



Corporate Governance and Credit Rating Services, Inc.

Corporate Governance Rating Report



17 January 2008

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Rating and Executive Summary

TEK FAKTORİNG HİZMETLERİ A.Ş.

 SAHA
Corporate Governance Rating:

6.83
FLF-Priv.

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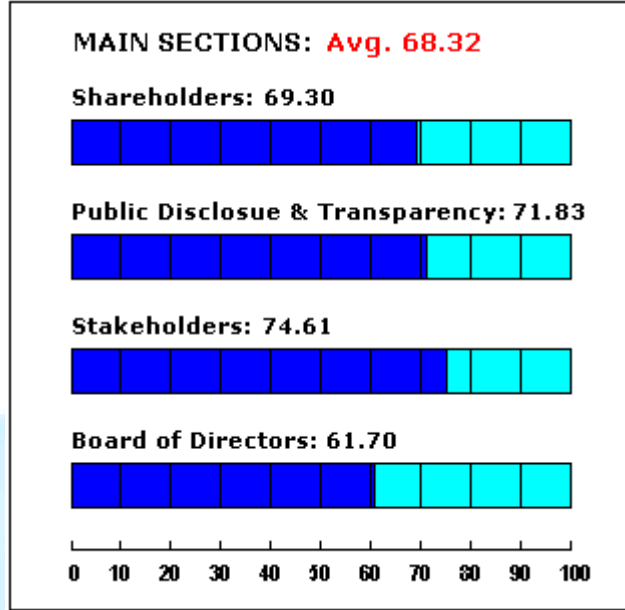
EXECUTIVE SUMMARY

TEK FAKTORİNG is rated with **6.83** as a result of the Corporate Governance study done by SAHA. Details of this study are presented in the following chapters as main sections and sub-sections. Our rating methodology (page 5) is based on the Capital Markets Board's (CMB) "Corporate Governance Principles" (the Principles). Ratings of main sections and sub-sections are disclosed separately.

We observed that TEK FAKTORİNG took the necessary steps to determine its Corporate Governance risks and improved in setting up sound internal controls and management systems. However, there is still room for improvements in order to fully comply with the CMB's Corporate Governance Principles.

Under the **Shareholders** heading, TEK FAKTORİNG scored **6.93**. Having no limitations for voting rights, presence of shareholder relations personnel, conducting general shareholder meetings in compliance with the country's rules and regulations are positive aspects, whereas, the lack of cumulative voting procedures and lack of right to request appointment of special auditor from the general meeting are areas that need further improvement. The proactive approach of the company, despite being private, is a sign of corporate sensitivity in this area and further improvements to come in the near future.

TEK FAKTORİNG attained **7.18** under the **Public Disclosure and Transparency** caption. There is a well organized, informative, and comprehensive website that includes all information listed in the "Corporate Governance Principles" pertinent to



public disclosure. The company has recently published its information policy and confirmed its commitment to the issue. As apposed to these positive features, the fact that annual report needs to be more detailed and comprehensive, lack of notes to the financial statements and information about the payments to the employees are areas of improvement.

On the topic of **Stakeholders**, Tek Faktoring score above country and sector averages (**7.46**) in terms of company policy about stakeholders, protection of company assets, human resources policy, ethical rules and relations with customers and suppliers. On the other hand, however, there are no provisions in the Articles of Association or in the internal rules and regulations of the company regarding the participation of stakeholders in the management of the company.

From the perspective of the Principles regarding the **Board of Directors**, TEK FAKTORING's tally is **6.17**. There is a well communicated company mission and vision; a board that consists of broadly experienced and competent individuals of high ethical standards. There are a number of non-executives on the board. By the end of 2007, the Board of Directors established the Auditing, Corporate Governance and Credit Committees and issued related internal procedures. However, lack of independent members in the board and therefore in committees, and the lack of cumulative voting system procedures remain as areas of improvement.

DISCLAIMER

This Corporate Governance Rating Report has been prepared by Saha Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. (SAHA Corporate Governance and Credit Rating Services, Inc.) based on information made available by Tek Faktoring Hizmetleri A.Ş. and according to the Corporate Governance Principles by the Turkish Capital Markets Board as amended on 2005.

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

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

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

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Corporate Governance in Turkey

From the Turkish Republic's establishment until relatively recently, the state played a dominant role in Turkey's economic development. Although a pro-market philosophy started to develop in the mid-twentieth century, significant state involvement in the economy continued through the 1970s with the state often acting as a significant producer and/or subsidizing private enterprises. Beginning in the 1980s, a trend toward liberalization started to expose Turkish companies to global competition while providing some of them with opportunities to attract foreign investment. Following the establishment of a regulatory framework for the capital markets in the early 1980s, the ISE (Istanbul Stock Exchange) opened in 1985.

Responding to the economic crisis of 2000-01, the Turkish authorities implemented measures to address the causes of financial and fiscal instability, facilitate a quick recovery and establish the conditions for further integration with the EU. After contracting by almost 7.5% in 2001, real GDP has increased every year at an average rate of 7.1%. Consumer price inflation rate fell from 54% in 2001 to approximately 10% in 2006.

From the mid-1980s until after the economic crisis of 2000-01, economic conditions were difficult for companies. Thin markets, relatively few active institutional investors and an unpredictable macro-economic environment limited incentives for companies to adopt good corporate governance practices. More recently, however, the return of foreign investors, greater opportunities for Turkish companies to do business abroad and an increasing competition for foreign capital appear to be encouraging more companies to make good corporate governance practices a competitive advantage.

Turkey is a civil law country. The principal sources of general mandatory corporate governance standards are the joint stock companies' provisions in the TCC (Turkish Commercial Code), the CML (Capital Markets Law) and subordinate instruments published under the CML, generally in the form of CMB communiqués. The term "Capital Markets Law" is used to refer collectively to the CML and all of the compulsory subordinate instruments relating to the CML, including communiqués, regulations and CMB decisions of general application.

In late 2005, draft legislation based on a comprehensive package of reforms to the TCC developed by an expert Commission was tabled in Parliament. The parliament is considering the reforms and the amendments could come into force by mid 2008.

The corporate governance framework rests primarily upon a "public enforcement" model, with the Capital Markets Board (CMB) playing a leading role in setting corporate governance standards for publicly held companies, enforcing the applicable standards and fostering market integrity.

The ambitious, state-of-the-art and comprehensive CMB principles, adopted in 2003, are the principal source of non-binding corporate governance standards for publicly held companies. They were revised in 2005 to take into account revisions made to the OECD Principles in 2004. Listed companies must publish an annual Corporate

Governance Compliance statement, disclosing which CMB principles have not been adopted and the reasons for not doing so.

