



Corporate Governance Compliance Rating Report



Petkim Petrokimya Holding A.Ş.

24 August 2011

Validity 24.08.2011-24.08.2012

LIMITATIONS

This Corporate Governance Rating Report issued by Kobirate International Credit Rating and Corporate Governance Services Inc. (herein after called "KOBIRATE") for PETKİM PETROKİMYA HOLDİNG A.Ş. (herein after called "Company") is compiled in accordance with the Corporate Governance Principles Compliance Rating Methodology prepared by KOBIRATE on the basis of the Corporate Governance Principles issued by the CMB in 2005, which are approved by the CMB with its letter of 24.04.2009, no. 5347.

The Rating Report issued by Kobirate International Credit Rating and Corporate Governance Services Inc is based on documents, data, files transmitted by the concerned Company electronically, including data open to general public and examinations made by our rating experts on site.

KOBIRATE has formulated its Ethical Rules according to the Banking Act, the CMB and BRSA Directives on the Operations of Rating Firms, generally accepted ethical rules of the IOSCO and OECD including generally accepted ethical customs, which are shared with the public through its Internet website (www.kobirate.com.tr)

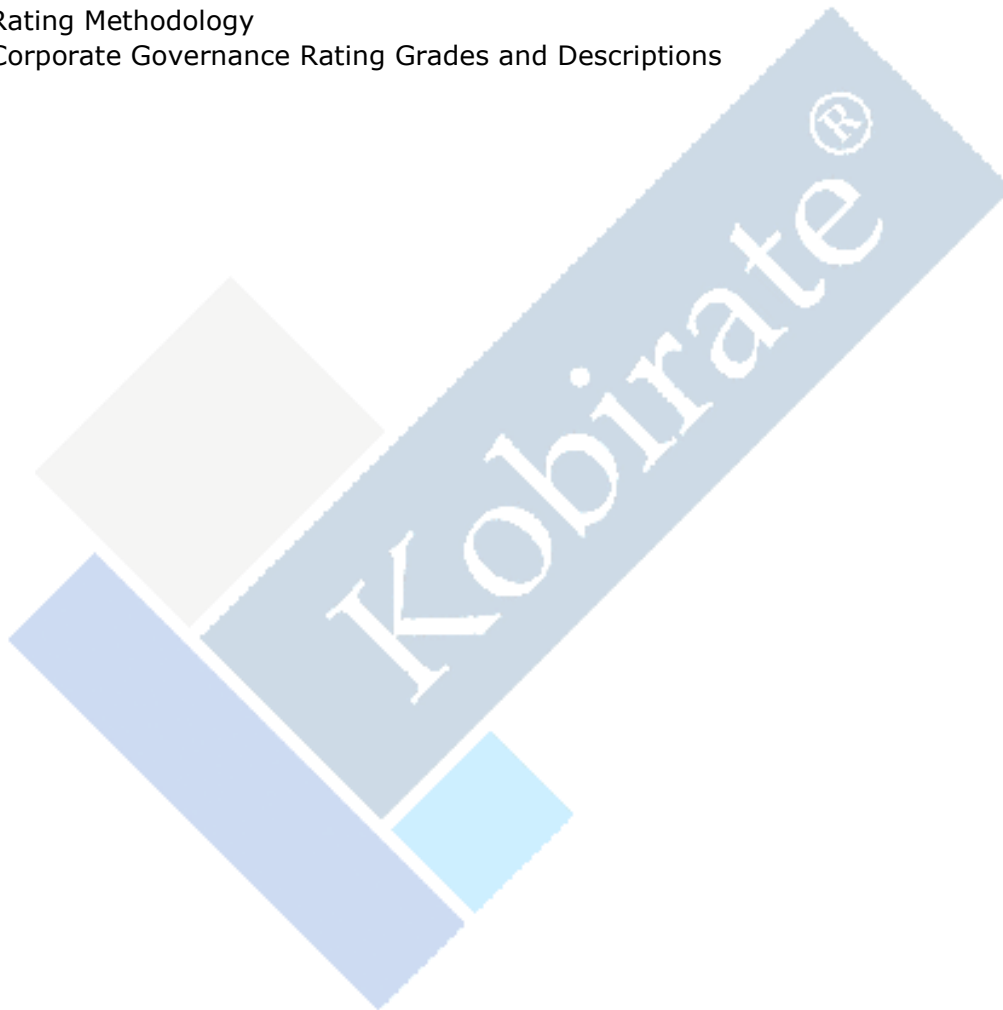
Although rating is an assessment based on numerous data, it is consequently the institutional opinion of KOBIRATE formed in accordance with the methodology disclosed.

The rating grade does not constitute a recommendation to purchase, to hold or to dispose any kind of borrowing instrument. KOBIRATE may not be held liable for any losses incurred or investments made to the company referring to this report.

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PETKİM PETROKİMYA HOLDİNG A.Ş.

