

## Anadolu Efes Corporate Governance Compliance Report

Adopting the corporate governance understanding as an indispensable component in its activities, Anadolu Efes works within the framework of all existing regulations and the “Corporate Governance Principles”, which are prepared by CMB, and adopts these principles as an important part of its management understanding. Furthermore, our Company aims to develop structures and principles that are appropriate for the conduct of our business and which will serve best for the benefit of our shareholders and other stakeholders.

As a result of the studies conducted by SAHA Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. (SAHA - Corporate Governance and Credit Rating Services Inc.), Anadolu Efes received a Corporate Governance Rating of 81.0 and qualified for listing in the BIST Corporate Governance Index in 2008. In the subsequent years, SAHA’s studies indicated a steady increase in the Corporate Governance Rating of Anadolu Efes and the Corporate Governance Rating of our company was finally revised up to 95.5as of 22.05.2015.

The rating mentioned above was determined by attaching specific weights to the rating under four sub-categories. In this context, below is the distribution of the Corporate Governance Rating according to main categories.

Main sections	Weight	Note
Shareholders	25%	95.3
Public Disclosure & Transparency	25%	98.5
Stakeholders	15%	99.5
Board of Directors	35%	91.8
<b>Total</b>	<b>100%</b>	<b>95.5</b>

The Corporate Governance Rating Reports, which have been published by SAHA, are available on the Company’s website, [www.anadoluefes.com](http://www.anadoluefes.com).

### SECTION I. Corporate Governance Principles Compliance Disclosure

Anadolu Efes conducts all of its operations within the framework of all existing regulations and the “Corporate Governance Principles”, which are prepared by CMB. The Corporate Governance Compliance Report includes information regarding the application of each item of the Corporate Governance Principles by our company, as well as if there are principles which were not applied, the reasons for not applying these principles, the conflicts of interest arising from not applying these principles and whether there is a plan to change the company’s management applications in the framework of the principles.

Our Company has complied with the Corporate Governance Principles issued by CMB except for the below-mentioned provisions that were voluntary, in the period of 01.01.2015-31.12.2015. There are no conflicts of interest arising from the below-mentioned provisions that are not implemented.

- In accordance with the Article 4.6.5 of Corporate Governance Principles, the remunerations and all other benefits provided to Board members and managers having administrative responsibilities are made public through our annual report. However, as it was done in the past, the declaration is not made separately for each person, but a cumulative

number is given for all board members and managers having administrative responsibilities separately.

- Although in the previous years, more than one woman member was present in our Board of Directors, currently, there are no women Board members. It is recommended by the Corporate Governance Committee to the Board of Directors to include women members in the Board in the coming years and our efforts continue within this regard.
- While our Company is insured against damages that may be caused due to the faults of the members of the Board of Directors during the execution of their duties, the total annual responsibility limit of the relevant insurance is below the amount stated in Corporate Governance Principles. The total annual responsibility limit is determined according to the management's decision and currently the limit is expected to remain on its current levels.

**Kamil Ömer Bozer**  
**Corporate Governance Committee Chairman**

**Mehmet Hurşit Zorlu**  
**Corporate Governance Committee Member**

**Recep Yılmaz Argüden**  
**Corporate Governance Committee Member**

**İzzet Karaca**  
**Corporate Governance Committee Member**

**Sue Clark**  
**Corporate Governance Committee Member**

**Çiçek Uşaklıgil Özgüneş**  
**Corporate Governance Committee Member**

## **SECTION II - SHAREHOLDERS**

### **2.1 Investor Relations Unit**

Our company has adopted the principle of treating each shareholder equally, and the Investor Relations and Treasury Department, established within our Company's Finance Directorate, continued to conduct the relations with our shareholders in 2015.

The individuals in charge of Investor Relations following the restructuring in our Company's Investor Relations Unit in 2015, are provided below. Çiçek Uşaklıgil Özgüneş, who has been appointed as Investor Relations and Treasury Director as of March 1, 2015, is working full-time and directly reporting to Onur Çevikel, CFO. Investor Relations Manager Ayşe Dirik, Investor Relations and Treasury Supervisor R. Aslı Kılıç and Investor Relations and Treasury Specialist Özgün Ökten are working full-time, reporting to Çiçek Uşaklıgil Özgüneş. Additionally, Çiçek Uşaklıgil Özgüneş has been appointed as the member of the Corporate Governance Committee for the place vacated by the resignation of Ayşe Dirik effective as of March 1, 2015.

#### **Onur Çevikel**

Chief Financial Officer

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#### **Çiçek Uşaklıgil Özgüneş**

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**R. Ash Kılıç**

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**Özgün Ökten**

Investor Relations and Treasury Specialist

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Investor Relations Unit plays an essential role in accordance with the protection of shareholders rights and making usage of these rights easier particularly the rights to obtain information and the rights to examine.

In accordance with the Disclosure Policy of our company, information regarding operations and performance of our company as well as other events is shared, through meetings with shareholders, investors, research specialists of intermediary institutions and other stakeholders. In addition, any type of information and explanation which may affect the exercise of the shareholders' rights are uploaded and updated on a regular basis on our website for the usage of the shareholders.

During 2015, 374 face-to-face meetings were conducted with local and international institutional and individual investors, shareholders, and analysts concerning issues related to the company's business results, performance, and other developments during the reporting period. Anadolu Efes participates in conferences in Turkey and abroad and other meetings to provide shareholders and investors information about the company. In this context, in 2015, company representatives took part in fourteen conferences in Turkey and abroad and two roadshows were organized.

The Corporate Governance Committee is responsible for monitoring the activities of the Investor Relations Unit of our company. Within this context, the Committee determines the standards for all announcements and main principles of investor relations, reviews these standards and principles and compliance with these every year, and gives necessary advices to the Board of Directors. The report that is prepared by the Investor Relations Unit regarding its activities and submitted to the Corporate Governance Committee at every meeting held by the Committee is also submitted to the Board of Directors by the Committee. In 2015, nine Committee meetings were held, whose dates are provided in Attachment-1.

Details regarding the activities performed by this department in 2015 can be found in our Company's 2015 Annual Report.

## **2.2 Exercise of the Information Rights by Shareholders**

Information requests of shareholders are evaluated in accordance with our company's Disclosure Policy. Additionally, as mentioned above, any type of information and announcement which may affect the exercise of the shareholders' rights are put and updated on a regular basis on our website for the usage of the shareholders. Our Disclosure Policy dictates equal treatment of all our shareholders and investors, and provides that accurate disclosure with similar content reaches to everyone at the same time.

While shareholder's right to get and examine information given by laws, is not abolished or limited by the articles of association or the decision of any bodies of the company; every mechanism has been set up in order to ensure that shareholders use this right fully.

The Company's articles of association do not include an article that obstructs special audit and the management avoids any action that makes special audit process difficult. Our company acts in accordance with the relevant articles of Turkish Commercial Law regarding the right to ask for a special audit. In 2015, there has not been any request by shareholders for the assignment of a special auditor.

