

**1. Principles on preparation**

The annual report of the Board of Directors is prepared on the basis of Capital Markets Board of Turkey (CMB) Financial Reporting standards and Communiqué Series II, No: 14.1 “Principles of Financial Reporting in Capital Markets” dated 13 June 2013.

Entity, Mikrodalga Elektronik Sistemler Sanayi ve Ticaret A.Ş. “MİKES” and ASELSANNET Elektronik ve Haberleşme Sistemleri Sanayi Ticaret İnşaat ve Taahhüt Ltd. Şti. “ASELSANNET”, which are subsidiaries of the Company operating in the same sector and whose financial statements are consolidated will be mentioned as “Group” in the Annual Report of the Board of Directors.

**2. Commercial title and trade registry number of the company and contact information pertaining to its headquarters, branches and its website address**

The commercial title of the Company is ASELSAN Elektronik Sanayi ve Ticaret A.Ş. and its trade register number is 31177. It’s registered address is Mehmet Akif Ersoy Mahallesi 296. Cadde No:16 06370 Yenimahalle / Ankara. Phone: +90 (312) 592 10 00, Fax: +90 (312) 354 13 02. Internet address: [www.aselsan.com.tr](http://www.aselsan.com.tr)

The Company has a branch in the Republic of South Africa, Pretoria with the contact address Building 4, Room 005 CSIR Campus, Meiring Naude Drive, Pretoria Gauteng, 0001, South Africa. Phone: +27 (0) 12 349 26 13, Fax: +27 (0) 12 349 25 44.

The Company has a branch in the Republic of Macedonia, Skopje with the contact address: Ankarska 29A, 1000 Skopje, Macedonia.

The Company has an office in United Arab Emirates, Abu Dhabi with the contact address Industrial City of Abu Dhabi 1, Plot 22J1 PO Box: 133627 Abu Dhabi/UAE. Phone: +971 2 5508808, Fax: +971 2 550 8812.

**3. Organizational structure of the company**

Entity’s domestic and foreign organization has been restructured as of 01 September 2014 in accordance with the vision of becoming a global company. Major goals of restructuring are strengthening critical technological skills which entity possesses, reaching targeted new technological skills, increasing ability of research and development at a global level, developing human resources and its education, growing company by reaching new markets both domestic and foreign.

Within this scope, the Company’s organization has been structured in five divisions which are Communication and Information Technologies (HBT), Microelectronics, Guidance and Electro-Optics (MGEO), Defense Systems Technologies (SST), Radar, Electronic Warfare and Intelligence Systems (REHIS) and Transportation, Security, Energy and Automation Systems (UGES).

In order for General Management to fulfill planning at strategic level, pursuing and assessing functions in a more efficient way, five different Vice General Management have been constituted as Financial Vice General Management, Support Systems Vice General Management, Research and Development Technology Vice General Management, Strategy and Business Development Vice General Management and Human Resources Vice General Management.

Internal Audit Department which is connected to Board of Directors; Strategy Advisory Board and Science and Technology Advisory Board which are connected to General Management have been established.

Company maintains engineering operations in Ankara, ODTÜ Teknokent; production and engineering operations in Macunköy and Akyurt. General Management is present in Ankara Macunköy. Also, Marine Systems Management of SST Sector Presidency and Product Support Management of UGES Sector Presidency are in Istanbul.

#### **4. The Company's capital and partnership structure with the changes during the accounting period**

The capital structure as of 31 December 2014 and 31 December 2013 are as follows:

<b>Partners</b>	<b>Share (%)</b>	<b>31 December 2014 (TL)</b>	<b>Share (%)</b>	<b>31 December 2013 (TL)</b>
Turkish Armed Forces Foundation (TAFF)	84,58	422.912.812	84,58	422.912.812
Other shareholders	0,12	577.846	0,12	577.846
Quoted in stock exchange	15,30	76.509.342	15,30	76.509.342
Nominal capital	100,00	500.000.000	100,00	500.000.000
Share capital adjustment	-	98.620.780	-	98.620.780
Inflation adjusted capital	-	598.620.780	-	598.620.780

Registered equity ceiling of the Company is TL 1.000.000.000 (TL one billion). The nominal capital of the Company is TL 500.000.000 (TL five hundred million) and is divided into 50.000.000.000 (fifty billion) shares, each having a nominal value of 1 kuruş (1% of 1 Turkish Lira). 30.272.727.273 (thirty billion two hundred and seventy two million seven hundred and twenty seven thousand two hundred and seventy three) of the shares are Group A shares and 19.727.272.727 (nineteen thousand seven hundred and twenty seven million two hundred and seventy two thousand seven hundred and twenty seven) of the shares are Group B Shares. All shares are in the name of the holder.

Group A shares are nominative preferred shares and 6 of the Members of the Board of Directors are elected among the Group A preferred shareholders or among the candidates designated by them. No change has occurred in the shareholders' structure and the Company's capital during the period.

**5. Reporting period, title of the partnership, names, surnames and jurisdiction of the chairman, members and the managing members who served in the board of directors during the period, the term of office of the duties (with commence and end dates)**

The report comprises the events took place during the period 01 January-31 December 2014. The title of the main shareholder in the report is ASELSAN Elektronik Sanayi ve Ticaret A.Ş.

**Members of the Board of Directors**

Pursuant to the provisions of the Company Articles of Association, the Board of Directors comprise of 6 members to be elected among the Group A preferred shareholders or among the candidates designated by them along with the 3 independent members to be elected in scope of the Capital Markets Board (CMB) regulations which make 9 members in total. Information regarding the Members of the Board of Directors are as follows:

Name and Surname	Position	Date of General Assembly for Assignment	End of Term of Office
Hasan CANPOLAT(**)	Chairman/ Managing Member	May 2013	March 2015
Murat ÜÇÜNCÜ(**)	Vice Chairman/ Managing Member	May 2013	March 2015
Ziya AKBAŞ	Independent Member (*)	March 2014	March 2015
Ahmet Can ÇEVİK	Member	March 2014	March 2015
Celalettin DÖVER	Independent Member (*)	March 2014	March 2015
Oral ERDOĞAN	Independent Member (*)	March 2014	March 2015
Ahmet KESİK	Member	March 2014	March 2015
Sedat NAZLIBİLEK(***)	Member	June 2014	First General Assembly to be held
Nilüfer ÖZDOĞAN	Member	March 2014	25 June 2014
Mustafa Murat ŞEKER(**)	Member	May 2013	March 2015

(\*)The independence statements of the Independent Members, which comply with the Corporate Governance Principles of Capital Markets Board, exists. Statement of Independence of independent members are attached at the end of Corporate Governance Principles Compliance Report.

(\*\*)Took office by the decision of Board of Directors at date of 16 May 2013 and selected again so that they work 1 years for each at Ordinary Meeting of General Assembly dated 31 March 2014.

(\*\*\*)Selected by the decision of Board of Directors dated 25 June 2014.

There is no executive member at the Board of Directors.

The Members of the Board of Directors are entitled with the authorizations stipulated in the Turkish Code of Commerce (TCC) and in article 13 of the Articles of Association of the Company.

There is no authorization granted to the ruling shareholders with regard to the Company Management, members of the board of directors, senior executives and to their spouses and relatives up to second degree and kins by marriage for them to perform acts which would cause conflict of interest with the Company or its affiliates or to compete.

There is not any forbidden operation with the Company which board members perform their own or on behalf of someone. There is no operation regarding prohibition of competition by member of the board.

**Changes of Members of the Board of Directors During the Period 01 January – 31 December 2014:**

During the Ordinary General Assembly Meeting held on 31 March 2014, Hasan CANPOLAT, Murat ÜÇÜNCÜ, Mustafa Murat ŞEKER, Ahmet Can ÇEVİK, Ahmet KESİK and Nilüfer ÖZDOĞAN were elected as Member of Board of Directors for 1 year of service for the position of Necmettin BAYKUL, Erhan AKPORAY, Hasan CANPOLAT, Murat ÜÇÜNCÜ, Mustafa Murat ŞEKER and Orhan AYDIN whose service periods have ended and Oral ERDOĞAN, Celalettin DÖVER and Ziya AKBAŞ were elected as Independent Member of Board of Directors for 1 year of service for the position of Halil SARIASLAN, Lamia Zeynep ONAY and Cumhuriyet Şahin TULGA whose service periods have ended.

The Member of Board of Directors Nilüfer Özdoğan resigned as of 25 June 2014. For the vacant position with the resignation, Sedat NAZLIBİLEK was elected on the Board of Directors meeting held on 25 June 2014 according to the article 363 of TCC and it was decided to be submitted to the approval on the upcoming General Assembly.

**6. Main factors that affect the performance of the company, significant changes occurred in the environment where company is active, policies implemented by the company with respect to these changes, investment and dividend policy of the company to strengthen its performance**

The Company operates in the field of defense industry. For the last five years, resources which are reserved for defense by the USA has decreased and it is claimed officially that this decrease will continue. Besides, resources reserved for defense in Asia, Middle East and Africa especially in China, Russia, and Saudi Arabia have increased. By the end of 2013, while resources reserved for defense in Turkey for the last five years has increased from USD 16 Billion to USD 19 Billion, local purchase of equipment has also increased with policies.

Given the nature of defense industry, the project lifetime varies between 4-5 years in average. Within this context, 2008 global financial crisis and the subsequent fluctuations did not have an adverse effect on the Group. Group takes actions for the long-term and has signed contracts worth approximately TL 10,3 Billion (approximately USD 4 Billion) as of 31 December 2014. The Group's aims are parallel to designating target regions/countries, focusing on these markets and

concentrating on marketing projects, direct sale, joint productions, technology transfer, and strategic expansions with international firms for sales to third countries.

The revised dividend distribution policy that has been presented to shareholders' information on the General Assembly of 2014 regarding 2013 operations is as follows.

The amount of dividends shall be calculated by taking into consideration the pertinent legislation, the provisions of the articles of association, the equity capital ratio of the Company, the sustainable growth rate, market value and cash flows as the distributable profit by referring to the annual profit that is indicated in the financial statements of the Company, which had been prepared according to the laws and regulations (after subtracting from the reserves that had to be set aside according to the law, tax, funds, financial liabilities and the losses from previous years and adding the donations). Then, the recommendation prepared by the Board of Directors on the way such dividends would be distributed, i.e. as cash on the set dates, or as bonus shares that represent the profit which would have been added to the capital, is submitted to the approval of the General Assembly.

In the case of a revision in the dividend distribution policy, decision of the Board of Directors and the reason of the revision is announced to the public in accordance with the CMB regulations.

According to the Capital Markets Board Law and other legislations as well as the provisions of the articles of association, and as per the resolutions of the General Assembly, in the year 2014 TL 25.000.000 (TL 0,05 per TL 1 share, 5% gross over capital) and (net TL 21.250.000 per TL 0,0425 - TL 1 share, 4,25% net over capital) of the profit for 2013 has been decided to distributed to shareholders.

All of the dividend TL 25.000.000 to be distributed was paid to shareholders by 31 December 2014.

## **7. Financial resources of the company**

The most substantial financial resource of the Company comprises of the advance/interim payments taken in scope of the executed agreements and by the profit gained by the main activities.

During 01 January-31 December 2014 period, the cash requirements was met with the existing cash, cash inflows and new loans received in accordance with the decreasing interest rates in the first half of the year. In scope of the Eximbank Loan Program, during 01 January-31 December 2014 period, "Discounted Foreign Currency Loan" was obtained with the following maturities respectively: USD 89,5 Million with 240 days of maturity, and EUR 7,5 Million with 240 days of maturity, USD 10 Million with 120 days of maturity.

Furthermore, USD 22 Million which is the last piece of credit of USD 87 Million used in order to finance the Gölbaşı investment by the decision of Defense Industry Execution Committee, was

obtained in July, 2014. USD 8 Million principal payment of USD 40 Million credit was recognized at 2014, August.

On the Board of Directors Meeting held on 19 June 2014, it was decided to issue debt instruments in one or several portions, domestically, with a maturity between 6 months to 3 years which will not exceed TL 250.000.000 Million by private placement and/or to qualified investors without public offering. The Company has applied to CMB on 23 June 2014 with reference to the decision and the approval was given by CMB on 18 July 2014. The approval was given by CMB is valid till 17 July 2015.

## **8. Risk management policies of the company**

### **a. Corporate Risk Management**

The Company's risk management policy is to develop and implement efficient and productive methods and systems in order to manage (define, rate, monitor, evaluate and form activity plans aimed at minimizing the effects) and anticipate the potential risks which it may be exposed to.

