

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Declaration of Compliance with the Principles of Corporate Governance

In this era of global competition and change, the goal of Aksa Akrilik Kimya Sanayii A.Ş. (Aksa” , or “the Company”) is to achieve change in corporate management practices alongside financial achievements, thereby remaining a company based on fair business practice. With this awareness, Aksa considers the creation of sustainable value for its stakeholders to be among its primary objectives. Aksa maintains its position as a reputable, innovative, hardworking, creative and equitable company, and its corporate and reliable stance, primarily in the eyes of its shareholders and investors, and also in those of its customers, employees and society at large by adhering to its long adopted Principles of Corporate Governance.

The reason behind determining and applying these Principles is to strengthen the trust of all Company stakeholders. In this regard, Aksa Akrilik Kimya Sanayii A.Ş. declares that it has committed itself to the application of Corporate Governance Principles, and that it will adopt the practices required by these Principles within the framework of current practices.

SECTION I – SHAREHOLDERS

2. Shareholder Relations Unit

2.1 All shareholders are treated equally.

2.2 The “Shareholder Relations Unit” , which was established alongside the Company’ s departments pursuant to legislation, operates under the Director of Financial Affairs and plays an effective role in protecting shareholder rights, primarily the right to information, and the facilitating of its usage.

The questions addressed to the Unit within this scope, with the exception of confidential information and trade secrets, are answered either by phone, or else in writing after consulting the highest authority in relation to the topic.

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In addition, in order to exhibit an effective approach in relations with shareholders, the Investor Relations Unit conveys the messages of the management, and the governance strategies concerning the Company to the shareholders through meetings held with mediating bodies in parallel to public and material disclosures. In this context, meetings with various mediating bodies are held at the Aksa Headquarters.

During 2013, visits to London and Frankfurt were made to inform institutional investors established abroad. The Unit also attended meetings organized in international investment firms in Istanbul, which provided investors established abroad the opportunity of face to face interviews with Company executives.

2.3 Any information that will affect the use of shareholders' rights is presented up to date on the Company's website for the use of shareholders. In this context, nine press release and 38 material disclosures were published on the website in 2013.

3. The Use of Right to Information by Shareholders

3.1 All shareholders have the right to obtain and examine any and all information that is not considered a trade secret within the framework of current regulations. The right to information has neither been removed, nor limited by the Articles of Association, nor by the decision of any one of the Company organs.

3.2 There is no provision in the Articles of Association that asserts that each shareholder may individually request the appointment of a special auditor for the investigation of a specific event, even if it is not included in the agenda. There was no request for the appointment of a special auditor during the present period.

3.3 The management of the Company avoids any activity that would obstruct conducting a special audit.

4. General Assembly Meetings

4.1 In addition to complying with the methods outlined by legislation, in order to reach the maximum number of shareholders, the General Assembly meeting is announced on www.aksa.com and via the Public Disclosure Platform a minimum of three weeks prior to the date of the General Assembly; the announcement is also printed both in the Turkish Trade Registry Gazette and in the national edition of another daily newspaper.

4.2 In addition to the announcement for the General Assembly meeting, the “General Assembly Information Document” , prepared so as to include the items in Article 1.3.2 of the Communiqué Regarding the Determination and Application of Corporate Governance Principles issued by the Capital Markets Board, as well as the announcements and explanations the Company is required to make in line with legislation, were also published on the Company’ s website.

4.3 Each proposal was presented explicitly and under a separate title on the General Assembly agenda.

4.4 With regard to the agenda of the Ordinary General Assembly meeting in 2012, no request for any items to be included in the agenda was sent in writing to the Company’ s Shareholder Relations Unit by the shareholders.

4.5 The Ordinary General Assembly meeting for 2012 was held in İstanbul on March 26, 2013 in accordance with the related article in the Articles of Association, in order to increase the number of shareholders that attend the meeting in a manner which would not create any inequality among the shareholders, and which would facilitate the participation of the shareholders with minimum expense, and was realized with a 67.74% participation rate.