## **2.3 General Assembly Meetings**

The General Assembly meetings of our company are held in accordance with the principles of the Corporate Governance Principles' "General Assembly" section.

In its meeting dated 23.03.2015, our Board of Directors resolved to hold the Annual Ordinary General Assembly Meeting regarding the Company's 2014 calendar year operations on 17.04.2015 Friday at 14:00 at the address "Esenkent Mahallesi, Deniz Feneri Sokak No:4 Ümraniye/ISTANBUL" and this resolution was announced to public the same day through Public Disclosure Platform.

The newspaper announcements including our invitation to our shareholders were published on Dünya newspaper, dated 24.03.2015, and on the Trade Registry Gazette, dated 24.03.2015.

For the year 2014, the balance sheet and income statement, Annual Report of the Board of Directors and the Corporate Governance Compliance report as its attachment, dividend distribution proposal of the Board of Directors, Independent External Audit Report and an information document regarding the agenda were made ready for the evaluation of our shareholders at our headquarters and our website at [www.anadoluefes.com](http://www.anadoluefes.com), 21 days earlier than the date of the General Assembly. Also the proxy documents that were required for participation via proxy to the General Assembly were made available at our website in order to ease the participation to the meeting.

On the website of our company, in addition to the announcement of the General Assembly, disclosures and statements that are mandatory to be made according to the regulations, as well as all matters required to be announced according to Corporate Governance Principles, were disclosed to shareholders. Namely;

- Total number of shares which reflect the current shareholding structure of the company and the voting rights of shares were announced on our website on the date of announcement of the General Assembly meeting.
- The General Assembly information document regarding the items on the agenda prepared for the Ordinary General Assembly Meeting which included information about the candidates, who were nominated for the independent Board memberships in line with Corporate Governance Principles. The candidates for the independent board memberships submitted written statements to the Nomination Committee, at the time that they were proposed as candidates, regarding their independence within the framework of the law, Articles of Association and the Corporate Governance Principles.
- While preparing the agenda of the General Assembly, every proposal has been given in a separate heading and these headings were made clear in a way that would not cause different interpretations. Strict attention has been paid not to use expressions such as “other”, “various (miscellaneous)” on the agenda. The information given before the general assembly has been given together with a reference to the related articles of the agenda.
- While preparing the agenda of the Ordinary General Assembly Meeting, there has not been any written requests that the shareholders delivered to the Investor Relations Unit in writing to be included on the agenda. Likewise, shareholders, CMB or other government institutions, which are related to the company, have not delivered any written agenda item requests to be added to the agenda.
- In order to increase the attendance of the shareholders to the General Assembly, it is aimed to hold the meetings without causing any inequalities between shareholders and enable shareholders to attend these meetings with a minimum cost. In this context, the 2014 Ordinary General Assembly Meeting was held on 17.04.2015 in İstanbul where the headquarters of the company is registered, also in accordance with the articles of association.
- The Chairman of the meeting has obtained the required information and has done the necessary preparations in order to conduct the General Assembly as per the Turkish Commercial Code, related laws and legislations.
- The chairman of the Ordinary General Assembly has taken specific care in conveying the information about the subjects on the agenda objectively and in a detailed, clear and unbiased way. The shareholders have been given opportunities under equal conditions in explaining their considerations and questions. The chairman of the General Assembly has made sure that the questions asked by the shareholders and the questions which were not considered as trade secret have been answered directly in the General Assembly meeting. During the Ordinary General Assembly Meeting, there has not been any question irrelevant to the topics on the agenda or extensive such that they cannot be answered immediately. Questions asked during the General Assembly meeting and responses to these were recorded in the meeting minutes.
- In accordance with the Corporate Governance Principle article 1.3.7., there has not been any transaction in which persons who have privilege to access company information, had done on their behalf within the company’s field of activity.

- The board of directors and other related persons, the ones who have responsibility in preparing the financial reports, and auditors have been present in the General Assembly meeting in order to provide the necessary information and answer the questions about the important subjects on the agenda in particular.
- Although there is no such article on our articles of association, the General Assembly meetings of our company are open to public including the stakeholders and the media without having the right to speak. In the Ordinary General Assembly Meeting held in 17.04.2015, there were no attendances by any stakeholders or the media apart from Company representatives that are mentioned in the previous provision.
- There has not been any transaction that required the approval of the majority of the independent Board members for the Board of Directors to take a decision, and where the decision was left to be resolved by the General Assembly because this condition was not met.
- Shareholders who have a management control, members of the Board of Directors, managers with administrative responsibility and their spouses, relatives by blood or marriage up to second degree have not conducted a significant transaction with the company or subsidiaries thereof which may cause a conflict of interest, or/and conduct a transaction on behalf of themselves or a third party which is in the field of activity of the company or subsidiaries thereof, or become an unlimited shareholder to a corporation which operates in the same field of activity with the company or subsidiaries thereof. There were also no transactions conducted by persons who have the opportunity to access information of the company in a privileged way, on their behalf within the scope of the company's field of activity.

The 2014 Annual Ordinary General Assembly Meeting of our Company was held on 17.04.2015 with the participation of a total of 539,538,589.761 shares (91%) out of 592,105,263 shares constituting the capital amounting to TRL 592,105,263.00 of the Company.

Meeting minutes and List of Attendees were announced to public at the same day with the General Assembly through the Public Disclosure Platform. The General Assembly meeting minutes and Lists of Attendees are also available for the information of our shareholders at our website.

**The following decisions were taken at the 2014 Ordinary General Assembly Meeting of our company:**

The Annual Report of the Board of Directors and reports of Board of Auditors and the Independent External Audit Company, as well as the financial statements for the calendar year 2014, were discussed and approved.

The information was given to shareholders on the amounts and beneficiaries of donations and grants made by the Company in 2014; on any suretyship and guarantees granted or pledges including mortgages instituted by the Company in favor of third parties and related income and benefits.

TUNCAY ÖZILHAN, SALİH METİN ECEVİT, YILMAZ ARGÜDEN, MEHMET CEM KOZLU, MEHMET HURŞİT ZORLU, DAMIAN PAUL GAMMELL, ALAN CLARK,

AHMET CEMAL DÖRDÜNCÜ (Independent member), ÖMER BOZER (Independent member), MEHMET METE BAŞOL (Independent member) and İZZET KARACA (Independent member) were appointed in lieu of the released Directors of the Board for one year term.

The selection of the Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the external audit company for 2015 fiscal year was approved.

It was decided to distribute cash dividend of gross 0.46 TL (net 0.3910 TL) per each share with 1 TL nominal value, realizing a 46% gross dividend distribution, calculated for the period January-December 2014. The total proposed cash dividend of 272,368,421 TL is to be paid from previous years' extraordinary reserves starting from May 29, 2015, The General Assembly was informed about the revision in the Disclosure Policy.