In the Corporate Risk Management studies, "top down" and "bottom up" approaches are applied together and the significant risks which are at a critical level to affect the Company to reach its long term targets are defined and classified under Strategic, Operational, Managerial, Financial and External Factors and are submitted to the Board of Directors and Independent Audit Company with the measures to be taken.

In order to identify the potential risks beforehand and to enable the management of these risks in compliance with the Company's risk-taking approach, an Early Detection and Management of Risk Committee was established in 2012.

In the scope of the operations carried out by the committee, the inventory related to the risks which could prevent the Company to reach its strategic targets were defined and prioritized pursuant to the opinions and proposals of the Company top management. The most significant risk factors defined in this scope are explained below.

#### **Difficulty in Increasing Customers Variety and Number**

The main customers of the Company are State Institutions such as Turkish Armed Forces. This brings about the steering of the Company's operations in accordance with the public demands. The minimization of this risk is anticipated by the Company as the result of the studies carried out pursuant to the targets aimed at increasing export sales and transferring existing knowhow to the private sectors.

#### **Cut-Backs in Defense Expense Budgets**

The Company realizes its sales both domestic and abroad in particular to the armed forces and governmental institutions. Defense expenditures in these markets depend on political and economic factors and may vary from year to year. The Governments' substantial cut-backs in the defense budget equipment items shall have a significant impact on the Company's activities and sales.

Cutting down defense expenses except the percentage which is reserved for equipment for a country can be regarded as an indicator of transformation to a more modern army with more improved equipment. These kinds of developments can provide new opportunities to Company attendantly since they increase demand to equipments which are produced advanced technology.

### **Supplier and Subcontractor Risks**

As for the Company which works with various number of local and foreign suppliers and subcontractors, provision of material quality and sustainable supply is essential in terms of operational results.

The probable inter-country political or economic developments constitute a supply risk for the critical materials supplied from abroad. Difficulties have been experienced in settlement of suppliers and subcontractors at defense industry in Turkey until recently. Emphasis is put on having a strong structure of supporting industry in order to minimize risk arising from suppliers and subcontractors which cannot reach intended technical sufficiency, specialty and performance.

### **Compliance with Technological Developments**

An important feature of defense sector is high level technology and continuous progress in the technology utilized. This situation leads to changes in demands of the customers with regards to the product, systems, services and etc. Investing in and utilizing new technologies in the products is necessary to increase the Company's power of competition and success. Effective and systematical technology management and timely investment of value added technology is a priority for the profitability and sustainability of the Company. Relations developed with the armed forces and related procurement authorities support the predetermination of the demands. Technology management operations were started to be conducted under R&D and Technology General Vice Management that was established within the company. Moreover, Engineering Group Presidency within Sector Presidency gave a boost to General Vice Management which is mentioned above in preparation of technology roadmap by providing participation to Technology and R&D Management Committee.

### **Fixed Price and Fixed Term Contracts**

The products and systems produced by the Company have a complex structure considering their technology, high quality and performance requirements, tough working conditions and sales contract stages. This complexity, being a general feature of the sector in which the activities are carried out, is an element to cause the design, development and production cost estimations and contract terms to go above their initial planned status. The deviations (inflation, exchange rate and interest) in the assumptions made during the contract term may lead as a result of an increase or decrease in profits for the fixed price contracts.

### **Global Economic Slowdown and Financial Crisis**

Recession and crisis in global economy have an adverse impact on the economic activities of the countries and as a result may cause cut-backs in the defense budgets. This situation brings along the risks of decrease or cancellation in local or foreign customer requests, pressure of the

customers regarding price and profitability, slowdown of investments with respect to the Company. Another impact of the global crisis is the increase of costs in connection with the vagueness caused by the fluctuation in financial markets. When the economic situation of Turkey is considered, it is anticipated that the possibility of the mentioned risks to be realized in the prospective period shall be low, yet the markets are still monitored very closely.

**b. Financial Risk Management**

In forming the financial risk management model of the Company, “Asset- Liability Management (ALM) Model” has been taken as the basis and foreign exchange risk, interest risk and liquidity risks have been defined as financial risks.

In the balance-sheet financial risk management, exchange risk, interest risk and liquidity risk which shall affect the assets and liabilities of the Company are defined, measured, managed and reported. Therefore, the adverse affects of the changes in financial markets on the Company’s financial performance are minimized. In order to minimize the risks, the derivative financial tools are also utilized.

Off-balance-sheet financial risks arise from the inconsistency of cash inflows and outflows on the basis of currency or the deviation of the cash flow dates. Pursuant to off-balance-sheet financial risk management, financial risk management techniques aimed at protecting the targeted profitability of the projects are used.

Financial risk management is also applied by the Company’s subsidiaries and affiliates pursuant to the policies approved by their own managing bodies.

**i. Foreign Exchange Risk and Management Policy**

The main principle in foreign exchange management is to minimize the impact of the foreign exchange fluctuations by preventing foreign exchange short or long positions.

To define foreign exchange risks, taking the periodical foreign exchange position into consideration, loss and profits which would arise from upwards or downwards changes are calculated and the possible impacts of the foreign exchange risk incurred are measured. In this scope, the possible changes in foreign currency sensitive assets and liabilities for prospective financial periods are considered and the foreign currency position is estimated. The short foreign exchange position of the Company is monitored in balance sheet and off balance sheet. The Company finances its activities mainly with the advance payments received in foreign currency and the advances taken are subject to revaluation as they are denominated in foreign currency. Although substantial part of the advances taken is used in foreign currency denominated material purchases, monitoring the purchased material in terms of TL as they are recorded in the balance sheet causes the Company to be in short position. Such short position is structural as it is obligatory that the stocks and research and development costs are monitored in terms of TL and derivative tools out of cash portfolio are not used in its management.

During the periods when Turkish Lira devalues, net foreign exchange loss is incurred but the sales revenues and operating margin increase due to the reason that the 75% of the Company's backlog is denominated in foreign currency. Therefore, the adverse impact of the net foreign exchange loss is balanced with the increase in the operating margin.

As of 31 December 2014, as per financial statements prepared according to the Turkish General Notification of Accounting System Application (TGNASA), the company has a short position of TL 1.312.097.756 (31 December 2013: TL 1.112.855.063). 80% of the related position is USD (31 December 2013: 72%) and 20% of the balance is EURO (31 December 2013: 28%).

The foreign exchange gain and loss noted in the financial statements are mainly comprised of the information indicated in the financial statements prepared in accordance with the TGNASA including the subsidiaries MİKES and ASELSANNET which are subject to consolidation.

<b>Foreign Exchange Sensitivity Analysis Table of the Company Prepared According to TGNASA</b>		
As of 31 December 2014		
Profit/Loss		
	Foreign currency gaining value	Foreign currency losing value
<b>In the event USD changes by 10% against TL:</b>		
1- USD Net Assets/Liabilities	(105.480.362)	105.480.362
<b>In the event EURO changes by 10% against TL:</b>		
2- Euro Net Assets/Liabilities	(25.680.584)	25.680.584

## ii. Interest Risk and Management Policy

The interest risk is defined by using the difference between the assets sensitive to interest in a certain term and liabilities sensitive to interest (gap analysis) and such difference is calculated by the help of the maturity ladder of the balance sheet. In the scope of fund management, a sensitivity test is carried out to measure the interest risk of the interest sensitive assets in the portfolio.

Company used total amount of USD 87 Million credit with 2,1% fixed interest rate, 3 years non-payment, 5 years fixed term from Defense Industry Support Fund by means of USD 40 Million at 18 August 2011, USD 25 Million at 21 March 2013 and USD 22 Million 31 July 2014 and USD 79 Million credit balance exists by 31 December 2014. There is no interest risk due to since the credits have fixed interest. Company has USD 77,5 Million credit balance from Türk Eximbank by 31 December 2014 order to absorb exportation financing.

The loans have a maturity of 240 days and they are indexed to LIBOR. Since LIBOR levels tend to remain low and Türk Eximbank demands 1% additional spread rate in order to Support export, the Company's sensitivity to floating rate loans is kept at minimum.

**iii. Liquidity Risk and Management Policy**

Liquidity Risk comprises the risks when the matured liabilities cannot be fulfilled, when the increase in assets cannot be funded and the risks which arise due to the transaction realized in non-liquid markets.

Liquidity risk is managed by considering short term liabilities, assets with high liquidity, anticipated cash flows and balance sheet maturity ladder. In this scope, sufficient level of cash and assets which may be convertible to cash is maintained, attention is paid that the Company finances its activities without using any loans and the resources of funding are varied by keeping the bank credit limits ready for any instant cash requirement. As of 31 December 2014, 48% of the total resources are comprised by the advance payments taken and when this is considered, the liquidity risk is at low levels as no maturity inconsistencies are experienced in the working capital management.

**iv. Credit Risk and Management Policy**

The substantial part of the Company's present credit balance are comprised by the performance bonds and advance payment guarantees (letter of guarantees) granted to the customers in scope of agreements and which are monitored off balance sheet. Within this scope to manage the credit limits at the banks, risk balances are monitored periodically and necessary transactions are done for the letter of guarantees related to the agreements of which the liabilities are fulfilled to be deducted from the risk.

**v. Capital Risk Management**

In the capital management of the Company, enabling a debt-equity balance that would minimize the financial risks and costs to the lowest level is taken care of. The objective of the Company is to guarantee a consistent growth by means of the funds gained through its activities while providing its shareholders a regular dividend income and. The Company aims to keep its capital structure in balance by means of dividend payments as cash or in return for shares and issuance of new shares.

**9. Other issues not included in the financial statements but which would be beneficial to the users**

- a) As of 31 December 2014, the Company has a backlog of TL 10,3 Billion (approximately USD 4 Billion) and these orders include the period until 2025.
- b) No Extraordinary General Assembly was held during the period 01 January and 31 December 2014.

**10. Significant events between 01 January – 31 December 2014 accounting period and the Board of Directors Meeting date when the relevant financial statements shall be negotiated**

- a) With the decision of Board of Directors' decision on consolidation of MİKES Mikrodalga Elektronik Sistemler Sanayi ve Ticaret A.Ş. (MİKES), by means of take over and ASELSAN Elektronik San. ve Tic. A.Ş (Company) according to simplified merger procedure has been determined and dissolution of MİKES has been registered by 20 January 2015. Thereby, MİKES has been devolved to Company with its all assets and liabilities through complete succession accordingly II-23.2 Consolidation and Division Rescript of CMB, 136<sup>th</sup> and other articles of Turkish Commercial Code and 19<sup>th</sup>, 20<sup>th</sup>, 21<sup>st</sup> articles of Corporate Tax Law and MİKES has dissolved without liquidation by 20 January 2015. All rights and liabilities of MİKES have been inherited to assignee Company by 20 January 2015.
- b) An agreement regarding the Acoustic Decoy System for Submarines (Launcher), valuing TL 34.000.000,- has been signed between ASELSAN and Ministry of National Defense. Within this context, the deliveries of the Launcher Systems which will be developed and produced by our Company will be made in 2018-2019.

**11. Anticipations for the development of the company, significant developments with respect to company activities and financial status, to observe whether past period targets were reached or not, whether the general assembly resolutions were fulfilled or not, and in the event the targets were not reached and the resolutions were not fulfilled, information regarding the grounds and assessments**

On 05 March 2013, the guidance on Group's financial results of 2013 shown below were disclosed to public:

- Consolidated income growth (TL): 15-17%
- EBITDA (Consolidated and adjusted): 18-20%
- Consolidated investment expenditure: Approximately TL 175 Million
- Ratio of the consolidated Research and Development (R&D) expenses financed by Company resources to the consolidated sales: 6%

The growth in consolidated income in line with this increase in exchange rates is 15% in 2014. EBITDA (Consolidated and adjusted) was 18%. Ratio of the consolidated Research and Development (R&D) expenses was 6%.

The expectations of Group on consolidated financial results for 2015 under normal circumstances are as follows:

- Consolidated income growth (TL): 16-20%
- EBITDA (Consolidated and adjusted):18-20%
- Consolidated investment expenses: Approximately TL 120 Million
- Ratio of the consolidated Research and Development (R&D) expenses financed by Company resources to the consolidated sales: At the level of 6%

These expectations are based on the yearly average of USD/TL parity to be 2,42: EUR/TL parity to be 3,01.