GRADE OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES OF CMB

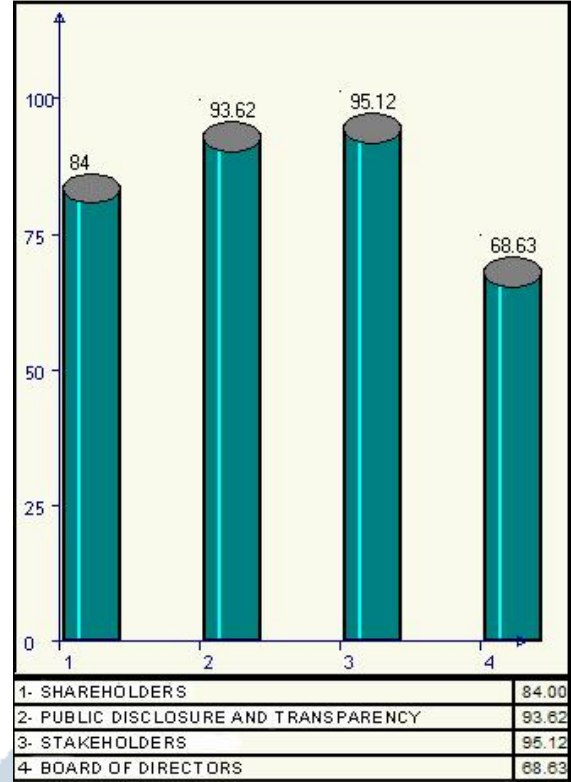
8.52

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1. REVISED SECOND PERIOD RATING RESULT

At the end of examinations made on the Documents at firm's site, discussions held with executives and other individuals concerned, and of other reviews, Corporate Governance Principles Compliance rating of PETKİM Petrokimya Holding A.S. is updated in accordance with the Corporate Governance Principles Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Yönetim Hizmetleri A.S. in accordance with the Corporate Governance Principles of the R.T., Prime Ministry, Capital Market Board which is approved by the same regulator.

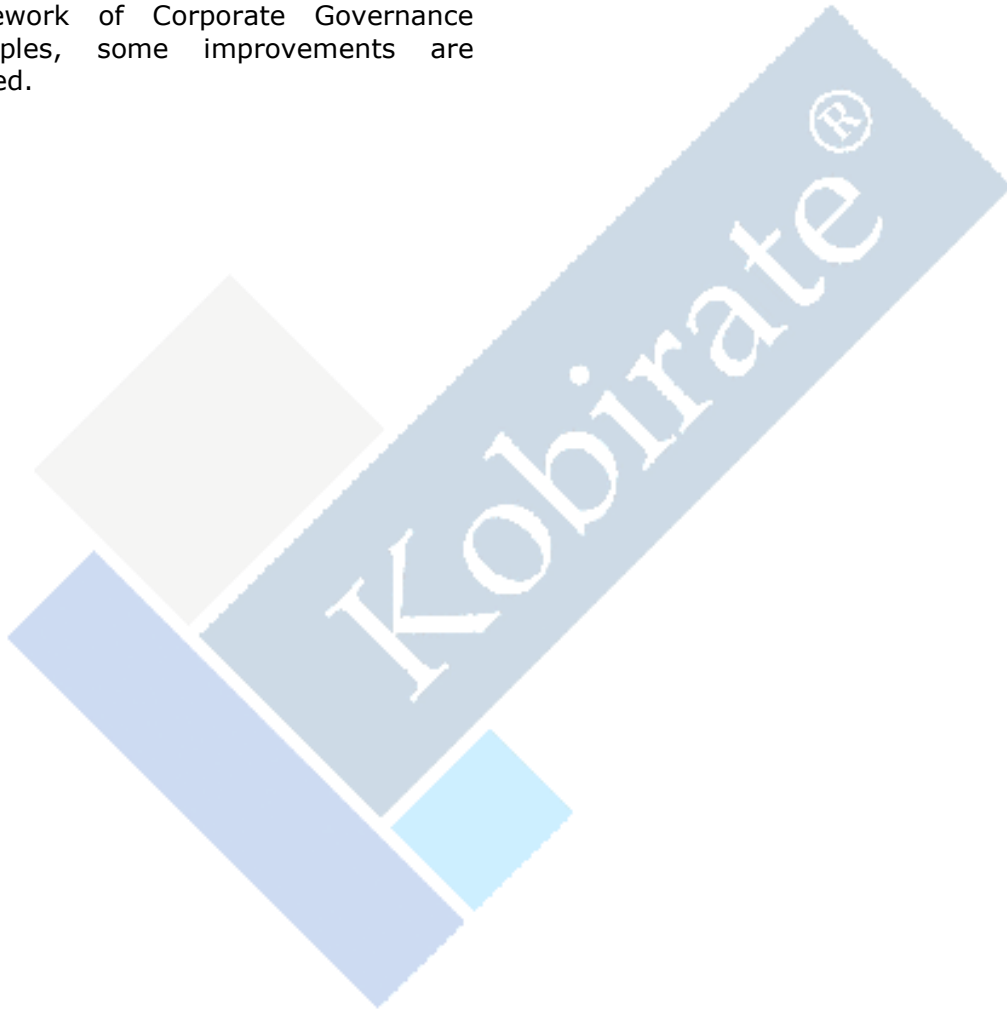
At the end of examining 388 criteria under the headings of Shareholders, Public Disclosure and Transparency, Stakeholders and the Board of Directors as specified in the CMB's Corporate Governance Principles and of assessment according to the

Methodology of Kobirate A.S., the Corporate Governance Compliance Rating of **PETKİM Petrokimya Holding A.S.** is revised as **8.52**.