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

While our company avoids practices which make the use of voting rights difficult, the mechanisms have been set in order to enable every shareholder, including the cross-border ones, to use their voting rights in a proper and simple way. In this context, according to the Article 26 of the articles of association of the company regarding “Participation to General Assembly via Electronic Means”, shareholders having the right to attend the General Assembly can attend the meeting electronically in accordance with article 1527 of Turkish Commercial Law. In accordance with this article of articles of association, at the 2014 Ordinary General Assembly meeting, shareholders and their representatives were able to use their rights as mentioned in the regulation.

While utmost care is given to the use of minority rights, our articles of association regulates the usage of all minority rights in accordance with regulations. While, Corporate Governance Principles enables provision of minority rights to shareholders with less than 1/20 share in capital in the articles of association; articles of association of our company does not include any article broadening the extent of minority rights compared to Law.

There are no privileged shares among the shares representing the paid-in capital of our Company. There is no cross shareholding relationship with the majority shareholders of our Company.

As there is no cross-ownership associated within our Company, therefore there occurred no voting in the General Assemblies of such companies.

#### **2.5 Dividend Right**

There is no privilege granted to shareholders regarding the distribution of dividends. Within the framework of compliance with Corporate Governance Principles, our Dividend Policy has been resolved to be handled as a written policy starting from 2005.

In line with our Dividend Distribution Policy, , our Board of Directors resolved, in its meeting held on 05.03.2015, to submit a cash dividend proposal of gross 0.46 TL (net 0.3910 TL) per each share with 1 TL nominal value, realizing a 46% gross dividend distribution, calculated

for the period January-December 2014, which amounts to a total proposed cash dividend of 272,368,421 TL to be paid from previous years' extraordinary reserves starting from May 29, 2015, for the approval of the General Assembly and this resolution was announced to public the same day through Public Disclosure Platform. The said resolution was approved in the Annual General Assembly Meeting held on 17.04.2015.

While dividend policy of our company is available on our website and annual report, detailed explanations and tables regarding the distribution of profit for the year 2015 are also provided in our Company's 2015 Annual Report.

## **2.6. Transfer of Shares**

There are no provisions contained in the Company's Articles of Association restricting the transfer of shares, or provisions causing the transfer of shares difficult.

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

Acting in compliance with the principles regarding Public Disclosure and Transparency of Corporate Governance Principles, our Disclosure Policy regulates such matters; information which will be disclosed apart from the ones pointed out in the legislation, how frequently and in what ways these information's shall be disclosed, how frequently the board and the managers shall meet with the media, how frequently meetings shall be arranged to inform the public, which method shall be followed in answering the questions to the company, etc.

The information which will be disclosed to the public should be helpful in decision making process of the persons and institutions and should be prepared on time, accurately, completely, comprehensibly, interpretably, and accessible with low costs with ease at "Public Disclosure Platform" ([www.kap.gov.tr](http://www.kap.gov.tr)) and our company's website for public use. Besides, Central Registry Agency's "e-GOVERNANCE: Corporate Governance and Investor Relations Portal" is used directly and effectively to give information to the shareholders.

During the year, 21 special case announcements were made in accordance with CMB regulations. All of the public disclosures were made on time and released on our website simultaneously.

While the Investor Relations and Treasury Directorate working within the Finance Directorate is responsible for pursuing the Corporate Disclosure Policy in co-ordination with the Corporate Governance Committee, the details of individuals in charge are presented under the section "Investor Relations Unit".

While announcing its year-end financial results, our company regularly discloses its expectations for the following year along with assumptions and the data on which these assumptions are based, through an information document available to public. During the year, in the case where estimates and the base for these expectations are not realized or it is understood that they are not going to be realized, the updated expectations are shared with public with the required explanation.

The Disclosure Policy is available at our Company website.

### **3.1 Corporate Website and Its Content**

Our corporate website is at [www.anadoluefes.com](http://www.anadoluefes.com). In order for international investors to use it, in addition to Turkish, our website is prepared also in English. In public disclosure, our website is used actively and the information given on the website is updated on a regular basis. The information on our website is the same and consistent with the announcements which are done in accordance with the relevant regulation and it does not include conflicting or missing information. The letterhead of our company includes our website address. In our website, all information required as per Article no 2.1 in Section 2 of Corporate Governance Principles is available.

Announcements of financial statements, except for material events and footnotes which are mandatory to be disclosed to public in accordance with capital markets regulations, are simultaneously being disclosed at Public Disclosure Platform in English as well as in Turkish..

### **3.2. Annual Report**

The annual report of our company is prepared in detail in a way that the public may access to the full and accurate information about the operations of our company, and includes information which is required by legislation and Article no 2.2.2 in Section 2 of the Corporate Governance Principles as well as the requirements specified in other Corporate Governance Principles.

## **SECTION IV - STAKEHOLDERS**

### **4.1. Informing the Stakeholders**

Stakeholders are persons, associations or interest groups such as employees, creditors, customers, suppliers, trade unions, several non-governmental organizations who are related to the matters on achieving the company's targets or that are related to the company's activities. Our company protects stakeholders' rights in transactions or activities conducted for the company which are set by the regulations or through the mutual contracts signed. If the rights of the stakeholders are not protected by regulations or with the mutual contracts, our company spends maximum effort to protect the rights of the stakeholders as much as possible in line with company means and within bona fide rules. Our Company acts in accordance with the Corporate Governance Principles regarding its relations with its stakeholders, and has established all necessary mechanisms. In the case of conflicts of interest that rise among the stakeholders or when a stakeholder is involved in more than one interest group; a balanced policy, as far as possible shall be followed with regard to protection of the vested rights and each right is aimed to be protected independently.

Anadolu Efes' Indemnity Policy as required by the non-mandatory Article no 3.1.2 of Corporate Governance Principles was approved by the Board on 19.03.2015, as provided below, and immediately came into effect and also disclosed at company website.

## **Indemnity Policy**

In Our Company, provisions of the Labour Law numbered 4857 are applied regarding severance and notice payments. If there are amendments related to Labour Law numbered 4857, provisions of the relevant law that will come into force will be applied.

Within this context,

Regarding the claims for severance pay; provisions of the Labour Law numbered 4857 and Article 14 of the former Labour Law numbered 1475 (in accordance with the Temporary Article 6 of the Labour Law numbered 4857) are applied. However, if there is a collective bargaining agreement in force at the workplace, provisions of this collective bargaining agreement are to be implemented within the context.

Regarding notice period, collective job seeking permission is granted only if the employee presents a written request at the date of dismissal notice.

Creating timely and applicable solutions to problems related to the employees and other stakeholders, in order to maintain the satisfaction of all the stakeholders, is one of the key policies of the Company. Our employees, suppliers, customers and consumers are informed on matters related to them in different ways.

The Efes Communication Line that is currently active (444 EFES / 444 33 37) serves 6 days of the week excluding Sundays between 09:00-18:00. The incoming calls are immediately replied and are resolved within specific time periods by the pre-determined responsables of relevant departments.