The corporate governance landscape in Turkey is characterized by concentrated ownership, often in the form of family-controlled, complex financial-industrial company groups such as holding structures and conglomerates, usually comprising both publicly held and privately held companies. State ownership has declined drastically thanks to the unwavering execution of a privatization policy.

Free floats are often low, pyramidal structures are common and there is a high degree of cross-ownership within the groups. Due to the limited free float, takeovers are rare. This obviously weakens the extent of corporate control over the market. Foreign institutional investors, however, are increasingly seen in the market, seeking to increase their share holdings in Turkish companies. Approximately 30% of ISE-listed companies have "floatation ratios" of less than 25% as of the end of 2006. This floatation ratio represents the percentage of a company's stock held by the Central Securities Depository (CSD) in Turkey.

Controlling shareholders often hold shares with nomination privileges and/or multiple voting rights. Family members often serve on the board and play a leading role in the daily management and strategic direction of publicly held companies. Preserving family control is the norm. A small number of families control a large number of the listed companies.

Turkish companies issue ordinary shares, preference shares, and non-voting shares. Golden shares only exist in few state-owned companies. Most of the shares traded at the ISE are bearer shares.

Shareholders who own at least 5% of the company's capital are granted minority rights. They can call an extraordinary General Meetings or propose agenda items. Shareholders must personally attend the General Meeting or they can be represented by a proxy.

The corporate environment in Turkey, however, is better positioned than many European countries to tackle corporate governance challenges ahead, because:

- the authorities have already adopted, or are introducing, high quality corporate governance standards (including audit standards);
- transparency has improved significantly, particularly in the area of financial reporting (listed companies are urged to adopt accounting standards which are almost identical to IFRS);
- a positive trend toward widespread implementation of a number of key corporate governance standards can be observed; and
- the authorities are now focusing their attention on monitoring implementation, identifying the remaining gaps and risk areas, focusing their resources on these risk areas and implementing institutional reforms as needed to strengthen supervisory, enforcement and remedial processes.

* Parts of this text uses the Pilot Study (Corporate Governance in Turkey) prepared and published by the OECD on 17 October 2006 as a resource. The full text of the study can be found at <http://www.sourceoecd.org/governance/9264028633>.

Rating Methodology

SAHA's "Private, Factoring, Leasing & Finance Companies" methodology (FLF-Priv.) for rating the degree of compliance with the Principles of Corporate Governance is based upon the CMB's Corporate Governance Principles released on July 2003, as revised on February 2005.

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

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

The Principles consist of four main sections: shareholders, public disclosure and transparency, stakeholders and board of directors:

On the foundation of these Principles, SAHA Corporate Governance Rating methodology features over 350 code criteria. During the rating process, each criterion is evaluated on the basis of information provided by the company officials and disclosed publicly. Some of these criteria can be evaluated by a simple YES/NO answer; others require more detailed analysis and examination.

SAHA assigns ratings between 1 (weakest) and 10 (strongest). In order to obtain a rating of 10, a company should be in full and perfect compliance with the Principles (see Rating Definitions, p.19).

Parallel to the CMB's directive, to reach an overall Corporate Governance Rating for "Private, Factoring, Leasing & Finance Companies" (FLF-Priv.), SAHA allocates the following weights to the four main sections of the Principles:

Shareholders: **35%**
Disclosure and Transparency: **20%**
Stakeholders: **15%**
Board of Directors: **30%**

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

Company Overview

Tek Faktöring Hizmetleri A.Ş	
	CHAIRMAN İbrahim Betil GENERAL MANAGER M. Orhun Sungurtekin
Ömer Avni Mah. İnebolu Sok. Ekemen Han. No.1 Kat 2 Kabataş/İstanbul www.tekfactoring.com.tr	Shareholder Relations Manager Murat KILIÇ Tel: (0212) 252 2170, Fax: (0212) 252 2181 kilic_m@tekfactoring.com.tr

The capital of Tek Faktöring Hizmetleri A.Ş., established in 1998, was 5.669.000 YTL in 2006 and has been raised to 8.000.000 YTL as of May 2007. The capital is fully paid up and divided into 8 (eight) million registered shares worth 1 (one) YTL each.

The capital structure of the company is as follows:

Capital Structure and Shareholding			
Shareholder	No. of Shares	Amount (YTL)	Percentage %
ABC Holding A.Ş.	5,152,930	5,152,930	64.41
Başer Holding A.Ş.	720,000	720,000	9.00
Beta Kimyasal Madd.Yat.A.Ş.	720,000	720,000	9.00
Hasan Başer	640,000	640,000	8.00
İrem Başer	640,000	640,000	8.00
Ökkeş Başer	50,010	50,010	0.63
Mehmet Başer	25,680	25,680	0.32
Demet Bilici	25,680	25,680	0.32
Özlem Başer	25,680	25,680	0.32
Abdurrahman Başer	10	10	0.00
Ali Başer	10	10	0.00
Total	8,000,000	8,000,000	100.00

The majority (64.41%) shareholder's (ABC Holding A.Ş.) capital structure is as follows:

Capital Structure of Controlling Shareholder (ABC Holding A.Ş.)		
Shareholder	Amount (YTL)	Percentage %
Demet Bilici	1,006,000	28.74
Mehmet Başer	1,005,950	28.74
Özlem Başer	1,004,000	28.69
Hayriye Başer	385,400	11.01
Ökkeş Başer	96,600	2.76
Bülent Başer	2,000	0.06
İbrahim Betil	50	0.00
Total	3,500,000	100.00

The capital structure of other incorporations that hold 9% share each at Tek Faktoring Hizmetleri A.Ş. are as follows:

Capital Structure of Beta Kimyasal Madd. Yatırım A.Ş.		
Shareholder	Amount (YTL)	Percentage %
İrem Başer	120,000	40.00
Hasan Başer	120,000	40.00
Eser Başer	30,000	10.00
Mustafa Başer	15,000	5.00
Ahmet Tayakısı	15,000	5.00
Total	300,000	100.00

Capital Structure of Başer Holding A.Ş.		
Shareholder	Amount (YTL)	Percentage %
Atilla Başer	1,879,054	9.17
Bülent Başer	1,478,102	7.22
Mehmet Başer	1,478,102	7.22
Demet Bilici	1,478,102	7.22
ABC Holding	1,357,251	6.63
Hasan Başer	1,275,283	6.23
Haluk Başer	1,275,283	6.23
A.B. Holding A.Ş.	1,229,802	6.00
Şefika Özekenci	956,461	4.67
Handan İlhan	956,461	4.67
Güney Sanayi ve Tic.İşletmeleri A.Ş.	942,976	4.60
Bica Holding A.Ş.	628,181	3.07
Hayriye Başer	760,171	3.71
Hatice Başer	760,022	3.71
Ali Başer	743,611	3.63
İclal Serbest	704,048	3.44
Betül Karakılıç	704,048	3.44
Başer Faktoring A.Ş.	601,621	2.94
Ökkeş Başer	417,477	2.04
Mustafa Başer	356,250	1.74
Meliha Başer	245,636	1.20
Başer Ambalaj ve Plastik San.Tic.A.Ş.	170,678	0.83
Abdurrahman Başer	81,659	0.40
Başer Petrokimya San.ve Tic.A.Ş.	1,071	0.01
Total	20,481,350	100.00

