the board decision made as per Corporate Governance Principles on May 7, 2014, it was settled that:

- the audit committee will consist of two members, and in this respect, independent board member Ahmet Cemal DORDUNCU will be the chairman and independent board member Kamil Omer BOZER will be a member;
- the early risk detection committee will consist of two members, and in this respect independent board member Kamil Omer BOZER will be the chairman and Salih Metin ECEVIT will be a member; and
- the corporate governance committee will consist of two members, and in this respect independent board member Kamil Omer BOZER will be the chairman and Salih Metin ECEVIT will be a member.

The duties of nomination committee and wage committee will be fulfilled by the corporate governance committee.

Ali Osman MAGAL was chosen as a new member of the corporate governance committee with the decision made by the board of directors on 25 June 2014, and

these issues have been disclosed to the public on the Public Discourse Platform and the company website.

Our audit committee, corporate governance committee, and early risk detection committee fulfilled their roles and responsibilities as per their own regulations and worked actively in 2014.

In line with their annual meeting plans which were found necessary for their working activities, identified and created in their respective regulations in 2014:

The audit committee gathered four times: on 20 March 2014, 24 July 2014, 24 October 2014, and 17 December 2014, and they submitted their reports, including the results of the meetings held during the year as well as information regarding their work, to the board of directors. In this respect,

the “audit committee”, responsible for taking all the necessary measures to conduct any internal and independent audit in a sufficient and transparent way and applying the internal control system efficiently, conveyed all recommendations in matters for which it is responsible, including opinions and suggestions regarding the internal audit and the internal control system to the board of directors.

The corporate governance committee gathered six times: on 30 January 2014, 31 March 2014, 29 May 2014, 31 July 2014, 30 September 2014, and 28 November 2014, and they presented their reports, including the results of the meetings held during the year as well as the information regarding their work, to the board of directors. Accordingly,

the “corporate governance committee”, established to examine the company's compliance with corporate governance principles, make improvements in this regard, and make suggestions to the board of directors, identified whether corporate governance principles are applied in the company, the reason if not applied, conflicts of interest caused by not fully complying with such principles, and made recommendations to the Board to improve corporate governance and observed the work of the department of shareholder relations.

The early risk detection committee gathered six times: 30 January 2014, 20 March 2014, 22 May 2014, 16 October 2014, and 17 December 2014, and they presented their reports including the results of the meetings held during the year as well as information regarding their work to the board of directors. In this respect,

the “early risk detection committee”, which works identify early any risks that may endanger the presence, development, and continuation of the company and the application of necessary measures regarding those risks and risk management, also reviewed the risk management systems in line with corporate governance principles and the Early Risk Detection Regulation.

**ATTACHMENT: 2****ANADOLU ISUZU OTOMOTİV SAN. VE TİC. A.Ş.  
WAGE POLICY FOR BOARD OF DIRECTORS AND TOP  
MANAGEMENT**

The Anadolu Isuzu Otomotiv San Ve Tic A.S. wage policy for the board of directors and top management is prepared to define the wage system and application as well as other rights of board members and top managers.

A fixed monthly wage/attendance fee may be paid to the chairman of the board of directors and to the board members for the services they perform in their capacities supporting our company. The amount payable is identified in the general assembly meeting. In any case, an amount is paid to independent board members to preserve their independence, and payment plans based on company performance are not used for wages of independent board members.

Payment is made to board members who execute within the policy identified for top managers, details of which are described below.

Rights granted to top managers in our company are defined below.

Monthly Wage: identified depending on market and/or sector conditions, inflation, position, level, and qualifications of the manager, and individual performance, and paid during the term of the labour contract. The monthly wage is reviewed once a year considering the criteria constituting the basis for identifying the wage if there is no change in the market conditions.

Information regarding the market and/or sector conditions is collected through generally accepted consultancy firms and also identified using the data obtained from other sources and considering the company's future and position related to achieving the targets.

Factors which refer to manager's approach, business manner, and behaviours as well as the annual objectives that the manager defined with his/her own manager are considered at rates defined for the identification of individual performance level.