Information exchange with customers and suppliers is ensured by periodic dealer meetings as well as site meetings held by individuals in charge in relevant locations. Furthermore, customers and suppliers are capable of transmitting their problems to our Company via the dealer meetings and through oral or verbal applications submitted to the Company's management.

Meetings are held with our suppliers so as to improve the quality of the current materials as well as on other sectoral developments and pilot activities are conducted with respect to the co-produced projects.

Through the wide data information network established with its customers, the Company can exchange information on a real-time basis.

Our company conducts training programs to enhance the development of the employees. These development programs include class education, e-learning, on the job training and knowledge sharing. For this purpose, in-house developed systems using internet platforms are also used.

The necessary mechanisms are formed by the Corporate Governance Committee in order for the stakeholders to communicate with the "Corporate Governance Committee" or the "Audit Committee" about Company's practices which are contrary to the legislation and unethical. On the other hand, according to its own charter, the Audit Committee is responsible for monitoring whether a system regarding compliance to the Company's code of business conduct and ethical rules is established by the management. Additionally, the Audit

Committee reviews whether the management monitors Company's compliance to code of business conduct and code of ethics, makes fraud risk assessments and gives code of business conduct and fraud and code of ethics trainings to Company employees.

Stakeholders are sufficiently informed about afore-mentioned Company policies, procedures etc. regarding the protection of their rights, via several channels including emails, corporate website etc.

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

Models supporting the participation of the stakeholders, primarily company's employees, to the management are developed in a manner not to hinder the activities of the corporation. Relevant actions are summarized below:

Employees are capable of transmitting their value adding suggestions to the management via our Bi-Fikir system, which is the Anadolu Group Innovation Portal. In addition, "Human Resources Request & Suggestion Line" that facilitates submission of requisitions and improvement requirements regarding the services provided by our Human Resources function is used effectively by our employees.

Periodically, a study for Measuring Employee Loyalty is conducted and employees can also transmit their requests and suggestions for improvement regarding the company they are involved in via this way.

In order to manage the relationships with our employees, as well as to manage the corporate information flow, we launched a web-based intranet system in 2009. As of 2013, our Human Resources Portal has been launched and our employees can obtain many human resources services via this portal which is an extensive self-service application.

As per our main system requirements, indicators designated under strategic planning process are reviewed through meetings held.

With the Efes Communication Line, complaints or claims from our customers, suppliers or consumers are replied and remedied within prescribed periods by designated officers in charge at relevant units and all incoming requests are stored in electronic media, allowing the monitoring and reporting of progress in customer satisfaction. In addition, the performance of our suppliers in terms of quality, price and delivery are monitored on our computer systems where they are scored and benchmarked on periodic basis.

In production processes, utmost care is given to quality standards and the quality of our products is under the guaranty of our company.

New product developments are steered by Customer-Consumer research results and product improvement and development work is conducted in accordance with the demand from the market with product, package and technology investments.

Within the context of trade secret, confidentiality of the information about the customers and the suppliers is taken care of. Regarding the important decisions that give rise to an outcome for the stakeholders, the opinion of the stakeholders is taken.

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

Our company's human resources policy and practices in this area are in line with all of the principles of Section 3 Article no 3.3 of Corporate Governance Principles.

Our human resources mission is to develop human resources strategies and coordinate the application of human resources systems in our operations in line with our company's vision and mission and strategies in order to support our strategic growth and profitability strategies through increasing productivity of our employees, as well as establishing a qualified, motivated, loyal workforce. In line with our human resources mission our key strategy is to build up a satisfied, highly motivated and well-educated workforce that works as a team and continually develops, operates on knowledge and focuses on Company targets. Our human resources strategy is also disclosed publicly in our website.

The Human Resources Strategy of our company is designed in line with our vision and mission in order to support our strategic business plan and implemented under the following headings:

- (1) Increasing organizational efficiency
- (2) Centralized Strategy, Local Policy Development
- (3) Right Person for the Right Position,
- (4) Maintaining a Dynamic & Proactive Structure,
- (5) An Unreplicated Human Capital that Creates Competitive Advantage.

Our Company gives great importance on training at all stages and at all levels in order to prepare our employees to the future. We “INVEST IN PEOPLE” through established systems where we present this importance in a transparent way. In this context, in order to develop leaders, to form a common management language and to strengthen our culture that supports continuous learning, corporate development practices have been in action since 2010.

In addition, through “Efes Akademi”, an e-learning platform over the internet, it is aimed to improve the personal and occupational knowledge and skills of our employees. Via this platform, we are able to reach mass of employees in a short time period with the trainings which are designed interactively. The attendance is tracked on the system and exams are held in order to measure knowledge as well.

“Efes Quality Circle” project, whereby our employees voluntarily solve the problems in their respective work areas, enable a better environment for communication, creativity and innovation while contributing to our employees' personal development and hence increasing their motivation. Parallel to generating monetary benefits and improving business , “Efes Quality Circle” activities also provide abstract benefits like development of responsibility, proving oneself, innovation and creative thinking, as well as job satisfaction.

It is essential to implement fastidiously any resolution rendered by our Board of Directors in the pertinent field of activity. Monitoring of such applications is conducted within the framework of the designated Critical Performance Criteria focused not only on the operating performance but also profitability. The annual performance targets we have designated for our employees in line with the relevant criteria allow not only the qualitative measurement but also the indicator-based quantitative assessment of our management policies. There is no share purchase plan designed for employees.

One of our Group's commitments towards its employees in the course of every relationship, which is part of our working principles and followed strictly without any concession, is not to make any discrimination in terms of race, skin color, age, nationality, gender and religious beliefs. We take pride in different aspects and cultural diversification of our employees and consider such diversification a valuable tool for advancement towards a common objective.

In every Human Resources practice spanning from the initial recruitment to the training, compensation, career and financial means granted, equal opportunity is provided to all employees. No complaints, in particular on discrimination, have been raised by any of our employees within the period.

The new Anadolu Efes Code of Business Conduct and Ethics ("the Code") has been put into effect in 2015. The purpose of the Code is to guide the behavior of Anadolu Efes' employees and to explain the legal and ethical rules required to be followed. All our employees are provided the opportunity to communicate, on a confidential basis, their concerns regarding the breaches to Anadolu Efes Business Conduct via a line managed by an independent company. The said topics are examined by our Ethics Committee and actions are taken.

We are committed to respect and protect the rights granted to our employees by law and regulations.

Relations with blue-collar workers are regulated according to the collective bargaining agreement, and in the context of the agreement, 7 head representatives and 12 union representatives work in our 4 breweries and 2 malteries in Turkey. These representatives are responsible for communicating the requests, complaints and problems of our blue-collar workers to the senior management, following up the results of these, representing the employees in platforms such as Occupational Safety Board and Disciplinary Board and protecting their legal rights within the Collective Bargaining Agreement and the Legal framework. In addition, for both our blue-collar and white-collar workers, there is a Business Partnership organization deployed in our headquarters within our human resources structure and 10 regional human resources supervisors in total are affiliated to this organization. As a requirement of their job description, the afore-mentioned business partners and human resources supervisors are responsible for evaluating the requests, complaints and problems conveyed by employees and following up the results of the processes regarding these requests, complaints and problems, in coordination with the senior management.