4.6 During the general assembly, the chairman of the assembly ensured all topics on the agenda were conveyed in an impartial, detailed, and understandable manner, while questions not considered as trade secrets from general assembly attendees were answered.

4.7 During the 2012 Ordinary General Assembly, shareholders who control the management, the members of the Board of Directors, the executive managers and their first and second degree relatives by blood or by marriage who have carried out transactions that may result with conflict of interest either with the Company or its subsidiaries, and/or have carried out transactions in the same line of business with the Company or its subsidiaries by themselves or on behalf of others or have become partners without limits of liability in a company that is engaged in the same line of business were granted the necessary permissions for the 2013 accounting period as per the Corporate Governance Code of the Capital Markets Board and Article 395 and Article 396 of the Turkish Code of Commerce, granting permission to the members of the Board of Directors. No issues have arose resulting from the permissions granted during this period.

4.8 No privileges were granted to any person or organization to receive information about the Company.

4.9 Members of the Board of Directors who were in charge of the agenda items, other related persons, executives who were responsible for preparing the financial statements and auditors were present at the Ordinary General Assembly meeting for 2012 in order to provide information and to answer questions.

4.10 Details in relation to procedures that are important in the application of Corporate Governance Principles were included following the amendments made to the Articles of Association in 2013; there were no procedures in this regard during 2013.

4.11 During the Ordinary General Assembly meeting, the donations and charities made by the Company in 2012 were briefed to the shareholders as a separate agenda item, and information regarding the donations and charities made during the year was included in the annual report. The Company has established a policy regarding donations and charities, which has been submitted to the shareholders during the General Assembly.

4.12 Although there are no provisions relating to this matter in the Articles of Association, General Assembly meetings are held open to the public, including the stakeholders and the media, without the right to speak.

5. Right to Vote and Minority Rights

5.1 The Company avoids any activity that would obstruct using the right to vote and provides each shareholder the opportunity to vote in the easiest and the most appropriate way possible, including cross border voting.

5.2 There is no privilege with regard to voting rights.

5.3 There are no mutual affiliate companies of the Company.

5.4 Maximum attention is given to making minority rights available.

5.5 The Company acts in accordance with current legislation with regard to minority rights.

6. Dividend Rights

6.1 Pursuant to the Capital Markets Board' s decision 4/67 dated January 27, 2006, the Dividend Distribution Policy of the Company was announced to the public, published on the Company' s website and included in the annual report.

6.2 The dividend distribution policy of the company includes minimum information that would enable investors to foresee the methods and principles of the Company in distributing profit for the coming periods.

6.3 During the Ordinary General Assembly meeting for 2013 which held in 2012, a dividend distribution was decided upon, with the amount of TL 89,550,000 being distributed in cash to shareholders at March and April.

6.4 A policy balanced between the benefits of shareholders and the benefit of the Company is being followed in the Dividend Distribution Policy.

7. Transfer of Shares

7.1 All of the Company' s shares are registered and traded on the BIST, and there are no restrictive provisions with regard to the transfer of shares in the Articles of Association.

SECTION II. PUBLIC DISCLOSURE AND TRANSPARENCY

8. Public Disclosure Policy

8.1 The Company Public Disclosure Policy includes the personnel in charge, which information shall be disclosed to the public apart from that determined by legislation, how this information shall be conveyed, how often and through which channels, how often the Board of Directors or the executives shall meet with the press, and how often public disclosure meetings shall be held, as well as what method shall be followed when answering questions posed to the Company, and the like.

8.2 The information that shall be disclosed to the public is presented for public use through the Public Disclosure Platform (www.kap.gov.tr) and the Company's website in a timely, accurate, complete, understandable and easily accessible manner and in a cost effective way, in order to help those persons and organizations, who may benefit from the information, to make informed decisions. Furthermore, the portal "e-Governance: Corporate Governance and Investor Relations" of the Central Securities Depository of Turkey is utilized for direct and efficient informing of Company partners.

8.3 Information regarding the future, assumptions, and data that these assumptions are based on are also disclosed, and particular attention is paid such that these statements do not include baseless, exaggerated forecasts, and that they are not misleading. Attention is also shown such that these assumptions are in harmony with the Company's financial status and the outcomes of its operations.