This result indicates that the Company has ensured substantial compliance with the Corporate Governance Principles issued by the CMB and that it is entitled to continue to be traded on the ISE's Corporate Governance Index at high level.

Both Board of Directors' and top management's internalization of Corporate Governance Principles including willingness and steady approach to produce solutions to areas that require compliance and improvement within the last year has been the biggest factor in achieving the revised note.

This result refers to a substantial compliance of **Petkim Pertokimya Holding A.Ş.** with CMB's published Corporate Governance Principles. The risks that may occur within the company are significantly identified and can be controlled. Rights of shareholders are fairly regarded. Public Disclosure and Transparency activities are at high level. Rights of stakeholders are fairly regarded. The structure and working conditions of Board of Directors are in compliance with the Corporate Governance Principles; but although it doesn't pose great risks within the framework of Corporate Governance Principles, some improvements are needed.



2. COMPANY PROFILE AND CHANGES IN LAST YEAR

A. Company Profile:



Şirket Unvan	: Petkim Petrokimya Holding Anonim Şirketi
Şirket Adresi	: PK. 12 35800 Aliağa İzmir
Şirket Telefonu	: (0232) 6163240 / 10 Lines
Şirket Faksı	: (0232) 6161248
Şirket Web Adresi	: www.petkim.com.tr
Şirketin Kuruluş Tarihi	: 3 Nisan 1965
Şirket Ticaret Sicil No	: 314 Aliağa Commercial Registry
Şirketin Ödenmiş Sermayesi	: 1.000.000.000.-TL
Şirketin Faaliyet Alanı	: Production of, and trade in, petrochemical semi-finished and finished products
Faaliyette Bulunduğu Sektör	: Chemical Industry

Company Representative for Rating:

Füsun UGAN

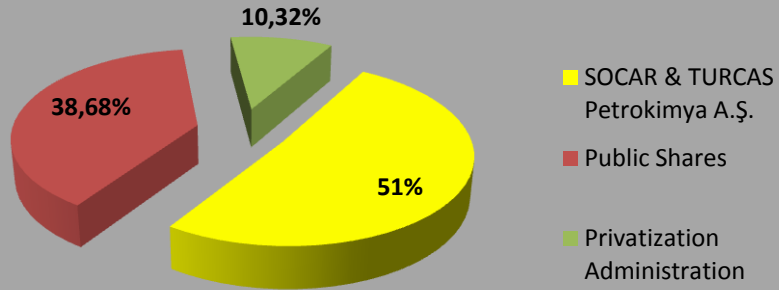
Manager of Finance and Investor Relations Department

fugan@petkim.com.tr

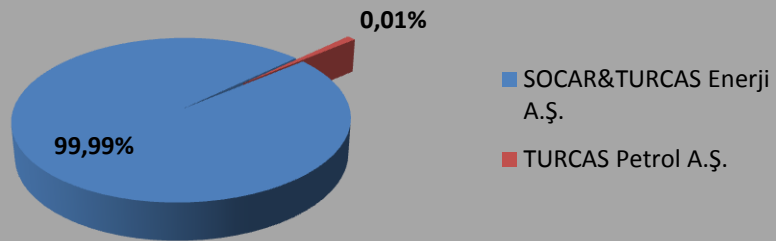
0232 6161240 / 4575

Shareholding Profile of the Company

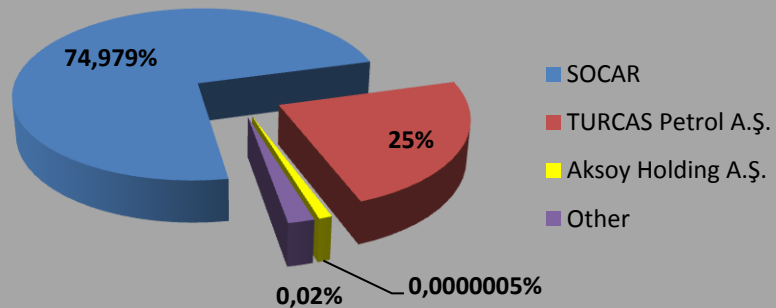
Petkim Petrokimya Holding A.Ş.