Bonus: identified in relation to the monthly wage and the amount of four monthly wages divided into identified periods and paid during the term of the labour contract by the company.

Premium: in the event that a lower limit, defined according to certain weight depending on critical performance criteria (KPK), approved by the executive board, and identified within the related calendar year, is exceeded, a certain percentage of the yearly amount of the monthly wage and bonus payments made to the manager, varying according to the manager's position, is calculated, depending on the individual performance rates with company KPK, and may be paid to the manager as a premium.

Other rights: side benefits and other social allowances such as health insurance, personal retirement, etc. are provided to people in line with the defined policy and regulations of the organization generally, and/or depending on conditions such as qualification, position, etc.

**APPENDIX: 3****INDEPENDENCE STATEMENT**

I declare that I did not function as a board member for more than six years within the last decade for Anadolu Isuzu Otomotiv Sanayi Ve Ticaret A.S. (the "Company"),

that, between the Company, the partnerships which the company has management control of or has significant influence upon, the partners who have control of the management of or who have significant influence upon the company, and legal entities of which these partners have control of management of himself/herself, or which their wife/husband or blood relatives and relatives by marriage up to the second degree, there is not an employment relationship in the capacity of manager that would allow someone to take on significant assignments and responsibilities, and that I have not owned myself or with any other person more than 5% of the capital or voting rights, or of privileged shares, and there was not a significant trade relation for the last five years;

that I have not worked as a partner (of 5% or more), in an employee or board member capacity that would allow me to assume significant assignments and responsibilities in the companies from/to which our company purchases and sells services or products to a great extent, particularly in the auditing (including tax audit, legal audit, internal audit), rating, and consultancy of the company within the scope of agreements made, during the periods in which services or products were purchased or sold for the last five years;

that I have the professional training, information and experience to duly fulfill the duties that I will undertake as an independent board member,

that I am not working full time in public organizations and institutions as of the date of nomination and during the term of my duty if I am elected,

that I am considered a resident in Turkey according to income tax law,

that I have the strong ethical standards, professional reputation, and experience to make positive contributions to company activities, keep objective in conflicts of interest between company partners, and make free decisions considering the rights of beneficiaries;

that I can spare time for company affairs to a great enough extent to follow the processes of company activities and fulfill the requirements of the roles that I undertake,

that I have not served as an independent board member in more than three of the companies in which the company or the partners who have control of the management of the company have the control of management or in more than five companies listed on a stock exchange;

that I have not been registered and announced as part of any legal entity selected as a board member, and,

accordingly, that I will fulfill my company board membership as an independent member.

**AHMET CEMAL DORDUNCU**  
**14.03.2014**

## **INDEPENDENCE STATEMENT**

I declare that I did not function as a board member for more than six years within the last decade for Anadolu Isuzu Otomotiv Sanayi Ve Ticaret A.S. (the "Company"),

that, between the Company, the partnerships which the company has management control of or has significant influence upon, the partners who have control of the management of or who have significant influence upon the company, and legal entities of which these partners have control of management of himself/herself, or which their wife/husband or blood relatives and relatives by marriage up to the second degree, there is not an employment relationship in the capacity of manager that would allow someone to take on significant assignments and responsibilities, and that I have not owned myself or with any other person more than 5% of the capital or voting rights, or of privileged shares, and there was not a significant trade relation for the last five years;

that I have not worked as a partner (of 5% or more), in an employee or board member capacity that would allow me to assume significant assignments and responsibilities in the companies from/to which our company purchases and sells services or products to a great extent, particularly in the auditing (including tax audit, legal audit, internal audit), rating, and consultancy of the company within the scope of agreements made, during the periods in which services or products were purchased or sold for the last five years;

that I have the professional training, information and experience to duly fulfill the duties that I will undertake as an independent board member,

that I am not working full time in public organizations and institutions as of the date of nomination and during the term of my duty if I am elected,

that I am considered a resident in Turkey according to income tax law,

that I have the strong ethical standards, professional reputation, and experience to make positive contributions to company activities, keep objective in conflicts of interest between company partners, and make free decisions considering the rights of beneficiaries;

that I can spare time for company affairs to a great enough extent to follow the processes of company activities and fulfill the requirements of the roles that I undertake,

that I have not served as an independent board member in more than three of the companies in which the company or the partners who have control of the management of the company have the control of management or in more than five companies listed on a stock exchange;

that I have not been registered and announced as part of any legal entity selected as a board member, and,

accordingly, that I will fulfill my company board membership as an independent member.