8.4 In the event that estimations disclosed to the public are not realized, or when it is understood that they shall not be realized, the information is updated.

8.5 Principles regarding the disclosure of information regarding the future to the public are covered under the public disclosure policy.

9. Corporate Website and Its Contents

9.1 The corporate website of the Company, www.aksa.com, is actively used in the public disclosure process. The address of the website is included in the letterhead of the Company.

9.2 The content of the Company website is prepared in line with Article 2.2.2 of the Communiqué Regarding the Determination and Application of Corporate Governance Principles issued by the Capital Market Board as well as Article 1524 of the Turkish Commercial Code. In addition, stakeholders may reach the authorities for further information through the electronic mail address yatirimciliskileri@aksa.com.

9.3 The partnership structure of the Company is presented on the Company website, including the names of shareholders, and the amount and percentage of their shares.

9.4 The basic information on the website is also made available in English for the use of international investors. In addition, international investors may reach the relevant

authorities for further information about the Company through the electronic mail address yatirimciiliskileri@aksa.com.

10. Annual Report

10.1 The Board of Directors of the Company prepares the Annual Report based on the regulations set forth by the Turkish Commercial Code and the Capital Markets Board in such a way that the public will have complete and accurate information regarding Company operations.

10.2 In addition to the topics mentioned in the legislation and other sections of the Corporate Governance Principles,

- a) Information on the positions Board of Directors members and executive managers hold outside the company and the declarations of independence of the members of the Board of Directors are provided to the public in the annual report as well as the company's website.
- b) The Audit Committee convened quarterly and the Corporate Governance Committee met three times and the Early Risk Identification Committee met six times during 2013. The working principles and activities of the committees have been provided in detail in Section IV.
- c) The Board of Directors convened 31 times during 2013. The majority of the members attended all meetings, and attention was paid to maintain the majority of the members during the meetings.
- d) The members of the Board of Directors did not act against the provisions of legislation during 2013.
- e) The Company has formed working teams in line with the changes introduced to the Turkish Commercial Code and Capital Market Law in 2013, and conducts periodic in-house briefings.
- f) No significant law suits were filed against the Company during 2012.
- g) No investment consultancy or crediting services that would create a conflict of interest were used by the Company in 2013.
- h) There are no companies that the Company is mutually affiliated with.
- i) Corporate social responsibility projects are included in section 14.2 of the report.
- j) During the Ordinary General Assembly meeting for 2012, for 2013, pursuant to the Corporate Governance Principles of the Capital Markets Board, the shareholders who control the management, the members of the Board of Directors, the executive managers and their first and second degree relatives by blood, or by marriage were granted permission to carry out transactions that may result in conflict of interest either with the Company or its subsidiaries, to compete, to be engaged in the same line of business with the Company by themselves, or on behalf of others, and to become partners in such companies and carry out other transactions and, pursuant to articles 395 and 396 of the Turkish Commercial Code, the members of the Board of Directors were also granted related permissions; no problems arose in relation to these permissions during the present period.

SECTION III. STAKEHOLDERS

11. Disclosure to the Stakeholders

11.1 The stakeholders of the Company are employees, creditors, customers, suppliers, and various persons, organizations and interest groups such as non-governmental organizations, who are related to the operations, or the achievement of Company goals. In such cases where the rights of the Company's stakeholders are not protected by legislation and mutual contracts, the benefits of stakeholders are protected within the framework of goodwill rules and within the scope of the means of the Company.

11.2 In such cases where the rights of the stakeholders, which are protected by legislation and mutual contracts, are violated, effective and swift restitution is provided. The Company makes every effort towards the ease of use of mechanisms such as restitution provided to stakeholders in line with legislation. There is no special compensation policy for the employees of the Company, and their compensation rights are considered in relation to related legislation.

11.3 Company policy with regard to the protection of the rights of stakeholders is published on the Company's website.

11.4 The Company may execute those operations by the stakeholders that are contradictory to legislation, or that are ethically inappropriate to the Corporate Governance Committee, or the Audit Committee. There have not been any applications or complaints in 2013.