The Board of Directors as per the General Shareholder Meeting of 11th. September 2007 has formed as follows:

Tek Faktoring Hizmetleri A.Ş. BOARD OF DIRECTORS	
Name	Title
İbrahim BETİL	Chairman
Mehmet BAŞER	Vice Chairman
Demet BİLİCİ	Member
Hasan BAŞER	Member
Ahmet TAYAKISI	Member

Members of the Board are selected to serve for a duration of three years. Chairman İbrahim Betil is selected as a representative of ABC Holding A.Ş. (majority shareholder of Tek Faktoring) and member Ahmet Tayakısı is selected as a representative of Beta Kimyasal Maddeler Yatırım A.Ş. (9% shareholder of Tek Faktoring).

Tek Faktoring has only one subsidiary:

Subsidiary of Tek Faktoring Hizmetleri A.Ş.		
Subsidiary	Amount (YTL)	Percentage %
Başer Petrokimya San. Ve Tic. A.Ş.	2,294,000	19.60

The authority to regulate and supervise the non-bank financial sector has been given to the Banking Regulation and Supervision Agency (BRSA) as per the "Regulation on Establishment and Operations of Leasing, Factoring, and Finance Companies" published in the Official Gazette No. 26315 of 10th. October 2006.

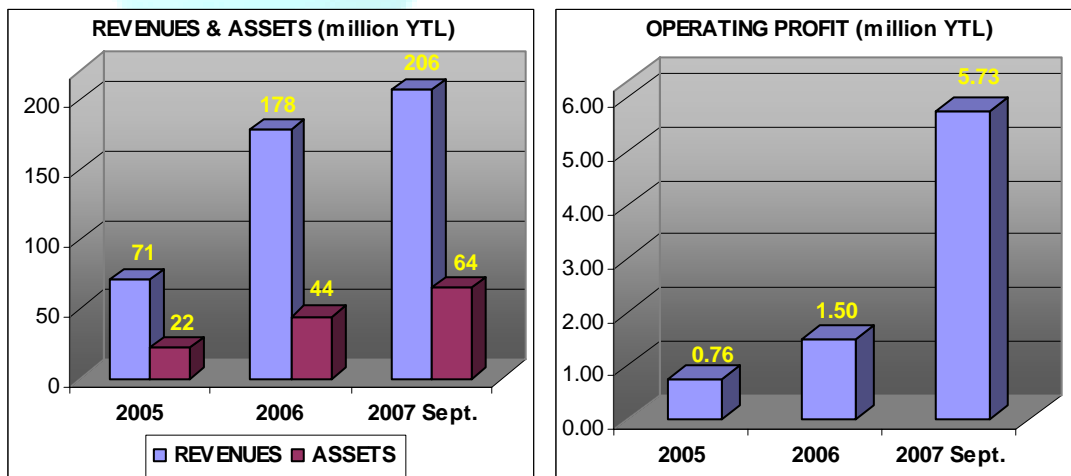
The sector is restructured by this regulation and existing factoring companies are urged to complete the adaptation procedures within one year to obtain their operation licenses. In this context, Tek Faktoring Hizmetleri A.Ş. has completed the adaptation process and awaiting its license to operate.

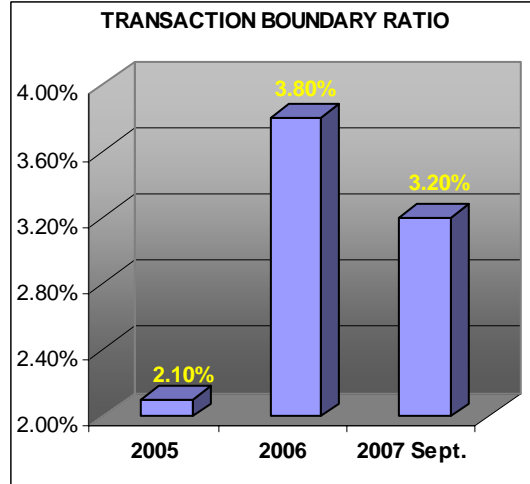
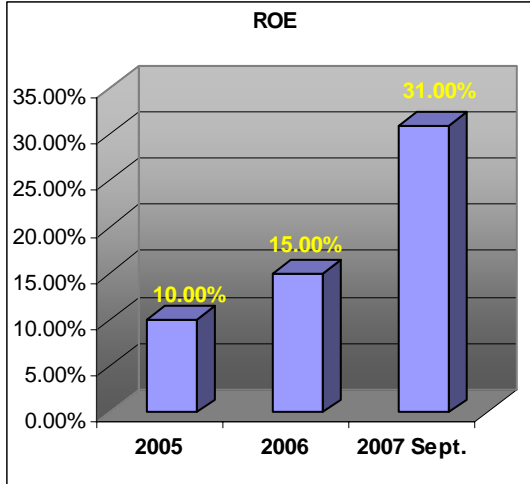
Tek Faktoring Hizmetleri A.Ş., did not distribute dividends in any form in the last three years, however, an appropriate Dividend Distribution Policy has been published in 2007 and announced to the shareholders as well as to the public.

The company has 52 employees (sector average is 32,8) and the number of clients amount to 1500 (sector average is 757). 650 out of this number are active accounts.

There are currently 86 factoring companies in the sector, out of which 42 are members of the Factoring Association. 4 are categorized as "large", 21 "medium" and 56 "small". Tek Faktoring Hizmetleri A.Ş., ranks 24th. in terms of revenues and is categorized as a "medium" size company.