**KAMİL ÖMER BOZER**  
**14 March 2014**

**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. Profit Distribution Table for 2014 (TRY)**

1. Paid-in share capital		25,419,706.54
2. Total legal reserves (as per statutory records)		19,658,092.21
Information regarding the privilege, if any, in the profit distribution as per articles of association		
		<b>As per Capital Markets Board</b>
		<b>As per Statutory Records (SR)</b>
3.	Profit for the period	38,689,759.00
4.	Taxes to be paid (-)	4,347,499.00
5.	Net profit for the period (=)	34,342,260.00
6.	Losses of the Previous Years (-)	0.00
7.	First Series Legal Reserve (-)	0.00
8.	<b>NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)</b>	<b>34,342,260.00</b>
9.	Donations made within the year (+)	1,100,000.00
10.	Donations for which the first dividend will be calculated Added net distributable profit for the period	35,442,260.00
11.	First Dividend to Partners (5% of paid-in capital)	(11*Rate Identified by Capital Markets Board)
	- Cash	<b>1,270,985.33</b>
	- Costless	
	- Total	<b>1,270,985.33</b>
12.	Dividend distributed to privileged shareholders	
13.	Dividend to members of Board of Directors, Employees etc.	
14.	Dividend distributed to holders of usufruct right certificates	
15.	<b>Second Dividend to Partners</b>	<b>26,785,365.69</b>
16.	Second Order Legal Reserve	<b>2,678,536.57</b>
17.	Status Reserves	
18.	Special Reserves	
19.	<b>EXTRAORDINARY RESERVES</b>	<b>3,607,372.41</b>
20.	<b>Other sources planned for distribution</b> - Previous years' profits Extraordinary - Reserves Other distributable reserves - as per the legislation and Articles of Association	
		<b>0.00</b>

## APPENDIX: 4

<b>ANADOLU ISUZU OTOMOTİV SAN. VE TİC. A.Ş. Dividend Ratio Table for 2014</b>						
	GROUP	TOTAL DIVIDEND AMOUNT		TOTAL DIVIDEND AMOUNT / NET DISTRIBUTABLE PROFIT FOR THE PERIOD	DIVIDEND PER SHARE FOR 1 TL NOMINAL VALUE	
		CASH (TRY)	COSTLESS (TRY)	RATIO (%)	AMOUNT (%)	RATIO (%)
<b>GROSS</b>	A Type Legal Entity	15,052,228.20	-	<b>91.29</b>	<b>1.1037</b>	<b>110.37</b>
	A Type Real Person	29,110.94				
	B Type Non-resident Taxpayer	7,422,852.50	-	<b>91.29</b>	<b>1.1037</b>	<b>110.37</b>
	B Type Resident Taxpayer	921,254.50	-			
	C Type Bearer Shares	4,630,904.88	-	<b>91.29</b>	<b>1.1037</b>	<b>110.37</b>
	<b>TOTAL</b>	<b>28,056,351.02</b>	-			
	<b>NET</b>	A Legal Entity	15,052,228.20	-		-
A Real Person		24,744.30			<b>0.9382</b>	<b>93.82</b>
B Non-resident Taxpayer		6,309,424.63	-		<b>0.9382</b>	<b>93.82</b>
B Resident Taxpayer		921,254.50	-		-	-
C Bearer Share		3,936,269.15	-		<b>0.9382</b>	<b>93.82</b>
<b>TOTAL</b>		<b>26,243,920.78</b>	-			

1. There is no privileged share in the profit.
2. 15% withholding was applied assuming that all C group shares are owned by real persons.

## CONTACT

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