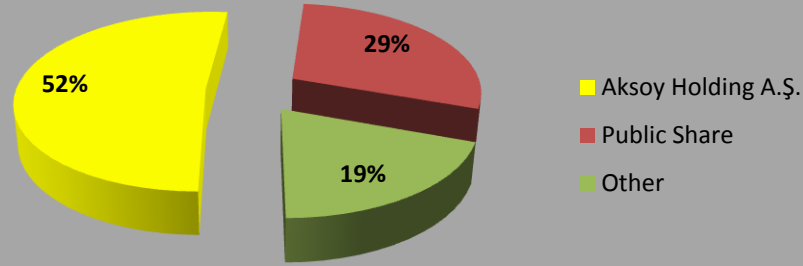
SOCAR&TURCAS Petrokimya A.Ş.



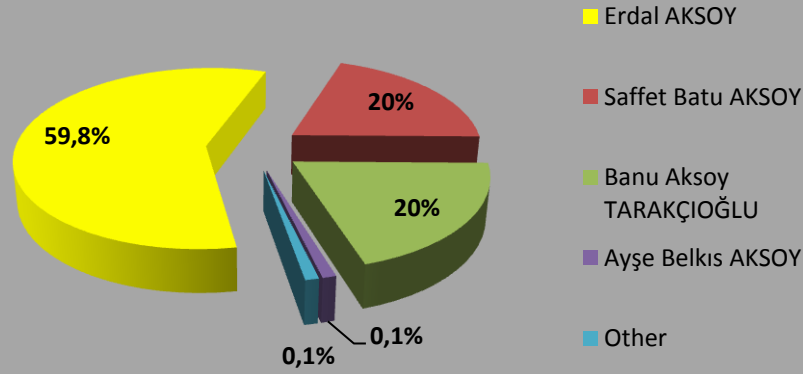
SOCAR&TURCAS Enerji A.Ş.



TURCAS Petrol A.Ş.



Aksoy Holding A.Ş.



Individuals Ultimate Controlling Shareholders

Shareholder	Percentage (%)
Erdal AKSOY	3,93
S.Batu AKSOY	1,31
Banu AKSOY TARAKÇIOĞLU	1,31

Board of Directors (BoD)

Name	Title
Vagif ALİYEV	Chairman of BoD
Erdal AKSOY	Vice Chairman of BoD
Osman İLTER	Member of BoD
S.Batu AKSOY	Member of BoD
David MAMMADOV	Member of BoD
Farrukh GASIMOV	Member of BoD
Kenan YAVUZ	Member of BoD

Senior Management

Name	Title
M.Hayati ÖZTÜRK	General Manager
Abdülkadir TUNCER	Deputy General Manager (Plants)
Cemal Şafak Ayıışıđı	Deputy General Manager (Financial)
Hatice KAYGIN	Deputy General Manager (Human Resources)
Natig DAMIROV	Deputy General Manager (Logistics)

Comparison of balance sheets of the Company for last two year-ends in selected items

(000 TL)	2009/12	2010/12	Change %
Current Assets	854.483	1.106.015	29,43
Fixed Assets	1.258.720	1.269.878	0,09
Total Assets	2.113.203	2.375.893	12,43
Short-Term Liabilities	566.076	681.909	20,46
Long-Term Liabilities	76.864	93.637	21,82
Equity	1.470.263	1.600.347	8,84

Source : Petkim Petrokimya Holding A.Ş. Annual Report 2010

Comparison of income tables of the Company for last two year-ends in selected items

(000 TL)	2009/12	2010/12	Change %
Sales Income	2.057.459	2.909.392	41,41
Sales Cost (-)	(1.943.593)	(2.680.185)	37,90
Gross Profit/Loss	113.866	229.207	101,30
Operating Cost (-)	(72.367)	(102.066)	41,04
Operating Profit/Loss	41.499	127.141	206,37
Profit/Loss Before Tax	64.731	139.932	116,17
Net Term Profit/Loss	114.035	130.085	14,07

Source : Petkim Petrokimya Holding A.Ş. Annual Report 2010

The Closing Top and Bottom Values of Company Shares in ISE During Last Year

Bottom	Top
1.99	2.75

Source : Petkim Petrokimya Holding A.Ş.

B. Changes Experienced Within The Last Year in The Company:

The Company's Board of Directors' decided to establish a port company that all the shares will belong to Petkim by means of transferring Petkim Port assets such as properties, filling areas, piers, facilities and other elements which's ownership and/or right to use belongs to Petkim via partial division at the meeting dated 28.04.2010 and numbered 64/132 and announced to the public on 28.04.2010 with a disclosure number 16.

The Company's Board of Directors' decided to be a partner in the new established company with 100.000 TL cash capital with 99.996 TL representing 99.996 shares and be represented in the company's Board of Directors with **PETKIM's Vagif ALİYEV, Erdal AKSOY, V.Bahadır ÖZKAN, Saffet Batu AKSOY, David MAMMADOV, Farrukh GASSIMOV and Kenan YAVUZ** at the meeting dated 28.10.2010 and numbered 71/142. According with the decisions taken "**Petlim Limancılık Ticaret Anonim Şirketi**" titled Port Company is established as of 22.11.2010 and registered to trade registry office with 3264 registry number.