Selected financial highlights are depicted below:

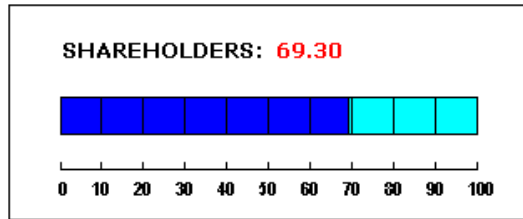




Selected financial highlights in comparison to sector averages are as follows:

Tek Faktoring Hizmetleri A.Ş. vs. Sector Averages (Sept. 2006 - Sept. 2007)		
	Tek Faktoring	Sector
Asset Concentration (Share of top 5 asset types)	% 55.55	% 49.00
Asset Growth	% 56.37	% 20.92
Accs. Recvble. / Equity (Transaction Boundary Ratio)	3.21	3.40
Equity / Total Liabilities	% 28.46	% 28.00
Revenue Growth	% 65.84	% 27.83
Bad Debt Growth	% 362.26	% 86.32
Bad Debt / Gross Receivables	% 2.07	% 2.90
"Factoring Receivables" / Current Assets	% 91.05	% 84.77
Debt / Liabilities	% 65.39	% 64.16
Income Growth (annual)	% 91.67	% 7.36
Profit Growth (annual)	% 299.53	% - 51.00
Profit / Equity	% 31.24	% 10.79
Profit / Total Assets	% 8.89	% 0.60
Weighted Average Maturity of Receivables	69 days	136 days
Weighted Average Maturity of Debts	110 days	66 days
Profit	5.73m YTL	208m YTL
Total Assets	64.48m YTL	6.859m YTL

SECTION 1: SHAREHOLDERS



SYNOPSIS

+	There is a shareholder relations personnel
+	General shareholder meetings are conducted in compliance with related rules and regulations
+	Equal treatment of shareholders
+	Use of voting rights are facilitated
=	Dividend policy is defined, yet no distribution for the last 3 years
=	The old and new versions of the related provisions of the Articles of Association are announced, but reasons are not listed
-	Shareholders do not have the right to request appointment of special auditors from the general shareholder meeting
-	Minority rights are not defined
-	Lack of cumulative voting procedures

One staff is allocated to manage relations with the shareholders. This personnel, amongst his other duties, duly fulfils his responsibilities in conducting relations with shareholders. We have observed that shareholder records are kept appropriately and in a timely manner. Shareholders' right to obtain information is clearly stated in the information policy document of the company.

There are no ceilings applied on the number of votes that a shareholder may exercise during the general shareholder meeting. The conduct of

general shareholder meetings poses no risk upon the rights of shareholders and complies with the relevant rules and regulations. The General Shareholder Meetings are executed according to the procedures and the chairman conducts the meeting efficiently on fair grounds. Shareholders are provided with equal opportunities to express their opinions, and raise any questions.

There are no provisions to apply certain ceilings on the number of votes a shareholder might exercise and no obstacles to the implementation of voting rights of shareholders are present. All the shares are registered shares and no share has the privilege to nominate a member to the Board.

Tek Faktoring has issued a generally defined dividend policy in 2007 which is in compliance with the Turkish Commercial Code. There are no privileges imposed on dividend rights. Yet, Tek Faktoring has distributed no profits so far. Profit of the year 2006 was offset by the previous year's loss. Interim and advanced payment policy is not included in the Articles of Association; thus there has been no such execution up to date.

The Articles of Association of the company do not allow the execution of cumulative voting procedures. Moreover, minority shareholders lack the right to request the appointment of a special auditor from the general shareholder meeting for the examination and clarification of a specific material situation.

1.1. Facilitating the Exercise of Shareholders' Statutory Rights:

All governance issues are handled by Mr. Murat Kılıç, who is responsible for managing relations with shareholders, as the Corporate Governance Committee within the board was formed only recently. This personnel appears to be sufficient in terms of qualification and experience. We have observed that the company displays a proactive approach and a genuine willingness to improve the implementation of Corporate Governance Principles.

Shareholder records are kept appropriately; inquiries and requests are answered promptly; and The General Shareholder Meeting follows principles set out by the Articles of Association and laws. Information on agenda items and other relevant details are provided at the headquarters of the company prior to the General Meeting. Voting results and minutes are well documented, duly disclosed, and published on the company web site. All participants of the general meeting have access to this documentation upon request.

1.2. Shareholders' Right to Obtain and Evaluate Information:

With regard to facilitating shareholder rights, all necessary information and documentation are available for and easily accessible by the shareholders. All channels of communications, such as the comprehensive corporate web site (www.tekfactoring.com.tr), telephone, e-mail and personal visits are open to shareholders. Procedures of investor relations and shareholders' right to obtain and evaluate information are documented in the company's *information policy* document. Although Tek Faktoring is not a public company, it is worth noting that the company has voluntarily prepared an information

policy document and posted it on its web site.

The information policy document lacks any entry regarding the company's obligation to inform shareholders about legal or commercial relationships with other enterprises or individuals with whom there is a direct or indirect managerial, administrative, supervisory or ownership related relationship.

In the Articles of Association, there is no provision that allows each shareholder to have the right to request from the general shareholder meeting that a special auditor is appointed for the examination and clarification of a specific material situation.

The Information Policy of the company sets out the principles of disclosure regarding any events that would hinder a liability from being settled, or that would create an increase in the number of liabilities to be settled; any direct or indirect conditions that the settlement of these liabilities may impose upon the company; any uncertainty about the repayment of significant amounts of credit; cases in which loan repayments are postponed or there is a need for loan restructuring; and conditions when the company cannot fulfill its financial obligations and show evidence of insolvency.

1.3. Minority Rights:

There are no provisions regarding the minority rights in the Articles of Association of company and Tek Faktoring acts within the boundaries of Turkish Commercial Code. There are no provisions to apply certain ceilings on the number of votes a shareholder might exercise and no obstacles to the implementation of voting rights of shareholders are present. Proxy forms are available at the company

headquarters for those who will appoint a proxy for the meeting, but these forms are not open to use of shareholders in electronic media.

All the shares are registered shares and no share has the privilege to nominate a member to the Board. However, the Articles of Association of the company do not allow the execution of cumulative voting procedures.

1.4. The Right to Participate in the General Shareholder Meeting:

The General Meeting announcement is not made through media (newspapers etc.), instead, all the shareholders are reached by phone or e-mail since the company is not a public one. We have observed that participation in the General Shareholders Meeting was in accordance with the existing rules and regulations.

The purpose and content of the information released prior to the General Meeting are clear and pertinent to the agenda items so as not to lead to any potential misinterpretations. However, information on some agenda items was not made available.

Prior to the meeting, proxy forms were available at the company headquarters for those who will appoint a proxy for the meeting. The board values shareholder views and opinions, endeavors to consider all requests about items to be placed on the agenda, and strives to achieve the highest level of attendance.

In the last General Meeting held in 11 September 2007, as per the 334th and 335th articles of the Turkish Commercial Code, a proposal to allow board members to engage in business with the company and compete with the company was accepted. Some of the directors are also board members

in other companies and this is made clear to all the participants of the General Meeting.

The minutes of General Meetings show that the conduct and execution have been appropriate, fair, and efficient. Chairman and some of the board members have attended in person. However, the reasoning of the non-attending members has not been announced by the chair of the General Meeting. Verbal information about the candidates for board membership was given to the shareholders during the General Shareholders Meeting. Minimum requirements for disclosure of information about candidates however, are not stated in the Articles of Association.