The Company's vision is "to become one of the first 50 defense industry companies in the World". 5 year strategic plans are prepared in the context of this vision. All operations are realized consistent with the strategic plan, in order to reach the defined targets. In this respect, qualified labor force, maturated procedures, resources reserved for R&D, infrastructure and organization and technology at World level have been maintained.

The Company has been in the most prestigious list, "Defense News Top 100", which is published by "Defense News" magazine since 7 years and is aimed to increase its ranking in the list.

In order to achieve the sustainable growth:

- 75% of machine/device investment which belongs to the new facility in Radar and Electronical Battle area, the greater part of constructing investment was completed in Ankara Gölbaşı Region.
- The joint ventures, United Arab Emirates, Kazakhstan and Jordan established in the last three years, received purchase orders approximately USD 27 Million during 2014.
- On March 2014, "ASELSAN Hassas Optik Sanayi ve Ticaret A.Ş." was established, 50% of which belongs to the Company and the remaining to Sivas Optik Malzemeleri Sanayi ve Ticaret A.Ş. Ultraviolet, visible, close infrared line sensitive optical instruments which are normally designed by ASELSAN and produced abroad will be produced in Sivas facility after the construction of the facility.
- ASELSAN Bilkent Micro Nanotechnology Industry and Trade Inc. titled company, which belongs 50% to ASELSAN and 50% to İhsan Doğramacı Bilkent University, was established with the purpose of producing every kind of semiconductor and micro and nano dimensional instruments which including similar materials. Capital of the company is TL 18.000.000 and establishment was registered officially at 11 November 2014.
- The quality and technological perspectives of the cooperation formed with the universities have been increased.
- The efforts to form an eco-system with the sub-industry companies and SME's have continued.
- Company will operate in civil electronic areas which demand high technology.
- Inorganic expansion will be also evaluated as well as organic expansion.

According to decisions made in the General Assembly Meeting held on 31 March 2014,

- Cash dividend payments of 2013 profit began as of 30 May 2014, finished by the end of 2014.
- The decision made to amend the 6<sup>th</sup> article of Articles of Association was registered together with the General Assembly Meeting Decisions on 02 April 2014, disclosed on 07 April 2014. The amendment in the Articles of Association was sent together with a copy of Trade Registry Gazette to CMB and Customs and Trade Ministry.

**12. Corporate governance principles compliance report**

The report is provided with Annex-1.

**13. Research and development activities realized**

The Group, being a leading defense industry establishment developing advanced technology system solutions on land, air, naval and aerospace platforms, has given importance to R&D activities and technological gains and targets to spend approximately 6% of the annual turnover to its R&D activities financed with its own resources.

By monitoring all kinds of technological developments with respect to product/technology systems for land, air, naval and aerospace platforms, the design, development and production of product/technology which includes advanced technology on the basis of not only using the technology but also having a structure to transfer/sell the technology it develops in national and international cooperation environments.

In order to increase the national contribution share in the projects, great effort is being paid for utilizing the existing local technological possibilities. For this purpose, cooperation with universities and some R&D institutions are formed and using of local subcontractors and sub-industry have become significant.

As for the projects carried out within the Group, the R&D discount in compliance with the provisions of the Law on Corporate Tax numbered 5520 and R&D central application pursuant to the Law regarding the support of R&D activities numbered 5746 are being implemented together. For the R&D projects which are not aimed for public, the approval of TEYDEB (Technology and Innovation Support Programs Directorate) is taken and they are supported by this institution. Within the Company, there are 5 R&D centers namely Defense System Technologies (SST), Radar Electronic Warfare and Intelligence Systems (REHİS), Microelectronics, Guidance and Electro-optics (MGEO), Communication and Information Technologies (HBT) and Transportation, Security, Energy & Automation Systems Business Sector (UGES). MİKES, which is an affiliate subject to consolidation and which also has 1 R&D center. 2.283 people are employed at the Group R&D centers.

The Company also is active in Teknokent facility within Middle East Technical University in scope of the Law numbered 4691 on Technology Development Regions. 167 people are employed within this region.

**14. Amendments to the Articles of Association during the period along with the grounds**

In the General Assembly Meeting held on 31 March 2014, it was decided to amend the 6<sup>th</sup> article of Articles of Association in order to become coherent with Turkish Trade Law and the amendments were registered and disclosed in Trade Registry Gazette.

**15. The kinds of issued capital market instruments and their amounts, if any**

None.

**16. The sector the Company operates in and its position within the sector**

The Company is a leading defense industry institution developing advanced technology system solutions in land, air, naval and aerospace platforms.

The Company being an institution of TAFF is in a position of a technology center in the fields of design, development, manufacturing, system integration, modernization and after sales services of military and civil communication systems, avionic systems, electronic warfare and intelligence systems, radar systems, command and control systems, naval warfare systems, electro-optic systems and products.

Ranking of Company international, country-wide, sectoral rating systems is showed at table below:

Corporation	Research/Study	Related Period*	Ranking	
			Current	Previous
<b>International Ratings</b>				
Defense News Journal	Defense News Top 100	2014	67	74
SIPRI	SIPRI Top 100	2014	65	87
European Commission	World R&D Expense The First 2500 Company	2014	1.169	-
<b>National Ratings</b>				
İstanbul Chamber of Industry	İCI 500 Biggest Industry Companies	2014	35	46
	İCI 500 - Private Companies	2014	31	41
Fortune Journal	The Biggest 500 Companies	2014	51	63
Capital Journal	The Biggest 500 Private Companies	2014	65	77
TEA (Turkish Exporters' Assembly)	The First 1000 Exporter Companies	2014	107	128
Turkish Time Journal	R&D Top 100 Research	2014	1	1
Brand Finance	The Most Valuable Brands (100 Brands)	2014	38	37
Superbrands	The Most Valuable Brands (134 Brands)	2015	No raking.	
Bloomberg Businessweek	Most Popular 50 Companies (Intercollegiate)	2014	9	11
Universum	Ideal Employers (Engineering and Information Technologies- 100 Companies)	2014	1	3
Ministry of Science, Industry and Technology	Top of the Private Sector R&D Centers	2014	1	-
World Newspaper and DHL Express	Incentive Awards Stars of Exporters –Award of Exporter of the Year			

\* "Related period" is the period when last explanation has been made.

**17. Progress in investments and degree of incentive utilization if any**

**Progress in Investments**

Directing the Company resources to profitable fields with high added value where advanced technology is used is anticipated in the first place by considering the global tendencies, technological developments and the actual and prospective requirements of all customers in particular the Turkish Armed Forces. The investments in the Company are realized by considering the technological plans, strategic plans and project requirements. Below are the leading investments in scope of these:

- A new facility investment is being made in the field of Radar and Electronic Warfare in Ankara province, Gölbaşı district. Moving to compound has been started by the end of 2014, commissioning of compound is aimed at the first quarter of 2015. Upon the realization of this investment in scope of a structural growth, the product range of engineering, production, test and logistics support services in the field of Radar and Electronic Warfare shall be extended.
- Investments to meet the infrastructure and equipment requirements to be used with the R&D projects within the year are being carried out in compliance with the investment plan prepared pursuant to the efficient resource utilization principle.

**Degree of incentive utilization if any**

The 1501 Industrial R&D Projects Support Programme has been formed in order to encourage the R&D operations of the companies creating added values at company level and to contribute to the enhancement of the R&D ability of the Turkish industry by this means. It has benefited from incentives amounting to TL 4,5 Million within the scope of TÜBİTAK TEYDEB projects which are current at 2014.

5 new projects within the scope of 1511-Prioritized fields' research Technologies development and innovation program were signed in 2013 and started being executed. It has been benefited from TL 2,2 Million incentive at 2014 which is allocated by TÜBİTAK TEYDEB.

The support process of the 3 projects have been initiated as of July 2010 by 1509 EUREKA-International Industrial R&D Projects Support Program where market oriented projects for developing products and processes to be commercialized in short term are supported and an incentive amount of TL 1,3 Million was used at 2014.

29 projects were executed in the year 2011, 2012, 2013, 2014 and came into effect within the SAN-TEZ R&D support programme aimed at supporting the postgraduate and/or doctorate thesis works which shall contribute to increasing the competitiveness in international markets by means of commercializing the scientific studies at the universities and institutionalizing the University – Industry cooperation.

The 1007 Public Institutions R&D Project Support Program has been formed in order to meet the requirements of the Public Institutions with R&D or to support the projects aimed at solving their problems. In scope of this support 4 R&D projects are still ongoing.

Within the scope of the European Commission 7<sup>th</sup> Cooperation Framework Programs, 4 integration projects were executed and went into effect and 1 project which was initiated in 2008 was completed in June 2012 with success. In the “Circulation of the Researchers, Return Grants; Individual Support Private Programme” within the scope of the European Commission 7<sup>th</sup> Cooperation Framework Programmes, 3 projects have gone into effect in the years 2010 and 2011.

Expenses regarding the foreign market research travels realized with respect to the products and the foreign office expenses are used up by the rate and amount of subsidies implemented within the scope of Governmental Grants for Export.

Within the Decision Regarding the Governmental Grant in Investments, there are 4 Investment Incentive Certificates taken from the Turkish Republic Prime Ministry Undersecretariat for Treasury General Directorate of Incentives and Implementation. With such incentive certificates, VAT exemption and customs tax exclusion are utilized. VAT exemption is applied in domestic and foreign purchases and customs tax exemption is used in foreign purchases.

Income tax withholding incentive, insurance premium support, stamp tax exemption and R&D discount are utilized within the scope of the Law numbered 5746. Income tax withholding incentive, insurance premium support and stamp tax exemption is utilized by being calculated over the salaries of the R&D personnel and not being paid to the relevant institution and the R&D discount is utilized by means of applying a discount on the corporate tax return. Aforesaid law is valid until the date of 31 December 2023.

Within the scope of the Teknokent Law numbered 4691, incentive on withholding income tax, insurance premium support and stamp tax exception is applied. These are utilized by making calculations on R&D and software personnel wages and not being paid to the related institution. The gain obtained with reference to the execution of Technology Development Zones Law numbered 4691 is exempted from the corporate tax of 31 December 2013.

Because of being an R&D center as of 01 January-31 December 2014, TL 47 Million (31 December 2013: TL 44 Million) within the scope of income tax withholding incentive, promotion of insurance premium, stamp duty exception; as a result of being active at ODTÜ Teknokent TL 7 Million (31 December 2013: TL 6 Million) incentives are used.

TL 41 Million advantage of Corporate Tax (31 December 2013: TL 18 Million) was gained from achieved earnings within the scope of law of 5746 R&D and 4691 Teknokent by the date of 01 January-31 December 2014.

At periods when Group’s R&D expenses which is subject of R&D discount higher than principal amount of R&D discount which is indicated at corporate tax return, Corporate Tax ratio 20% of distinction amount evaluated as deferred tax income at financial tables.

**18. Comments including the qualities of the production units of the company along with the capacity utilization rates and their developments, general capacity utilization rate, developments in the manufacturing of the products and services which are subjects of activity, amounts, quality, circulation and the prices compared with the previous period figures**

The capacity utilization for the period between 01 January and 31 December 2014 was realized at the level of 97%.

Substantial part of the production is realized as order based production. R&D activities are carried out for the products designed to be tailored for the customer requirements and the qualities of the system and products alone with their quantities and prices may be subject to change. Upon the usage of Enterprise Resource Planning (ERP) system, the production processes have been managed more efficiently.

**19. The prices, sales revenues, sales conditions of the products and services which are subjects of activity with their improvements within the year, developments in the yield and productivity parameters and the reasons of the substantial changes in these compared to the previous years**

The Company carries out its operations in the basic fields of: "Communication and Information Technologies", "Defense System Technologies", "Radar, Electronic Warfare and Intelligence Systems", "Microelectronics Guidance and Electro-Optics" and "Transportation, Security, Energy and Automation".

The Company's project revenues comprise, according to the relevant sales agreement terms and conditions, order based production, mass production product sales, services, commodities and progress billing sales. Sales terms and conditions are subject to change as for the respective agreements.

As for the consolidated amount of the Group realized during the period 01 January-31 December 2014 TL 2.038 Millions was generated from domestic sales and TL 460 Million was generated from foreign sales.