11.5 In such cases where there are conflicts of interests among stakeholders, or when a stakeholder is involved in two interest groups, the Company pays attention to following as balanced a policy as possible to preserve rights, and aims at preserving these rights independently from one another.

The Company place importance on customer satisfaction in the sales and marketing of goods and services, and therefore takes measures within this scope.

The Company takes the necessary measures, and reviews and renews its processes in order to maintain relationships that are in accordance with the law and with the provisions of the establishment contract with its customers and suppliers to whom it provides products and services, and to follow international and industrial standards in providing goods and services.

Information regarding customers and suppliers constitutes trade secrets, and strict attention is shown to the confidentiality of such information.

The demands of customers with regard to purchased goods and services are met swiftly, with customers notified of any delays ahead of deadlines.

The Company applies the supplier performance system on an annual basis, which enables it to determine and develop the primary areas of competence, to support mutual development and to evaluate the annual performance of suppliers. The outcomes of the

performance system, as well as the fields that require improvement are shared with the suppliers together with regular updates on the system. In addition, Company policy, specifications and contracts are also among the information shared with suppliers.

Aksa also provides customers with product specs on which the product specifications are stated. The analyses requested by customers and the outcomes of complaints made to the Company are also shared with customers following technical investigations. Furthermore, Aksa sends customers the “Product Responsibility and Product Manual Safety Guide” , which informs them both in Turkish and in English that Aksa’ s products are environmentally friendly.

12. Stakeholder Participation in Management

12.1 Although supportive models for the participation of stakeholders, primarily employees, in the Company’ s management are not included in the Articles of Association, these are being developed in a manner that would not hinder Company operations.

In this context, there has been a Representative Council in Aksa that consists of 24 people, selected by Aksa employees according to secret ballot open counting since 1996. The Council is made up of representatives from each shift, 23 members from the Yalova Factory and one members from the Istanbul Headquarters. Meeting monthly, the Representative Council is responsible for determining the problems that employees face, suggesting and working towards solutions, and notifying the senior management about the expectations of employees.

The participation of employees is ensured through annual performance evaluation meetings, suggestion systems and annual meetings held at the Company.

12.2 The Company also takes opinions and suggestions conveyed by other stakeholders into consideration if necessary.

13. Human Resources Policy

The Company adopts a management system that values people and encourages creativity, communication and employee participation. The Company acknowledges that creating an open, close and continuous communication environment is vital in maintaining the motivation and productivity of its employees.

The Company intends to utilize human resources applications that use internationally-accepted models and internally integrated systems. It aims at using modern, integrated and results-oriented systems in all human resources processes, from recruitment to performance management, from development to remuneration and severance.

The objective of Aksa’ s human resources policy is to recruit candidates who are suitable for the corporate culture and values, who have the knowledge, skills, experience and abilities the position requires, and who will move the Company forward, and therefore serve the strategies and goals of the Company. In adopting the “right person for the right job”

principle, modern evaluation systems are being used to support the most objective decision in the recruitment and appointment processes.

In line with the Company's continuous learning, development and results-orientation approach, while it is aimed for developmental programs to be organized for employees in relation to Company goals, knowledge, skills, fields of expertise and competencies, the Company also makes an effort to direct resources to programs that support social and cultural development. Development planning offers training and development solutions that are suitable for the current needs of both the Company and its employees.

The Performance Management System is a structure that aims at individuals' adoption of the corporate goals, and which reinforces common corporate culture. Employees are able to see their own contribution transparently, as well as the influence of this contribution at the corporate level within the system. The output of the Performance Management System is used in the development planning, talent management, career planning, remuneration and awarding processes of Human Resources, thereby introducing an integrated system where all processes support each other. The Company supports employees towards a common goal through incentives that serve to strengthen the high performance culture. The leadership and functional competencies of the Company are measured with a 360 degrees approach, and the ways that employees achieve results are evaluated. In this manner, the same system also ensures the reinforcement and implementation of those competencies that will take the Company into the future and serve its corporate reputation and sustainability.