The company is subject to external audit by the Banking Regulation and Supervision Agency's (BRSA) rules and regulations, and the external audit firm has made the necessary presentation to the General Meeting.

General Meetings are conducted in compliance with rules and regulations and shareholders are provided with sufficient time and information to make informed decisions. The flow of information before and after the General Meeting seems sufficient. Annual Reports and financial statements are at the disposal of shareholders before the General Meeting. It is a weak point that invitation to the General Meeting is not done through media, whereas the meeting venue (company premises) is easily accessible, comfortable and suitable for maximum attendance.

The General Shareholder Meetings are executed according to the procedures and the chairman conducts the meeting efficiently on fair grounds. Shareholders are provided with equal opportunities to express their opinions, and raise any questions. Each agenda item is voted separately, the votes are

counted and results of voting are announced before the end of the meeting.

Information about the organizational changes in the affiliates and the subsidiaries of the company are not included in the annual report.

1.5. Voting Rights:

There are no ceilings applied on the number of votes that a shareholder may exercise during the General Shareholder Meeting. Each shareholder is provided with the opportunity to exercise his/her voting right in the most appropriate and convenient way. The right to vote is automatically granted once the share is acquired. There are no obstacles on the voting of institutional and legal representatives. Procedures of voting are stated in the Articles of Association and announced to shareholders prior to the General Shareholder Meeting. Voting was conducted through open ballot and by raising hands during the general shareholder meeting.

1.6. Dividend Rights:

Tek Faktoring has issued a generally defined dividend policy in 2007 which is in compliance with the Turkish Commercial Code. Company officials stated that this policy is to be announced to the shareholders at the general shareholder meeting of 2008. There are no privileges imposed on dividend rights. Tek Faktoring's dividend policy prescribes that, to the extent permitted by relevant legislation and the company's investment requirements and financial resources, the company shall distribute the entire distributable profit of the company, subject to approval by the General Shareholder Meeting. Yet, Tek Faktoring has distributed no profits so far. Interim and advanced payment policy is not included in the

Articles of Association; thus there has been no such execution up to date.

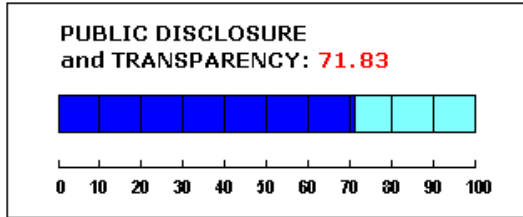
1.7. Transfer of Shares:

All the shares of company are registered shares and the Articles of Association imposes certain limitations over the transfer of all shares. The transfer of shares is subject to Board's approval by consensus and the Board may cancel any transactions regarding the transfer of shares without any reasoning.

1.8. Equal Treatment of Shareholders:

As a result of our examinations of the conduct, execution and minutes of the General Meetings, the Articles of Association, pending litigations, and interviews with company officials, we have no reason to speak against the equitable treatment of shareholders.

SECTION 2: PUBLIC DISCLOSURE AND TRANSPARENCY



SYNOPSIS

+	Comprehensive web site, actively used for public disclosure
+	Ethical rules published
+	List of insiders published
+	Disclosure about developments that may affect the value of the company complies with the legislation
+	General shareholder meeting minutes posted on the web site
=	Information policy established, but not yet presented to the shareholders at the General Shareholder Meeting
=	Dividend policy is defined, yet not disclosed in the Annual Report
-	Corporate Governance Compliance Report does not include reasons of lacking implementation
-	Annual report is very limited in content
-	Periodical financial statements and reports are not signed by responsible directors

Although it is a private company, Tek Faktoring is performing above the country averages in terms of public disclosure and transparency. The allocation of staff to manage relations with shareholders is an important and positive step towards better governance. The company has recently published its information policy and confirmed its commitment

to the issue. Furthermore, the company has a well arranged, easy to access, and informative web site. The company has issued a "Corporate Governance Compliance Report" in 2007, though it is not obliged to do so. The list of ultimate controlling individual shareholders, after being released from indirect or cross shareholding relationships between co-owners, is also included in this report.

Being a private factoring company, Tek Faktoring operates under the rules and regulations of BRSA (Banking Regulation and Supervision Agency) and TCC (Turkish Commercial Code), thus prepares the financial statements accordingly. The annual report and the periodical financial statements are not signed by the responsible board members and executives indicating that the current periodical financial statements completely reflect the true financial status of the company and that the company acts in accordance with the related legislation. Annual report and periodic financial statements are posted at the web site but lack necessary substance.

The external audit firm chosen by the company is an independent and international audit company. There has been no legal conflict between the company and the external audit firm.

The Corporate Governance Compliance Report does include the acknowledgement that the internal financial control and auditing functions will be fulfilled by the audit committee.

On the other hand, the annual report needs to be more detailed and comprehensive. Specifically, the lack of footnotes to the financial

statements and information about the payments affected to the employees are noted as areas of improvement.

2.1. Principles and Means for Public Disclosure:

The task of public disclosure is executed by the "Shareholder Relations" personnel. Tek Faktoring has issued a written Information Policy document. This document is disclosed to the public on the company web site, but not yet presented to the shareholders at the general shareholder meeting. Although the company did not disclose its accounting policy to the public (thus shareholders), operational financial results are disclosed to the shareholders and supervisory authority.

Disclosure is normally done via the general shareholder meeting and via the internet. Additional information is provided to the BRSA as required. Any developments that may affect the value of the company's capital market instruments are disclosed to shareholders via the above mentioned media. Overall, in terms of public disclosure, we can conclude that Tek Faktoring tries to comply with the current legislation and strives to be as accurate, comprehensive, and factual as possible.

The information policy of the company does not incorporate the type of information to be discussed at the general shareholder meeting in addition to the requirements of the relevant legislation and other relevant issues.

The Corporate Governance Compliance Report that lists the principles and implementations that are embraced and omitted by the company is incorporated in the annual report. However, the report does not include reasons of lacking implementation.

Dividend policy, on the other hand, is included in the annual report of the company.

Save for the provisions of the legislation, the preparation or revision of pro forma financial statements are subject to a compliance audit by the external auditor. The audit and public disclosure thereof, and the method to be adopted for disclosing information are in compliance with the country standards. The Principles applicable to disclose forward looking information are not included in the information policy of the company.

The company's website is secure and easily accessible. Significant amount of information such as trade register information; detailed information about the shareholder and management structure; the final version of the company's Articles of Association; publicly disclosed material information; annual reports and periodical financial statements; agendas of the general shareholder meetings and minutes of the general shareholder meeting; information policy document and the ethical rules; and a frequently asked questions section are suitably included.

The English version of the web site is now operational and the letterhead includes the address of the web site of the company.