**20. The basic ratios regarding profitability and liabilities, as calculated on the basis of the financial statements, sales, efficiency, income generation capacity, profitability and liabilities/equity ratios in comparative basis with prior period and information about other matters and future expectations and risks that has been prepared in accordance with Capital Markets Board Communiqué Series: II and No:14.1**

As of 31 December 2014, based on Group's financial statements prepared in accordance with the Communiqué Series II, No: 14.1 "Communiqué on Capital Market Financial Reporting Standards" issued by Capital Markets Board, the net sales amount has increased 15% compared to the same period of prior year. The profit for period amounts to TL 350 Million, with an increase of 47%. Equity has increased by 19% compared to December 2013.

<b>BASIC RATIOS / CONSOLIDATED BALANCE SHEET</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
Current Ratio (Current Assets/Current Liabilities)	1,96	2,19
Liquidity Ratio (Cash and Cash Equivalents+ Financial Investments+ Trade Receivables+ Other Receivables/ Current Liabilities)	0,93	1,01
Equity /Total Liabilities	0,45	0,40
Current Liabilities/Total Liabilities	0,24	0,23
Non-Current Liabilities/Total Liabilities	0,31	0,36
<b>BASIC RATIOS / CONSOLIDATED PROFIT TABLE</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
Operating Profit/ Revenue	0,24	0,26
Profit for the Period (Parent Company Shares) / Revenue	0,14	0,11

The liabilities of the Group are mainly consist of the short and long term order advances received. The Group's liquidity ratio is above the acceptable levels.

## **21. Measures planned to be taken to improve the financial structure of the Company**

The Group and the Company, as for their annual budgets and implementations for the period 2012-2014, have adopted the principles as the basis to take care of savings in all kinds expenditures, to closely follow up the advances and receivables, to pay attention to the proportion of the term and currency in purchasing and sales agreements with the risk status of the domestic/foreign sellers.

## **22. Changes in the top management within the period and the names and surnames of the ones who are on duty**

Changes in the top management within the period 01 January–31 December 2014 and information regarding the ones on duty are given in the below table:

LIST OF UPPER MANAGEMENT IN SERVICE			
No	Name Surname	Duty	Date of Appointment
1	Hasan CANPOLAT (*)	Chairman/Managing Member	31 March 2014
2	Murat ÜÇÜNCÜ (*)	Vice Chairman / Managing Member	31 March 2014
3	Ziya AKBAŞ	Member of the Board of Directors	31 March 2014
4	Ahmet Can ÇEVİK	Member of the Board of Directors	31 March 2014
5	Celalettin DÖVER	Member of the Board of Directors	31 March 2014
6	Oral ERDOĞAN	Member of the Board of Directors	31 March 2014
7	Ahmet KESİK	Member of the Board of Directors	31 March 2014
8	Sedat NAZLIBİLEK	Member of the Board of Directors	25 June 2014
9	Mustafa Murat ŞEKER (*)	Member of the Board of Directors	31 March 2014
10	Faik EKEN	CEO/President	24 July 2014
11	Levent AKKOYUNLU	CFO/Vice President	01 September 2014
12	Yavuz BAYIZ	Division CEO/Vice President (Communication & Information Technologies Business Sector)	01 September 2014
13	Baki ŞENSOY	Division CEO/Vice President (Microelectronics, Guidance & Electro-Optics Business Sector)	01 September 2014
14	Oğuz ŞENER	Division CEO/Vice President(Radar & Electronic Warfare Systems Business Sector)	01 September 2014
15	Mustafa KAVAL	Division CEO/Vice President(Defense Systems Technologies Business Sector)	01 September 2014
16	Yavuz Suat BENGÜR	Division CEO/Vice President(Transportation, Security, Energy & Automation Systems Business Sector)	01 September 2014
17	Hezarfen ORUÇ	Division CEO/Vice President(Support Services)	01 September 2014
18	İsmet ATALAR	Division CEO/Vice President(R&D and Technology Management)	01 September 2014
19	Özcan KAHRAMANGİL	Division CEO/Vice President(Strategy and Business Development)	01 September 2014
20	Hüseyin YAVUZ	Division CEO/Vice President(Human Resources Management)	01 September 2014
21	Abdülkadir GÖKTAŞ	Internal Audit President	01 September 2014

(\*)Period of service of aforementioned Members of Board of Directors before last General Assembly Meeting is 10 months.

It was decided to delegate Vice General Manager and Information Technologies Group Manager Dr. Faik EKEN for the position of ASELSAN General Manager Cengiz ERGENEMAN whose service period has ended due to age limit, with the decision of Board of Directors dated 28 May 2014. Dr. Faik EKEN assigned to position of General Manager, Yavuz BAYIZ assigned to position Vice General Manager principally with the decision of Board of Directors dated 24 July 2014. With same decision, Levent AKKOYUNLU, Hezarfen ORUÇ, İsmet ATALAR, Hüseyin YAVUZ, Baki

ŞENSOY, Oğuz ŞENER, Mustafa KAVAL and Yavuz Suat BENGÜR assigned to Vice General Manager which is valid from the date of 01 September 2014.

**23. Total amounts of the financial benefits such as attendance fee, remuneration, premium, bonus payments, share profit provided to the managing members and senior executives**

The total amount of the remuneration and similar benefits paid to the senior executives by the Company as for the period 31 December 2014 is TL 5.873.910 (31 December 2013: TL 4.555.169). A monthly payment of net TL 3.000 is made to the Member of the Board of Directors and Managing Members on 31 March 2014.

**24. Information regarding the allowances granted to the managing members and the senior executives with the travel, accommodation and representation expenses and financial benefits in kind, insurances and total amounts of the similar guarantees**

Total amount of domestic and foreign allowances, travel, accommodation and representation expenses and financial benefits in kind and total amounts of insurances granted to the senior executives and members of the Board of Directors of the Group for the period ended by 31 December 2014 is TL 911.846 (31 December 2013: TL 421.271)

**25. Personnel and workers turnover, collective agreement implementations, rights and benefits provided to the personnel and workers**

The Group recruited a total number of 185 people (35 personnel with fixed term contract) as the personnel including fixed-term contracted personnel, disabled and terror-stricken personnel during the period 01 January – 31 December 2014 and the number of people quit for the same period is 314 (108 personnel with fixed-term contracted).

The rights and benefits provided to the personnel by the Company are bonus payments, meal allowances, marriage benefits, maternity benefits, death allowances, transportation, private health insurance, childcare and kindergarten benefits. The average number of personnel employed by the Group as of 31 December 2014 is 5.335 (The average number of personnel employed by the Group as of 31 December 2013: 5.343).

There is no collective bargaining agreement in the Company.

**26. Information regarding the donations realized within the year and social responsibility**

Group's subsidiary ASELSANNET has donated TL 200 to Türk Eğitim Vakfı during the period 01 January- 31 December 2014.

**27. The existence of organizations outside the center**

- Branch in Republic of South Africa; Pretoria
- Office in United Arab Emirates; Abu Dhabi
- Republic of Macedonia, Skopje Branch Office

**28. Information regarding the shares of the companies subject to consolidation in the parent company**

There is no cross ownership relation between the companies subject to consolidation (MİKES and ASELSANNET) and the Company.

**29. As for the preparation process of the consolidated financial statements; comments with respect to the principal factors of the internal audit, internal control and risk management systems of the Group and opinion of the managing body**

The controls are carried out by the Internal Audit Presidency (IAP), Audit Committee and members of the Board of Auditors within the parent company in order to minimize the substantial error risk on the financial statements of the Group. IAP and Audit Committee carry out their duties independent from each other but within the direction of common objectives and targets by subject to maintain an internal control system which provides required controls in matters such as the reliability of the financial reporting system, the efficiency of the activities in order to eliminate the operational risks and compliance with the law. Furthermore, the efficiency and sufficiency of the internal control are supported with the directives in effect.

In order to determine the potential risks which may affect the Company and to govern them, the Committee for Early Determination and Management of Risks operates. The committee meets on a periodical basis and reports in every two months to the Board of Directors. The report is also shared with the independent audit firm.

**30. Direct and indirect affiliates of the Company and information regarding the share ratios**

Company owns 100% of MİKES and ASELSANNET and these companies are consolidated. Company owns 100% of MİKES by acquiring 3% share of the entity in November, 2014 which previously belonged to Undersecretariat for Defense Industries (UDI). Company applied to CMB with for the permission for merging of Company and MİKES in the form of consolidation with simplified procedure, consolidation process registered officially by 20 January 2015 at Ankara Trade Registry Directorship and declared at Turkey Trade Registry Gazette at 23 January 2015 by completing necessary legal actions after Council permission which was taken in 30 December 2014.

The affiliated partnerships, subsidiaries subject to joint management and affiliates of the Group recorded as financial investments with their participation ratios and amounts are as follows:

Company Name	Share (%)	31 December 2014 (TL)
ASELSAN Bakü Şirketi	100	3.059.234
ROKETSAN-Roket Sanayi ve Ticaret A.Ş. (*)	14,897	313.581.850
Mikroelektronik Ar-Ge Tasarım ve Ticaret Ltd. Şti.	85	624.714
ASELSAN Hassas Optik Sanayi ve Ticaret A.Ş.	50	50.000
ASELSAN Bilkent Mikro Nano Teknolojileri Sanayi ve Ticaret A.Ş.	50	2.250.000
ASPİLSAN Askeri Pil Sanayi ve Ticaret A.Ş.	1	147.462
Kazakhstan ASELSAN Engineering LLP	49	32.633.128
IGG ASELSAN Integrated Systems LLC	49	42.837
ASELSAN Middle East PSC LTD	49	3.233.774
<b>TOTAL</b>		<b>355.622.999</b>

(\*)Group's marketable security ROKETSAN-Roket Sanayi ve Ticaret A.Ş. was revaluated and stated at fair value. Fair value determination was performed as of 31 December 2014, by Oyak Yatırım Menkul Değerler A.Ş. which is an independent valuation company from the Group.

### 31. Information regarding the Company's own shares acquired by itself

No such event has occurred within the activity period.

### 32. Comments with respect to the private audit and governmental audit realized within the activity period

"VAT Return Process" inspection for the year 2010 which is performed in Company by Ministry of Finance Tax Inspection Board at 2014 was completed and controls of the year 2011 continues.

"Risk Analysis Study" inspection for the year 2010 is performed in MİKES which is one of the Company's subsidiary by Ministry of Finance Tax Inspection Board at 2014. At the same time, import and export processes of MİKES are inspected by Ministry of Customs and Trade Customs and Trade Inspectorship for the period between 2011 and 2013 within the scope of "Afterwards Control Programme/Analyzing".

### 33. Information regarding the lawsuits filed against the Company which would have an impact on the financial status and activities of the Group and their probable outcomes

The lawsuits and execution proceedings filed by or against the Group as of 31 December 2014 are summarized below:

Description	31 December 2014 (TL)
Ongoing lawsuits filed by the Group	4.693.387
Execution proceedings carried on by the Group	5.811.678
All types of ongoing lawsuits filed against the Group	936.873
Lawsuits finalized in favor of the Group within the period	119.195
Lawsuits finalized against the Group within the period	300.415

**34. Comments with respect to the administrative and judicial sanctions applied to the Company and the managing members due to the acts contrary to the legislation provisions**

No penalties with substantial amounts were paid by the Group within the activity period.

**35. If it is an affiliate company, the legal transactions carried out in favour of the parent company or its affiliate with the parent company, with an affiliate company connected to the parent company with the direction of the parent company and all other measures taken or avoided to be taken in favour of the parent company or its affiliate in the previous activity year**

No such event occurred within the period.

**36. If it is an affiliate company, whether any counter performance was realized for each legal transaction according to the known status and conditions at the time the legal transaction mentioned in article 35 was realized or at the time the measures were taken or avoided to be taken and whether the company incurred losses due to the taken or avoided measure and if the company incurred losses to observe whether this was equalized or not**

No such event occurred within the activity period.

**37. The determination and management assessment with respect to the Company's unpaid capital or whether the Company is deeply in debt**

No such event occurred within the activity period.

**38. The status of owning directly or indirectly five, ten, twenty, twenty five, thirty three, fifty, sixty seven or one hundred percent of the shares representing the capital of an equity company or in the event that the proportions go below these percentages and ground for this**

- In order to produce ultraviolet, visible, close infrared cycle sensitive optical instruments, the company named "ASELSAN Hassas Optik Sanayi ve Ticaret A.Ş.", 50% of which belongs to the Company and the remaining belongs to Sivas Optik Malzemeleri Sanayi ve Ticaret A.Ş. was established. The capital of the company is TL 100.000 and the registration was made on 07 March 2014.
- ASELSAN Bilkent Mikro Nano Teknolojileri Sanayi ve Ticaret A.Ş. titled company, which belongs 50% to ASELSAN and 50% to İhsan Doğramacı Bilkent University, has established on the purpose of producing every kind of semiconductor and micro and nano dimensional instruments which including similar materials. Capital of the company is TL 18.000.000, and establishment was registered officially at 11 November 2014.
- TL 126.937 share transfer due to "Share Sales Agreement" on the subject of sale of all shares with 0,051% ratio of Company which are present at HEAŞ A.Ş. to TSKGV was paid to Company at 24 November 2014. Company no longer owns shares in HEAŞ A.Ş.