In addition, representatives have been designated to conduct the relations with employees. For white-collar workers, a "Health and Security Worker Representative" has been selected to represent the workers on issues of occupational health and security. The duties and authorities of such representative that is selected by the workers at the workplace, as per Occupational Health and Safety Statute, are as follows:

One or more workers act as the "Health and Security Worker Representative" and participate in studies for health and security in the workplace, monitor the studies, request for measures and precautions, give suggestions and represent workers in similar matters particularly on health and security.

For blue-collar workers, a "Trade Union Representative at the workplace" is present as set forth in the collective bargaining agreements.

The trade union representatives fulfill the following delegated tasks to ensure occupational peace, maintain and safeguard the balance between the worker and the employer:

- a) Ensuring the cooperation and occupational peace between the worker and the employer at the workplace,
- b) Examining the demands and complaints of workers, persuading the worker in withdrawing its unreasonable demand or complaint, reflecting any demand or complaint that it will find reasonable in his sole discretion to the employer (the representative may not be penalized for his/her discretion in this process.)
- c) Striving to settle amicably, conflicts or disputes to arise between the worker and employer,
- d) Seeking remedies for problems that may arise in connection with implementing these contractual provisions and if necessary, conveying the matter to the employer after consulting with workers.
- e) Striving to prevent, to the extent of his/her authority, any illegalized attempt or behavior, refraining from getting involved in such attempts or behaviors,
- f) Regulating the relationship of workers that are trade union members with the trade union,
- g) Ensuring the uninterrupted execution of the contract,
- h) Transmitting any matter that he/she could not settle at the workplace to his/her affiliated branch/department in writing,
- i) Fulfilling all other liabilities imposed by the legislation.

While safe working environment and conditions are provided to the employees, General Occupational Health and Safety trainings, which require the participation of all employees, are organized by our company periodically.

Job descriptions of all employees of the company can be reached through the corporate portal. Performance evaluation is carried out through an online system, and evaluation and compensation criteria as well as expectations are shared with the employees in the system starting from the beginning of the year.

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

Ethical rules are highly respected within our Company and these merits have been exercised for years within the corporate culture of Anadolu Group, our parent company, and our all operations are performed within this context. Anadolu Efes Code of Business Conduct and Ethics, which form our ethical values, are disclosed publicly in our website, whereas the minimum ethical rules with respect to environment, discrimination, child employees and union rights have been included to public in our annual report and website.

The necessary mechanisms to monitor the compliance with Anadolu Efes Code of Business Conduct and Ethics Principles have been formed. In this context, details for the Code of

Business Conduct and Ethics Communication Channels to be used by those who have any concern or become aware of any Code violation are made available at company website. These communication channels are operated by an independent company, and they are available 7/24 and it is possible to communicate a violation confidentially or anonymously.

Detailed explanations regarding the activities of our Company within the framework of social responsibility can be found in our Company's 2015 Annual Report.

## SECTION V– BOARD OF DIRECTORS

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

Our Board which consists of at least 7, at most 13 members according to articles of association, currently is composed of one Chairman, one Vice Chairman and 8 members, totaling to ten members.

Tuncay Özilhan	Chairman
Alan Jon Clark	Vice Chairman
S. Metin Ecevit	Member
Dr. Yılmaz Argüden	Member
Mehmet Cem Kozlu	Member
Mehmet Hurşit Zorlu	Member
Ahmet Cemal Dördüncü	Independent Member
Kamil Ömer Bozer	Independent Member
Mehmet Mete Başol	Independent Member
İzzet Karaca	Independent Member
Ahmet Boyacıoğlu	Consultant

The curriculum vitae of the Board members which also include their responsibilities outside of our Company are provided both in 2015 Annual Report and the website of our Company. There are no rules established by our Company regarding the Board Members taking responsibilities outside of Our Company however the requirements of the Corporate Governance Principles are applied on this issue. In this respect, the outside positions held by the Board Members are provided in the table below:

Board Member	Current Positions Held Outside the Company
Alan Jon Clark	Chief Executive and Board Member, SABMiller Board Member - B.I.H. Brasseries Internationales Holding Limited, B.I.H. Brasseries Internationales Holding (Angola) Limited, China Resources Snow Breweries Limited, MillerCoors LLC
Dr. Recep Yılmaz Argüden	Chairman - ARGE Consulting, Rothschild Turkey; Board Member - Doğu Oto A.Ş., Borusan Lojistik A.Ş., Altınbaş Holding, National Representative and Chairman - Global Compact Turkey
Mehmet Cem Kozlu	Consultant - Yazıcılar Holding; Chairman - Evyap Asia (Singapour); Board Member - The Marmara Hotels&Residences and Pegasus Airlines,
Ahmet Cemal Dördüncü	CEO - Akkök Sanayi Yatırım ve Geliştirme A.Ş.; Board Member – Aksa A.Ş., Akenerji, Akkim, Saf GMYO, International Paper;

Kamil Ömer Bozer	Board Member Martı GYO, Martı Otelcilik ve Turizm A.Ş.;
Mehmet Mete Başol	Board Member -, Nurol Yatırım Bankası, Enerya Gaz Dağıtım A.Ş., Enerya Gaz Ticaret A.Ş.

Both The Board Members that are listed in the table above and some of the other Board Members hold seats at the boards of various Anadolu Group companies.

According to the articles of association, the Board elects a Chairman and a Vice Chairman every year. The chairman is responsible for managing the Board meetings, ensuring that negotiations are held in order and the discussions during the meetings are recorded. While authorization of the Chairman of the Board, Board members and company executives are defined in the articles of association, no one in the company is given an unlimited decision making power.

According to the Corporate Governance Principles, our Board of Directors is required to be composed of at least four independent members. Similarly according to relevant regulations, in the case where a separate Nomination Committee cannot be established due to the Board structuring, the Corporate Governance Committee can fulfill the responsibilities of this committee. In this respect, the Corporate Governance Committee assessed the candidate proposals to become an independent member, including the ones proposed by the board and shareholders, by taking into consideration of whether or not the candidate meets the independency criteria and submitted this assessment as a report dated 02.02.2015 to the Board. The candidates for the independent board membership submitted their written statements to the Nomination Committee at the time they were proposed as candidates, that they are independent within the framework of the law, articles of association and the principles.