2.2. Public Disclosure of Relations between the Company and Its Shareholders, the Board of Directors and Executives:

No transactions that involved 5% or more of the total number of shares have been in effect, however company officials formally declare that they will disclose such information immediately upon being informed thereof, except otherwise required under relevant legislation. The company's public disclosure policy is in accordance with

the current BRSA (Banking Regulation and Supervision Agency) legislations and the CMB's (Capital Markets Board) norms are also adopted in the information policy.

The company's ultimate controlling individual shareholder or shareholders are disclosed to the public, as identified after being released from indirect or cross shareholding relationships between co-owners. However, the company's capital structure is not presented in a table format that would include the names of the ultimate controlling individual shareholder/s (names of the real persons), amount and proportion of their shares and their share class and such a table is not incorporated into the annual report and notes to the financial statements.

On the other hand, commercial and non-commercial transactions between the company and companies, where board members, executives and shareholders, who either directly or indirectly own at least 5% of the company's capital, possess at least 5% and more of shareholding or having the control of the latter are not present in the annual report.

2.3. Periodical Financial Statement and Reports in Public Disclosure:

Being a private factoring company, Tek Faktoring operates under the rules and regulations of BRSA (Banking Regulation and Supervision Agency) and TCC (Turkish Commercial Code), thus prepares the financial statements accordingly.

Both the annual report and the periodical financial statements and reports of the company are not signed by the responsible board members and executives, indicating that the current periodical financial statements completely reflect the true financial status of the company and that the

company acts in accordance with the related legislation. The annual report, periodical financial statements and their notes are prepared in accordance with the existing legislation. The annual report incorporates the scope of activities of the company and information about the sector in which the company operates and the company's status within this sector; however, it does not include the audit firm's opinion about the internal control system.

The fact that financial statements present fairly the financial position of Tek Faktoring as of 31.12.2006, and its financial performance for the year ended in accordance with Financial Reporting Standards of the BRSA is stated in the audit report.

Lacking items of highest importance in the annual report of Tek Faktoring are as follows:

- a) Organization, capital ownership and management structure of the company,
- b) Detailed explanation about the foreseeable risk factors regarding future operations,
- c) Analysis of significant transactions carried out during the preceding year with the group companies and other related persons and institutions,
- d) Commercial and non-commercial transactions between the company and companies, where board members, executives and shareholders, who either directly or indirectly own at least 5% of the company's capital, possess at least 5% and more of shareholding or having the control of the latter,
- e) Ownership structure table showing the controlling shareholder(s), as released from any indirect and cross ownership relations,

f) Dividend policy; the reason/s for not distributing dividends, if applicable,

g) Payments to the employees, all forms of incentives that is designed to grant shares to employees, i.e. employee stock ownership plans based on shares and/or other capital market instruments.

h) Currently applied accounting system.

2.4. Functions of External Audit:

The external audit firm chosen by the company (Deloitte Touche Tohmatsu / DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.) is an independent and international audit company accredited by the CMB. The operations of the audit firm and the contents of the contract signed with them are in compliance with the legislation. There has been no legal conflict between the company and the external audit firm.

The nomination and election process of the audit firm is normally influenced by the group companies and the audit firm is suggested by the executives, the final decision is made by the Board. The audit committee was formed only at the end of 2007, and therefore, was not effective in the decision making.

2.5. The Concept of Trade Secret and Insider Trading:

Tek Faktoring acts in accordance with the rules of accuracy, reliability and good faith and attains a good balance between the protection of trade secrets of the company and the stakeholders' right to obtain information. A list of the names of executives and other persons and institutions who provide services to the company, and who can potentially possess price-sensitive information are prepared and disclosed to public. The

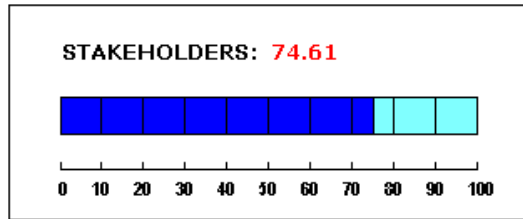
concept of trade secret is defined in detail in the personnel code of the company. Security and control is provided by requiring passwords to enter the system. All systems are equipped with antivirus software.

2.6. Significant Events and Developments That Must Be Disclosed to the Public:

Our analysis and interviews with the company officials show that Tek Faktoring complies with the rules and regulations of the BRSA in terms of disclosure to the public. Moreover, company tries to comply with the CMB regulations in terms of public disclosure and has recently issued a "Corporate Governance Compliance Report".

Tek Faktoring discloses information about any changes in the organization, capital, ownership, management structure and core activities of the company; important developments and events and their possible implications on the financial status and operational results of the company. There are no voting agreements between shareholders in order to be effective in company's management.

SECTION 3: STAKEHOLDERS



SYNOPSIS

+	All necessary facilities are utilized to preserve stakeholders' rights
+	Effective human resources policy
+	Strict quality standards in products and services
=	Ethical rules specified and disclosed to public, but not yet brought to the shareholders' meeting for approval
-	No provision in the Articles of Association regarding the participation of stakeholders in the management of the company

With regard to relations between the company and all related public and private parties (stakeholders) other than shareholders and the board of directors, over 40 sub-sections have been analyzed under the following headings:

- Company policy,
- Participation in the company management,
- Protection of company assets,
- Human resources policy,
- Relations with customers and suppliers,
- Ethical rules and
- Social responsibility.

We conclude that procedures and implementations of Tek Faktoring score above country and sector averages in terms of company policy about stakeholders, protection of company assets, human resources

policy, ethical rules and relations with customers and suppliers.

We came across to no evidence of any negligent or wrong doing either by the Board or the top management that caused the company assets loose value and led to a deliberate loss for stakeholders.

An efficient Human Resources Policy is in place and training requirements of the personnel is appropriately emphasized. 96 hours of training have been given to the personnel in each of the years 2006 and 2007, and the company is planning to increase the number of training hours to 128 in 2008. Personnel and Information Technology committees are established. These committees are scheduled to meet weekly according to written internal procedures. Weekly law & regulation meetings are also scheduled to discuss compliance as well as bad debt issues.

On the other hand, however, there are no provisions in the Articles of Association or in the internal rules and regulations of the company regarding the participation of stakeholders in the management of the company. No models or mechanisms are envisioned in this context. Within a different context, the company officials declared that the company will, as of the start of the year 2008, fully comply with the rules and regulations listed in the Banking Regulation and Supervision Agency's (BRSA) Communiqué on the Principles and Procedures regarding the Reserves as a Provision for the Receivables of Factoring, Leasing and Finance Companies.

A written document of Ethical Rules can be found both on the internet site

and in the Corporate Governance Compliance report of Tek Faktoring. The same document is a part of the Personnel Code of the company. However, this document has not yet been presented to the General Shareholder Meeting for approval by the Board of Directors.