With this process, **PETKIM** which was preparing singular balance sheets up to now, is going to prepare consolidated financial statements starting from 31.12.2010 according to "CMB Communiqué Serial XI No 29 Communiqué on Principles Regarding Financial Reporting in Capital Markets" in accordance with Serial XI No 21 of the Communiqué regulations, 31.12.2010 and following periods consolidated financial statements will be prepared and disclosed to the public within specified periods.

Board of Directors' has decided to lease a property's 1.375.000.squaremeter portion belonging to **PETKIM** located in Aliğa Arapçiftliği district for 49 years to Socar&Turcas Rafineri A.Ş. which is %100 affiliated company of Socar&Turcas Enerji A.Ş. which is 51 % indirect main shareholders of **PETKIM** and a lease agreement is signed between on 23.12.2010. Appraisals were made to two different firms – Artı Gayrimenkul Değerleme ve Danışmanlık A.Ş. and Elit Gayrimenkul Değerleme A.Ş.- to determine fair and moderate lease value which are both on CMB list.

Autoproducer licensing demand to 25 MW Wind Power Plant (WPP) project plan in İzmir, Aliğa is found acceptable from Energy Market Regulatory Board (EMRA) with 15.12.2010 dated and 2922-16 numbered decision and the EMRA 01.02.2011 dated, EO/3061-4/1810 numbered license was received by the company.

General Assembly was held on 31.03.2011 at company head office to discuss 2010 year activities including our specialists and it's observed that **PETKIM** has complied with Corporate Governance Principles` general assembly applications listed in part 1 and 3 of the principles at high level.

Both increasing capital from 204.750.000 TL to 1.000.000.000 by means of 388 % stock split and EMRA's oblige a revision in Articles for the licenses to be taken and to comply with the corporate governance principles, the company is in need of revising articles of association. At the general meeting held on 31.03.2011 amendments on 3rd, 6th, 8th, 11th, 12th, 15th, 30th and 37th articles and adding a 42nd article coming after 41st in the articles of association is approved. Changes will be discussed in the related sections.

The Company, because of increasing capital from 204.750.000 TL to 1.000.000.000 by means of 388 % stock split, all the issued share capital to be met from Capital Adjustment Positive Differences, nominal value of 795.250.000 TL dematerialized shares going to be issued is recorded by the Capital Market Board with 29.06.2010 dated and 54/541 numbered notation. Bonus share purchase rights started to be used on 02.07.2010 and no time limitation has been set. At our reports date, all the bonus shares were utilized and have been agreed with CRA.

According to the profit distribution statement as of 2010 prepared in accordance with CMB's 27.01.2010 dated, 02/51 numbered decision, after deducting previous years losses from the 01.01.2010-31.12.2010 period net profit, no distributable period profit has been left in accordance with both statutory and CMB legislation. For this, it's been decided not to distribute profit for 2010 fiscal period and this decision was presented to shareholders at the general meeting held on 31.03.2011

Collective Bargaining Agreement for the period of 01.01.2011-31.12.2012 has been started at 08.02.2011 between the Company and Oil Business Association which blue-collar workers affiliate, after the consensus the wages will be raised 5.5% for the first 6 months and 5.5 % for the second 6 months. Following the first year, the wages will be increased in every 6 months according to inflation rate. The subject is disclosed via PDP on 25.08.2011

PETKIM, being very sensitive about relations with joint venture partnerships has made an appraisal for the transactions between the company and Socar Trading S.A whether or not the conditions set between are fair and reasonable within the scope of CMB Series IV No: 41 notification. According to the appraisal report dated 29.03.2011 by Güreli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş. by making comparison with raw material costs purchased from Socar Trading S.A. and other non related suppliers for 2010, its been found out that the transactions with Socar Trading S.A. are fair and reasonable and the operations are carried out within existing applications. The appraisal report has been presented to shareholders at the general assembly held on 31.03.2011. Also, as expected transactions planned for 2011 between **PETKIM** and Socar Trading S.A. and Petrokim International Trading Ltd will exceed 10 % or above the total assets or gross sales announced to the public, it's learned that an appraisal will be procured to the same company whether or not the terms of the transactions with both companies are fair and reasonable. (This agreement has been amended as fallows from 20.07.2011)

Series IV No: 41 "Corporations subject to Capital Market Law Communiqué on the principles to be observed" has been replaced by Series: IV No: 52 communiqué and published in official gazette date 20.07.2011 No: 28000. With the changed communiqué, valuation liability for wide and long term transactions of ISE traded companies with their associated parties have been removed and %10 threshold to have an expert body report is decreased to 5% for one-time transactions with related parties. However, if the amount of wide and long term transfer of assets, service and liabilities in an accounting period exceeds %10 or above the total assets or gross sales at the related financial statements disclosed to the public according to CMB regulations between ISE traded companies and their affiliated companies, company's Board of Directors has to prepare a report to make a comparison between market conditions and terms of transactions. Such report has to be included to the annual report and must be open to shareholders' inspection 15 days before the general meeting and must be informed in the general meeting. (With such arrangement informing investors effectively about the transactions between ISE traded companies and their affiliated bodies is aimed)

The company being very sensitive in transparency discloses their future targets within the framework of information policies. Because of this policy **PETKIM** has announced their

2011-2014 period investment projections with a material description on 01.03.2011 no:5 to the public.