- 1.170.000 shares with 3% ratio and nominal price of TL 1.170.000 of UDI which are owned in Mikrodalga Elektronik Sistemler Sanayi ve Ticaret A.Ş. were taken over by Company with price of TL 675.174,58 and Company's ownership in Mikrodalga Elektronik Sistemler Sanayi ve Ticaret A.Ş. became 100%. Transfer of shares was registered officially at 03 December 2014.
- Merger process was completed with the decision of Board of Directors about consolidation of Mikrodalga Elektronik Sistemler Sanayi ve Ticaret A.Ş, by means of devolvement of MİKES according to simplified consolidation procedure, and ASELSAN Elektronik Sanayi ve Ticaret A.Ş. registered officially at 20 January 2015 and declared at 23 January 2015.

### **39. Related party transactions**

Detailed table is disclosed in Note 4 under Consolidated Financial Statements of 31 December 2014.

## ANNEX-1

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

## CHAPTER I - STATEMENT FOR COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

ASELSAN, in scope of the Corporate Governance Principles which has been implemented by Capital Markets Board (CMB) since 2003, has been making efforts to work in compliance with the principles under the titles shareholders, public disclosure and transparency, stakeholders and Board of Directors.

ASELSAN, adopting the corporate governance understanding as a principle, was rated with a grade of 8,77 out of 10 as the result of the Corporate Rating Studies realized by SAHA Corporate Governance and Credit Rating Services Inc (SAHA) in 2012 and therefore was included in the Borsa İstanbul Corporate Governance Index. As a result of the efforts carried out through 2013 in order to improve the compliance with corporate governance principles to the maximum level; according to the report of SAHA which was published on 13/12/2013, ASELSAN's corporate governance rating grade was updated to 9,07 out of 10 points.

Corporate governance rating grade shows to what extent the companies comply with the corporate governance principles set out by the CMB and the Company's compliance level with the principles is defined with a methodology measuring under the main titles Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors.

SAHA has revised the corporate governance ratings of all its customers on 03/03/2014, regarding the resolution of CMB's meeting numbered 4/105 held on 01/02/2013. The update is caused by the revision of 2013 corporate governance ratings within the context of renewed rating principles and is a result of change in methodology.

As per the new methodology, in case the company fulfills all the mandatory requirements of a principle, the maximum rate it can achieve shall be 85 over 100, and according to the additional good corporate governance practices regarding the related principles, the rate shall be converged to the maximum rating, 100. Within this context, our rating has been revised as 8,57 over 10.

As a result of the efforts made for improving Corporate Governance Rating during 2014, ASELSAN's corporate governance rating was updated as 9,09 over 10 on 12/12/2014 by SAHA A.Ş.

The ratings of 2013 and 2014 and the sub titles are given below:

2013 Rating Distribution	2014 Rating Distribution
Shareholders : 82,70 / 100	Shareholders : 83,30 / 100
Public Disclosure And Transparency : 85,30 / 100	Public Disclosure And Transparency : 98,21 / 100
Stakeholders : 94,80 / 100	Stakeholders : 93,78 / 100
Board of Directors : 84,34 / 100	Board of Directors : 90,00 / 100
<b>Average 8,57</b>	<b>Average 9,09</b>

ASELSAN Corporate Governance Ranking Reports published by SAHA can be accessed at the company website: [www.aselsan.com](http://www.aselsan.com).

The compliance with all the mandatory principles of Corporate Governance Principles was achieved. The titles regarding the arbitrary principles where compliance has not been achieved yet are given below and are explained in detail through the Compliance Report. There are no conflicts of interest arising because of the arbitrary principles where compliance has not been achieved.

- No recognition of minority rights to those who own less than twentieth of the capital indicated in the Articles of Association,
- Non-existence of a judgement in the Articles of Association; declaring that shareholders may individually demand the investigation of certain incidents from the General Assembly even if it is not on the meeting agenda, under the condition that the right to ask for information and investigation has been used before and if the appliance of shareholders rights is necessary,
- The article “Group A shares shall not be sold or transferred without the consent of the Board of Directors because of the Company’s operations in security and defence industry; in the event that these shares are transferred or sold to third parties partially or completely without the consent of the Board of Directors, the Board of Directors is entitled to abstain from recording this sale in the records” in the Articles of Association of the company,
- Not disclosing the remuneration of Board Members and executive managers or the benefits provided to them per each individual,
- Non-existence of models supporting the participation of stakeholders, mainly the company personnel to the management of the company without interfering with the company’s operations,
- Non-existence of female members in the Board of Directors and not setting a policy, target rate which is a minimum of 25% or a target date for female members’ ratio.

Corporate Governance Committee will carry on the necessary efforts in order to achieve full compliance with Corporate Governance Principles.

Oral ERDOĞAN

Independent Member of Board of Directors  
Corporate Governance Committee Chairman

Ahmet Can ÇEVİK

Member of Board of Directors  
Member of Corporate Governance Committee

Mustafa Murat ŞEKER

Member of Board of Directors  
Member of Corporate Governance Committee

Pınar ÇELEBİ

Investor Relations and Subsidiaries Manager  
Member of Corporate Governance Committee

**CHAPTER II - SHAREHOLDERS**

**2.1. Investor Relations Department**

The information regarding Investor Relations and Subsidiaries Department responsible for the relations with shareholders is given below.

Levent AKKOYUNLU .....Chief Financial Officer / Vice President

Aykan ÜRETEN.....Finance Director

Pınar ÇELEBİ .....Investor Relations and Subsidiaries Manager

Bâni Betül GÖKÇE .....Investor Relations and Subsidiaries Department/Senior Specialist

Başak YÜCEKAYALI .....Investor Relations and Subsidiaries Department/Specialist

Contact Information

Phone: (312) 592 12 33 - 42 - 45 - 70

e-mail: [ortaklar\\_servisi@aselsan.com.tr](mailto:ortaklar_servisi@aselsan.com.tr)

Investor Relations Department has submitted the report regarding the tasks carried during 2013, to Board of Directors on 27/02/2014.

Pınar ÇELEBİ, Investor Relations Manager, has Capital Markets Transactions Advanced Level and Corporate Governance Rating Expertise Licenses.

Main operations carried out by Investor Relations Department during 2014 are as follows:

- Maintenance of exercise of partnership rights of shareholders, updated and safe records regarding shareholders,
- Coordination of public disclosure of material events,
- Answering the written inquiries of shareholders regarding the company excluding the information considered as private and trade secret not disclosed to public,
- Ensuring the execution of General Assembly meeting in compliance with the regulation in force, Articles of Association and other company regulations, records being kept regarding the ballots and the results being reported to shareholders,
- Monitoring of every issue regarding the public disclosure including the regulations and company policies on information,
- Execution of tasks assigned by Corporate Governance Committee,
- Operation of transactions regarding capital increase, dividend distribution, amendments on Articles of Association and works of Corporate Governance Principles,
- Coordination of updating the list of people who have access to insider information; informing those people in purpose of protecting the insider information and obeying the privacy rules until financial and operational results are disclosed to public,
- Coordination of preparation and publishing of Sustainability Report.

Within the period, approximately 100 of our shareholders' questions regarding exercising their rights, public disclosures made, financial tables and etc. were answered either written or verbally.

The information and explanations, which may affect the exercise of shareholders rights, are provided in the company website.

## **2.2. Exercising of Information Acquisition Rights of the Shareholders**

Investor Relations Department has taken care of every written and verbal inquiry of all shareholders, particularly of Turkish Armed Forces Foundation (TAFF), in 2014 with the most accurate and fastest way. It is paid attention to respond to all the information demands of shareholders with complete and comprehensible responses.

Investor Relations Department has been using the English website [www.aselsan.com](http://www.aselsan.com) and Turkish website [www.aselsan.com.tr](http://www.aselsan.com.tr) actively in order to inform the ASELSAN's investors on a timely and accurate basis and has been updating the information given on the web constantly. The electronic platform is being effectively used regarding the issues that may effect exercising of the shareholders rights. The material event disclosure and other notifications made through Public Disclosure Platform (KAP) incorporated under Borsa İstanbul, are being published on our corporate website in Turkish and in English on the same day. In general, any changes occurred in the Company structure are immediately announced on our website and the investor presentations are constantly updated. Capital increases and dividend distribution information are also submitted to our investors' knowledge on the website. In addition, notifications regarding the attendance of shareholders to the General Assembly and electronic general assembly principles within the context of the new Turkish Code of Commerce are being made.

Full compliance of both Turkish and English chapters on "Investor Relations" on the website with the regulations was achieved.

Within the context of regulations of CMB, in 2014;

- General Assembly documents were published on the website in Turkish and English within legal deadlines,
- General Assembly minutes and participants list were published on the website in Turkish and English,
- 2013 Annual Report was uploaded to the website in Turkish and English,
- The report for the 1<sup>st</sup> six months' period for 2014 has been uploaded on the website in Turkish and English,
- The investor presentations which are updated every 3 months were published on the website in Turkish and English,
- Disclosures of material events made in 2014 were published on the website in Turkish and English,
- "Analyst Coverage" page was updated,

- Corrections were made on “Capital Increases” page,
- “Investor Calendar” page was added on the website and the important dates for the investors were published,
- “Key Board Resolutions” page was added on the website,
- “Chronology of Amendments on Articles of Association” was published,
- Stakeholders Policy was formed and published on the website in Turkish and English,
- Corporate Governance Rating Report was published on the website in Turkish and English.

Due to the reason that a regulation is present within the Turkish Code of Commerce (TCC) numbered 6102 according to which the shareholders will be able to request from the General Assembly the assignment of a private auditor for the inspection and disclosure of the financial status of the shareholders and due to the reason that the law and the relevant legislation are considered for the issues not present in the Articles of Association of the Company, there is no respective provision with regard to this issue in the Articles of Association. There was no request of any shareholders with respect to the assignment of a private auditor in 2014.

### **2.3. General Assembly Meetings**

The agenda and invitation related to the 39th Ordinary General Assembly Meeting dated 31/03/2014 with regard to 2013 operations realized at the Company headquarters were duly announced comprising all the necessary information in the Turkish Trade Registry Gazette dated 05/03/2014 along with five daily newspapers in Turkey and on the website. Furthermore the invitation was sent to the main shareholders and the shareholders attended to the previous meeting by post two weeks before the General Assembly. The General Assembly was held with the attendance of 91 shareholders, 14 physically, 77 electronically representing 45.455.182.577 shares (TL 454.551.825,77 nominal) of 50.000.000.000 total shares. Media members did not participate in the General Assembly Meeting which was held simultaneously both physically and electronically.

In scope of the Communiqué on Corporate Governance numbered II.17-1 of CMB, three weeks before the Ordinary General Assembly on date 05/03/2014, the Ordinary General Assembly Meeting agenda, place, time, copy of the power of attorney, total number of shares as of 05/03/2014 and the voting rights, the number of shares representing the privileged shares and their voting rights, the reasons for the changes by the election of the members of Board of Directors, which is present in the agenda, the decision of the Board of Directors related to the amendment to the Articles of Association, the old and new versions of the Articles of Association with the approvals of the CMB and the Ministry of Customs and Trade, the list of independent members of the Board of Directors, the proposal of the Board of Directors with respect to the 2013 year dividend distribution, the CV's of the independent members of the Board of Directors and their statements of independence were published on our Company website. The annual report was made available for the review of the shareholders at the headquarters 15 days before the General Assembly and handed to the shareholders to participate in the General Assembly and to the ones who made requests.

For the facilitation of physical attendance to General Assembly Meeting in 2014, transportation from central spots to our Akyurt facility was provided for our shareholders, and our shareholders who attended the General Assembly had a site visit.