3.1. Company Policy Regarding Stakeholders:

Tek Faktoring's ownership and management are dominated by the Başer group who operate in a variety of business sectors in Turkey. The management structure of the company allows and protects the rights of all stakeholders, including employees and their representatives, to convey their concerns and reservations about any illegal or unethical implementations to management without any apprehension. Company officials declare that all client requests and complaints are acknowledged and dealt with; however, a registry of these claims is not kept.

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

3.2. Stakeholders' Participation in the Company Management:

There are no provisions in the Articles of Association or in the internal rules and regulations of the company regarding the participation of stakeholders in the management of the company. No models or mechanisms are envisioned in this context.

We came across to no evidence of violation of the principle of equal opportunity among different groups of stakeholders, by using any information which is classified as trade secret and obtained as a result of a privilege that

results from incentives granted to a particular group of stakeholders regarding the review of the management and operations of the company.

There is no trade union in the company.

3.3. Protection of Company Assets:

The company pays due attention to the protection of company assets as it has to abide by the rules and regulations of the Banking Regulation and Supervision Agency (BRSA). Furthermore, company officials declared that the company will, as of the start of the year 2008, fully comply with the rules and regulations listed in the BRSA's Communiqué on the Principles and Procedures regarding the Reserves as a Provision for the Receivables of Factoring, Leasing and Finance Companies.

Risks resulting from any conflicts of interest are monitored and we came across to no evidence of any negligent or wrong doing either by the Board or the top management that caused the company assets loose value and led to a deliberate loss for stakeholders.

Personnel and Information Technology committees are established. These committees are scheduled to meet weekly according to written internal procedures. The scope and content of these committee meetings are also defined by the internal procedures. Furthermore, weekly *law & regulation* meetings are scheduled to discuss compliance as well as bad debt issues. Since these committees are recently established, whether meetings are held as scheduled, and whether the scope and implementations are in line with provisioned objectives shall be monitored during the surveillance period of this rating process.

The objective of the *Information Technology* committee that is scheduled to meet weekly is to ensure that the *Facto 2000* system is utilized more efficiently to provide prompt and accurate reporting for the Credit Committee as well as top management and to provide more value added and ample information about factoring transactions.

3.4. Company Policy on Human Resources:

As we have mentioned before, Tek Faktoring has a well established human resources policy that integrates appropriate procedures. With respect to country specific standards, we conclude that the company's human resources policy ensures equal opportunities, social rights and sound career planning. On the job training and personnel promotion schemes are of satisfactory level.

Furthermore, training requirements of the personnel is appropriately emphasized. 96 hours of training have been given to the personnel in each of the years 2006 and 2007, and the company is planning to increase the number of training hours to 128 in 2008. Amongst the training subjects are Fundamentals of Factoring, Law for Factoring Staff, Analyzing and Interpreting Financial Statements, Uniform Chart of Accounts, International Financial Reporting Standards (IFRS).

During the rating process, we came across to no evidence of any incidents that are related to discrimination on the basis of race, religion, language and sex among the employees or any physical, spiritual and emotional mistreatments in the company. Working conditions are safe and secure and are maintained and improved in time. Employees are informed of any significant developments or decisions taken by

the company that clearly affects them and productivity and other factors that are deemed material are prioritized while determining compensation and other employee benefits.

The *Personnel Committee* that is scheduled to hold weekly meetings aims to identify problems and develop suggestions of measures to alleviate these problems; determine practical methods to speed up factoring transactions and to raise the quality of service; adapt ways and means to hike employee motivation to a maximum level; develop suggestions and proposals to be presented to top management and the board; identify training requirements and scope of any social activities; and promote new strategies for further development of the company as a whole.

3.5. Relations with Customers and Suppliers:

Tek Faktoring keeps records of customers and suppliers and within the scope of trade-secret concept, confidentiality of information is duly respected. Notices of concerns and suggestions received from customers and suppliers, however, are not filed and kept for further scrutiny.

The factoring sector is a relatively new component of Turkey and it has been somewhat free of regulation until recently. It is now closely regulated by the Banking Regulation and Supervision Agency (BRSA). This authority has been given to the BRSA by the "Regulation on Establishment and Operations of Leasing, Factoring, and Finance Companies" published in the Official Gazette No. 26315 of 10th. October 2006. The sector is restructured by this regulation and existing factoring companies are urged to complete the adaptation procedures within one year to obtain their operation licenses. In this context, Tek Faktoring Hizmetleri A.Ş. has

completed the adaptation process and awaiting to receive its license to operate. It is widely expected that at the end of the adaptation period, some of the existing companies will cease to operate and the standards of service provided by those licensed companies will undoubtedly scale up.

3.6. Ethical Rules:

A written document of Ethical Rules can be found both in the Corporate Governance Compliance report of Tek Faktoring and in the company's Personnel Code. It is duly disclosed to public in the web site of the company. However, this document has not yet been presented to the General Shareholder Meeting for approval by the Board of Directors.

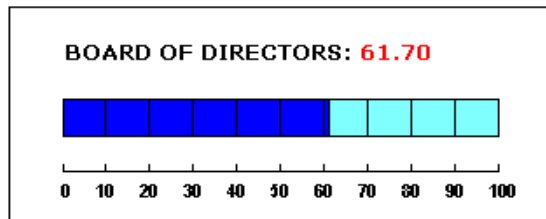
3.7. Social Responsibility:

Company officials confirmed that there were no major conflicts with the tax office in recent years and no sanctions imposed by the regulating authority. Tek Faktoring does not employ an in-house lawyer. Such services are subcontracted to outside law firms. Although not substantial enough to adversely affect company operations, the 2006 financial statements show that a total sum of YTL 721.344 is set aside as reserves to counterbalance the bad debt entry.

Tek Faktoring is a member of the Factoring Association of Turkey. Only half of the existing factoring companies aspiring to obtain their licenses upon the completion of the adaptation period are members of the Factoring Association. We observe that those member companies are more developed than others in terms of governance.

We also observed that Tek Faktoring has not yet took part in any projects that involve environmental and social responsibility initiatives.

SECTION 4: BOARD OF DIRECTORS



SYNOPSIS

+	The Company's vision, mission and strategic goals are clearly defined
+	The board is staffed with effective and highly qualified members
+	CEO and Chairman positions are separately chaired
=	There are non-executive members in the Board, but not at desired number
=	Corporate Governance, Audit, and Credit committees have been established recently
-	No independent members
-	Cumulative voting rights not in effect
-	No signed compliance and liability statement by board members
-	No provisions in the Articles of Association defining procedures for shareholders or stakeholders to invite the board to convene
-	No regulation for compensation of company or stakeholder loss in case of negligence by executives

It is our observation that the Board of Directors has clearly defined the vision and mission of the company and is staffed by highly qualified, experienced members maintaining high moral standards. The Board is overseeing that company activities are managed in compliance with the legislation, Articles of Association, internal procedures and established policies.