Enterprise Resource Planning (ERP) and Manufacturing Implementation System (MIS) transformation projects have been implemented, the first phase of ERP has been completed in 2010. Second phase studies is planned to be completed in 2011.

In respect of capital structure of Socar & Turcas Enerji A.Ş. (STEAS) which is 51 % indirect main shareholder of **PETKIM**, a transfer of share agreement has been signed on 04.07.2011 between STATE OIL COMPANY OF THE AZERBAIJAN REPUBLIC (SOCAR) and Aksoy Holding A.Ş., and Aksoy Holding A.Ş. has transferred nearly all of its shares to Socar which has received necessary authorization from EMRA. We are informed that share of transfers will be done as its stated and the relevant disclosure was done on 05.08.2011 via PDP. It's announced that share transfer will not make any changes in controlling of Socar & Turcas Enerji A.Ş., the final shareholders' structure and ultimate controlling shareholders are stated in the 6th and 7th pages of our report.

In the general assembly held on 31.03.2011, it's decided that the existing Board Members will remain in force for 2 more years and supervisory board members will remain in force for 1 more year.

At the first Board meeting right after the ordinary general assembly, the distributions of tasks among members were made and committees were set. Task distributions of the Board members are given at 7th page of our report. The committees are set as follows;

Corporate Governance Committee

Name	Title	Admin.Function
Erdal AKSOY	Vice Chairman of BoD	Chairman of CG Committee
Farrukh GASSIMOV	Member of BoD	Member of CG Committee

Audit Committee

Name	Title	Admin.Function
Vagif ALIYEV	Chairman of BoD	Chairman of Audit Committee
Saffet Batu AKSOY	Member of BoD	Member of Audit Committee

Risk Management Committee

Name	Title	Admin.Function
David MAMMADOV	Member of BoD	Chairman of RM Committee
Saffet Batu AKSOY	Member of BoD	Member of RM Committee
Cemal Şafak AYIŞIĞI	Dep.Gen.Manager (Financial)	Member of RM Committee

Besides existing committees formed within Board of Directors, 19 committees are formed many of which have board members, related top and middle level managers and experts. Currently, the committees in force are; Leadership development, Human Resources, Collaborations, Technology Management, Sustainability, Occupational Health and Safety, Environment Management, Energy Management, Resource Planning and Evaluation, Corporate Communication, Information Management, Management Systems, New product, Customer Relations, PETEK, Routing, Production (FÜSAK), Investment and Top Management. After the changing of Turkish Commercial Law, a new committee was recently created to inform managers and employees. Job descriptions and working principles of all these committees are created and given effect.

With the organizational change to be effective from 22.04.2011, Natig DAMIROV is appointed as the deputy General Manager (Logistics) after Ali ÖZTÜRK. Bülent Naci SUNAY resigned from Deputy General Manager (Sales and Marketing) and nobody has been appointed for the position yet.



3. RATING NOTES AND REASONS ON MAIN HEADINGS BASIS

PETKIM Petrokimya Holding A.S. reached **84.00** points from shareholders' section.

As it's in the previous year, it's determined that, Shareholders' Relations Department fulfills its tasks effectively, announcement and preparations for the general assembly are held right and on time, public announcements of the general assembly results are made and there were no obstacles for use of proxy voting. Minority shareholders' concept is redefined in the article according to CMB criteria and arrangements were made to enlarge such rights.

General assembly was held on 31.03.2011 with calls 3 weeks in advance. Our specialists also attended to the general assembly which was held in accordance with the legislation, it's observed that questions asked by shareholders are answered by the board of directors and auditors. Invitation to the general assembly, information document on the agenda, meeting minutes, list of attendants, voting method and an example of power of attorney are issued in the website. Some articles of the Articles of association was amended on the last general assembly, old and new versions of the Article was attached to the invitation and also found in the information document and published on the official website for shareholders' verification.

A detailed dividend policy is prepared and disclosed to the public, at the general assembly held on 31.03.2011 necessary arrangements for interim dividends were made in the Article.

The most important applications for note increase of this section are;

- With an arrangement made in the articles of association, article 3/P, in fields of activity " Help and make

donation to charitable foundations, associations, educational institutions and other persons, institutions and organizations within the principles set by CMB" is added.

- In article 30, invitation to general assembly is revised according to the legislation and an arrangement was made to enlarge minority shareholders rights by calling an extraordinary general assembly and/or by adding an item to agenda.