In the Ordinary General Assembly Meeting in 2014, the shareholders were informed regarding the presence of managing members, all the Board of Directors members and auditors at the meeting. No proposals were set forth by the shareholders during the meeting regarding the agenda. The shareholders exercised their rights to ask questions regarding the topics in the agenda and the answers to the questions took place in the General Assembly Meeting minutes. There are no questions which has not been answered in the Ordinary General Assembly Meeting and answered by the Investor Relations Department later on. Within the period, there have not been any transactions of which their resolutions were submitted to General Assembly because the confirmative vote of the majority of the independent members are required where as they have voted negatively. The minutes of the General Assembly Meeting held in 2014 can be accessed from the website of our Company.

No Extraordinary General Assembly Meeting was held during the year 2014.

The shareholders were informed that no donations and aids were made in 2013, with a seperate agenda item. Our Company's policy regarding the donations and aids, which was revised by the Board of Directors pursuant to the CMB legislation, was put to shareholders' vote with a separate agenda item at the ordinary general assembly meeting and the revised policy was accepted by the majority of votes.

#### **2.4. Right to Vote and Minority Rights**

In article 25 of the Articles of Association titled "Right to Vote", there is a provision stating that "the Shareholders and their representatives who are present at the Ordinary and Extraordinary General Assemblies shall have one right to vote for each share" and there is no privilege or no upper limit pertaining to the numbers of votes. The right to vote arises as soon as the share is acquired and there is no regulation setting forth that the vote shall be used when a certain time passes after the acquisition date of the share.

The regulations regarding the voting of the shareholders through their representatives are followed by; in the event of a legal representation, it is certified and the open proxy rule is applied.

Particular attention is paid in exercising the minority rights in our Company and the provisions of Turkish Code of Commerce and the relevant legislation regarding minority rights are applied as is. All shareholders are treated equally in our Company, including the minority and foreign shareholders.

There are no prevailing partners in our Company. In the Articles of Association, there is no provision with respect to the representation of the minority shares in the management and their accumulated casting of votes. Due to the voluntary implementation of this issue regarding the capital market legislation, provision with respect to the current General Assembly quorum is applied.

## **2.5. Dividend Rights**

There are no privileges with respect to the participation in the profit gained by the Company. The dividend distribution policy was revised in 2014 and was submitted to General Assembly meeting. The dividend distribution policy published separately in the annual report on our website is given below.

“The dividend amounts which shall be calculated considering the sustainable growth rate, market values and cash flows, the company equity, with the relevant legislation and the provisions of the articles of association over the distributable profit amount calculated taking the period profit as the basis which is shown on the financial statements of our Company prepared pursuant to the existing legal regulations (after the mandatory legal reserves are reserved and the taxes, funds and financial liabilities and losses of the previous year, if any, are deducted and the donations are added). The dividend distribution proposal which shall be prepared by the Board of Directors in order for the shares which shall be issued by means of adding the cash or the dividend on the capital on the date(s) determined pursuant to the regulations of the CMB to be distributed in cash in the defined amounts or as bonus shares or bonus shares in defined amounts, shall be submitted to the approval of the General Assembly. Following the approval of the General Assembly, the determined profit share distribution amounts are distributed to the shareholders within the legal periods on the date determined by the General Assembly.

There is no privilege to participate to the profit of our Company. The profit shares are distributed equally regardless of all the existing shares and their issue and acquiring dates.

In case of a revision made on the Dividend distribution Policy, the resolution of Board of Directors regarding this revision and the reason for revision shall be publicly announced with respect to the legislation of CMB.”

As per the decision taken in the General Assembly pursuant to the provisions of the Articles of Association and to the Capital Market Law and other legal regulations in 2014 and within the legal periods, out of the profit gained from 2013 operations, the gross amount of TL 25.000.000,- (TL 0,05 per TL 1 of share, gross 5% over the capital) (net TL 21.250.000,- TL 0,0425 per TL 1 of share, net 4,25% over the capital) was distributed to our shareholders as cash dividend.

## **2.6. Transfer of Shares**

The transfer of the nominated Group A shares representing majority part of the capital and which are not traded in Borsa İstanbul has been restricted with the provision of article 6 of the Articles of Association stating “Group A shares shall not be sold or transferred without the consent of the Board of Directors; in the event that these shares are transferred or sold to third parties partially or completely without the consent of the Board of Directors, the Board of Directors is entitled to abstain from recording this sale in the records without stating a reason”. The amendment of this article was put to vote of our shareholders in the 2014 general assembly meeting as “Group A shares shall not be sold or transferred without the consent of the Board of Directors because of the Company’s operations in security and defence industry; in the event that these shares are transferred or sold to third parties partially or completely without the consent of the Board of Directors, the Board of Directors is entitled to abstain from recording this sale in the records.” and was accepted with the majority of votes.

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

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

In order to inform our shareholders in a timely and accurate manner within the context of public disclosure and transparency; the website of the Company at the address [www.aselsan.com.tr](http://www.aselsan.com.tr) in Turkish and [www.aselsan.com](http://www.aselsan.com) in English is actively used and the information published on the web are updated regularly. In 2014, full compliance acquired to related regulations and judgments under “Investor Relations” section in both the Turkish and English versions of our Company’s website.

The section “Investor Relations” is included on our website also comprising the issues listed in article 2.1.1 of the corporate governance principles of Communiqué on Corporate Governance numbered II-17.1 issued by CMB on 03/01/2014.

Under “Investor Relations” section;

1. Corporate Governance
  - 1.1 Shareholder Structure
  - 1.2 Board of Directors
  - 1.3 Key Resolutions of Board of Directors
  - 1.4 Board Committees
  - 1.5 Articles of Association
  - 1.6 Company Profile
  - 1.7 Policies
  - 1.8 Ethical Principles
  - 1.9 Corporate Governance Rating
  - 1.10 General Assembly Meeting
  - 1.11 Compliance with Corporate Governance Principles
2. Sustainability
3. Stock Info
  - 3.1 Stock Info
  - 3.2 Non-Deposit Shares
  - 3.3 Capital Increases
  - 3.4 Analyst Coverage
  - 3.5 Registration Statement and Public Offering Circular
  - 3.6 Dividend Info
4. Investor Calendar
5. Annual Reports
6. Financial Data
  - 6.1 Financial Reports
  - 6.2 Financial Highlights
  - 6.3 Investor Presentations
  - 6.4 BoD Reports
7. BİST Disclosure
8. Frequently Asked Questions
9. Contact

chapters exist. Necessary records and information are included under these titles. The information given on the Turkish website under “Investor Relations” section is included entirely on the English website.

### **3.2. Annual Report**

The Board of Directors prepare the annual report in detail regarding the operations of the Company and which enable the public to reach complete and accurate information that can be comprehensive. The 2014 annual report of our Company was prepared as per the Turkish Code of Commerce numbered 6102, the Regulation Regarding the Determination of the Minimum Content of the Annual Reports of Companies issued by the Ministry of Customs and Trade, the

Communiqué Regarding the Principles Related to Financial Reporting in the Capital Market and the Communiqué Regarding the Determination and Implementation of the Corporate Governance Principles, both issued by the CMB.

## **CHAPTER IV - STAKEHOLDERS**

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

The information requests of stakeholders are keenly handled and attention is paid in responding these accurately and in an understandable manner. Our employees are informed with a personnel hand book and informing presentations over the intranet. As for our suppliers, strategic cooperation and certified suppliers policy is followed and our suppliers are informed via internet or e-platforms and face to face meetings are held through visits. The studies are being carried on in order to establish “ASELSAN Suppliers Portal” in order to enrich the content, efficiency and quality of our communication with the suppliers. While web-based electronic purchase platform is already used in the internet, the platform will be upgraded to a more comprehensive content. In the suppliers’ portal, it is targeted for the suppliers to reach and govern the information regarding them.

Our Company’s main principle is the continuous development, improvement and verification of processes, services and products and to provide its customers with services and products without any defects in order to meet all their requirements. For this purpose, a quality system has been established where the Quality Handbook, directives, quality plans, standards, audit and test directives are documented, exercised and constantly improved.

Our core principle related to customer satisfaction is to deliver products/services meeting the expectations and requirements of the customers. For this purpose, requirements are defined in an accurate and complete manner and products tailored for these requirements are designed and produced and the logistics support is provided accordingly. Customer satisfaction evaluations are open to access of every director within the context of Management Reports and the results and tendencies of customers are evaluated on a yearly basis by the upper management.

Our products are designed and produced in accordance with the military, civil and international standards. Starting with the design phase, these quality standards are fulfilled throughout the life-cycle of our high-end technology products and strict tests and controls are applied in every stage of production starting at the material procurement stage in order to guarantee that all products are produced in the same quality. Our products and services have been certified by internationally accepted standards such as AS9100, ISO 9001, AQAP and CMMI. The conformity of our products and services are approved every year with the audits performed.

To minimize quality problems, the suppliers are subject to commercial, technical and qualitative evaluations in order to assure that, materials and software or related services are supplied from

reliable suppliers. The result of the evaluation is submitted to the suppliers and qualified ones are chosen to work with. Within this context, in 2014 orders, nearly 2.000 of which were domestic orders, were given to 3.736 suppliers.

The quotations of the suppliers and the written communications are deemed confidential and not disclosed to third parties or unauthorized people. With the directives formed, provision and implementation of unfair benefit with respect to the relations between the customers and the suppliers have been prevented.

ASELSAN Magazine published every 4 months provides information regarding the activities, technical issues and up-to-date social events. Hardcopies of ASELSAN Magazine is delivered to the end users of ASELSAN products, shareholders who participated to the General Assembly Meeting, company employees and other related parties and uploaded to the website right after it is published.

The Compensation Policy can be accessed from our company's website under Corporate Governance title.

The members of the Board of Directors and the executives do not perform any activities that may cause shareholders to incur losses or may diminish the Company assets.

It is resolved that the actions to be taken with regard to the article of Corporate Governance Principles "The company builds the necessary mechanisms through which the stakeholders may inform the corporate governance committee or audit committee about the transactions of the company which are in contradiction with the related regulation and are ethically inappropriate." shall be coordinated by the Audit Committee and the studies regarding this issue are carried on.

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

In the Articles of Association, there are no provisions regulating the participation of the stakeholders in the management. However, their participation to management shall be supported provided that it does not corrupt the Company activities.

The corporate governance structure of the Company gives the opportunity to all stakeholders including the employees and representatives to convey their worries with regard to transactions which are inappropriate in terms of legality and ethics.

The Company employees have the opportunity to convey their expectations and requests through the representatives. The Company employees are informed about their financial and social rights over the intranet. Besides, there is an Employee Representative Agency in the Company where 45 representatives are present and which is formed by the Company personnel to enable the contact between the Company personnel and the management.

The periodical meetings held with the employee representatives are the platforms where employers and employees exchange their wishes, requests and opinions regarding the

implementations. The meeting minutes formed as the result of these meetings are announced to all personnel through the employee representatives' page on the intranet. The presidency of the employee representative is performed by Yasin Zengin and the coordinator role is carried out by Mert Kovuk. The duties and authorizations of the Employee Representative Agency is to convey the wishes, proposals and problems of the group personnel represented and to share the received opinions with the group personnel and to pay efforts to provide an open and efficient communication between the personnel and the management.

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

The human resources policy of our Company is to adopt an understanding which adds successful and dynamic talents to ASELSAN family required pursuant to the vision of ASELSAN, which contributes to the sustainable success of ASELSAN with employee oriented approaches, adds value and which takes side of its employee at all times.

Within this scope and pursuant to the vision, mission and the principles of the Company, regulations have been set out pertaining to the working conditions of the personnel, their qualifications, recruitment, promoting, remuneration, rewarding, dismissal, disciplinary treatments, rights, tasks and liabilities and other personal rights.

56% of our employees stand for the engineering group, 31% for the technician group 7% for the administrative group, 3% for the office personnel and 3% of the worker group.

Among the company personnel, there are 1 chief engineer, 1 leader, 17 personnel representing the engineers, 20 personnel representing the technicians, 2 personnel representing the bureau personnel and 4 personnel representing the workers, which make up a total of 45 personnel representatives.

There were no complaints related to discrimination from the employees in 2014. Performance and rewarding policies are announced to all of our employees through Company directives.

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

The ethical rules of our Company have been written and were published on our website. Furthermore, in order to integrate and develop the ethical rules with the implementations, an Ethical Committee was established to meet the evaluation, direction, consulting and recommendation requirements and create shared knowledge.

"Ethical Principles and Behaviour Rules" document is announced to all ASELSAN personnel with all its exhibits and the personnel makes a written commitment that s/he acknowledges the information and ethical values. When an amendment or an update is made on this document, the changes are made known to all the personnel and training programs about these changes are organized if deemed necessary.