The Company prioritizes customer satisfaction in the marketing and sales of goods or services and places utmost importance on quality standards, issuing necessary information on time, and the confidentiality of the information of its customers.

The Company uses a job evaluation and salary model with worldwide validity and established reliability. This is a salary and vested benefits model which is objective and transparent, which reflects the core principles of both the domestic and international business environment, which is based on the principle of equality and fairness, and which ensures fair salaries for all employees.

14. Ethical Rules and Social Responsibility

14.1. The operations of the Company are carried out within the framework of the ethical rules that are disclosed to the public through the website.

14.2. The Company strives to have, develop, adopt and implement innovative and environmentally friendly technologies within the scope of both its environmental and quality policy. The Environmental Impact Assessment is taken into consideration in all kinds of innovative projects that are implemented by Aksa. Developed with an environmental and quality awareness, Company projects that decrease waste and enable the efficient use of energy and resources have been awarded various prizes.

Aksa became a signatory of the United Nations Global Compact in 2006 and was one of the 44 companies worldwide featured in the Global Compact Yearbook 2011, which includes best practices examples that illustrate how to implement the Global Compact's Ten

Principles. The Global Compact Yearbook aims to set an example for, and encourage, other companies.

One of Aksa' s projects aimed at raising public awareness is the Aksa Community School, on which it places great importance. Within the scope of the project, every year, a team of Aksa managers, volunteers and specialists visits a different village in close proximity to the production facilities. The team includes experts in their respective fields, who provide training to the village community in topics such as nutrition, protection against harmful pests, prevention of domestic accidents, mother and child healthcare, environmental protection, social rights, and best practices in agriculture in order to support rural development.

SECTION IV. THE BOARD OF DIRECTORS

15. The Structure and Formation of the Board of Directors

The Board of Directors is composed of a total of 10 members, two of whom are independent and two of whom is an executive:

Board of Directors

Name and Surname	Title	Executive Non-Executive	Commencement of Term	Term of Office
Mehmet Ali BERKMAN	Chairman of the Board of Directors	Non-Executive	26.03.2013	3 Years
Raif Ali DİNÇKÖK	Deputy Chairman of the Board of Directors	Non-Executive	26.03.2013	3 Years
Ali Raif DİNÇKÖK	Member of the Board of Directors	Non-Executive	26.03.2013	3 Years
Ömer DİNÇKÖK	Member of the Board of Directors	Non-Executive	26.03.2013	3 Years
Nilüfer DİNÇKÖK ÇİFTÇİ	Member of the Board of Directors	Non-Executive	26.03.2013	3 Years
Erol LODRİK (*)	Member of the Board of Directors	Non-Executive	26.03.2013	3 Years
İzer Lodrik (*)	Member of Board of Directors	Non-executive	21.11.2013	3 Years
Mustafa YILMAZ	Member of the Board of Directors	Non-Executive	26.03.2013	3 Years
Cengiz TAŞ	Member of the Board of Directors/General Manager	Executive	26.03.2013	3 Years
Timur ERK	Independent Member of the Board of Directors	Non-Executive	26.03.2013	3 Years
Ant BOZKAYA	Independent Member of the Board of Directors	Non-Executive	26.03.2013	3 Years

(*)Erol Lodrik has passed away on October 24, 2013. On November 21, 2013, İzer Lodrik was appointed for the Board of Directors membership position vacated from this passing away until the first General Assembly.

Audit Committee

Name and Surname	Title
Timur ERK	Chairman
Ant Bozkaya	Member

Corporate Governance Committee

Name and Surname	Title
Ant BOZKAYA	Chairman

Raif Ali Dınçk k Member

Early Risk Identification Committee

Name and Surname	Title
Ant BOZKAYA	Chairman
Raif Ali Dınçk�k	Member

The Board of Directors includes both executive and non-executive members. A non-executive member of the Board of Directors is a person who has no administrative duty in the Company apart from being a member of the Board of Directors, and who does not interfere in the daily business and regular activities of the Company. The majority of the members of the Board of Directors are non-executive.