The written statement by all independent Board members declaring their independent status in the context of the principles in the regulatory framework, articles of association and the communiqué is as follows:

I hereby declare and state that;

- No employment relationship has been established during the last five years between me, my spouse and my relatives by blood or marriage up to second degree and the company, partnerships which the company controls the management of or has material influence over or shareholders who control the management of or have material influence over the company and legal entities which these shareholders control the management of, which has caused me to assume important duties and responsibilities in an executive position nor have I/we individually or jointly held more than 5% of the capital or voting rights or privileged shares in or established a material business relationship with the same,
- I was not a shareholder of (%5 and more) nor held an executive position which would cause me to assume important duties and responsibilities or officiated as a board member, during the last five years, in any company from or to which the company purchases or sells a substantial quantity of services or products based on agreements made, during the periods these services or products were sold or purchased including especially those companies which carry out audit (including tax audits, legal audits, internal audits), rating and consultancy services for the company,

- I have the professional education, knowledge and experience necessary to duly carry out the duties which I shall assume due to my position as an independent board member,
- I am not a full time employee with any public entity or organization following my election as a member with the exception of employment as a university professor provided that such employment is in compliance with the laws and regulations that are applicable to universities,
- I am assumed to be a resident in Turkey in accordance with the Income Tax Law dated 31.12.1960, numbered 193;
- I have strong ethical standards, professional reputation and experience that shall allow me to contribute positively to the activities of the company, maintain partiality in conflicts of interests between the company and its shareholders and decide freely by taking into account the rights of beneficiaries;
- I am able to dedicate a sufficient amount of time to the affairs of the company in a manner to follow up the conduct of company activities and duly perform the duties I have assumed,
- I did not officiate as a board member at the board of directors of the company for longer than 6 years during the last ten years,
- I am not officiating as an independent board member with more than three of the companies which the company controls or shareholders that control the management of the company control the management and in total more than five of the companies which are traded on the stock exchange
- I am not registered nor declared on behalf of the corporate entity for which I will be elected as a Board Member

and thus I shall carry out the duties imposed upon me due to my being a board member as an independent member.

In accordance with the report of the Nomination Committee, the Board's decision to appoint Ahmet Cemal Dördüncü, Kamil Ömer Bozer, Mehmet Mete Başol and İzzet Karaca as independent Board members, was sent to CMB for opinion on 09.02.2015. CMB informed our Company that it delivers no negative opinion on independent membership of these candidates, via its written statement dated 27.02.2015.

Therefore, the precise independent Board membership candidates list and information about the candidates was disclosed to public through an information document released with the announcement of the General Assembly. Assignment of candidates whose curriculum vitae were submitted in the information document, was approved at the General Assembly dated 17.04.2015 and came into force.

Individuals who were elected as Independent Board Members were neither registered nor declared on behalf of a corporate identity.

In 2015, there arose no situation which revoked the independence of independent members of the Board of Directors.

Mr. Damian Gammell, who has been appointed as a Board Member in the General Assembly held on 17.04.2015, has resigned from his membership position in Anadolu Efes' Board of Directors in addition to his resignation from his duties as the President of Beverage Group and CEO of Anadolu Efes as of October 31, 2015 and no new member was appointed to complete his office term.

Following the resignation of Mr. Damian Gammell from his membership position in Anadolu Efes' Board of Directors, there are currently no executive members in the Board of Directors. . According to our articles of association, the office terms of Board members are up to three years, and it is possible for these members to be re-elected.

While our Company is insured against damages that may be caused due to the faults of the members of the Board of Directors during the execution of their duties, the total annual responsibility limit of the relevant insurance is below the amount stated in Corporate Governance Principles. The total annual responsibility limit is determined according to the management's decision and currently the limit is expected to remain at its current levels.

Although in the previous years, more than one woman member was present in our Board of Directors, currently, there are no women Board members. It is recommended by the Corporate Governance Committee to the Board of Directors to include women members in the Board in the coming years and our efforts continue within this regard.

## **5.2. Working Principles of the Board of Directors**

The Board of our company executes its activities transparently, accountably, fairly and responsibly in accordance with the requirements set by the Corporate Governance Principles.

The Board has a leading role to protect the efficient communication and to eradicate and find solutions for disagreements between the company and the shareholders. For this purpose the Board conducts its roles with a close cooperation with the Corporate Governance Committee and Investor Relations Unit.

In accordance with Article no 4.4.1 of Corporate Governance Principles, the Board gathers as often so that it performs its duties effectively. The gathering procedures and frequency of Board meetings, meeting and resolution quorum, process of asserting objections and the validity of Board resolutions are explicitly laid down in our Company's Articles of Association. In this context, the Board holds its ordinary meetings five-six times a year and the Board members also convene upon any extraordinary situation and negotiate and render resolutions on critical agenda issues. In accordance with our Articles of Association, majority of the members of the Board of Directors participates to the Board meetings and board decisions are taken with the vote of the majority of the total members of the Board.

The average rate of participation of Board Members in these four meetings during the year 2015 has been 89% and Board members aim attending every meeting and present an opinion. When there are dissenting opinions on reasonable and detailed grounds regarding the questions asked or different opinions expressed by Board members, these are recorded in the meeting minutes.

The agenda of Board meetings comprises of the agenda issues designated in the previous Board meeting for further negotiation in the next meeting along with the issues designated by the related Group President. However, before the meeting, a Board member may propose the Chairman of the Board to make a change in the agenda. The opinion of a member, who did not attend the meeting but submitted his opinion to the Board in written format, is also submitted for other member's review.

Dates of the Board meetings are determined at the beginning of the year and accordingly the Board members are notified of the meeting dates. Furthermore Board members are also notified by means of a formal memorandum and report at least one week prior to any meeting. A secretariat is established for the meetings and all questions raised during the meetings and all issues negotiated are recorded into meeting minutes.

Each member in the Board has one voting right and Board Members do not have the right of weighted vote and/or power of veto. Board meetings are held in accordance with Article no 4.4.6 of Corporate Governance Principles.

Meeting minutes that have the nature of trade secrets are not disclosed to the public. However all of the critical matters resolved are announced through public disclosures.

The Board resolutions related to the related party transactions of our Company are taken with the majority vote of the independent members; in accordance with the Corporate Governance Principles.

There were no transactions that are in the scope of the significant transactions as described in Article 1.3.9 of Corporate Governance Principles, in 2015.

### **5.3. Number, Structure and Independence of the Committees established under the Board**

According to Article no 4.5.1 of Corporate Governance Principles, in order the board to perform its duties properly, an Audit Committee, a Corporate Governance Committee, a Nomination Committee, an Early Determination of Risk Committee and a Remuneration Committee should be established, however, in case a separate Nomination Committee, Early Determination of Risk Committee and Remuneration Committee cannot be established due to the structure of Board, Corporate Governance Committee may fulfill the responsibilities of these committees. In this context, in addition to the Audit Committee and Corporate Governance Committee that were already present in our company, Committee for Early Detection of Risks was established according to the Board resolution dated 07.06.2012. Responsibilities of committees that are not present within Board of Directors are fulfilled by the Corporate Governance Committee according to Corporate Governance Principles.

According to Article no 4.5.2 of Corporate Governance Principles, the scope of duties, the working principles and the members of the committees' are identified and disclosed to the public by the Board. In this context, in line with the Principles, Charters regarding functions and working principles of Committees were approved on 29.06.2012 and disclosed to public on our company website at [www.anadoluefes.com](http://www.anadoluefes.com). Charters of the Audit Committee and Corporate Governance Committee that were updated in accordance with the revised Corporate Governance Principles were approved on 06.03.2014 and were made available to public at our

corporate website. There arose no necessity to revise the Charter of the Committee for Early Detection of Risks.