Ethical Committee comprises of ten members, the chairmanship of the Committee is executed by the Human Resources Management Vice President and the secretariat is handled by Human Resources Director. Other members are the representatives indicated by sectors; the Law

Department and Central Procurement Department charged by the CEO. If there are no changes in the organization, the Ethical Committee members serve at least for five years.

Ethical Committee meets 4 times a year unless an application or disobedience is present. CEO or any member of the committee can call a meeting. Beyond intervening in applications and disobedience, Ethical Committee represents reason and conscience of ASELSAN and works to increase the awareness in ASELSAN family. When there is an application, required research conclusions and necessary documents are forwarded to Ethical Committee. Committee Chairman presents these to the CEO and a parallel investigation is carried out. At the end of this investigation, necessary steps are taken in accordance with relative law and ASELSAN regulations. The applications and disobedience is reported periodically in Board of Directors meeting.

The setting and execution with respect to confidentiality principles of a mechanism, where the complaints regarding our Company's transactions which are against legislation and unethical, is the responsibility of Audit Committee. Committee's efforts regarding this issue are in progress.

An independent British institution, Carbon Disclosure Project (CDP) which reports how the risks of climate changes are managed by the companies announced the 2014 results of the Turkey Carbon Transparency Project. ASELSAN, who attended the project for the second time, has increased its previous rating and conducted successful activities regarding climate change. ASELSAN, being proud to work to leave a better world for the future generations, shall continue to take place in the national and international platforms with respect to sustainability and climate change matters with its leading applications.

Our Company is sensitive on the social activities which are supported in favour of the public in general and are respectful towards its environment. The greenhouse gas emissions of our Company are calculated by taking the TS ISO 14064 and Green House Protocol as the reference and are monitored all the time. We have certifications for ISO 14001 Environmental Management System and OHSAS 18001 Work Health and Safety Integrated Management System. In addition, since 2013 for each new personnel recruited a tree is planted.

In 2014 our Company sponsored; the activities of Turkish Armed Forces Rehabilitation and Care Center Handicapped Sports Club, the "Workshop of Microelectronic Technology, Signal Detection and Processing of Circuits and Systems for Defence and Space" which was organized by Sabancı University on 19/06/2014 - 20/06/2014 and has supported the competition "New Ideas New Jobs" organized by METU and METU Teknokent in 2014 in Defence Industry category.

## **CHAPTER V - BOARD OF DIRECTORS**

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

H.C. M.Ü. Z.A. A.C.Ç. C.D. O.E. ~~A.K.~~ ~~S.N.~~ M.M.Ş.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.**

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD  
BETWEEN 1 JANUARY – 31 DECEMBER 2014

In our Company, 3 members of 9 members of Board of Directors are independent members. The duties of Nomination Committee are executed by Corporate Governance Committee. The report regarding the evaluation of the list of Independent Members of Board of Directors prepared by Corporate Governance Committee on 26/02/2014 was presented to Board of Directors on 27/02/2014 and the CV's and independence declarations of 3 nominees were announced on our website to public on 05/03/2014. As a result of the voting at the General Assembly Meeting on 31/03/2014, 3 nominees were elected as Independent Members of Board of Directors. There were no cases to eliminate the independency of the Independent Members of the Board of Directors in 2014.

The CVs of the Members of the Board of Directors are included in the 2014 annual report and the information with respect to their duty terms is provided in the table below.

<b>Name Surname</b>	<b>Duty</b>	<b>Election Date</b>	<b>Termination Date</b>	<b>Responsibilities other than the Company</b>
Hasan CANPOLAT	Chairman / Managing Member	March 2014	March 2015	Consultant of Ministry of National Defence
Murat ÜÇÜNCÜ	Vice Chairman / Managing Member	March 2014	March 2015	-
Ziya AKBAŞ	Independent Member	March 2014	March 2015	Turkish Patent Institute – Brand Representative, Public Supervision Institute – Independent Auditor, R.T. Ministry of Labour Social and Security – Official Mediator, TURMOB – Expertise on Author's Rights and Financial Matters
Ahmet Can ÇEVİK	Member	March 2014	March 2015	-
Celalettin DÖVER	Independent Member	March 2014	March 2015	Consultant of the CEO of Türk Telekomünikasyon A.Ş.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.**

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD  
BETWEEN 1 JANUARY – 31 DECEMBER 2014

Oral ERDOĞAN	Independent Member	March 2014	March 2015	Rector of Piri Reis University, Consultant of Chamber of Shipping, Consultant of Turkey Ship Building Businessman Union, Member of the Board of Istanbul Maritime R&D Publishing and Consultant Inc., Member of the Board of Turksat Satellite Communication and Cable TV Operating Inc.
Ahmet KESİK	Member	March 2014	March 2015	Lecturer in Yıldırım Beyazıt University Faculty of Politics Public Finance Theory Department
Sedat NAZLIBİLEK	Member	BoD Decision on 25/06/2014	First General Assembly Meeting to be held	Lecturer in Atılım University Mechatronics Engineering Department
Mustafa Murat ŞEKER	Member	March 2014	March 2015	Head of Department of Naval Platforms in Undersecretariat for Defence Industries
Faik EKEN	CEO	May 2014	-	-

In article 13 of the Articles of Association titled “Duties and Authorization of the Board of Directors”, the duties and authorization of the Board of Directors have been defined. Besides, the Board of Directors Working Directive also describes the Duties and Authorization of the Board of Directors. With the article 14 of the Articles of Association titled “Assignment of the Authorization to the CEO”, the assignment of the authorization of the Board of Directors to the CEO has been set out. The duties and authorization of the executives are described in the “Duties and Responsibilities Directive” formed within the Company.

The duties of the Members of the Board of Directors and of the CEO carried out outside the Company, information regarding the term of office and the statements of the board of members with respect to their independencies:

- There are no members of Board of Directors carrying out an executive duty.
- The statements of independence of the Independent Members of the Board of Directors have been provided at the annex of the Compliance Report.
- The Members of the Board of Directors fulfill their duties without any interest or benefit and pursuant; to the liabilities and authorizations undertaken by the Board of Directors and to the regulations of the Turkish Code of Commerce and CMB.

- Members of the Board of Directors are liable not to enter into any commercial treatments directly or indirectly with the Company that coincides with the Company objectives, on their behalf or on behalf of others without the consent of the General Assembly.

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

Board of Directors carries out its duties and responsibilities determined with reference to Turkish Commercial Code (TCC), Capital Market Law and Articles of Association. In this context, the basis of duties and operations are indicated in details in ASELSAN Board of Directors Working Directives.

The agenda of the Board of Directors meetings is formed with the proposals of the Members of the Board of Directors and the committees and the CEO, it is afterwards evaluated by the Board of Directors Chairman and finalized. The subjects emerged as urgent and which are considered worthwhile to discuss may be added to the agenda during the Board of Directors meeting.

As per article 10 of the Articles of Association, the Board of Directors assemble when required and at least once a month. The number of Board of Directors Meetings in 2014 was 49, where 34 of the decisions in the meetings are interim decisions. All of the Members of the Board of Directors attended 78% of the meetings.

The place, date, time and agenda of the next meeting is decided at the Board of Directors Meetings. Documents pertaining to the meeting agenda are sent to the members of Board of Directors at least 3 work days before the meeting by the Presidency.

The Members of the Board of Directors attend the meetings and fulfill their duties as per their authorization and responsibilities. The members who do not attend the meetings submit their excuses.

Board Office is established under Board of Directors in order to coordinate necessary issues in the name of the Board, particularly the relationships with the Presidency and TAFF, to execute planning and support the Board of Directors' operations.

All members have one right to vote, including the chairman. If the numbers of votes are equal, the vote of the chairman does not change the result. Abstaining is not possible, either rejection or acceptation is voted. The vote of the abstaining member is considered as a rejecting vote. The member casting a reject vote states the ground for this in the meeting minutes and undersigns it. According to the article 11 of the Articles of Association titled "Quorum of Meeting and Decision Making"; "The provisions of the TCC, Capital Market Law, regulations of the Capital Markets Board in connection with corporate governance and other relevant legislation are taken into account with respect to the meetings and decision making quorums of the Board of Directors as well as with respect to any Board of Directors members assuming duties and positions outside the Company. Any action and resolutions taken by the Board of

Directors without complying with the Corporate Governance Principles, which are made mandatory as to be complied by the Capital Markets Board, are invalid and considered as in contrary to the Articles of Association”. There were no related party transactions or any other significant issue, which had to be submitted to the approval of the general assembly, since they were not approved by the Independent Members of the Board of Directors.

The signed decisions are made available to the follow up of the Members of the Board of Directors and Executive Committee Members in the electronic platform.

In accordance with the article 4.2.8 of Capital Markets Board Corporate Governance Communiqué; Executive Liability Insurance Policy was signed for Board of Directors members on 18/07/2014 with the total liability amount of USD 60.000.000,- which corresponds to more than 25% of the paid-in-capital of our Company, with a validity period of 1 year.

### **5.3. Number of Committees Formed in the Board of Directors with Their Structures and Independency**

As per the title “Committees Formed in the Board of Directors” in the Communiqué Regarding Determination and Implementation of Corporate Governance Principles by the Capital Markets Board, our Company’s Board of Directors, in the meeting dated 10/04/2012, formed an Audit Committee, Corporate Governance Committee and Early Detection and Management of Risk Committee and announced this to the public. There are no Nomination and Remuneration Committees within the Board of Directors and the duties of these are carried out by the Corporate Governance Committee.

The directives of Audit Committee, Corporate Governance Committee and Early Detection and Management of Risk Committee are made available at the website of our Company. The Independent Members of the Board of Directors and four members of the Board of Directors have duties in more than one committee. This is because it is mandatory that all members of the Audit Committee and the chairman of the other committees should be Independent Members of the Board of Directors.

Boards of Directors have made the annual evaluation of the committees composed under its structure and the evaluation report is available in 2014 Annual Report.

**AUDIT COMMITTEE**

Ziya AKBAŞ .....Chairman/Independent Member of Board of Directors  
Oral ERDOĞAN .....Member/Independent Member of Board of Directors  
Celalettin DÖVER.....Member/Independent Member of Board of Directors

The main duties of the Audit Committee that were set out in the “ASELSAN Audit Committee Work Directives” regulating the working principles of Audit Committee are as follows;

- To enable the disclosure of the financial data of ASELSAN, to pursue the operation and efficiency of the accounting system, independent audit, internal audit and internal control system of the company,
- To assemble at least every 3 months, to share the meeting minutes with the Board of Directors

Meetings were held by Audit Committee on dates 05/03/2014, 12/05/2014, 19/08/2014 and 10/11/2014 regarding the financial statements with the participation of the relevant independent audit company in 2014.

In order to maintain the efficiency of internal audit, attention was paid to strengthen the cooperation with Internal Audit Presidency and to the supervision of internal audit activities, direct and continuous communication was established between Audit Committee and Internal Audit Presidency. A dimension of this communication; Audit Committee- Internal Audit Presidency coordination meetings, were held five times on dates 12/05/2014, 24/09/2014, 22/10/2014, 27/11/2014 and 22/12/2014.

The Committee was active in two main topics in 2014.

**i. Independent Audit Activities and Works Regarding the Audited Financial Statements:**

“Communiqué on Financial Reporting in Capital Markets” Serial:II, 14.1 regulated the preparation of financial reports and their basis, principles of presentation to the relevant parties. December 2013, March 2014, June 2014 and September 2014 financials and Board of Directors reports were prepared in accordance with the communiqué numbered II, 14.1, and submitted to Board of Directors by Audit Committee and presented to the public via Public Disclosure Platform.

The procurement process for independent audit services was handled by the Procurement Department and the purchasing decision that the service shall be provided by Deloitte was made by Board of Directors. The resolution was submitted for approval on the General Assembly Meeting dated 31/03/2014 and was accepted.

**ii. Internal Audit Presidency:**

Within the scope of the internal audit activities of the Company, the relations between the Internal Audit Presidency and the Board of Directors have been carried out through Audit

Committee. A direct and continuous contact between Audit Committee and Internal Audit Presidency is present.