By the end of 2007, the Board of Directors has established the Auditing, Corporate Governance and Credit Committees and issued related internal procedures. The actual performance of the above committees shall be monitored within the forthcoming period.

Despite the fact that the board includes non-executive members, the number thereof is not yet compliant with corporate governance criteria.

Similarly, the lack of independent members and unavailability of cumulative voting rights reflect important areas for improvement under this topic. In addition, the Articles of Association are in lack of clauses regulating the mechanisms for shareholders and stakeholders to call for a board of directors meeting.

The lack of task assignments among board members and the need to explicitly specify the duties and responsibilities of board members and executive managers in the annual report are additional areas for improvement to be addressed.

Similarly, upon commencing work, a written compliance and joint liability declaration by the board members endorsing losses incurred to shareholders and stakeholders due to deliberate incompliance and misconduct is not in effect.

Although a remuneration of the board of directors has not been specified by the shareholder's meeting, it is observed that a premium is paid to board members based on performance. This rewarding system however, has not been specified on a written-down procedure.

The wages of executives are observed to be in accordance with their qualifications and contributions to overall company achievements and in par with market standards. However, there exists no covenant protecting the interests of the company and third parties against possible damages caused by neglect or violation of duties by the executives.

4.1. Fundamental Functions of the Board of Directors:

The Board of Directors is overseeing that the company activities comply with legislation, Articles of Association, internal procedures and established policies and monitors company financials to assure their validity.

The Board of Directors, embodies newly established Auditing, Credit and Corporate Governance committees, has put into effect a risk management and an internal control mechanism aiming to minimize the risks likely to effect adversely the shareholders' and stakeholders' interests and is taking necessary precautions for these mechanisms to work effectively.

The Board of Directors is ensuring that executive positions are staffed by appropriately qualified personnel, taking measures to support their long term commitment, is promptly dismissing unqualified personnel when necessary and duly replacing positions with qualified and competent staff.

4.2. Principles of Activity and Duties and Responsibilities of the Board of Directors:

The Board of Directors approves annual business plans and budgets, inspects and approves periodic financial reports, prepares annual reports and discloses them to the public. In addition, it facilitates and ensures shareholders meetings to be held in compliance with regulations

and Articles of Association, approves career plans and incentive policies for executives. The Board of Directors has also approved and issued the company ethical rules and information policy documents and made them public.

The Articles of Association clearly identifies the duties and responsibilities of the board as distinguished from the legally defined rights of the general shareholder meeting. However, there is no written procedure as to the task assignments of board members and the annual report does not explicitly specify the duties and responsibilities of board members and executives.

No evidence has been encountered as to any misuse of confidential and undisclosed information to the illegal benefit of board members or other parties. Board meetings have been observed to be held at appropriate intervals.

The Ethical Rules document includes the clause stating that members of the board cannot disclose confidential information and trade secrets to the public. Similarly, a statement that members of the board should not yield to pressures that would serve against the interests of the shareholders and not accept any material gains is also included. It has been declared by company representatives that members of the board before commencing work have undersigned a written declaration that they will comply with the legislation, Articles of Association, in-house regulations and policies, and in case of incompliance, that they would be jointly liable to compensate the loss accrued to the shareholders and stakeholders.

Written internal procedures regarding communication and circulation of meeting documentation to board members are missing. Provisions

regarding the procedures for inviting the members of the board for a meeting by shareholders and stakeholders are not incorporated in the Articles of Association.

A secretariat under the responsibility of the chairman, with the aim to serve the board of directors and to keep documents related to the board meetings is not established. However, the tasks of preparing the agenda, the necessary documentation and presentations for the board members, recording and following up the minutes and decisions, are endorsed by an assigned staff member.

4.3. Formation and Election of the Board of Directors:

None of the Board members have been convicted or sentenced upon non-conformity with the capital markets legislation or the Turkish penal code. All members are qualified and experienced persons maintaining high moral standards and fully capable of endorsing the required tasks to direct the company.

Two board members out of a total of five are non-executive members. In addition, the Chairman and the CEO positions are not occupied by the same person.

Nevertheless, the required qualifications of the board members have not been specified in the Articles of Association. It has been observed that there are as yet no steps taken towards incorporating independent members capable of impartially performing their duty, into the board. In addition, cumulative voting rights are not practiced. The lack of independent members in the board and hence at the head of present and future committees, and the lack of cumulative voting rights are important shortcomings with respect to full

compliance to the "Corporate Governance Principles" of the Capital Markets Board.

4.4. Remuneration of the Board of Directors:

It has been stated that there is no debit on board members and no credits or loans have been extended to any board member. A payment system to board members has not been specified by the shareholder's meeting and is not in practice. The members however, are rewarded based on a performance basis.

Nevertheless, there exists no written performance criteria and procedure as to the rewarding system mentioned.

4.5. Number, Structure and Independence of Committees Established by the Board of Directors:

As of end of 2007, the Board of Directors incorporates a Corporate Governance, an Audit and a Credit Committee. In lack of independent members, the heads of the mentioned committees are not chaired by independent members. The number of non-executive members in these committees has also been noted as inadequate.

The Audit Committee has taken all necessary measures to make sure that internal audit mechanisms are carried out adequately and transparently. However, it will only be possible to monitor the extent of this committee's supervision on the relations with independent auditors and on the compliance to international accounting standards in the forthcoming period. The Audit Committee's activities should be duly recorded and these minutes should be kept as committee meeting reports.

Quite naturally, the appointment of the external auditors and the services to be provided thereby having occurred before the establishment of the committees has not passed from a preliminary approval of the Auditing Committee. Likewise, it remains to be observed whether the Committee shall issue a report to evaluate the existence of issues that may jeopardize the independence of the audit company before the appointment of the next external auditor.

Similarly, the activities and performance of the newly established Corporate Governance and Credit Committees shall be evaluated during the next monitoring period.

4.6. Executives:

It has been observed that the company executives are operating in accordance with the company's vision, mission and strategic goals and in compliance with the financial and operational plans approved by the board. It is also our observation that company executives are delegated with adequate authority and equipped with the professional qualifications required. None of the executives have been reported to have gained illegitimate or dishonest benefits at the expense of the company. There are no executives that had ever been sentenced for crimes against the capital markets legislation or the Turkish penal code. In addition, in the employment agreements with all staff members; there is a restrictive clause stating that in case of parting, staff members cannot be employed in any competing company for a period of three months.

However, the human resources procedures do not include provisions for the executives to compensate the losses incurred by the company and third persons as a result of not performing their duties appropriately.

Executive wages have been observed to be in accordance with their qualifications, contributions and with market rates.

Rating Definitions

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