Apart from this, Article no 4.5.3 of Corporate Governance Principles requires all members of the Audit Committee and the chairman of other committees to be selected from independent Board members. In this context, selection of chairman and members to Committees was done through Board resolution dated 05.05.2015 for one year, was in line with this Corporate Governance Principle. Likewise, in line with the Principles, the chief executive/general manager does not have a role in any of the committees. Except from Mehmet Hurşit Zorlu, who is a member of both Corporate Governance Committee and Early Determination of Risk Committee as his knowledge and experience is useful for both committees, and due to the same reason, Ahmet Cemal Dördüncü, who is a member in the Audit Committee as well as the Chairman of the Early Detection of Risk Committee; other Board members do not have a role in more than one committee.

Members of the committees constituted within the Board are as follows:

	<b>Independent/Not Independent</b>	<b>Executive/Non-executive</b>
<b>Audit Committee</b> Mehmet Mete Başol-Chairman Ahmet Cemal Dördüncü-Member	Independent Independent	Non-executive Non-executive
<b>Corporate Governance Committee</b> Kamil Ömer Bozer-Chairman Mehmet Hurşit Zorlu-Member Dr. Recep Yılmaz Argüden-Member İzzet Karaca-Member Sue Clark-Member Çiçek Uşaklıgil Özgüneş-Member	Independent Not Independent Not Independent Independent Not Independent Not Independent	Non-executive Non-executive Non-executive Non-executive Non-executive Executive
<b>Committee for Early Detection of Risks</b> Ahmet Cemal Dördüncü-Chairman Salih Metin Ecevit-Member Mehmet Hurşit Zorlu-Member Dieter Schulze*-Member	Independent Not Independent Not Independent Not Independent	Non-executive Non-executive Non-executive Non-executive

\*Following the Annual Ordinary General Assembly Meeting held on 17.04.2015, the appointment of relevant members to the committees listed above were made as per the Board Resolution dated 05.05.2015 and announced to the public at the same date.

Evaluation of the Board of Directors regarding the working principles and efficiency of Committees constituted within the Board is presented as attachment to Corporate Governance Compliance Report (Attachment 1).

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

The aim of risk management and internal control mechanism is the protection of the value of the assets of the company, operational safety and pursuing sustainability. Intended for this aim, risk management and internal control mechanisms have been established within the Company and fundamental principles with respect thereto are being announced via our annual report and website.

Identification of all the existing and potential risks for the Company, development of practices for obtaining competitive advantage and sustainability by minimization of the identified risks

and monitoring of such practices constitute the basic starting point of the risk management system.

The Committee for Early Detection of Risks is established within the Company for early detection of risks that might endanger the existence, development and perpetuation of the Company and to implement measures required against the risks determined as well as the management of risks. The Committee for Early Detection of Risks convenes as often as deemed necessary for the effectiveness of the work, at least two times per annum and regularly briefs the Board of Directors of the Company about its meeting resolutions, important sightings and recommendations. Thus, the Corporate Risk Management work is led and monitored by the top management.

Corporate Risk Management system enables managers at all levels to determine current as well as potential risks and opportunities to be encountered while achieving Company targets, evaluate their likely impacts based on the Company's risk-taking profile, as well as plan and implement necessary actions. The risks and action plans are integrated into strategic business plans to make the necessary resource allocations.

Helped by the Corporate Risk Management software, which was initiated in all of our domestic and international operations, risk management system was made prevalent in whole company. Thus, participation to risk evaluation is achieved at every level. The outcomes are used in supporting business continuity studies as well as operational and strategic decisions.

Existing or potential risks for our Company are defined below:

Financial risk; assets and liabilities risk, credibility, equity/ debt ratio, exchange rate risk and other factors that can affect the Company's financial status.

Strategic Risk; risk factors such as shareholders, investor relations, mergers and acquisitions that may affect the sustainable growth of the Company, corporate governance structure, company and brand value.

Operational risk; risks that may affect every part of the business from the suppliers to the customers, and so the processes including business continuity, compliance, reputation, occupational health and safety.

Environmental risk; risk factors such as fire, earthquake, etc. that can affect the Company's business continuity and safety.

Performance and risk indicators are used as early warning systems in order to trace risks and take necessary precautions on time. The SAP ERP system that is integrated to all procedures in the Company is an efficient technological decision support system that is used for this purpose.

SAP ERP supplies operational results in real time that eliminates the human error and makes early detection of risks possible and improves the efficiency of the internal control system. Softwares and technologies particularly used by sales teams in the field are constantly improved to make sure that teams can access correct information immediately for making quick and right decisions by which customer satisfaction and competitive advantage are

aimed at. With the use of high level internal communication technologies, we aim to handle and solve the problems in a short time period.

Emergency situation management systems are established against potential natural risks while investments in backup systems are made to prevent systems from being affected and losing any data in case of an emergency situation. Additionally, all our facilities are insured in order to minimize the environmental risks.

Additionally, environmental factors and extraordinary situations are monitored on an immediate basis and investigations are made to take necessary measures to minimize risk.

Investments in line with annual budgets and business plans allow us to use the state-of-the-art technology in our facilities and the most up to date technology prevailing in the global brewing industry is utilized.

Training programs about leadership, management skills and competency improvement are made available to all employees. These programs are increasing employee engagement while having positive effects on business management and results.

Within the finance function, the actual results are compared to the budgeted figures on a regular basis and any deviations are analyzed.

The “Guarantee - Risk Management System” devoted to tracking customer risks has been put into service. Accordingly, purchasing limits applicable to our customers have been established and our systems are designed to prevent any product shipments in excess of prescribed limits.

Internal Control Mechanism can be defined as all practices aimed to eliminate circumstances that may affect reaching the goals of the Company negatively and/or reduce their effects and possibility. Standard definitions, policies and procedures, job descriptions and delegation structures regarding business processes constitute the basis of internal control system. In this context, holistic internal control systems including preventive and reformative ones have been established by the management, in order for the company to carry out Company’s business effectively and efficiently.

Through internal control systems established within the company, it is aimed to provide effectiveness and efficiency of operations, trustworthiness of the financial reporting system, compliance with regulations, and assurance regarding these issues. The relevant internal control systems are also intended to protect the assets, reputation, sustainability and profitability of the company. An internal audit function has been established within the Company. This function is organized comprising of both the headquarters and our subsidiaries, and conducts process audits investigating the efficiency of the general control environment, corporate governance and risk management structures of our company, in accordance with the laws and regulations regarding International Audit Standards, also benefitting from the auditors of Anadolu Group, who are specialized in their areas.