**CORPORATE GOVERNANCE COMMITTEE**

Committee Members (2014 January - March)

Cumhur Sait Şahin TULGA..... Chairman/Independent Member of Board of Directors  
Erhan AKPORAY..... Member/Vice Chairman of the Board of Directors  
Hasan CANPOLAT ..... Member/Member of the Board of Directors  
Orhan AYDIN ..... Member/Member of the Board of Directors  
Mustafa Murat ŞEKER ..... Member/Member of the Board of Directors  
Murat ÜÇÜNCÜ..... Member/Member of the Board of Directors

Committee Members (2014 March - June)

Oral ERDOĞAN ..... Chairman/Independent Member of Board of Directors  
Ahmet Can ÇEVİK ..... Member/Member of the Board of Directors  
Nilüfer ÖZDOĞAN ..... Member/Member of the Board of Directors  
Pinar ÇELEBİ ..... Member/Investor Relations and Subsidiaries Manager

Committee Members (2014 June - December)

Oral ERDOĞAN ..... Chairman/Independent Member of Board of Directors  
Ahmet Can ÇEVİK ..... Member/Member of the Board of Directors  
Mustafa Murat ŞEKER ..... Member/Member of the Board of Directors  
Pinar ÇELEBİ ..... Member/Investor Relations and Subsidiaries Manager

The main duties of the Corporate Governance Committee were set out in the “ASELSAN Corporate Governance Committee Work Directives” as follows:

- To carry out studies for the implementation of Corporate Governance Principles in the Company,
- To observe whether the Corporate Governance Principles have been implemented or not and if not implemented to determine the grounds for this and the conflicts of interest arising due to not complying with these principles and to make proposals for improving the status,
- To monitor the studies of the Investor Relations Department.
- Corporate Governance Committee assembles every 3 months and in every situation when necessary. The meeting minutes are submitted to the Board of Directors.

The Corporate Governance Committee assembled five times within the activity year 2014 on dates, 29/01/2014, 26/02/2014, 16/06/2014, 27/08/2014 and 24/12/2014. The meeting minutes of the Committee may be reached on our website. The committee was active in three respective tasks in 2014:

**i. Operations of Investor Relations Department:**

Investor Relations Department have attended all the meetings in 2014, performed secretariat procedures of the committee with regard to “ASELSAN Corporate Governance Committee Working Directive” and informed the committee periodically about the tasks carried by investor relations department.

The duty of monitoring the operations of Investor Relations Department was given to Corporate Governance Committee with respect to the Communiqué on Corporate Governance. In 2014, the tasks carried by Investor Relations Department which are; the applications for amendment in Articles of Association, organization of General Assembly meeting for 2013, corporate governance rating process, independent board member election process, corporate governance rating report, corporate governance committee report, compliance with the corporate governance principles report, operations regarding the compliance to new Capital Markets Law and the revised Secondary Legislation, BİST Sustainability Index and sustainability tasks performed in ASELSAN, material event disclosures made with respect to Capital Markets Board, analyst and/or investor meetings the department attended and the tasks carried to keep “Investor Relations” page of our Company’s website updated, have been monitored by the Committee.

**ii. Corporate Governance Rating:**

The evaluation of corporate governance rating performed by SAHA Corporate Governance and Ranking Services on 13/12/2012 were concluded during the last quarter of 2013. According to the review, the score of 13/12/2013, 8,77 out of 10, was revised as 9,07 out of 10. SAHA has revised the 2013 corporate governance ratings of all its customers, regarding the resolution of Capital Market Board’s meeting numbered 4/105 held on 01/02/2013. The update is caused by the revision of 2013 corporate governance ratings within the context of renewed rating principles and is a result of change in methodology. Within this context, our rating, which had been confirmed as 9,07 over 10 on 13/12/2013, has been revised as 8,57 over 10. Because of this revision, almost all the companies’ ratings have been effected negatively. As a result of the efforts made for improving Corporate Governance Rating during 2014, ASELSAN’s corporate governance rating was updated as 9,09 over 10 on 12/12/2014 by SAHA A.Ş. Our Company’s share has been listed in the corporate governance index since the date 14/12/2012 which it first entered the index. Rating reports can be accessed on the company website.

**iii. Election of Independent Board Members**

As given by Corporate Governance Principles, the responsibility of evaluating and reporting the nominations and their independency status is given to the Nomination Committee, in companies where this committee is not formed because of the structure of the Board of Directors, the responsibility is given to Corporate Governance Committee. Within this context, the evaluation of nominations which were made until the end of February 2014 was carried on by the Committee and the resulting nominee list was presented at the Board of Directors meeting on 27/02/2014. The list was proposed to shareholders’ voting on General Assembly Meeting on 31/03/2014 and as a result, Ziya AKBAŞ, Celalettin DÖVER and Oral ERDOĞAN were elected as independent members to serve for 1 year.

**EARLY DETECTION AND MANAGEMENT OF RISK COMMITTEE**

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.**

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“Early Detection and Management of Risk Committee”, which was established with the resolution of ASELSAN Board of Directors on 10/04/2012, 720/1 executes its operations within the framework of regulation ASY-01-066.

The Committee members have changed in accordance with the ASELSAN Board Resolution dated 31/03/2014 and numbered 809/1.e. The members are listed below:

H.C. M.Ü. Z.A. A.C.Ç. C.D. O.E. ~~A.K.~~ ~~S.N.~~ M.M.Ş.

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.

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### Committee Members (2014 January - March)

Lamia Zeynep ONAY.....Chairman/Independent Member of the Board of Directors  
Erhan AKPORAY.....Member/Board of Directors Vice Chairman  
Hasan CANPOLAT.....Member/Member of the Board of Directors  
Murat ÜÇÜNCÜ.....Member/Member of the Board of Directors  
Mustafa Murat ŞEKER.....Member/Member of the Board of Directors  
Orhan AYDIN.....Member/Member of the Board of Directors

### Committee Members (2014 April - December)

Celalettin DÖVER.....Chairman/Member of the Board of Directors  
Ahmet KESİK.....Member/Member of the Board of Directors  
Ahmet Can ÇEVİK.....Member/Member of the Board of Directors

The committee continues its studies in determining the risks which may prevent ASELSAN from reaching its goals; governing these risks in accordance with the company's risk handling profile, its reporting; consideration through decision mechanisms and establishment of internal control. In this respect, in 2014 the committee held 6 meetings on 18/02/2014, 29/04/2014 25/06/2014, 27/08/2014, 22/10/2014 and 25/12/2014. Committee's works are summarized below:

- "2013 Evaluation Report" was prepared and submitted to Board of Directors' information on February 2014.
- "Corporate Risk Evaluation Report" was completed and has been submitted to Board of Directors on February 2014, April 2014, June 2014, August 2014, October 2014 and December 2014. Within the context of the operations followed with the report;
  - Important risks beared by ASELSAN were identified and risk classification, explanation, rating, strategy, owner/responsible, current control operations and relevant indicators were included in the report.
  - Warning benchmarks for risk indicators were determined and it was targeted to draw the attention of Board of Directors to the risks which go beyond the benchmark at the end of the report.
  - In the meetings held by the committee, present developments regarding the risks began to be evaluated. In order to increase the operation of Corporate Risk Management System and reducing present risks to minimum, Committee suggestions and proposals are shared with related departments.

The secretariat formalities of the Committee were performed by Strategy Management Directorate for January and April 2014 periods, by Internal Audit Presidency for June and August 2014 reporting periods, and following the reorganization of ASELSAN, by Risk Measurement and Analysis Department of Strategy Management Directorate for the October and December 2014 reporting periods.

### 5.4. Risk Management and Internal Audit Mechanism

H.C. M.Ü. Z.A. A.C.Ç. C.D. O.E. ~~A.K.~~ ~~S.N.~~ M.M.Ş.

Internal audit operations and corporate governance are facilitated via risk management and development of efficiency of internal audit procedures in ASELSAN. The most important role of internal audit operations is assuring the Audit Committee and Board of Directors that the risks are being managed effectively. Annual audit plan and work programs are prepared on a risk basis and audit results are reported periodically to Audit Committee. Harmonization with legal and firm regulations, the status of application of ethical principles and the effectiveness of risk mitigation is evaluated by internal audit department.

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

The Board of Directors is the top level body to make strategic decisions and to execute and represent. As per the Articles of Association of the Company, the Board of Directors is responsible to determine the strategic plans and control their implementations.

Strategic management process is a part of Corporate Governance and is managed by the CEO in the name of Board of Directors, following the approval of the plans prepared by the Board of Directors with the coordination of Strategic Management Committee. Reaching ASELSAN's long term goals and sustaining success can be achieved through environment friendly strategies.

ASELSAN's vision is to become one of the biggest 50 defence industry companies globally and improving its position while strengthening it. In this respect, annually updated 5 year plans and business plans and 3 year budgets are prepared. With this methodology, short and middle term targets are specified by considering long term goals. The operations to be carried out for these targets are executed by Sectors Presidencies and performance evaluations are made based on Balanced Scorecard method, which is widely used in the world.

### **5.6. Financial Rights**

Remuneration procedures, which are set in written form in accordance with the Corporate Governance Principles, were submitted to the information of shareholders in the 39<sup>th</sup> Ordinary General Assembly Meeting under a separate item named Principles Regarding the Remuneration of Board of Directors Members and Managers with Executive Responsibility. Remuneration principles for Board of Directors Members and Managers with Executive Responsibility are published on our Company's website.

Monthly remunerations provided to our Members of the Board of Directors are determined by the General Assembly and no other benefits are granted apart from the monthly remuneration. Pursuant to the resolution taken at the 39<sup>th</sup> Ordinary General Assembly held on 31/03/2014, the Members of the Board of Directors are paid TL 3.000,- per month. As for the determination of the financial rights of the board members, no reward system is applied to reflect the Company performance and which is based on the performance of the Members of the Board of Directors.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.**

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD  
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No Member of the Board of Directors or executives has been provided with loans or credits by our Company, no credits were used as personal credits and no personal securities were granted with the intermediary of a third person.

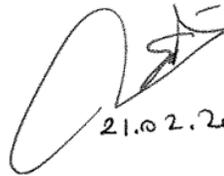
**Statement of Independence**

To the Board of Directors of ASELSAN Elektronik Sanayi ve Ticaret A.Ş.;

I hereby agree, represent and undertake that I comply with the regulations of the Capital Market Board related to Independence Board Membership and with the criteria determined for Independence Board Membership within the scope of Corporate Governance Principles.

I hereby submit this to the knowledge of the Board of Directors, shareholders and all relevant parties.

Sincerely yours,  
Prof. Dr. Oral ERDOĞAN



21.02.2014

### **Statement of Independence**

To the Board of Directors of ASELSAN Elektronik Sanayi ve Ticaret A.Ş.;

I hereby agree, represent and undertake that I comply with the regulations of the Capital Market Board related to Independence Board Membership and with the criteria determined for Independence Board Membership within the scope of Corporate Governance Principles.

I hereby submit this to the knowledge of the Board of Directors, shareholders and all relevant parties.

Sincerely yours,

  
21.02.2014

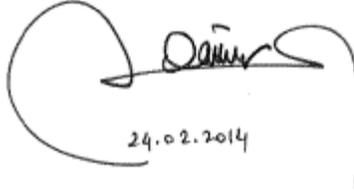
**Statement of Independence**

To the Board of Directors of ASELSAN Elektronik Sanayi ve Ticaret A.Ş.;

I hereby agree, represent and undertake that I comply with the regulations of the Capital Market Board related to Independence Board Membership and with the criteria determined for Independence Board Membership within the scope of Corporate Governance Principles.

I hereby submit this to the knowledge of the Board of Directors, shareholders and all relevant parties.

Sincerely yours,  
Celalettin DÖVER



24.02.2014

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.**

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD  
BETWEEN 1 JANUARY – 31 DECEMBER 2014

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ASELSAN Elektronik Sanayi ve Ticaret A.Ş.  
Signature Section of Annual Report Of The Board Of Directors For The Period  
Between 1 January – 31 December 2014

Hasan CANPOLAT  
Chairman of Board of Directors

Murat ÜÇÜNCÜ  
Vice Chairman of Board of Directors

Ziya AKBAŞ  
Member of Board of Directors

Ahmet Can ÇEVİK  
Member of Board of Directors

Celalettin DÖVER  
Member of Board of Directors

Oral ERDOĞAN  
Member of Board of Directors

Ahmet KESİK  
Member of Board of Directors

Sedat NAZLIBİLEK  
Member of Board of Directors

Mustafa Murat ŞEKER  
Member of Board of Directors

H.C. M.Ü. Z.A. A.C.Ç. C.D. O.E. ~~A.K.~~ ~~S.N.~~ M.M.Ş.