- Also, an obligation to board member and audit committee candidates including people concerned with the agenda issues to participate to the general assembly is added.

- In the same article, arrangements were made to open general assembly to media and parties concerned without the right to question.

- With an amendment to article 37, advance dividend can be distributed.

- With an amendment in the article, minority shares are redefined according to CMB criteria.

- By adding 42nd article, as "The Company and its organs shall endeavor to follow scrupulously CMB's Corporate Governance Principles. However, if the full enforcement of these principles cannot be done, the reason and results of the situation will be given including comments in the annual report". With this amendment shareholders' rights and their usage are broadly defined.

The company reached **93.62** from Public Disclosure and Transparency section.

PETKIM Petrokimya Holding A.S. realizes its public disclosure work under the information policies framework which is accepted by the general assembly and disclosed to the public. The Company's website serves as an effective platform for public disclosure and updated news. Periodic financial statements are prepared in accordance with IFRS and subject to independent audit regularly. Annual reports are prepared including

details of the principles and disclosed to the public. Similarly, ethical principles and rules, people and organizations subject to insider trading are publicly announced both in website and in annual reports.

The most important applications for note increase of this section are;

- The Company`s official website is completely renovated, functionality improved and all the information needed for shareholders, stakeholders and potential investors are disclosed.
- Material disclosures are published in the English version of the website.
- Similarly, annual report is revised, its scope extended, Board of Directors` and top managements` signed declaration that the periodic financial statements of the company reflects completely the financial situation and the company is fully conformed with the regulations. The renovated 2010 annual report including activities has got 97 points out of 100 from League of American Communications Professionals (LACP) which has more than 5000 company application. Also the annual report has become one of top 10 annual reports in Turkey which also supports our view.
- Corporate governance statement of compliance is issued under a separate heading in the company website and principles that are not complied are explained in detail in the corporate governance compliance report.
- By adding 42nd article, as "The company and its organs shall endeavor to fallow scrupulously CMB`s Corporate Governance Principles. However, if the full enforcement of these principles cannot be done, the reason and results of the situation will be given including comments in the annual report". With this amendment the determination to comply with the principles has been
- For all the related party transactions that exceed the specified limits, appraisals have been made by independent appraisal companies and disclosed to the public.

The company reached **95.12** from Stakeholders section. **PETKIM** Petrokimya Holding A.S has been revising its regulations and procedures frequently according need of the day besides their built-in institutional traditions with its human resources, suppliers and buyers. Under the leadership of top management, committees have been formed from middle and senior managers including experts for the employees to participate management by the developed recommendation systems. Ethical rules have been developed and Board of Directors meticulously follows all the staff to comply with the principles. In the last year, company attracted attention especially on corporate social responsibility projects and efforts on public health.

The most important applications for note increase of this section are;

- In 2010, **PETKIM** participated to Carbon Disclosure Project (CDP) which described carbon emission and climate change related policies and 10 of ISE traded company gave affirmative answers. By working with local and foreign partners greenhouse gas emissions have been identified and mitigation strategies have been planned.
- **PETKIM** has declared the year of 2011 as "Smoke Free Year" and committed to meet one third of treatment cost of employees who want to quit smoking.
- With the "Open Door Days Program" launched in Nov 2010 and will continue during 2011, the facilities have been opened to local people. Visitors have been informed about factory grounds by the experts. This project is planned to increase the awareness of people about **PETKIM**.
- As of our evaluation period, it`s understood that **PETKIM** tried to fulfil its responsibilities towards public and employees more sensitively. Social Security Institution (SSI) has awarded the company with the 1st prize because of protecting employee rights by paying

premiums regularly in 2010, which also strengthens our determination.

The company reached **68.63** from Board of Directors section.

The company`s mission, vision and corporate strategies are determined by the Board of Directors and disclosed to the public, To fulfil the duties and responsibilities, Corporate Governance Committee, Audit Committee and Risk Management Committee are formed within the Board of Directors. There exists a regulation governing the Board of Directors` working principles in detail, in this regulation the responsibility of the board members in their tasks, prohibition of transaction and competition with the company, adequate time allocation for the company works are written. As for now, Board of Directors consists of 7 members and all of them are non executives.

The most important applications for note increase of this section are;

- Internal audit department is expanded as Risk Management and Internal Control Directorate to predict the risks beforehand and propose the necessary measures the company may face.
- Internal audit regulation, internal audit procedures and annual audit plans are prepared.
- Risk Management and Internal Control Directorate began reporting to general manager and related vice president and the Board of Directors.
- With the amendment in the 12th article, qualifications of persons to be appointed as board members are redefined in accordance with corporate governance principles.
- With an addition to the same article, as a rule, board members cannot do business and compete with the company, otherwise can only be possible if $\frac{3}{4}$ of shareholders representing at least 50 % of the capital in general assembly give a positive decision.