The execution of the accounting system of the Company, the disclosure of financial information to the public, the external audit of the Company and supervision of the functioning and efficiency of the internal control system are mainly carried out by the Audit Committee established by the Board of Directors of the Company. While carrying out the relevant function, the Audit Committee utilizes the findings of the Independent Audit, and

Certified Councillorship, Internal Audit Directorate and Risk Management Directorate of Anadolu Group.

The authorities and responsibilities are defined in writing in the internal control mechanism of the Company. Within this framework, the rules governing the fulfillment of tasks by functions in their respective business areas and the holders of such responsibilities are explicitly defined. The internal control mechanism is equipped with the following features:

- Purposes and principles of activities are explicitly defined.
- The current and potential risks of the Company are defined and constantly being monitored.
- Regular reporting is made to executives.

Issues to be approved as per chart of authorities are provided to executives electronically accompanied with detailed remarks and viewed, scrutinized and approved by several executives within pre-determined limits.

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

While the authorization and responsibilities of the Board members are clearly listed in our articles of association, the duties and responsibilities that are carried out by Board members de facto include:

- Setting the vision and mission of the company,
- Setting the strategic targets of the company,
- Determining the human and financial resource needs of the company,
- Auditing the performance of the management,
- Approving the budget and working plans of the company,
- Checking whether the company reaches its targets, examine results of operations,
- Ensure that the operations of the company are in line with regulations, articles of association, internal rules and policies,
- Examine Corporate Governance Principles of the company and improve missing points,
- Form the committees of the Board and ensure their operability.

While The Board manages and represents the company and is particularly loyal to company's long-term interests by keeping the risk, growth and return balance of the company at the optimum level through taking strategic decisions and with rationalistic and prudent risk, it is responsible for the company to reach its preset and publicly disclosed operational and financial performance targets. In this context, related Directorships make annual budgets and business plans every year and submits them to the Board. As a result, the operating results which are held in accordance with the plans throughout the year are continuously compared with the budget that was approved by the Board of Directors and the reasons of the deviations are analyzed.

## **5.6. Financial Benefits**

In accordance with the decision taken on Annual Ordinary General Assembly, our company does not make any payment to Board members except for the independent Board members. On the Ordinary General Assemble dated 17.04.2015, it was decided to make an annual net payment of TL 70,000 on a monthly basis, to each independent Board member aiming to secure their independency. Apart from this, there is no other payment or benefit made to the Board members. In accordance with the Article 4.6.5 of Corporate Governance Principles, the remunerations and all other benefits provided to Board members and managers having administrative responsibility are made public through our annual report. However, the declaration is not made separately for each member, but a cumulative number is given for all board members and managers having administrative responsibility separately.

The company has not lend any money, given any loan, extended the maturity of the loans or credits, improved the conditions of the loans, given any loan under the name of an individual loan through third parties or given guarantee such as bail to a Board member or to the managers having administrative responsibility.

According to Article no 4.6.2 of Corporate Governance Principles, the remuneration principles of the Board members and managers having administrative responsibility should be in written form and the shareholders should be enabled to give their opinion after submitting these written remuneration principles to their reviews with a separate article in the General Assembly. Our remuneration policy prepared in this context is also made available to public at our company website [www.anadoluefes.com](http://www.anadoluefes.com).

While there is no Nomination Committee established within the Board of Directors, in line with the Corporate Governance Principles, responsibilities of this committee are fulfilled by the Corporate Governance Committee.

## **Attachment 1**

### **EVALUATION OF THE BOARD OF DIRECTORS REGARDING THE WORKING PRINCIPLES AND EFFICIENCY OF THE COMMITTEES FORMED WITHIN THE BOARD**

After the selection of Chairman and members made in accordance with Corporate Governance Principles, with the Board resolution dated 05.05.2015, it has been decided to;

- Appoint board member Mr. Mehmet Mete BAŞOL as the Chairman of the Audit Committee; Mr. Ahmet Cemal DÖRDÜNCÜ as a member of the Audit Committee,
- Appoint board member Mr. Kamil Ömer BOZER as the Chairman of the Corporate Governance Committee, and board members Mr. Mehmet Hurşit ZORLU, Mr. Yılmaz ARGÜDEN and Mr. İzzet KARACA, and Ms. Sue CLARK and Çiçek UŞAKLIGİL ÖZGÜNEŞ as members of the Corporate Governance Committee,
- Appoint board member Mr. Ahmet Cemal DÖRDÜNCÜ as the Chairman of the Early Detection of Risk Committee and board members Mr. Salih Metin ECEVİT and Mr. Mehmet Hurşit ZORLU and additionally Mr. Dieter Schulzeas the members of the Early Detection of Risk Committee.

Charters regarding functions and working principles of the three afore-mentioned Committees were approved on 29.06.2012 and disclosed to public on our company website at [www.anadoluefes.com](http://www.anadoluefes.com). Charters of the Audit Committee and Corporate Governance Committee that were updated in accordance with the revised Corporate Governance Principles were approved on 06.03.2014 and were made available to public at our corporate website. There arose no necessity to revise the Charter of the Committee for Early Detection of Risks.

In 2015, all committees constituted within the Board of Directors have performed their functions as required in Corporate Governance Principles and their own Charters, and performed efficiently.

In 2015, in compliance with the way required for the efficiency of their functions, their Charters and annual meeting schedules;

- Audit Committee met six times on 25.02.2015, 05.03.2015, 06.05.2015, 29.05.2015, 28.09.2015 and 01.12.2015,
- Corporate Governance Committee met seven times on 25.02.2015, 05.05.2015, 29.05.2015, 13.08.2015, 30.09.2015, 05.11.2015 and 02.12.2015,
- Corporate Governance Committee met once on 02.02.2015 in order to execute duties of the Nomination Committee,
- Corporate Governance Committee met once on 05.03.2015 in order to execute duties of the Remuneration Committee
- Early Detection of Risk Committee met three times on 25.02.2015, 29.05.2015 and 01.12.2015

and submitted reports to the Board, consisting of information on their work and results of the meetings held during the year. According to this,

- Audit Committee that is responsible for taking all necessary measures in order to ensure that internal and external auditing are carried out adequately and transparently, as well as efficient performance of internal control system; has submitted all of its suggestions on areas it is responsible for including its opinion and suggestions on the internal audit and internal control system.
- Corporate Governance Committee, that has been established to follow company's compliance to Corporate Governance Principles, develop improvement processes in this area and submit suggestions to the Board, has determined whether or not the Corporate Governance Principles were applied in the company, if not what is the reason, and also determined the conflict of interests occurred due to not complying with these principles totally and gave the Board advices that will improve the corporate governance practices; and monitored the works of the Investor Relations Unit.
- Early Detection of Risk Committee, that has worked on early determination of risks that will endanger the existence, development and sustainability of the company, has worked on the application of due precautions regarding the determined risks and has worked for the aim to manage the risks, scrutinized the systems of risk management of the company in accordance with Corporate Governance Principles and Charter of the Committee for Early Detection of Risks. The Committee also submitted risk assessment reports to the Board of Directors every two months in compliance with the Article 378 of the Turkish Commercial Code numbered 6102.