Among the non-executive members of the Board of Directors are independent members qualified to accomplish their duties without prejudice.

The term of office for independent members of the Board of Directors is up to three years, although it is possible for them to be nominated and reelected.

There were no incidents that removed the impartiality of the independent members in 2013.

There is one female member of the Board of Directors of the Company.

16. Principles of the Activities of the Board of Directors

16.1 The Board of Directors meets at intervals that allow for the members to perform their duties in an effective manner.

The Chairman of the Board of Directors determines the agenda of the meetings by consulting other members of the Board of Directors and the Chief Executive Officer/General Manager. Members pay attention to examining the information and documents related to the agenda items of each meeting, to attend meetings arranged, and to present their opinions during these meetings.

16.2 In order to provide equal information flow, all information and documentation regarding the items on the agenda of the Board of Directors meeting are submitted to the review of the members of the Board of Directors sufficiently prior to the meeting.

16.3 Before the meeting, Board of Directors members may request for a change in the agenda from the chairman of the Board of Directors. Opinions of members who could not attend the meeting but submitted to the Board of Directors in writing are shared with other members.

16.4 Each member of the Board of Directors is entitled to one vote.

16.5 Each member has one voting right on the Board of Directors. The provisions of the Turkish Commercial Code apply at the meeting and decision quorums as indicated in the Articles of Association. There are no intercorporate regulations in relation to how Board of Directors meetings shall be held; the provisions of current legislation apply.

16.6 The items on the agenda of the Board of Directors are discussed openly in all their aspects. The Chairman of the Board of Directors makes his best effort to ensure the effective participation of non-executive members in the meetings of the Board of Directors. None of the members of the Board of Directors cast a counter vote regarding any decision during the meetings held in 2013.

16.7 The Company's material associated party transactions were unanimously approved by all the Board of Directors Independent members and participants while the members of the Board of Directors involved in the said transactions did not participate in the voting. The Company did not issue any sureties, pledges, mortgages or guarantees in 2013, while the sureties rolled over from the previous year were annulled in 2013.

16.8 The Company had no related party transactions that required a decision by the Board of Directors.

16.9 The quorum for Board of Directors meetings and decisions are discussed in the Articles of Association.

16.10 The members of the Board of Directors allocate sufficient time for the execution of Company affairs. Positions held outside the Company by the members of the Board of Directors is published on the "Company General Information Form" via the Public Disclosure Platform.

17. The Number, Structure and the Independence of the Committees Formed within the Board of Directors

17.1 The Board of Directors has formed an Audit Committee, Early Risk Identification Committee and a Corporate Governance Committee. The duties and responsibilities of the Nomination Committee, and Compensation Committee are overseen by the Corporate Governance Committee.

17.2 The scope of duties, working principles and members of committees have been determined by the Board of Directors, and this information has been disclosed to the public through the Public Disclosure Platform and the Company website.

17.3 All members of the Audit Committee and the Chairman of the Early Risk Identification Committee and Corporate Governance Committee are elected from among the independent members of the Board of Directors.

17.4 The General Manager does not hold any duties in any of the committees.

17.5 Attention is paid such that no one member of the Board of Directors holds more than one committee membership. However, the Audit Committee is composed of a chairman and a member, and a member of the Audit Committee is also the Chairman of the Corporate Governance Committee. Corporate Governance Committee and Early Risk Detection Committee consist of the same members.

17.6 The Board of Directors provides all kinds of resources and support in order for the committees to perform their duties. The committees may invite executives to their meetings when they consider it necessary, and seek their opinions.

17.7 When required, the Committees also make use of the opinions of independent experts in relation to their operations. The cost of consulting services the committees may require is paid by the Company.

17.8 The committees record all their work in writing. The committees meet at intervals that are required for the efficiency of their work, which are explained in the principles of working. They present reports that include information on the work they carry out and the outcomes of their meetings to the Board of Directors.