- In the same article, "The board members cannot be found in the negotiations relating themselves or non member co and 3rd degree relatives by blood and affinity. If such a business will be discussed, the concern has to be written in minutes." expression is added.

- With the amendment in the 15th article, the Board of Directors should take decisions to establish committees after the general assembly held each year.

4. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system which audits whether or not the management structures of the firms, the arrangements for shareholders and stakeholders and the process of informing in transparency and accuracy are performed in accordance with the modern corporate governance principles and which assigns a grade corresponding to the existing situation.

In 1999 the Economic Cooperation and Development Organisation (OECD) approved and published the Corporate Governance Principles at the Meeting of Ministers. Since then, these principles have been regarded as international references for the decision-makers, investors, shareholders and companies throughout the world. In 2002, these principles were revised and updated to reflect the requirements of the present day.

In Turkey, the Capital Market Board (CMB) is carrying out the Corporate Governance studies. The CMB established the Corporate Governance Principles first in 2003, later in 2005, it revised and published the principles. The principles are grouped under four main headings namely: the Shareholders, Public Disclosure and Transparency, Stakeholders and the Board of Directors.

Besides the CMB, by the Directive on Bank's Corporate Governance Principles, promulgated in Official Gazette of 01.11.2006, No: 26333, the Banking Regulation and Supervision Agency (BRSA) introduced the rules required to be complied by Banks.

Kobirate A.Ş. achieves the Corporate Governance Compliance Rating by a system identically based on the Corporate Governance Principles of the CMB (CGPCMB). Through this system, the firms are analyzed under four main headings: Shareholders, Public

Disclosure and Transparency, Stakeholders and the Board of Directors in accordance with CGPCMB.

In this analysis the full compliance of work flow and analysis technique with Kobirate A.Ş.'s Ethical Rules is considered.

In this analysis, **388** different criteria are considered to measure the compliance of firms whose shares are traded on ISE with the Corporate Governance Principles. Such criteria are translated into the Kobirate A.Ş. unique Corporate Governance Rating Questionnaire and firms' or banks' responses are received electronically. The responses are analyzed and re-examined by the rating experts and analysts and reported with results which is submitted to Kobirate Corporate Governance Rating Committee for final decision.

The grade to be assigned by the Corporate Governance Rating Committee to the firm ranges between 0-10. In this scale of grade "10" points mean excellent, full compliance with CMB's Corporate Governance Principles while grade "0" means that there is an unsatisfactory compliance with CMB's Corporate Governance Principles in the existing structure.

On this context, in order to reach the total grade, the following rates as adopted from Corporate Governance Principles of CMB are applied:

- Shareholders %25
- Public Disclosure and Transparency %35
- Stakeholders %15
- Board of Directors %25

**5. KOBİRATE ULUSLARARASI KREDİ DERECELENDİRME VE
KURUMSAL YÖNETİM HİZMETLERİ A. Ş. CORPORATE GOVERNANCE
COMPLIANCE RATING GRADES AND DESCRIPTIONS**

GRADE	DEFINITIONS
<p align="center">9-10</p>	<p>The Company achieved a substantial compliance with to the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the Company might be exposed are recognised and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency are high. Interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the ISE corporate governance index.</p>
<p align="center">7-8,9</p>	<p>The Company complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place, and operational, although some improvements are required. Potential risks, which the Company may be exposed are identified and can be managed. Benefits of the shareholders are fairly taken care of. Public Disclosure and transparency are at high levels. Interests of the stakeholders are equitably considered. Composition and operational conditions of the Board comply with the Corporate Governance Principles. Some improvements are needed in compliance with the Corporate Governance Principles even though they do not constitute serious risks. The company is obviously eligible for inclusion in the ISE Corporate Governance Index.</p>
<p align="center">6-6,9</p>	<p>The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at moderate level have been established, and operate, however, improvement is required. Potential risks that the Company may be exposed are identified and can be managed. The interest of the shareholders are taken care of although improvement is needed. Although public disclosure and transparency are taken care of, there is need for improvement. Benefits of the stakeholders are taken care of but improvement is needed. Some improvement is required in the structure and working conditions of the Board. Under these conditions, the Company is not eligible for inclusion in the ISE Corporate Governance Index.</p>

GRADE	DEFINITIONS
4-5,9	<p>The Company has minimum compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level, but are not true and efficient. Potential risks that the company is exposed to are not properly identified and are not under control. Substantial improvements are required to comply with the Corporate Governance Principles in terms of the benefits of both the shareholders and the stakeholders, public disclosure, transparency, the structure and working conditions of the Board. Under the current conditions, the Company is not eligible to be listed in the ISE Corporate Governance Index.</p>
< 4	<p>The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also failed to establish its internal control systems. Potential risks that the company might be exposed are not identified and cannot be managed. The company is not responsive to the Corporate Governance Principles at all levels. There are major weaknesses in the interest of the shareholders and the stakeholders, public disclosure, transparency, Structure and working conditions of the Board appears to be at a level that might cause the investor to incur material losses.</p>