17.9 Established in order to monitor the Company's compliance with Corporate Governance Principles, to effect improvements and to present suggestions to the Board of Directors, the Corporate Governance Committee has two members, both of whom are non-executive members of the Board of Directors.

17.10 Apart from its duties set forth in legislation, the Corporate Governance Committee also carries out the duties and responsibilities of the Nomination Committee, Early Risk Identification Committee and Compensation Committee.

18. Risk Management and Internal Control Mechanism

18.1 The Board of Directors carries out its activities in a transparent, accountable, just and responsible manner.

18.2 The roles were distributed among the members of the Board of Directors by assigning a Chairman and a Deputy Chairman.

18.3 The Board of Directors establishes internal control systems including risk management and information systems and processes that aim at minimizing the effects of risks that would affect stakeholders, and particularly Company shareholders, by taking the suggestions of the related committees of the Board of Directors. Within this scope, an Early Risk Identification Committee has been formed within the Audit Committee Early Risk Identification Committee and the Corporate Governance Committee.

18.4 The Board of Directors reviews the efficiency of the risk management and internal control systems at least once a year. Information regarding the presence, operation and efficiency of the internal controls and internal audit may be found in the annual report.

The current internal control system, particularly increasing the efficiency and productivity of Company operations, maintaining reliability in financial reporting and compliance with applicable law and legislation, is being audited by the Audit Group established within the main partnership of the Company, Akkök Sanayi ve Yatırım Geliştirme A.Ş., in accordance with the annual internal audit plan; and the outcome of the audit is reported to the Audit Committee. Those risks that prove to be critical within the framework of corporate risk management in the aforementioned annual internal audit plan are prioritized. The efficiency of internal audit operations has been reviewed by the Audit Committee at four(4) meetings held throughout the year. Opinions of the internal auditor, external auditor, or other Company executives have also been received as required at these meetings.

18.5 Although not included in the Articles of Association, the authorities of the Chairman of the Board of Directors and the Chief Executive Officer/General Manager are clearly defined and separated. The General Manager and the Chairman of the Board of Directors are different persons, and their duties and authorities are defined by the organizational chart. The Company' s General Manager is also a member of its Board of Directors.

18.6 The Board of Directors plays a part in maintaining effective communications among shareholders, and in solving any disputes that may arise. In this respect, the Board of Directors works together with the Corporate Governance Committee and the Shareholder Relations Unit.

19. The Strategic Goals of the Company

19.1 The Board of Directors keeps the balance between risk, growth and return at an ideal level through the strategic decisions it makes, and manages and represents the Company by primarily looking after its long term interests through rational and cautious risk management.

19.2 The Board of Directors defines the strategic goals of the Company, determines the human and financial resources it shall need, and inspects management performance.

19.3 The Board of Directors oversees that the Company' s operations are in line with legislation, the Articles of Association, internal regulations and policies.

19.4 During the Finance Board meetings that take place on a monthly basis under the chairmanship of the Executive Member of the Board of Directors/General Manager, the short- and long-term performance and strategic goals of the Company are reviewed, and necessary action plans implemented depending on the outcome.

20. Financial Rights

20.1 The Board of Directors is responsible for ensuring that the Company reaches its determined operational and financial performance goals, which are disclosed to the public. Financial and operational targets were attained in 2013.

20.2 Principles for financial compensation for the Board of Directors have been put in writing, and were presented to the shareholders as a separate item in the 2012 agenda, allowing them to input their opinions. In this respect, the compensation policy is also published on the Company's website.

20.3 The Company has authorized the Corporate Governance Committee to fulfill the duties of the Compensation Committee set out in legislation.

20.4 Stock options or payment schedules based on Company performance are not utilized in the financial compensation of independent members of the Board of Directors. Efforts are made to set the compensation for independent members of the Board of Directors at such a level as to ensure that they remain independent; compensation is determined during the General Assembly meeting.

20.5 The Company does not provide loans, credits or warranties such as sureties for the benefit of any of the members of the Board of Directors, or its executives.

20.6 The fees and all other benefits provided to the members of the Board of Directors are collectively disclosed to the public through the annual report and the footnotes in the financial statements.